



CALIFORNIA  
STATE  
ASSOCIATION OF  
COUNTIES

March 17, 2009

The Honorable Elaine Alquist  
Chair, Senate Health Committee  
State Capitol, Room 5080  
Sacramento, California 95814

**Re: SBX3 24 (Alquist) – Medi-Cal: Continuous Eligibility:  
Semi Annual Status Reports  
As Amended March 16, 2009 – Support**



URBAN  
COUNTIES  
CAUCUS

URBAN COUNTIES  
CAUCUS

Dear Senator Alquist:

The California State Association of Counties, the Urban Counties Caucus, the Regional Council of Rural Counties, and the County Welfare Directors Association support your Senate Bill 24 in the Third Extraordinary session regarding Medi-Cal eligibility for children. SBX3 24 would suspend certain changes to Medi-Cal eligibility requirements included in the 2008-09 State Budget. This is necessary to ensure that California qualifies for federal funds pursuant to the American Recovery and Reinvestment Act.



REGIONAL  
COUNCIL OF  
RURAL COUNTIES

On February 25, the Obama Administration began releasing the first two quarters of Federal Medical Assistance Percentage (FMAP) funding to states that qualify for an increase. FMAP is the federal match for Medicaid payments, and it indicates how much California is reimbursed for Medi-Cal program expenses. California's share for the first two quarters of FMAP increases (retroactive to October 2008) is nearly \$2 billion.



CWDA

COUNTY WELFARE  
DIRECTORS  
ASSOCIATION

The Legislative Analyst's Office estimates that the state will receive total Medi-Cal fund relief from 2008-09 through 2010-11 of \$10.077 billion, with local governments drawing down \$916 million and public hospitals \$833 million during that time.

The American Recovery and Reinvestment Act requires states to maintain their Medicaid eligibility criteria at the July 1, 2008 level. As part of the 2008-09 budget package, California changed its redetermination process for children in the Medi-Cal program from annual to semi-annual. California is not currently eligible for the additional FMAP funding.

These FMAP funds are critically needed to offset California's budget deficit and ease the cash-flow crisis. These funds also count towards the \$10 billion needed to avoid the "triggered" cuts in health and human services programs that were included in the recently-enacted 2009-10 budget package.

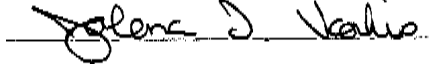
FMAP funds are critical to counties for the operation of desperately needed health and human service programs - particularly in light of the unprecedented demand for services that counties are experiencing with rising unemployment and our nation's economic downturn.

For these reasons we are in strong support of SBX3 24. We thank you for your authorship of this important measure and offer our assistance. Please do not hesitate to contact us with questions or comments.

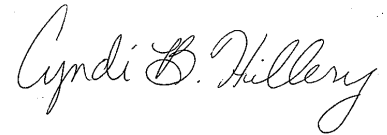
Sincerely,



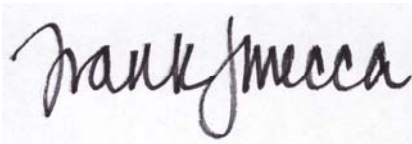
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cc: Members, California State Senate  
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