

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

(UPDATED June 9, 2021)

As California recovers from the COVID-19 pandemic, the need to make health coverage more available and affordable has never been more urgent. In the next weeks, key decisions in the 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 this year.

Health care consumer and community advocates are seeking the following in the final budget, building on the Governor's May Revision, and the Assembly and Senate joint budget proposal announced 6/1:

### **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, with primary and preventive care that makes our health system more effective and efficient for all.
- The Governor's budget would start, by May 2022, with seniors ages 60 and up, a population of about 80,000, which are among the most vulnerable group currently excluded from public coverage programs, particularly at risk during the COVID-19 pandemic, and are most likely to have exacerbated conditions if they survived the virus.
- **Both the Assembly and the Senate support an expansion of Medi-Cal to include all ages 50 and up**, taking even bigger and quicker steps to remove this exclusion of our immigrant communities, who contribute to California's society, economy, and tax base. The impacts of COVID-19 led California to prioritize the 50+ population for vaccination.
- *#Health4All campaign Co-Sponsored by California Immigrant Policy Center and Health Access California, with similar proposals included in SB 56 (Durazo) & AB 4 (Arambula).*

**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 in the health care system.
- 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 budget, the CA legislative joint budget, and pending as AB 1130 (Wood).*

**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 needs and emergencies. *Proposal included in the joint legislative budget, and in AB 470 (Carrillo), co-sponsored by Western Center on Law & Poverty and Justice in Aging.*

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

**Repurpose Affordability Assistance in Covered California to Further Reduce Premiums.** As the American Rescue Plan 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 coverage affordability. Just as California previously piloted the now-federal premium assistance, our state can and should again take a leadership role by further reducing cost-sharing, particularly for lower-income Californians, by redirecting state subsidies now supplanted by federal aid.

- Unfortunately, the Governor and Legislative budget proposals take back over \$700 million previously allocated for affordability assistance. This leaves only around \$335 million (all raised by the individual mandate) to go into a Covered California affordability reserve for a potential future program in 2023.
- We agree with the Legislative proposal to **direct Covered California to develop options for further reduced cost-sharing** and implement a repurposed program in 2023. This will encourage more Californians to get covered without financial barriers such as deductibles as high as \$4000-7000.
- Both budgets allow for a portion of funds to subsidize state-only coverage by one dollar, allowing tens of thousands of low-income Californians to get true zero-premium plans, facilitating easier enrollment.

### **Improved Medi-Cal Coverage for Pregnancy, Post-Partum, and Young Children to Reduce Disparities**

- To ensure healthier pregnancies and post-partum, the Governor and Legislature propose to provide **12 months of Medi-Cal coverage after the end of a pregnancy** regardless of mental health conditions. Both budgets also include **Medi-Cal doula coverage**. The legislative joint proposal **increases the CalWORKS pregnancy supplement** to help pay for expenses while pregnant.
- Also included in SB 65 (Skinner), the "omnibus" of proposals to reduce maternal mortality disparities.
- The legislative budget also includes **continuous Medi-Cal coverage for children age 0-5**.

### **Advance Health Equity with other key proposals**, all of which are included in the legislative joint budget:

- **Require Field Testing for Translated Medi-Cal Documents**, to be written in simple, culturally appropriate language, with field testing by native speakers for accuracy, cultural appropriateness, and readability. Sponsored by California Pan-Ethnic Health Network and Western Center on Law & Poverty.
- **Create a Health Equity and Racial Justice Fund** to provide support to community-based initiatives working to address the devastating health and social inequities exacerbating communities of color. A \$100 million proposed annual investment to fund competitive grant programs on health equity and social determinants as described in AB 1038 (Gipson), racial justice interventions, and other prevention efforts.
- **Support the Transgender Wellness and Equity Fund**. \$15 million would provide initial funding.
- **Invest in public health infrastructure**, to remedy issues revealed by the pandemic, and be ready for the next public health crises. A \$200 million proposal by the "California Can't Wait" coalition.

**Increase Health Care Accountability and Equity through Administrative Reforms:** The Governor and Legislature have also 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 **procurement** requiring higher standards for Medicaid managed care plans that contract with the program for tens of billions of dollars.