

## Key Health Care & Coverage Issues in the 2021-2022 California State Budget

As California seeks to recover from the COVID-19 pandemic, the need to make health coverage more available and affordable has never been more urgent. In the next several weeks, key decisions in the California state budget will determine the affordability of health coverage for all Californians, including whether hundreds of thousands have new options and assistance in getting the care and coverage they need. California has the opportunity to take big and bold steps to a more accessible, affordable, and equitable health system.

In anticipation of state budget negotiations, health care consumer and community advocates are seeking the following items in the Governor's May Revision, and support many of these which have already been including in Assembly and Senate budget proposals:

**Create an Office of Health Care Affordability.** In order to address costs across the entire health care system, an Office of Health Care Affordability should be established to collect and analyze information and identify trends in health care prices.

- The Office will set enforceable cost targets for health care affordability while also aiming to improve quality and equity.
- The Office will provide data and tools to meet these goals, and ensure accountability if they don't, including the ability to levy financial consequences.
- *The proposal is in the Governor's January 2021 budget, and is also pending as AB 1130 (Wood).*

**Repurpose Affordability Assistance in Covered California to Further Reduce Premiums.** State leaders took a bold, first-in-the-nation step to pilot additional affordability assistance in Covered California two years ago, and provided proof-of-concept for the premium reductions now being offered nationally in the American Rescue Plan.

- While the new federal help provides real relief to virtually all 1.5 million in Covered California and potentially hundreds of thousands more, California's high-cost of living requires additional investments for greater health care coverage affordability.
- California can take another leading step in further reducing premiums, particularly for low-income Californians, by redirecting the state subsidies now supplanted by the federal aid.
- By extending and repurposing these state investments going forward, more Californians can be attracted into coverage, ensuring they can get the care they need without financial barriers.
- Additionally, a small portion of these funds could subsidize state-only coverage by one dollar, allowing tens of thousands of low-income Californians to get true zero-premium plans, facilitating easier enrollment.
- *This concept is included in the CA Senate Democrat's [Build Back Bolder outline](#) and the CA Assembly's [Budget of Opportunity proposals](#).*

May 11, 2021

# FACT SHEET: 2021-22 CA State Budget Health Care Priorities

## **Expand Medi-Cal Regardless of Immigration Status, to the Goal of #Health4All, Starting with Seniors.**

- Medi-Cal should cover all income-eligible adults regardless of their immigration status, starting with seniors, the most vulnerable population currently excluded from public coverage programs, who have been particularly at risk during the COVID-19 pandemic, and are most likely to have exacerbated conditions if they survived the virus. Tens of thousands of seniors would benefit, as would our health system on which we all rely.
- California should take steps and make commitments to continue to remove this exclusion for more of our immigrant communities, which contributes to California's society, economy, and tax base.
- *Co-Sponsored by California Immigrant Policy Center and Health Access California, this proposal was in the Governor's January 2020 budget but withdrawn. Similar proposals are included in SB 56 (Durazo) & AB 4 (Arambula), and the Senate and Assembly budget outlines.*

**Eliminate Assets Limit for Seniors in Medi-Cal.** No one should lose access to Medi-Cal for having small amounts of savings. This proposal would expand access to Medi-Cal for seniors and people with disabilities, and allow them savings to deal with housing and other life needs and emergencies. *Proposed in the Senate's Build Back Bolder outline, the Assembly's Budget of Opportunity proposals, and in AB 470 (Carrillo), co-sponsored by Western Center on Law & Poverty and Justice in Aging.*

## **Ensure Medi-Cal Continuous Coverage for Young Children & 12 Month Post-Pregnancy Coverage.**

California should provide 12 months of Medi-Cal coverage after the end of a pregnancy regardless of mental health conditions and maintain eligibility & continuous coverage for children from birth to age 5 without requiring renewals. *Budget effort sponsored by The Children's Partnership and Maternal and Child Health Access, also included in SB 65 (Skinner), the "omnibus" of proposals to reduce maternal mortality disparities.*

## **Advance Health Equity with other key proposals,** including to:

- **Require a Field Test for Translated Medi-Cal Documents.** This budget request would require documents be written in simple, culturally appropriate language, and be subject to field testing by native speakers for accuracy, cultural appropriateness, and readability. *Budget effort Sponsored by California Pan-Ethnic Health Network and Western Center on Law & Poverty.*
- **Create a California Health Equity Fund** to provide support to community-based initiatives working to address the devastating health and social inequities exacerbated by COVID-19. *Also pending as AB 1038 (Gipson) and as a \$180 million one-time budget ask.*

**Increase Health Care Accountability and Equity through State Administrative Reforms:** The Governor has proposed a handful of other changes in the oversight of the health care system, including:

- Elevating and reformulating the **Office of Statewide Health Planning and Development** to be a new **Department of Health Care Access and Information**, to have a broader role in data collection and monitoring of health spending and workforce.
- Giving the **Department of Managed Health Care** more oversight of health care quality and equity.
- Continuing **Medi-Cal** reforms, through **Cal-AIM** which includes federal waivers and expansion of enhanced and key "in lieu of" services, and through **reprocurement** requiring higher standards for Medicaid managed care plans that contract with the program for tens of billions of dollars.
- *These were in Governor's January 2021 budget, and expected to be further detailed in the May Revise.*