



CALIFORNIA
STATE
ASSOCIATION OF
COUNTIES



URBAN COUNTIES
CAUCUS



REGIONAL
COUNCIL OF
RURAL COUNTIES



COUNTY HEALTH
EXECUTIVES
ASSOCIATION OF
CALIFORNIA



CWDA
COUNTY WELFARE
DIRECTORS
ASSOCIATION

FLOOR ALERT

August 27, 2009

TO: Members of the California State Senate

**FROM: Kelly Brooks, Legislative Representative, CSAC
Jolena Voorhis, Executive Director, UCC
Cyndi Hillery, Legislative Advocate, RCRC
Judith Reigel, Executive Director, CHEAC
Frank Mecca, Executive Director, CWDA**

**Re: AB 1422 (Bass) – Health Care Programs
As Amended August 26, 2009 – SUPPORT**

The California State Association of Counties (CSAC), the Urban Counties Caucus (UCC), the Regional Council of Rural Counties (RCRC), the County Health Executives Association of California (CHEAC) and the County Welfare Directors Association (CWDA) support AB 1422 by Assembly Speaker Karen Bass. This measure would help address the funding shortfall in the Healthy Families Program.

Specifically, AB 1422 makes Medi-Cal managed care plans subject to the gross premium tax. Approximately 38 percent of the revenues raised would be allocated to the Department of Health Care Services for the Medi-Cal program; the other 62 percent would be allocated to the Managed Risk Medical Insurance Board (MRMIB) for the Healthy Families Program. The gross premium tax is expected to raise \$150 million on an annual basis. These additional revenues will help stabilize essential health care coverage.

The Healthy Families Program is facing a \$194 million General Fund shortfall largely due to state budget cuts. The Managed Risk Medical Insurance Board is contemplating disenrolling hundreds of thousands of children beginning in October. In addition, California will lose \$400 million in federal matching funds. Although the First Five Commission has committed \$81 million to allow for coverage of children up to age 5, MRMIB is still looking at disenrolling 500,000 children, or more than half of the program's total enrollment of 950,000 children.

Counties are supportive of efforts to ensure that children maintain enrollment in the Healthy Families Program. Children without health coverage are less likely to receive regular physicals to identify physical ailments before they become chronic conditions, and are less likely to receive eyesight and hearing screenings to identify and correct problems before they affect the child's daily life and school work. AB 1422 provides a solution that will allow the program to continue to serve children who are already enrolled.

For the reasons outlined above, counties support AB 1422. Please do not hesitate to contact any of us if you have questions about our position.