Governor Brown’s 2017-2018 Proposed State Budget – Talking Points

Overview

- Governor Brown’s 2017-18 Budget remains committed to protecting four priorities: growth for education, creation of the state’s first earned income tax credit, a minimum wage increase, and expansion of health care coverage.

- Protecting these four priorities however cannot come at the cost of key health care programs and one-time spending commitments made last year to support our health care system.

- Of particular concern are the potential changes to the 340B program, elimination of funding for primary care workforce, Newly Qualified Immigrant Wrap implementation, and delays to behavioral health care integration.

Health Center Budget Concern: 340B

- **Background** - 340B is a federal drug discount program intended to enable eligible providers to pay lower prices on outpatient drugs for their low-income patients.

- **Our Concern** - It is anticipated that the budget will include trailer bill language to explicitly require covered entities to “bill at their actual 340B acquisition cost plus any applicable dispensing fee.” Such a shift could be extremely detrimental to health centers that rely on 340B savings to enhance patient services, expand hours of operations, or add additional providers.

- **Statement** - We depend on 340B Funds to (Insert how your health center uses 340B savings to support health center operations and services).

Health Center Budget Concern: Workforce

- **Background** - The Governor’s Budget eliminates the $33 million primary care workforce commitment that was targeted for this year, and ends the remainder of the $100 million that was part of the complete workforce package.

- **Our Concern** - Without these investment, California’s primary care residency programs will be destabilized and face closure. Backtracking on this investment hinders existing primary care residency programs, eliminates the potential for expansion or the development of desperately needed new residency programs in underserved communities.

- **Statement** – Our health center currently suffers from a shortage of (insert number of providers) providers. Without the $100 million general fund commitment, this shortage will only get worse.
(If you are a teaching health center or residency program partner please describe how this funding cut will impact your program).

**Health Center Budget Concern: Newly Qualified Immigrant (NQI) Benefits and Affordability Program**

- **Background** - Immigrant adults who have been in the country for less than five years are barred from receiving federal Medicaid benefits, but are eligible for state-funded Medi-Cal benefits if they meet income eligibility requirements.

- **Our Concern** - The budget language plans to transition these patients to Covered California, with the state providing premium and out-of-pocket payment assistance and wraparound benefits. The cost savings would come at the expense of the patient’s health and wellbeing because they could lose their current provider by being moved from Medi-Cal to CC. Further, the federal uncertainty with the Health Exchanges, could mean the transition is temporary, all the more reason not to do this to patients.

- **Statement** – We shouldn’t compromise the health and wellbeing of these patients for potentially one year of savings to the state budget. Care continuity and the culturally competent care they receive in Medi-Cal currently should be the first priority.

**Health Center Budget Concern: Behavioral Health Access to Care**

- **Background** - The budget delays the implementation date of AB1863 (Wood) from January 2017 to July 1, 2018 meaning Marriage and Family Therapist’s (MFT’s) will not be billable at the PPS rate within an FQHC until that time.

- **Our Concern** - Health centers were preparing to expand behavioral health services in January 2017 as these services are critically needed across California. Delaying implementation impacts the health care status of thousands of Californians unnecessarily.

- **Statement** – At (Name of your health center) we are going to have to delay our plans to expand behavioral health capacity for another year and a half. This delay means that (what percentage of your patient population needs Behavioral Health) of our patients will suffer not having the access to the behavioral health services they most desperately need.

**Health Center Budget Ask to Legislature/Administration**

- With the threats coming to our state from the federal government and the uncertainty of the Affordable Care Act it is even more imperative that we protect our most vulnerable and make inroads in providing quality care to all Californians.

- We ask you to join us and our patients in ensuring we protect the 340B program, the shared commitment to expanding workforce, the needs of low income immigrants, and behavioral health access at a time when they need it most.