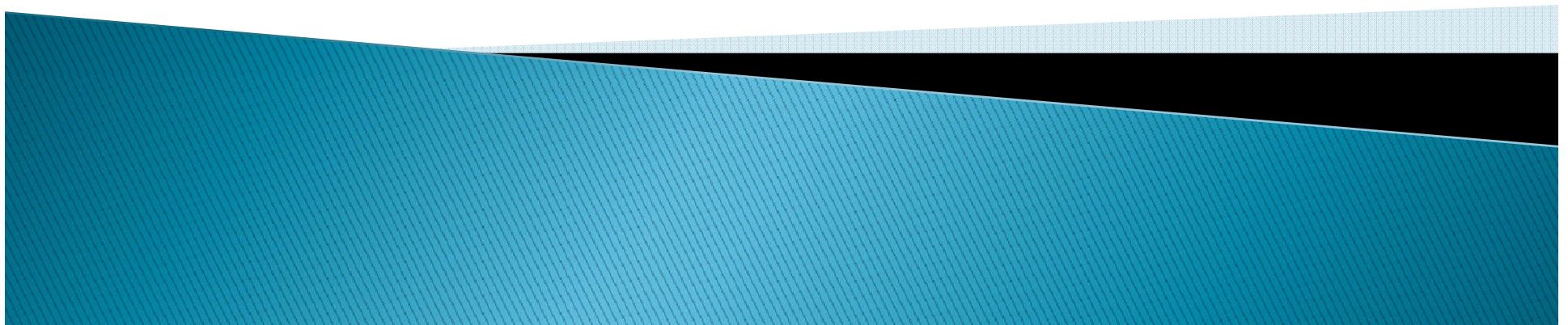


Impact of California State Budget Cuts on Immunization Access

**California Immunization Coalition Summit
April 18, 2011
Los Angeles, CA**

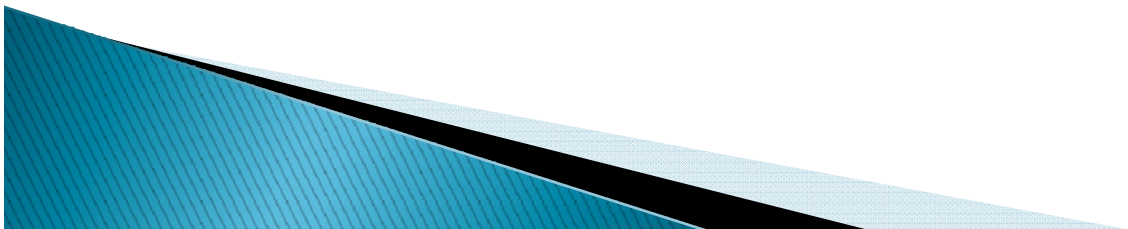


CA Budget process

Budget is annual: fiscal year - July 1st – June 30th

Budget is submitted by Governor on Jan 10th

- Each house meets and discusses their budget - open for public comment
- Each house submits budget, if lack of agreement, items go to Joint Conference Committee
- Conference Report is sent to each house for a vote, now can pass budget with majority vote (Prop 25), still require 2/3 vote for tax increases



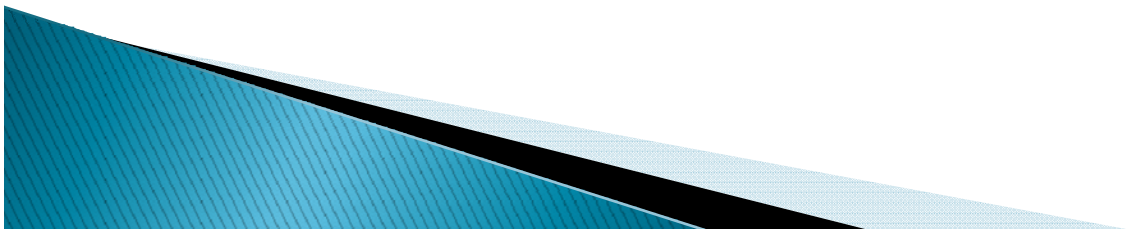
Budget Process

April 15th tax revenues come in, May revise reflects changes

Budget is due June 15th - pay is docked for each day
budget is late (Prop25)

