

1 [Urging Governor Brown and the State Legislature to Restore Cuts to Medi-Cal Rates]

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3 **Resolution urging Governor Brown and the State Legislature to restore cuts to the**
4 **Medi-Cal reimbursement rates.**

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6 WHEREAS, Governor Brown released his proposed State budget on January 9, 2014;
7 and

8 WHEREAS, With the most positive fiscal picture the State has seen in years, the
9 Governor proposes to use the additional available resources to pay down debt and increase
10 reserves; and

11 WHEREAS, The Governor’s budget continues California’s support of the Affordable
12 Care Act (ACA) and commitment to expanding the Medicaid program, called Medi-Cal in
13 California, to provide health insurance for low-income Californians; and

14 WHEREAS, The Governor’s budget does not invest significant new resources to
15 support vital health care services in this critical time of ACA implementation; and

16 WHEREAS, The budget maintains previous reductions to the Medi-Cal program that
17 were implemented during the economic downturn; and

18 WHEREAS, In 2010 California already ranked last in Medicaid spending per enrollee
19 across the 50 states; and

20 WHEREAS, In 2011 California reduced already low Medi-Cal rates by an additional
21 10%; and

22 WHEREAS, Despite the State’s improved financial situation, the budget continues
23 California’s historically low Medicaid reimbursement rates; and

24 WHEREAS, The State’s commitment to ACA implementation also means changes to
25 the health care safety net and the City’s provision of care for the indigent population; and

1 WHEREAS, More than 30,000 currently uninsured San Franciscans will obtain
2 affordable, quality health care coverage; and

3 WHEREAS, While Health Reform will most certainly reduce the need for
4 uncompensated care by safety net health providers as a result of the transition of the
5 uninsured to health insurance, an estimated 3 to 4 million Californians, including 50,000 to
6 85,000 San Franciscans, will remain uninsured after implementation of the ACA and continue
7 to rely on the City’s health care safety net; and

8 WHEREAS, Additionally, many of the low-income San Franciscans who gain insurance
9 coverage through Medi-Cal will likely continue to rely on the City’s safety net providers for
10 several reasons, including the relationships established with these providers and the
11 availability of other support services; and

12 WHEREAS, The City’s health care safety net will continue to play a critical role to care
13 for low-income insured and uninsured in San Francisco post-ACA and steps must be taken to
14 ensure it is not destabilized; and

15 WHEREAS, The budget includes the redirection of Health Realignment funding for
16 indigent care from the City to the State to reflect a projected reduction in the need for indigent
17 care resulting from the transition of the low-income uninsured to health insurance; and

18 WHEREAS, State statute requires the State Department of Health Care Services to
19 determine the redirected amount in consultation with the City’s public hospital system; now,
20 therefore, be it

21 RESOLVED, That San Francisco commends Governor Brown on the progress made to
22 reduce California’s “Wall of Debt” and improve the state’s economy; and, be it

23 FURTHER RESOLVED, That given the State’s improved financial position and the
24 critical juncture in the implementation of the ACA, it is imperative that the State continue to
25 invest in the health care safety net; and, be it

1 FURTHER RESOLVED, That San Francisco encourages the State Department of
2 Health Care Services to enter into meaningful conversations with San Francisco’s public
3 health system to ensure that the redirection of realignment funding reflects San Francisco’s
4 actual experience of enrollment into health insurance and reduction of uncompensated care
5 costs; and, be it

6 FURTHER RESOLVED, That because Medi-Cal funding is a critical source of support
7 for public and private providers in the health care safety net, San Francisco urges Governor
8 Brown and the State Legislature to restore the cut to Medi-Cal reimbursement rates.

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