

## 2010-2011 Budget: What's in Store for Children and Youth with Special Health Care Needs?

In January 2010, the Governor released an 18-month draft budget for the rest of this fiscal year through next fiscal year (2009-2011) to address the state's continued dire fiscal crisis. The proposed budget includes a number of cuts to children's programs, and also includes additional "trigger" cuts if California does not receive \$6.9 billion in new federal funds.

The following summary only addresses State funds. Many of these cuts will result in loss of significant federal matching funds, making the overall impact far greater. For example, the proposed \$25 million cut to developmental services could result in over \$50 million in cuts to the DD system, if matching federal funds were taken into account.

During the recession in 2007-2009, California's families have turned to public programs to help make ends meet:

- The # of Californians receiving food stamp benefits increased by 905,218 (43.0%)
- # of Children enrolled in Healthy Families Program rose by 97,172 (11.8%)
- # of Californians enrolled in Medi-Cal rose by 470,965 (7.2%)
- # of families receiving CalWORKs cash assistance increased by 86,524 (18.8%)

- California Budget Project

Proposed Budget Items	How Will It Affect Children and Families?
<p><b>CALIFORNIA CHILDREN'S SERVICES ↓\$3.9 Million</b></p> <ul style="list-style-type: none"> <li>• Eliminate CCS eligibility for children in families with incomes above \$40,000/year also enrolled in Healthy Families</li> </ul>	<ul style="list-style-type: none"> <li>• An estimated 8,000 children would lose their CCS coverage (per CMS)</li> </ul>
<p><b>CALWORKS PROGRAM ↓\$120.6 Million</b></p> <ul style="list-style-type: none"> <li>• Reduction of benefits by 15.7% (\$9.4 million in 2009-10 and \$120.6 million in 2010-2011)</li> </ul>	<ul style="list-style-type: none"> <li>• More than 3 out of 4 recipients are children</li> <li>• Reduces maximum monthly grant for a family of 3 in high-cost counties (from \$694 to \$585)</li> <li>• Grants have not kept pace with inflation and would have to double (to \$1,316) to have same purchasing power as in 1989-90</li> </ul>
<p><b>DEVELOPMENTAL SERVICES/REGIONAL CENTERS ↓\$200 Million ( + ↓\$394 Million from last year)</b></p> <ul style="list-style-type: none"> <li>• \$25 million in additional program reforms to be developed by stakeholder process</li> <li>• Extend 3% payment reduction to most providers</li> <li>• 3% reduction to Regional Center operations</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces services for children and youth over age three who lack federal mandate protection</li> <li>• Continuing loss of developmental providers, with accompanying loss of access for children</li> <li>• Cuts basic operations (intake/assessment, caseload ratios, etc.)</li> </ul>

