

## **Proposed Budget Cuts - Impacts to Health Services**

### **Legislative District Analysis - SD 19**

**Senator Tom McClintock**

**The governor's proposed cuts will have devastating consequences in communities across Los Angeles County. This factsheet looks at the impact of the cuts to families in the 19<sup>th</sup> District:<sup>1</sup>**

The governor has proposed increasing reporting requirements for children and adults enrolled in Medi-Cal to four times per year. Not only will thousands lose health coverage, but the move would also create future costs to reenroll children that will outweigh any short-term savings.<sup>2</sup>

- ***In the 19<sup>th</sup> District, over 3,100 children will lose Medi-Cal coverage next year if these reporting requirements are enacted.***

The governor has proposed rolling back eligibility for low-income parents applying for Medi-Cal coverage. Under the proposal, a family of three earning above \$10,736 a year would now be ineligible for Medi-Cal coverage.

- ***In the 19<sup>th</sup> District over 8,100 parents would be denied coverage when the proposal is fully implemented.***

The proposed cuts to these programs would deal a huge blow to local communities already in the midst of a severe economic downturn:

- ***In the 19<sup>th</sup> District, the local economy will lose nearly \$25 million in revenue from the Medi-Cal and Healthy Families programs - funding that supports vital patient services and quality jobs through hospitals, community clinics and other health care providers.***

### **NEGATIVE IMPACTS TO LOCAL HEALTH PROVIDERS**

Several local hospitals, health centers, and community clinics in the 19<sup>th</sup> District will be heavily impacted by the proposed budget cuts including:

- NE Valley HC - Valencia

#### **ADOPTED & PROPOSED CUTS FOR PROVIDERS:**

- 10% Medi-Cal provider and managed care rate cuts
- 10% cut to Safety Net Care Pool Payments



#### **NET IMPACT:**

- Less access to care for local families
- More strain on the ER system
- Possible staff layoffs

<sup>1</sup> California Budget Project, "Impact of Proposed Budget Cuts by Legislative District," April 11, 2008 and May 20, 2008.

<sup>2</sup> Gerry Fairbrother and Joseph Schuchter, "Stability and Churning in Medi-Cal and Healthy Families," March 2008.