



CALIFORNIA STATE ASSOCIATION OF COUNTIES



CALIFORNIA ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS



COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION



COUNTY HEALTH EXECUTIVES ASSOCIATION OF CALIFORNIA



COUNTY MEDICAL SERVICES PROGRAM



COUNTY WELFARE DIRECTORS ASSOCIATION



URBAN COUNTIES OF CALIFORNIA

June 29, 2017

Dear Senators,

The undersigned associations representing California’s counties strongly oppose the Better Care Reconciliation Act (BCRA) proposed by the Senate majority party. We write to you today to share our concerns regarding the BCRA’s significant and far-reaching changes to the Medicaid program and the Medicaid expansion, which would reach nearly \$115 billion through 2027, and, most importantly, to share with you the impacts on the people we all serve.

California is a diverse state of nearly 40 million people in which our counties care for residents through our public hospitals and health systems, provide rural medical coverage, offer behavioral health services including mental health and substance use disorder treatment, administer public health services, and are responsible for social and health services eligibility functions. California’s 58 counties strive to provide these critical services to eligible persons under the Medicaid program – called Medi-Cal here in the Golden State.

California, through a state-county partnership, aggressively and successfully expanded Medicaid under the Affordable Care Act (ACA), enrolling 3.8 million new residents into Medi-Cal. Overall, Medi-Cal now offers coverage and long-term care to 13.5 million Californians. Through partnership efforts and leveraging the ACA Medicaid expansion, California has driven its uninsured rate from over 20 percent pre-ACA to less than 7 percent currently. In addition, for the first time, many in the expansion population are now accessing health care, preventive care, prescription medication, and behavioral health care, which includes substance use disorder treatment services.

The ACA also allows our counties to implement innovative approaches for hard-to-reach populations, such as the homeless, incarcerated persons, and transitional-age foster youth. More than 15 California counties are ramping up Whole Person Care pilot projects to identify and offer wraparound services to frequent users of hospital emergency department services. In criminal justice, county Sheriffs are partnering with human services staff to ensure that all eligible inmates can access needed substance use disorder services as soon as they are released, which helps reduce recidivism. And youth advocates, counties, and the state are working together to offer medical and behavioral health care to foster youth who are between the ages of 18 and 26. All of these gains are possible due to the expansion of Medicaid coverage under the ACA.

The BCRA, on the other hand, phases out the Medicaid expansion funding beginning in 2020, only 2.5 years from now, and completely eliminates expansion funding in 2024. For California, the state would lose about \$3 billion in funding next year and up to 430 billion annually by 2027. It is clear that the BCRA would not only eliminate the innovative health care delivery services developed here in California for almost 4 million newly-eligible people, but will also force deep cuts into core Medi-Cal services for the aged, blind, and disabled.

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In short, the elimination of the Medicaid expansion under the BCRA reverses the significant progress our country, and in particular the State of California, has made in providing comprehensive health care coverage to millions of our residents.

While the elimination of the Medicaid expansion is of serious concern, the BCRA's provisions to shift Medicaid financing from a federal matching model to a capped dollar amount for each state is even more alarming from our counties' perspectives. The Congressional Budget Office's estimate of the size of the cut to Medicaid over 10 years – \$722 billion, or 26 percent overall – proposed by the BCRA represents a massive reduction in funding for low-income children and adults, aged, and disabled Americans.

In California, the initial estimate of the cut is roughly \$30 billion a year when the expansion is repealed and enhanced federal funding disappears, rising to \$115 billion over 10 years. This is an unsustainable cut for the State of California and would eviscerate Medi-Cal and local safety-net health services. Should the proposed per-capita cap on federal Medicaid spending be imposed, our lawmakers and public health care systems will have no choice but to significantly reduce critical health services. Local cuts of the magnitude required by the BCRA would curtail our ability to provide even the most basic health and behavioral health services to our communities.

Further, a new block grant or per-capita cap would reduce funding for states and counties at the same time that our safety net of public health systems, including county systems, would be under increased stress, with up to 22 million uninsured by 2027 under the BCRA and seeking care – often uncompensated – from these providers.

The Senate's desire to dismantle the fiscal underpinnings of the 52-year-old Medicaid program has the potential to cause severe long-term consequences for counties and the people we serve. We strongly oppose these provisions of the BCRA.

Additional portions of the BCRA also erode access to critical health care services. The bill eviscerates the Essential Health Benefits mandate, which may reduce access to mental health and substance use disorder services in California. The elimination of the Prevention and Public Health Fund will also reverse progress in increasing access to preventive and wellness services and chronic disease management services, which are proven to create better health outcomes and reduce future health care costs.

Further, the BCRA undermines the "everyone in" concept under the ACA's individual mandate, and recent amendments to penalize those without insurance with a 6-month waiting period will only drive uncompensated care costs up more. We also note that these provisions will drastically reduce the health care services available to all populations, whether they are rural or urban, low-income or upper-middle class, children or adults.

California's counties respectfully urge you to consider our concerns regarding the dual disaster that is the BCRA: Creating millions of newly uninsured Americans at the same time that federal Medicaid funding is significantly and arbitrarily reduced.

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We join health systems, health insurers, health care providers, hospitals, and other health care professionals in our opposition to the BCRA. We respectfully urge the Senate to abandon the BCRA and work instead to build on the strengths of today's American health care system and insurance market, while also working to improve access, stabilize coverage, and continue the trend toward almost 100 percent coverage for all Americans.

Our members stand ready to assist the Senate in crafting a workable solution that does not endanger existing funding and services – or the lives of the people we all serve. We thank you for your careful consideration of this critical fiscal and policy matter.

Sincerely,



Matt Cate
Executive Director
California State Association of Counties
(CSAC)



Kirsten Barlow
Executive Director
County Behavioral Health Directors
Association of California (CBHDA)



Erica Murray
President and Chief Executive Officer
California Association of Public Hospitals
and Health Systems (CAPH)



Frank Mecca
Executive Director
County Welfare Directors Association of
California (CWDA)



Michelle Gibbons
Executive Director
County Health Executives Association of
California (CHEAC)



Kari Brownstein
Administrative Officer
County Medical Services Program (CMSP)



Jolena Voorhis
Executive Director
Urban Counties of California

cc Secretary Diana Dooley, California Health and Human Services Agency
Director Jennifer Kent, California Department of Health Care Services
Director Will Lightbourne, California Department of Social Services