



May 26, 2021

The Honorable Nancy Skinner  
Chair, Senate Budget Committee  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Phil Ting  
Chair, Assembly Budget Committee  
State Capitol, Room 5144  
Sacramento, CA 95814

**Re: FY21-22 May Revise - Community Health Center Top Budget Priorities**

Dear Chair Skinner and Chair Ting:

On behalf of [Health Center Partners of Southern California](#), representing 17 member organizations, including 12 Federally Qualified Health Centers, 4 Indian Health Centers, and Planned Parenthood of the Pacific Southwest, which operate over 160 practice sites across five counties, and serve 917,000 patients with 3.9 million patient visits annually, **I request your attention and leadership on FY21-22 budget asks, to help ensure Community Health Centers (CHCs) can continue to be valuable partners and leaders in California's COVID-19 response and recovery efforts.**

To ensure the FY21-22 budget bolsters the health of all Californians, **I urgently request the legislature take swift action to guarantee the following:**

- **TELEPHONIC CARE:** Adopt the provisions of AB 32 (Aguar-Curry) in the trailer bill language.
- **MEDI-CAL RX AND NON-HOSPITAL SUPPLEMENTAL PAYMENT POOL:** Commit to a \$50M General Fund augmentation to strengthen the non-hospital clinic supplemental payment pool.
- **WORKFORCE:** Adopt trailer bill language to ensure the OSPHD recast and modernization effort; a \$50M one-time General Fund augmentation to support new residency programs; and maintain a commitment to advancing a diverse primary care workforce in medically underserved communities.
- **HEALTH4ALL:** Adopt the trailer bill language to ensure all adults, regardless of immigration status, are eligible for Medi-Cal.
- **DIGITAL DIVIDE:** Adopt the May Revision's proposed \$7B in broadband investments to close the digital divide for all Californians.

**PRIORITY: TELEPHONIC CARE**

Telehealth (including telephonic) increases access to care for CHC patients, decreases barriers to care, and significantly reduces no-show rates. The May Revise recognizes the role of telephonic (audio-only) care in helping California recover from the COVID-19 pandemic and clarifies the administration's intent to establish rates for audio-only telehealth.

While I applaud the administration's commitment to expand Medi-Cal telehealth benefits, **the rate proposal is unacceptable.** The administration must maintain the current audio-only payments and flexibilities for CHC's post-pandemic. AB 32 (Aguiar-Curry) is the model for the future of telehealth in Medi-Cal. ***I urgently request the legislature adopt the provisions of AB 32 (Aguiar-Curry) as trailer bill language in this budget cycle.***

#### **PRIORITY: MEDI-CAL RX / PHARMACY TRANSITION**

The Governor continues to be committed to implementing the pharmacy transition, where all pharmacy services will be transferred out of Managed Care and into Fee for Service (FFS). CHCs continue to be deeply concerned about the pending launch of Medi-Cal Rx and the implications to CHCs ability to reinvest pharmacy savings into patient care. Because the fund was established with data that is now three years old, the financial burden is far greater than what was initially imagined. The financial impact for HCP membership is estimated to be \$30 million annually. While I am grateful for the legislature's leadership that established the supplemental payment pool last year, I know more resources are needed. ***I urgently request the legislature commit to a \$50M General Fund augmentation to strengthen the non-hospital clinic supplemental payment pool.***

#### **PRIORITY: WORKFORCE**

The health care workforce challenges that predated COVID-19 have only been exacerbated by the pandemic. I applaud the administration's significant new workforce investments, especially the \$12.9M ongoing General Fund in UC Programs in Medical Education (PRIME) and the one-time \$50M in the General Fund to support new residency programs in the Song-Brown Healthcare Workforce Training Program. The \$50M in new funding, if directed appropriately to community-based residency programs with CHC affiliations, will have the greatest impact. The influx of proposed funding, coupled with the proposed Office of Statewide Health Planning and Development (OSHPD) recast, signals an era of change for California's approach to guaranteeing a future health care workforce that reflects California's diverse communities. ***I urgently request the legislature adopt trailer bill language to ensure the OSPHD recast and modernization effort; the \$50M one-time General Fund augmentation to support new residency programs; and, maintain a commitment to advancing a diverse primary care workforce in medically underserved communities.***

#### **PRIORITY: HEALTH4ALL**

I am grateful the May Revision ensures adults, 60 years of age and older, will now be eligible for Medi-Cal coverage, regardless of immigration status. I encourage the legislature to go one step further and commit to coverage for all adults regardless of immigration status. By removing immigration status, as an eligibility barrier to Medi-Cal, California can build a more universal, equitable health care system for all who call California home. ***I urgently request the legislature adopt trailer bill language to ensure all adults, regardless of immigration status, are eligible for Medi-cal.***



**PRIORITY: DIGITAL DIVIDE**

I support the Governor's proposal to ensure California makes investments in improving and expanding our broadband infrastructure. The COVID-19 pandemic has significantly elevated the need for improved broadband infrastructure and access. While this pandemic has shown the potential for telehealth care to be the great equalizer, the significant challenges to implementing this care model highlight the inequities in digital access for underserved communities. ***I request the legislature adopt the May Revision's proposed \$7B broadband investments to close the digital divide for all Californians.***

With a historic budget surplus, the administration and legislature have the unique opportunity to revitalize California. As you enter final Budget Act of 2021 negotiations, I reiterate CHCs' commitment to supporting the recovery of California and ask you to work with CHCs to make investments and policies today for a more equitable health care delivery system for California.

I thank you for your tireless efforts to support California's community health centers.

Sincerely,

A handwritten signature in blue ink that reads "Henry N. Tuttle".

Henry N. Tuttle  
President and Chief Executive Officer

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 17-membership organization of federally qualified health centers, Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest, collectively serving 917,000 patients each year, for 3.9 million patient visits each year, at 160 practice sites across San Diego, Riverside and Imperial counties, and is the seventh largest provider group in the region. [Read our latest Impact Report.](#)