



March 20, 2019

Senator Richard Pan, M.D.  
Chair, Senate Budget and Fiscal Review Subcommittee No. 3 on Health and Human Services  
State Capitol, Room 5114  
Sacramento, CA 95814

**Re: Increased AB 85 Redirection of 1991 Health Realignment – OPPOSE**

Dear Senator Pan,

The County Health Executives Association of California (CHEAC) respectfully must oppose the Governor's January budget proposal to increase the AB 85 redirection of 1991 Health Realignment for non-formula counties from 60 percent to 75 percent to account for the proposed expansion of Medi-Cal eligibility to undocumented individuals ages 19-25.

CHEAC applauds Governor Newsom's proposal to expand Medi-Cal eligibility to allow more undocumented individuals access to comprehensive and affordable care. We recognize that undocumented adults make up the largest group of uninsured individuals in our state and have supported previous proposals to expand Medi-Cal to address that disparity. However, financing the expansion of Medi-Cal using a greater share of 1991 Health Realignment from counties will adversely impact public health services, as well as health care services provided to undocumented individuals that remain uninsured in counties providing primary care services to undocumented residents.

AB 85 includes a protection under the formula option that ensures those counties retain the percentage of 1991 Health Realignment funding historically used for public health, irrespective of the amount of savings those counties experience. Alternatively, counties that chose the option to redirect 60 percent of Realignment (60/40 option), assumed the 40 percent retained by the county would remain unchanged and be a stable source of funding for residual uninsured and public health services. Increasing the Realignment diverted from these counties to 75 percent would be detrimental to the five counties that elected the 60/40 option.

The Governor's proposal would decrease resources to local health departments at a time where greater investment is needed to address critical issues facing public health. Impacted local health departments would be forced to reduce their staffing levels and cut back on their vaccination services, public health laboratory services, STD screening and investigations, maternal, child and adolescent health, outreach and education programs, and other critical services delivered. These cuts would be effectuated at a time where California is experiencing historic increases in STD rates, more frequent infectious disease outbreaks and

wildfires, and an unprecedented uptick in homelessness, leaving local health departments without an ability to respond.

This proposal to increase the percentage redirected from 60/40 counties will cripple the ability for local health departments that have provided primary care services to undocumented individuals to continue doing so. Only a small number of undocumented individuals receiving primary care services through those local health departments fall within the ages of 19-25 and the remaining funding would be insufficient to continue services to uninsured undocumented residents of all ages.

CHEAC looks forward to further engaging with the Legislature and Administration on this issue. We respectfully request that you reject efforts to increase share of Realignment redirected from local health departments as it is vital funding source for critical services in our communities.

Should you have any questions, please feel free to contact me at (916) 327-7540.

Thank you,

*As signed by*

Michelle Gibbons  
Executive Director

cc: Honorable Members, Senate Budget and Fiscal Review Subcommittee No.3  
Scott Ogus, Consultant, Senate Budget Subcommittee No. 3  
Kirk Feely, Director, Senate Republican Fiscal Office  
Anthony Archie, Consultant, Senate Republican Fiscal Office  
Keely Bosler, Director, California Department of Finance (DOF)