

## **The Governor's Proposed Budget Would Decimate California's Safety Net for Poor Families and Put Medi-Cal Health Services Out of Reach**

May 14, 2010

The May Revision of the Governor's 2010-11 budget proposes draconian cuts to CalWORKs, SSI, IHSS, Medi-Cal and Healthy Families Programs as well as other social service programs.

### **California Work Opportunity & Responsibility to Kids (CalWORKs)**

\$1.6 Billion Cut by Eliminating CalWORKs on October 1, 2010

If the Legislature does not accept CalWORKs elimination the Administration proposes to cut \$488 Million in additional CalWORKs reductions by enacting the following changes by October 1, 2010.

- A 15.7 percent cut to CalWORKs grants - This will cut the maximum grant for a family of three from \$694 a month to \$586 a month, a \$109 a month cut
- Reduction in rate paid to child care providers to the 75<sup>th</sup> percentile
- Elimination of Recent Non-Citizen Entrants Program, estimated 24,000 people
- Reducing the income threshold for stage 3 child care from 75% of state median income to 57% or 58 % of the state median income.
- Eliminate all Prop 98 child care programs except pre-school and after-school child care.

### **Food Assistance Programs**

\$ 42.8 Million in cuts to low-income children and their families by:

- Elimination of California Food Assistance Program (CFAP)
- The Administration did not make a proposal to move from quarterly reporting to semi-annual reporting for Food Stamps.
- Includes a Trailer Bill proposal for inter-county transfer policy of Food Stamps
- \$29.5 million in DOD Food Stamp Administration used to free up \$10.5 million in GF savings.
- January budget proposal to expand narrow Categorical Eligibility for childless adults still expected

### **County Food Stamp and Child Welfare Administrative Funding**

\$602 million decrease in funding Food Stamp and Child Welfare Services programs

- Due to a shift of county mental health realignment funding to county social services programs. This adjustment eliminates the majority of funding for county mental health services and retains only the amount necessary to fund mandated mental health services.

### **Supplemental Security Income (SSI) Programs**

\$206 Million in cuts to low-income seniors and disabled people by:

- \$15 a month reduction in SSI grants for individuals. This will reduce the grant from \$845 a month to \$830 a month. This would drop California to the federal minimum and would be the fourth cut in a year for SSI recipients.
- Elimination of Cash Assistance Program For Immigrants (CAPI) Program

### **In-Home Supportive Service (IHSS)**

\$637.1 million in cuts in care for people who are elderly and disabled by:

- Enacting cost-containment recommendations to achieve savings equal to half of current budget - to be developed in 6 weeks by a stakeholder committee.

### **Medi-Cal**

The Governor's May Revision includes the following proposals to Medi-Cal:

**Restricting Access to Services and Imposing Cost-Sharing.** The Governor's Budget includes savings of \$530 by cutting services for Medi-Cal beneficiaries and imposing co-payments including:

- **Implementing mandatory co-pays.** These would require a federal waiver. Mandatory means that the provider could refuse services for failure to pay.
  - \$5 co-pays on doctor visits, dental services (those remaining for children and pregnant women), and pharmacy;
  - \$50 co-pay on emergency room visit regardless of condition or need; and
  - \$100 co-pay per day for hospital stay up to \$200 maximum.
- **Eliminating some over-the-counter drugs** and nutritional supplements.
- **Placing maximum benefits caps** on hearing aids (\$1,510), durable medical equipment (\$1,604), incontinence supplies (\$1,659), urological supplies (\$6,435), and wound care supplies (\$391).

- **Capping prescriptions** to six per month (except life-saving drugs).
- **Capping doctor visits** to ten per year.
- **Mandatorily enrolling seniors and people with disabilities** into managed care plans.
- No longer paying **Medicare Part B** premiums for beneficiaries with shares of cost less than \$500.
- Cutting radiology rates to 80% of Medicare.
- Freezing hospital rates.

**Drastically reducing health benefits for some legal immigrants.** California currently provides full-scope Medi-Cal to lawfully residing immigrants who lost eligibility for federal coverage as a result of the 1996 federal welfare reform law. California recognized the individual and public health consequences of denying preventive and basic medical care to its poor residents but again the Governor proposes to only provide restricted services to these legal immigrants. \$118 million.

**Eliminating the Adult Day Healthcare Program.** \$104 million.

**Eliminating Drug Medi-Cal programs** providing substance abuse services except for minors and pregnant women. \$53.4 million.

**Redirecting Mental Health Realignment funds** leaving counties to provide mental health services with fewer funds.

**Restoring optometry benefit** for adults as required by federal law.

The Governor has **withdrawn the “trigger” proposals** to eliminate nine Medi-Cal benefits and cut Medi-Cal eligibility to the “federal minimum.” Eligibility cuts to Medi-Cal and Healthy Families are prohibited by federal health reform law.

**Healthy Families**

**Withdraws cutting Healthy Families eligibility** which is prohibited by federal health reform law.

**Cutting Back Services and Increasing Premiums for Healthy Families.** Under the Governor's proposal, children in the Healthy Families Program would lose vision coverage and families with incomes from 200% to 250% FPL would have to pay higher premiums: from \$24 to \$42 per child and a family maximum going from \$72 to \$126 per month.

**Increasing Hospital Co-pays:** from \$15 to \$50 for emergency room visits and adding co-pay on hospital visits of \$100 per day up to \$200.

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