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March 11, 2016

The Honorable Fred Upton  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Upton and Ranking Member Pallone:

The California State Association of Counties (CSAC) opposes a number of the provisions contained in the Common Sense Savings Act of 2016 (HR 4725). Provisions in the bill restrict the ability of counties to finance and provide services to individuals eligible for Medicaid, known as Medi-Cal in our state. As our state's health safety net, any further federal Medicaid restrictions will shift costs to the county taxpayer. And, our county health departments protect the public's health through a variety of means and depend upon a number of federal programs, including the Prevention and Public Health Fund to support those efforts. Our specific comments follow.

**Medicaid Payments to Prisoners:** The legislation would "eliminate enhanced Medicaid payments for prisoners." California's counties are responsible for the health care of over 80,000 jail inmates daily. The majority of those inmates await adjudication and are "innocent until proven guilty." California's counties are already paying for their health care despite that fact. Given that the bill does not distinguish between prison and jail inmates, the measure will likely shift even more costs to counties.

**Restrictions on Medicaid Financing:** Despite past federal provisions to restrict the state and county financing of the non-federal share of Medicaid, HR 4725 places additional restrictions on our ability to contribute to the non-federal share. While the state has successfully transitioned the nearly 900,000 children previously served by the Children's Health Insurance Program (CHIP/Healthy Families) into Covered California, the provisions to reduce the federal match rate for CHIP places more financial pressure on the state and counties when financing that care.

Additionally, the bill will limit further a state's ability to levy taxes on health care providers to finance Medicaid programs. Our county health plans have just completed negotiations with the state legislature and the Brown administration to craft a new Managed Care Organization tax which meets new federal standards. Any further restrictions may place additional future barriers on our ability to finance the program.

**Elimination of the Prevention and Public Health Fund (PPHF):** The bill would eliminate the Prevention and Public Health Fund. A protectors of the public's health, our county health departments provide core public health services, including immunizations, infectious disease surveillance and protection of our food and water supplies. The PPHF is an important funding source for these critical activities and should be maintained.

CSAC opposes the bill's provisions outlined above. As safety net providers and as an intergovernmental partner, we share your view that taxpayer dollars should be well-spent and services be delivered effectively and efficiently. We stand ready to work with you to further strengthen the programs above.

Thank you for considering our views. Should you have any questions or if you need any additional information, please contact Tom Joseph, CSAC Federal Representative, Waterman & Associates at (202) 898-1446 or [tj@wafed.com](mailto:tj@wafed.com).

Sincerely,

A handwritten signature in blue ink that reads "Matthew Z. Cate". The signature is written in a cursive style with a large initial 'M' and a distinct 'Z'.

Matt Cate  
CSAC Executive Director