

## Health Care & Coverage Investments and Improvements in the 2021-2022 California State Budget

(UPDATED July 2, 2021)

As California recovers from the COVID-19 pandemic, the 2021-22 state budget provides new investments and improvements to help all Californians access and afford health coverage. Hundreds of thousands will have new coverage options and benefits under Medi-Cal, and steps taken this year set the stage for more affordability and accountability for all Californians, whether in public or private plans. The budget includes the following big steps to a more accessible, affordable, and equitable health system:

### **End the Exclusion in Medi-Cal for Income-Eligible Undocumented Californians Age 50 and Over**

- The new state budget would, starting May 1, 2022, expand Medi-Cal to all income-eligible Californians ages 50 and over, regardless of immigration status, a population of about 235,000. These Californians 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. This is a big step towards health equity and universality for our immigrant communities, who contribute to California's society, economy, and tax base. As the pandemic proved, providing primary and preventive care makes our health system more effective and efficient for all.
- *Governor proposed 60+. Legislature proposed 50+. Sponsored by the #Health4All campaign co-chaired by California Immigrant Policy Center and Health Access California, with similar proposals included in SB 56 (Durazo) & AB 4 (Arambula).*

**Phase Out the Assets Limit for Seniors in Medi-Cal.** The state budget would further expand access to Medi-Cal for seniors and people with disabilities, and allow them to have savings to pay for housing and other needs and emergencies. This phase out will ensure no one loses access to Medi-Cal for having small amounts of savings. *Proposal was in the joint legislative budget, and in AB 470 (Carrillo), co-sponsored by Western Center on Law & Poverty and Justice in Aging.*

### **Other Efforts to Improve Medi-Cal to Advance Quality and Equity**

- Improve **Medi-Cal** with **Cal-AIM** reforms which include 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.
- Better ensure healthier pregnancies and post-partum care, by providing **12 months of Medi-Cal coverage after the end of a pregnancy** regardless of mental health conditions. The budget also includes **Medi-Cal doula coverage** and **increases the CalWORKS pregnancy supplement** to help pay for expenses while pregnant. *Some of these investments were proposed in SB 65 (Skinner), the “omnibus” of proposals to reduce maternal mortality disparities.*
- 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.*

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

**Framework to Repurpose Affordability Assistance in Covered California to Further Reduce Costs.** 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. The budget lays the groundwork for Covered California to once again take a leadership role by further reducing cost-sharing, particularly for lower-income Californians.

- While the budget takes back over \$700 million previously allocated for affordability assistance, it leaves around \$335 million (raised by the individual mandate) into a new **Covered California affordability reserve** for a potential future program in 2023.
- The budget **directs Covered California to develop options for further reduced cost-sharing.** This lays the groundwork for a repurposed program in 2023, to help remove financial barriers such as deductibles as high as \$7,000 and copays up to \$65 for regular doctor visits.
- **Zero premiums:** The state budget subsidizes state-only coverage by one dollar, allowing hundreds of thousands of low-income Californians to get true zero-premium plans, facilitating easier enrollment.

**[STILL PENDING] Create an Office of Health Care Affordability.** In order to address costs across the entire health care system, a new Office of Health Care Affordability should be established and funded through the budget 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 was in the Governor's budget, the CA legislative joint budget, and pending as AB 1130 (Wood). Final TBL is still pending.*

**Increase Health Care Accountability and Equity through Administrative Reforms:** The budget deal also includes 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.

**Alongside these improvements, the budget puts off or reduces needed investments in public health infrastructure, health equity, and racial justice:**

- The budget delays for one year a \$300 million investment in public health, which could include funding for infrastructure and workforce, while also funding community based organizations for targeted health equity and racial justice innovation projects. As part of the legislature's budget package, comprehensive public health investments were included:
  - **A Health Equity and Racial Justice fund** would provide support to community-based initiatives focused on health equity and racial justice innovations in order to address the devastating health and social inequities exacerbated in communities of color. *Sponsored by California Pan-Ethnic Health Network.*
  - The "California Can't Wait" coalition proposed a \$200 million investment in public health infrastructure to remedy issues revealed by the pandemic, and plan for future public health crises.
- **Transgender Wellness and Equity Fund.** \$13 million would provide initial funding.