



Governor Brown's 2018-2019 Proposed State Budget Overview & Talking Points

Overview

- Governor Brown's 2018-19 Budget Summary shows a continued commitment to balancing fiscal responsibility while remaining committed to protecting core priority areas: education, infrastructure and health care.
- We are encouraged by the Administration's continued commitment to maintain the Medi-Cal program, the Children's Health Insurance Program (CHIP) and the Affordable Care Act in California at a time when shifting federal policy could have a detrimental impact on these programs and the state.
- While grateful for the commitments this proposed budget signals, we are concerned, and deeply disappointed, to again find the administration seeking to destabilize and eliminate the 340B program.

Health Center Budget Priority: 340B

- *Background:* Like in 2017, The Administration is again seeking to make significant changes to the 340B Program, a federal drug discount program intended to enable eligible providers to pay lower prices on outpatient drugs for their low-income patients.
- *Our Concern:* The Governor's proposed budget seeks to eliminate 340B program participation for Medi-Cal fee-for-service and Medi-Cal managed care effective July 1, 2019. Such a shift could be extremely detrimental to health centers that rely on 340B savings to enhance patient services, expand hours of operations, or add additional providers.
- *Talking Point:* We depend on 340B funds to [Insert how your health center uses 340B savings to support health center operations and services]. At a time of great instability to the health center fund, we urge the administration to reconsider its efforts to eliminate this critical program.

Health Center Budget Priority: Children's Health Insurance Program (CHIP)

- *Background:* Though the CHIP reauthorization, for the federal fiscal year 2018 that began October 1, 2017, remains in limbo, the Governor's proposed budget maintains a commitment to this program and the families it serves. Coverage for approximately 32,000 pregnant women and children is at risk if CHIP funding is not provided beyond March 2018 because they do not qualify for federally funded, full-scope Medi-Cal.

- *Our Concern:* While we are glad to see a commitment to maintain the CHIP program, we share the concerns outlined in the Governor's proposed budget that federal actions related to reauthorization may impact the program's stability.
- *Talking Point:* Health center families depend on the CHIP program. [Insert health center patient story]. For these reasons, we ask that the Governor and administration stay strong in the face of federal threats and continue its commitment to CHIP, regardless of Federal actions.

Health Center Budget Priority: Medi-Cal and Affordable Care Act

- *Background:* The Governor's proposed budget continues to see health care coverage, the Medi-Cal program and Covered California, as critical components to our state's network of health and human services. With an expected budget of \$101.5 billion in FY 18-19, the proposed budget includes an estimated \$1.5 million increase in spending to provide care to the nearly 12.5 million Californians that rely on the program.
- *Our Concern:* The Governor is also quick to remind us that the federal administration and leaders in Congress continue to consider proposals that threaten Medicaid (Medi-Cal in California) and federal funding for the Affordable Care Act. This continued congressional interest in ACA destabilization could be seen in the signing of a Tax Reform bill that included the elimination of the individual mandate. The proposed budget reminds us that, while the Budget continues to reflect existing state and federal law, an underlying message is also clear: Significant federal funding changes or ACA repeal could disrupt benefits and coverage.
- *Talking Point:* We cannot compromise the health and wellbeing of Californians. Maintaining, expanding and improving care should be our state's top priority. In these uncertain times we ask our state to stay strong and we welcome meaningful dialog with health care delivery systems and consumers on how we can best support and redesign California's coverage to minimize financial burden on the state while guaranteeing timely high-quality access to care.

Health Center Budget Priority: Workforce

- *Background:* In 2017, after an attempt to eliminate \$100 million in new funding commitments to Song – Brown, and a successful campaign to reinstate those funds in the FY 17-18 budget, we are glad to see the Proposed Budget silent on this item. We are hopeful this signals that the Governor is not looking to force a renegotiation.
- *Talking Point:* Our health center currently suffers from a shortage of [insert number of providers] providers. The next \$33.3 million installment of the \$100 million general fund commitment, is critically necessary to make sure this shortage does not get worse. [If you are a **teaching health center** or **residency program partner** please describe how this funding impact your program].

Health Center Budget Ask to Legislature/Administration

- With threats coming to our state from the federal government, the uncertainty of the Affordable Care Act and health center funding instability, it is even more imperative that we protect our most vulnerable and make inroads in providing quality care to all Californians.

- We ask you to join us and our patients in ensuring we protect the 340B program, the shared commitment to expanding workforce, the needs of low income immigrants, and behavioral health access at a time when they need it most.