



May 22, 2020

The Honorable Richard Pan
Chair, Senate Budget Sub. 3
State Capitol, Room 5114
Sacramento, CA 95814

The Honorable Joaquin Arambula
Chair, Assembly Budget Sub. 1
State Capitol, Room 5155
Sacramento, CA 95814

Re: FY 2020-2021 May Revise - Community Health Center Priorities

Dear Chair Pan and Chair Arambula:

[Health Center Partners of Southern California](#) is a family of companies, including a membership organization of 16 Federally Qualified Health Centers, Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest, the second largest in the U.S. Collectively, they serve **more than 850,000 patients each year, or 1 in 5 of the entire local population, for 3.6 million patient visits each year**, at 160 practice sites across San Diego, Riverside, and Imperial counties, with the seventh largest provider group in the region.

Governor Newsom's 2020-21 May Revise Budget includes devastating cuts to vital programs and services that disproportionately affect our state's underserved populations, the same populations at greatest risk for COVID-19 exposure and mortality.

To guarantee the FY20-21 budget bolsters – rather than undercuts – the health of these underserved populations, you and I must ensure this budget does not cause these patients to become casualties of the pandemic. For these reasons, *I urgently request that the legislature take swift action on the following:*

- **Medi-Cal Pharmacy Transition:** Request that the administration delay the transition.
- **Telehealth / Telephonic Care:** Commit to making virtual visits allowable under Medi-Cal indefinitely.
- **Reinstatement of Cuts:** Reinvest in the health care workforce programs, as proposed in January; commit to coverage for undocumented elders, as proposed in January; and, reinstate all optional benefits to their FY19-20 levels.

Top Priority: Medi-Cal RX / Pharmacy Transition

Now is not the time for the administration to move forward with the Medi-Cal pharmacy transition!

Community health centers had been working with the administration for more than a year, highlighting the negative financial repercussions this change would generate for community health centers and the patients entrusted to their care, estimated at \$23 million annually.



Now, the budget's proposed transition allows the state to **take away all of the savings** community health centers are able to realize under the current system. This change, and its repercussions, coupled with an elimination of the previously proposed supplemental payment for Non-Hospital 340B Clinics to offset those losses, means that the new May Revise Budget is not only a distraction to the COVID-19 response, it **will further destabilize and bring additional unnecessary financial hardship upon community health centers and other entities critical to the COVID-19 response in underserved communities.**

Community Health Centers use their 340B Program savings to build new health centers in communities of need, increase hours of operation to meet the growing demand for patient care, cover care coordination and navigation programs that are not covered under traditional payment models, support and expand the community health workforce, and in-house pharmacies, which grant patients increased access to both care and medication. *I urgently request that this transition be delayed in this budget cycle.*

Top Priority: Telehealth / Telephonic Care

Absent from the May Revise Budget is something that is essential to the community health center COVID-19 response: extending current telehealth and telephonic flexibility and payment. Make no mistake, community health centers and their patients are grateful for the administration's decision to lift restrictions on telehealth and telephonic patient visits, and to allow PPS reimbursement rates for them. Telephonic and telehealth visits are key to mitigating COVID-19 exposure as they limit the spread of COVID-19 to community health center employees, other patients, and the general community. Also, telehealth is being used to treat behavioral health patients and those with dental emergencies. The ability to be reimbursed for care provided by telehealth and telephonic modalities will be key to the ongoing health of our communities as well as the financial viability of community health centers. *I respectfully request that telehealth flexibilities and telephonic allowances be extended indefinitely which will be key to California's recovery – allowing individuals to receive care in a safe and effective manner.*

Priority: Preventing Cuts to Critical Workforce Programs

I was extremely disappointed to see that the May Revise Budget had reneged on the commitment to maintain significant investments in health care workforce funding, including investments in the Song-Brown Training Program and the Proposition 56 Loan Repayment Program. After the COVID-19 crisis is over, the same challenges that existed before – especially those related to the primary care and behavioral health workforce – will still be here. In fact, they will likely be exacerbated. These investments are essential for the health of our communities and key to our economic recovery. *I request that the legislature and the administration reinstate General Fund and Proposition 56 resources for health care workforce programs when federal resources are received.*

Conclusion

California can do better. The mothers, fathers, sisters, brothers, aunt, uncles and neighbors who are my members' patients demand it! They know enough to know that the state's fiscal crisis is a symptom, not the disease. If you want to restart our economy, it starts with continuing – and growing – investments in health.



While everyone understands the devastating position the state is in currently, and it's need for additional Federal investments, **you and I cannot let our health care system crumble under the weight of its fiscal situation – especially during a pandemic that is far from over.**

I understand that the legislature is being faced with tough decisions and I have the utmost confidence that the legislature, working with the administration, will continue to do what you have always done, and make sure the health of all Californians comes first.

As always, community health centers are ready to assist you in your efforts. **Your constituents – my patients – deserve no less.**

Sincerely,

A handwritten signature in blue ink, appearing to read "Henry N. Tuttle".

Henry N. Tuttle
President and Chief Executive Officer
htuttle@hcpsocal.org

cc:

The Honorable Members, Assembly Committee on Budget
The Honorable Members, Senate Committee on Budget and Fiscal Review
The Honorable Members, Assembly Budget Subcommittee on Health and Human Services
The Honorable Members, Senate Budget Subcommittee on Health and Human Services
Senate President pro Tempore Toni Atkins
Assembly Speaker Anthony Rendon

[Health Center Partners of Southern California](#), a family of companies, includes a [16-membership organization](#) of federally qualified health centers, Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest, collectively serving 850,000+ patients each year, for 3.6 million patient visits each year, at 160 practice sites across San Diego, Riverside, Imperial counties, with the seventh largest provider group in the region. [2018/2019 Impact Report](#)