

# Protect the Health Care Safety Net

## **Federal Health Reform Implementation in California Should Expand State Medi-Cal Coverage While Protecting Funding for Vital Health Services Provided by Counties**

California must move quickly but responsibly to implement federal health reform on January 1, 2014. That requires thoughtful evaluation of how we're going to extend coverage to as many uninsured Californians as possible, how we're going to care for the remaining uninsured, and how we're going to invest in local health care programs and services that focus on prevention and that maintain the health care safety net.

Unfortunately, a state budget proposal to redirect up to \$1.5 billion in current county health funding to other state obligations, including child care, would significantly erode county health care programs and services. This approach jeopardizes the safety net and squanders opportunities to invest in improved health for Californians.

- **Federal health care reform brings a once-in-a-lifetime opportunity to provide health insurance for the currently uninsured, while *also* investing in local health care services that focus on prevention and strengthen the county health care safety net.**
- **State Medi-Cal expansion on January 1, 2014 must be a priority.**
  - California must act quickly to implement the state Medi-Cal expansion on January 1. The state should not miss the opportunity to receive 100 percent federal funding to expand health care services for this population.
- **Current budget proposals to prematurely shift funding away from county health care services and realign other state programs would jeopardize public health and health care for the uninsured.**
  - The current Administration proposals would redirect up to \$1.5 billion in county health realignment funds to new county responsibilities for state human services programs, including child care.
  - \$1.5 billion far exceeds any anticipated savings counties may eventually realize from patients moving to state Medi-Cal and Covered California programs.
    - Historically, 46% of health realignment funds were earmarked to fund indigent care and the population in question. The other 54% was designated to fund critical public health services that benefit everyone such as immunizations, epidemiologic response, disaster response, and other services.

- With regard to the indigent population currently served by counties that might enroll in Medi-Cal or Covered California, it's impossible to know at this point who, how many, or when people will get coverage by enrolling in these programs.
- Any realignment of additional state responsibilities to counties needs to come with constitutional protections for realignment revenues and protections on future costs associated with state and federal law changes.
- **California should use the ramp-up time and funding provided by the federal government to get it right.**
  - Because the federal government will reimburse 100% of the funding for state Medi-Cal expansion until 2017, there is no immediate need to redirect county funding. A more prudent approach would be to analyze implementation over the coming few years to determine exactly how many uninsured are covered by Medi-Cal and Covered California and what services and costs are still borne by counties.
- **Rather than cutting into local health services, we should be *investing* in the county health system to protect the remaining uninsured and maintain the local health care safety net.**
  - Even after the first five years of health coverage expansion, an estimated 3-4 million Californians will remain uninsured and will seek care through local county-based health programs and services. In addition to having primary responsibility for providing care to the remaining uninsured, counties will continue to play a vital role in the delivery of care, operating public hospitals and clinics, and providing burn, trauma and emergency care.
  - Counties also provide vital preventative health programs and services including health education, chronic disease prevention, substance abuse prevention, mental health services, vaccination programs, disease tracking, smoking cessation and more.
  - All of these health services are currently underfunded. Rather than cut further, we must reinvest in the system to improve health and reduce costs in the long run.