



Impact of Covid-19 on the California Budget: Proposed Cuts to Medi-Cal

CENTER FOR HEALTH CARE RIGHTS

PERSONAL ASSISTANCE SERVICES
COUNCIL, LOS ANGELES WEBINAR

MAY 27, 2020

Center for Health Care Rights CHCR

A non-profit organization that provides free education and help with Medicare, Medi-Cal and related health insurance issues to Los Angeles County residents.

CHCR services are funded by the California Department of Aging Health Insurance Counseling and Advocacy Program (HICAP).

Center for Health Care Rights CHCR

Call us at **1-800-824-0780**

Visit our website **healthcarerights.org**

Governor's Executive Order Suspends Reductions in Medi-Cal Coverage During Covid-19 Emergency

Governor Newsom's Executive Order N-29-20 issued in March 2020 allows Californians to keep their Medi-Cal coverage during the current COVID-19 public health emergency period.

Governor's Executive Order Suspends Reductions in Medi-Cal Coverage During Covid-19 Emergency

The California Dept. of Health Care Services has instructed all California counties to suspend processing Medi-Cal annual renewals and redeterminations of Medi-Cal eligibility that would reduce Medi-Cal coverage during the emergency.

Governor's Executive Order Suspends Reductions in Medi-Cal Coverage During Covid-19 Emergency

This means that persons who have Medi-Cal should not have their Medi-Cal benefits reduced or terminated during April, May or June 2020.

At the earliest, Medi-Cal renewals and redeterminations will be processed starting June 30, 2020.

Call the Center for Health Care Rights

If you have experienced a reduction in your Medi-Cal coverage during April or May 2020

Call us at **1-800-824-0780**

Covid-19 Public Health Emergency's Impact on the California Budget

- The Covid-19 pandemic has created an economic crisis in California.
- The mandatory lock down has closed businesses and created high levels of unemployment.

Covid-19 Public Health Emergency's Impact on the California Budget

- California will have a budget deficit of \$54 billion over the next 2 years.
- Governor Newsom proposes to close the state budget deficit by using reserve funds and cutting education, health care, public benefits and other state government services.

Covid-19 Public Health Emergency's Impact on the California Budget

- The California budget provides additional funds for Covid-19 public health services such as Covid-19 testing and treatment.
- The state budget provides more funding for Medi-Cal due to the increase in the number of Californians on Medi-Cal.

Covid-19 Public Health Emergency's Impact on California's Budget

- Up to 2 million Californians who have recently lost their jobs and employer health insurance will have enrolled in Medi-Cal by July 2020.
- By July 2020, there will be 14.5 million Californians on Medi-Cal.

California Budget: Proposed Trigger Cuts

- The California budget will cut \$14 billion for services. These cuts will be “triggered” if California does not receive additional federal funding by July 1, 2020.
- The HEROES Act, a \$3 trillion federal relief package that includes financial assistance for state and local governments with budget deficits created by the Covid-19 emergency could help California.

Proposed Trigger Cuts to SSI and In Home Supportive Services

Reduced state funding for SSI to the federal minimum effective Jan. 1, 2021. This would result in an expected loss in SSI benefits of about \$4 in monthly SSI benefits. SSI provides safety net income benefits to 1 million Californians.

In Home Supportive Services hours would be reduced by 7% effective Jan. 1, 2021. This will provide less hours to 560,000 low income disabled Californians.

Trigger Cuts to Medi-Cal Dental Benefits for Adults

These dental services would no longer be covered as of Jan. 1, 2021-

- partial dentures
- root canals
- gum treatment

Additional Trigger Cuts to Medi-Cal Benefits for Adults

- Eyeglasses/optometry
- Audiology/hearing aids
- Podiatry
- Acupuncture
- Outpatient therapy— occupational, speech and physical therapy
- CBAS (Medi-Cal adult day health) 1-1-21
- MSSP

Trigger Cuts to Medi-Cal Providers

This reduction in Medi-Cal payment may impact access to Medi-Cal services --

- \$1 billion in supplemental provider rate cuts for doctors, dentists, non-emergency medical transportation and other providers
- Reduced rates for Medi-Cal health plans

No Expansion of Medi-Cal Program for Seniors and People with Disabilities

- California will not move forward with plans to provide full Medi-Cal coverage to 20,000 older adults and younger persons with disabilities who have incomes between 123%-138% of federal poverty.

Trigger Cuts – Cal AIM Program Delayed

Due to the Covid-19 emergency, California is postponing the implementation of CalAIM a Medi-Cal reform initiative to improve the quality of life and health outcomes by implementing broad delivery system, program and payment reform.

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