



March 1, 2019

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Ms. Keely Bosler, Director
California Department of Finance
State Capitol Office, Room 1145
Sacramento, CA 95814

**RE: Proposal to Reduce Funding for Small County Health Services –
CONCERNS**

Dear Ms. Bosler,

The California State Association of Counties (CSAC), comprised of the elected Boards of Supervisors in all 58 California counties, is writing today to express significant concerns with the Governor's January Budget proposal to eliminate 1991 Realignment health funding for the state's smallest counties.

This issue is embodied in the Governor's In-Home Supportive Services (IHSS) trailer bill language, but is unrelated to the Governor's welcome commitment to ensure the long-term viability of the IHSS program for consumers and workers. Rather, this proposal would alter the amount of 1991 Realignment growth funding received by counties in several ways.

First, it would simplify the annual 1991 Realignment general growth calculation for each county and instead set the percentage of realignment growth allocated to the health and mental health subaccounts. Counties support this proposed simplification, which would fix the annual general growth percentages for health at 18.4545 percent and mental health at 37.4333 percent.

However, the second point of the proposal is alarming, as it seeks to eliminate the statutory annual growth allocations for the County Medical Services Program (CMSP) Board until the Board's operating reserves fall below just three months of operating costs.

This abrupt elimination of growth funding for the CMSP program would take effect in 2019-20, and the draft trailer bill language is silent on the mechanics of measuring CMSP's operating costs and the timing of any resumption of growth funding for this important local program. Further, proposing to defund a successful governmental entity that provides health care in 35 counties until it reaches a mere three months of operating reserves is unprecedented.

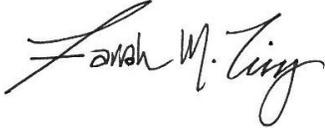
Each of CMSP's 35 member counties depend on the program to meet their obligation to provide indigent health care in their communities. Further, CMSP recently rolled out the Path to Health program, which provides primary, preventive and prescription drug services to undocumented adults ages 21-64 in 13 CMSP counties. Up to 25,000 members in rural areas will be served through this new program.

The elimination of health realignment growth funding, coupled with the Governor's separate plan to sweep an additional 15 percent of health realignment base funding as part of a proposed expansion of Medi-Cal to undocumented young adults, poses an immediate threat to the continued provision of health and public health services in a majority of our counties.

Clearly, these issues are complex, and counties wish to reiterate our grateful support for the Governor's proposed IHSS package embodied in the same draft trailer bill language. We also recognize the need and overall benefits of expanding Medi-Cal to undocumented young adults in our communities.

However, we must convey our grave concern with the proposed elimination of Realignment growth funding for CMSP counties. We remain committed to working with Governor Newsom and the Legislature to sort out these complex issues while ensuring access to medical care for all Californians. Should you have any questions about our concerns, please contact me at fmcting@counties.org or (916) 651-8110. Thank you.

Sincerely,



Farrah McDaid Ting
Legislative Representative

cc: The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
Honorable Members, Senate Budget Subcommittee #3
Honorable Members, Assembly Budget Subcommittee #1
Gail Gronert, Office of the Assembly Speaker
Jason Sisney, Office of the Assembly Speaker
Marjorie Swartz, Office of the Senate President pro Tempore
Scott Ogus, Policy Consultant, Senate Budget and Fiscal Review Committee
Andrea Margolis, Policy Consultant, Assembly Budget Committee
Jennifer Kent, Director, Department of Health Care Services
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom
Adam Dorsey, Principal Budget Manager for Health and Human Services, Department of Finance
Ginni Bella Navarre, Legislative Analyst's Office
Kirk Feely, Senate Republican Caucus
Joe Parra, Senate Republican Caucus
Cyndi Hillery, Assembly Republican Caucus