Proposed Budget Items	How Will It Affect Children and Families?
<ul style="list-style-type: none"> <li>• <b>\$394 million reduction from last year included:</b> <ul style="list-style-type: none"> <li>○ \$100 million developed by stakeholder process</li> <li>○ \$50 million to general fund from Governor’s line item veto</li> <li>○ \$60.9 million in provider payment reductions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Resulted in limits/elimination of numerous services for adults and children with developmental disabilities that will continue through next fiscal year, including reductions in eligibility for early intervention services for young children</li> </ul>
<p><b>HEALTHY FAMILIES ↓\$126 Million</b></p> <ul style="list-style-type: none"> <li>• <b>Reduce eligibility</b> from 250% to 200% of Federal Poverty Level</li> <li>• <b>Eliminate Healthy Families vision benefit</b></li> <li>• <b>Increase cost sharing for families</b> (with income between 151-200% FPL)</li> </ul>	<ul style="list-style-type: none"> <li>• All 874,762 children enrolled will be affected by loss of vision benefit and premium increases</li> <li>• 225,000 children will lose health care coverage</li> <li>• Loss of vision coverage for enrolled children</li> <li>• Increased premiums: from \$30/child/month (was \$16) to \$90/family/month (was \$48)</li> </ul>
<p><b>IN HOME SUPPORT SERVICES (IHSS): ↓\$1.0 Billion</b></p> <ul style="list-style-type: none"> <li>• <b>Reduce wages</b> of IHSS workers from \$12.10/hour to \$8.60/hour</li> <li>• <b>Eliminate services</b> for those with Functional Index scores below 4.00</li> </ul>	<ul style="list-style-type: none"> <li>• Difficulty obtaining and maintaining qualified workers in the home</li> <li>• Would eliminate services for 87% of the IHSS caseload (reducing # of people served from 485,000 to 63,000)</li> </ul>
<p><b>MEDI-CAL ↓\$917.1 Million</b></p> <ul style="list-style-type: none"> <li>• <b>Limit services and utilization, potentially increase cost sharing (co-payments, premiums), and unspecified programmatic changes</b></li> </ul>	<ul style="list-style-type: none"> <li>• Currently unclear how this will affect families with children and youth—difficult to project without details of these proposals</li> </ul>
<p><b>PROPOSITION 10 (FIRST 5)/GENERAL FUND HEALTH &amp; SOCIAL ↓\$550 Million</b></p> <ul style="list-style-type: none"> <li>• <b>Reduction in General Fund Health and Social Programs serving children</b> (to be paid for by redirecting funds from Proposition 10/First 5)</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to voter approval, this would redirect First 5 funds currently covering developmental services (\$200 million) and child welfare services (\$350 million)</li> </ul>
<p><b>PROPOSITION 63 (MENTAL HEALTH SERVICES ACT) ↓\$452.3 Million</b></p> <ul style="list-style-type: none"> <li>• <b>Reduction in General Fund EPSDT services for children and mental health managed care</b> (to be paid for by Proposition 63/Mental Health Services Act)</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to voter approval, this would redirect funds from Proposition 63, which currently funds county mental health programs and statewide goals for children, transition age youth, adults, older adults and families.</li> </ul>
<p><b>SSI/SSP GRANTS ↓\$177.9 Million</b></p> <ul style="list-style-type: none"> <li>• <b>Reduction in maximum grants for disabled individuals from \$845 to \$830 per month</b></li> </ul>	<ul style="list-style-type: none"> <li>• SSI/SSP grants were reduced three times in 2009 (6.8% reduction for individuals and 10.9% reduction for couples)</li> </ul>

June 2010 Ballot

June 2010 Ballot

## PROPOSED TRIGGER CUTS

These additional cuts would be activated if the state does not receive all \$6.9 billion federal funds requested; these proposed cuts would require approval from Legislature

- **Eliminate Healthy Families Program ↓\$126 Million**
  - **Eliminate IHSS Program providing home care to children and adults with disabilities ↓\$495 Million**
  - **Eliminate Medi-Cal coverage and benefits for millions by reducing eligibility to the federal minimum, and eliminating remaining benefits for adults not required by federal law ↓\$532 Million**
  - **Eliminate CalWORKs program, the welfare-to-work program ↓\$1.044 Billion**
  - **Eliminate health services programs, including Access for Infants and Mothers, MRMIP's high risk pools for those denied coverage for pre-existing conditions, Asthma Control Program ↓\$115 Million**
  - **Eliminate current services funded by Proposition 63 (Mental Health Services Act) to redirect funds to pay for existing mental health services ↓\$847 Million**
- 875,000 children would lose coverage
  - 485,000 recipients would lose coverage & an unknown # would be institutionalized (at greater cost to the state)
  - Would reduce income eligibility from \$18,310 to \$13,000 for a family of 3; eliminate benefits for adults including orthotics, wheelchairs, durable medical equipment, hearing aids
  - In December, just 56.2% of working-age Californians had jobs—lowest level in 33 years
  - This would be subject to voter approval, and would reallocate Proposition 99 (tobacco tax) funds
  - This requires voter approval and would redirect money currently supporting county mental health programs and statewide goals for children, transition age youth and families

\* Awaiting confirmation that any or all of the above measures will appear on the June 2010 Ballot.

### THANK YOU TO OUR TRUSTED SOURCES/COLLABORATORS:

- **Laurie Soman**, Lucile Packard Children's Hospital
- **Marty Omoto**, California Disability Community Action Network ([www.cdcan.us](http://www.cdcan.us))
- **Jean Ross**, California Budget Project's "Searching for Balance: The Social and Economic Context of the Governor's Proposed 2010-2011 Budget" ([www.cbp.org](http://www.cbp.org))
- Health Access "A First Look at the 2010-2011 Health Care Budget Proposal" ([www.health-access.org](http://www.health-access.org))