



Maternal and Child Health Access

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## Governor's Budget May Revision 2014-15

The May Revise counts an additional 2.4 billion on top of the January budget's "temporary windfall" in tax revenues. The state contends that costs for health care, drought, and other expenditures will take up this surplus, leaving no additional spending for human service needs.

The budget confirms that CalHEERS, the state's Covered California computer system, is plagued by systems errors and that the backlog of Medi-Cal applications has reached 900,000. The Revise explains that paper verification of residency was suspended until CalHEERS can electronically verify residency, planned for July, 2014 and indicates that annual redeterminations for Medi-Cal beneficiaries who were enrolled before January 1, 2014, may be delayed to at least July 1 while efforts continue to fix CalHEERS.

Enrollments in Medi-Cal's new adult expansion to 138% have reached 1.6 million, which is double than the estimate of 800,000. So the Medi-Cal budget is being increased accordingly, but this additional \$1.6 billion all comes from the feds. Medi-Cal programs for the lowest income families and for children also increased much more than expected, by 60%. The additional total cost is covered 50-50 by the state and feds.

Total Medi-Cal enrollment is now projected to be 11.5 million in 2014-15, or almost 30 percent of the total state population, from 7.9 million before ACA implementation.

Medi-Cal managed care rate increases of \$187.2 million are also included in the May Revise as is an additional \$191.2 for Medi-Cal mental health and substance abuse treatment benefits.

The May Revise includes a new pediatric vision mobile pilot project in schools to increase utilization of pediatric vision services. The pilot would use qualified mobile vision providers to expand vision screenings and services. Participating mobile vision service providers will contract with school districts to provide vision exams and eyeglasses to children enrolled in Medi-Cal managed care plans. The pilot may expand to other locations. \$2 million total.

The counties will get additional funding to report on their efforts at implementing the new "Katie A." comprehensive community mental health services for children and youth in, or imminent risk of placement in, foster care. This will be important for monitoring progress in foster kids' access to services in the community instead of in group homes and in other institutions. \$2 million total.

State is re-directing realignment funds from county indigent care back to the state, to reflect county savings since so many more people now have Medi-Cal: \$300 million in 2013-14. But the 2014-15 re-direction is being decreased, from \$900 million in the Gov's initial budget proposal to \$724.9 million in the May Revise, leaving \$175.1 million more for county health care funds.

*Medi-Cal buy-in project*

**MRMIB elimination:** the Managed Risk Medical Insurance Board, which ran Healthy Families, AIM, MRMIP and a county buy-in to Healthy Families, is being eliminated July 1. AIM will be placed within the Department of Health Care Services, who are attempting to change AIM's name to The Major Risk Medical Insurance Program (MRMIP) is a state high-risk insurance coverage program. It will be eliminated January 1, 2015 because most individuals with pre-existing conditions can now seek coverage through Covered CA or the individual market, since it is illegal to discriminate on the basis of preexisting conditions. Program participation has dropped by more than 50%. For a small population of people with End Stage Renal Disease on Medicare who cannot obtain supplemental coverage in the individual market due to statutory prohibitions and use MRMIP as their Medicare supplemental insurance, the state is proposing to make statutory changes to require health care plans to offer their Medicare supplemental insurance products to these individuals.

May 13, 2014

## BUDGET UPDATE MAY REVISE



### **Governor's Revised Budget Is Bad News for California Families**

It's time to build a budget that truly works for all Californians

Today, Governor Brown released the May Revision to the budget that he proposed in January. The \$156.2 billion May revision replaces January's \$154.9 billion plan. Though Governor Brown says, "This May Revision is good news for California," we believe the plan is in fact bad news for families in poverty who continue to struggle as California continues to climb out of the recession.

Governor Brown missed another opportunity to refund and restore many of the Health and Human Services Programs that faced over \$15 billion in cuts since 2008. But together, we can build a budget that works for *all* Californians by working closely with our legislators to find solutions for families in need.

***Higher than projected enrollment in Medi-Cal, with health cuts to counties continuing.*** While we applaud the Governor for providing an additional \$1.2 billion of funding to expand Medi-Cal coverage through implementation of the Affordable Care Act, higher than expected enrollment in Medi-Cal should not be used as an excuse to ignore the fact that poverty in California is proliferating. Additionally, this budget continues the drastic cuts to counties as part of the health realignment, which prevents counties from expanding eligibility to state residents who are ineligible for the ACA. The \$300 million cut in the 2013-2014 budget year to counties as part of health realignment will stay in place, while the revision lowers the expected \$900 million in this new budget year (2014-2015) to \$724.9 million. It will be extremely challenging for any county to expand eligibility to undocumented Californians under this framework. If



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**Additional Organizations:**

**May 14, 2014**

ACT for Women and Girls  
BreastFeedLA  
California Women's Law Center  
Center on Reproductive Rights and Justice at UC Berkeley School of Law  
Great Beginnings for Black Babies, Inc.  
Los Angeles County Perinatal Mental Health Task Force  
MCAH Action: Maternal, Child, and Adolescent Health Directors  
Maternal Mental Health Los Angeles  
National Council of Jewish Women  
Physicians for Reproductive Health

TO: Senate Budget Sub. No. 3 and Assembly Budget Sub. No. 1  
RE: Governor's Budget Proposal for Pregnant Women's Coverage

- 1) While we applaud the Governor's proposal to expand Medi-Cal's income limit for full benefits for adult pregnant applicants from 60% to 109% of poverty, more must be done:
  - Adult pregnant applicants should be granted **full Medi-Cal to 138% of poverty, like other adults**. Pregnant applicants must not be left out of health care reform.
- 2) In addition, we must ensure all of the following for women with income up to 213% of poverty who are eligible to enroll in both an Exchange plan and Medi-Cal:
  - Women must be provided with **clear, timely information** at the time of applying and renewing benefits about their program enrollment choices and the impacts of each choice on consumer costs, benefits, and provider access.
  - Women in the Exchange who also qualify for Medi-Cal must **not lose access to any of Medi-Cal's benefits**, including but not limited to Medi-Cal's Comprehensive Perinatal Services Program (CPSP) benefits, either in law or practice.
  - Women in the Exchange who also qualify for Medi-Cal must also have **out of network access to family planning and other reproductive health services**, even if in-network providers are available.
- 3) For women who opt to enroll solely in pregnancy-only Medi-Cal, the scope of services must conform with all federal requirements. **California should, as most other states do, provide all Medicaid "services [and] items for pregnant women that it covers for other adults."** Vol.77 Fed. Reg. No. 57, 17144, 17149 (March 23, 2012).

Our organizations look forward to continuing to work with the Administration on all of these issues. For additional information, please contact Lynn Kersey at [LynnK@mchaccess.org](mailto:LynnK@mchaccess.org) or Lucy Quacinella at [lucyqmas@gmail.com](mailto:lucyqmas@gmail.com).