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## FACT SHEET

### Budget Cuts to Healthcare

**The state legislature and Governor have an opportunity to repair the damage to healthcare resulting from the budget cuts by incorporating mental health and enrollment assistance as part of a comprehensive health reform package for California.**

- There were \$34.575 million in cuts to county outreach programs that enroll uninsured children and families in Medi-Cal and Healthy Families. The Department of Health Care Services estimates that approximately 188,000 children could have been assisted and enrolled into Medi-Cal and Healthy Families over the next three years with these dollars. Many counties had already geared up for the roll-out of this program by hiring and training staff and planning outreach services.
- The budget also delayed implementation of SB 437, which would have streamlined the enrollment process for Medi-Cal and Healthy Families consumers. While costing the state only \$15 million this year, the program was expected to help enroll about 94,000 children.
- \$54.9 million was slashed from the program that provides funding to homeless and other adults with a serious mental illness. The program has reduced the number of days spent homeless by 67% and increased the number of days working full-time by 65%.
- At the same time all of these cuts were made, the budget retains a \$45 million tax loophole for purchasers of yachts and airplanes. The Governor had proposed closing this loophole, but Republican senators refused to yield.
- The cuts to Health & Human Services are nearly 75% of the total budget cuts.

#### **Counties should not be asked to absorb the added burden of the loss of the outreach funding.**

- In Los Angeles alone, there is an estimated \$2 million in assumed cost for 2007-08.
- With the loss of these outreach dollars, Los Angeles County will have to terminate 30 contracts with agencies that conduct outreach services to families. These cuts will have a direct impact on over 226 staff.
- The funding was expected to be used to outreach to over 100,000 individuals and process over 25,000 applications for new public coverage enrollees.

#### **What are outreach, enrollment, retention and utilization services?**

- Community-based organizations (i.e. Certified Application Assistors) and other enrollment agencies conduct the following activities: screen families for all coverage programs; help families complete complicated paperwork; verify enrollment and renewal of health coverage for consumers; assist families in navigating the healthcare system.
- Without these critical services, families would be left to navigate the healthcare system on their own. Families have built trusted relationships with organizations that provide consumer education on programs, benefits, resources and the importance of utilizing their health coverage.

#### **Reinstate outreach funding through healthcare reform.**

- California's goal to provide healthcare coverage to all must include support for local efforts to provide outreach and utilization activities.
- Families will fall through the cracks without these services, which must be a part of children's expansion starting in 2008 to ensure enrollment, utilization and retention of public health coverage services.