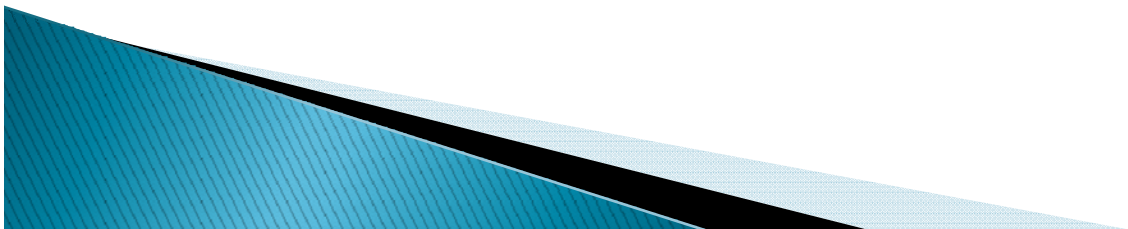
Budget must be balanced and is sent to governor

Governor has line item veto



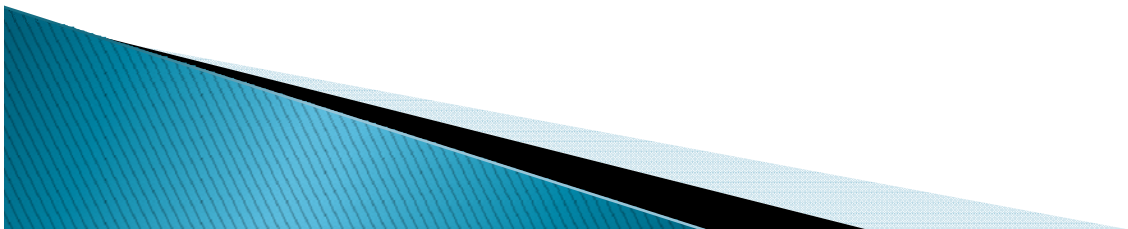
Historical CA Budget Problems

- Term limits – prop 140, passed in 1990
- 2000 Census and redistricting caused a polarized Legislature
- 2/3 for budget (since 1933); 2/3 for taxes - Prop 13 (1978)
- 75% of budget controlled by initiatives, state constitution or federal matching requirements
- California is a federal donor state
- Revenues more dependent on income tax – result of Prop 13



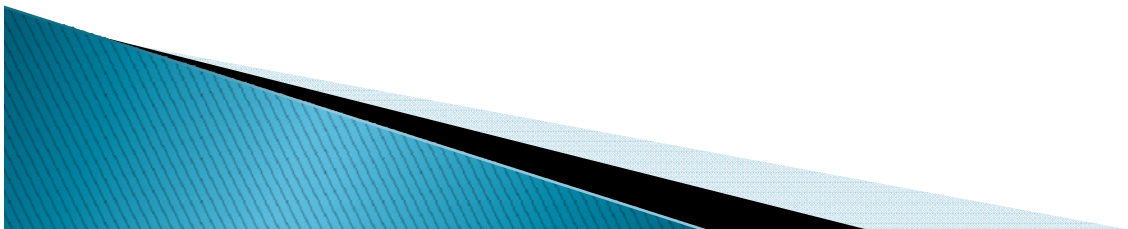
Where does that leave us now?

- 2010-2011 and 2011-2012 combined:
 - \$25 billion deficit (more than 20% of General Fund)
 - “Solved “ \$13.5 billion with cuts in March.
 - Gov wanted over \$13.5 billion in revenue:
 - tax extension on ballot, talks fell apart,
- Day 99 and no budget.
- LAO Projecting continued deficits in \$20 billion range through 2015-2016



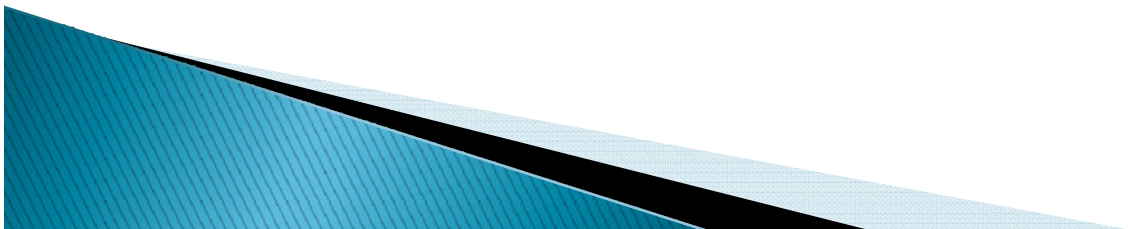
Options

- Pass taxes in Legislature – likely court case
Goes against Brown's promise
- Interest groups put taxes on ballot
- "All cuts budget" –Asm Speaker says no
- Budget "Tsunami", "Holocaust", "Armageddon"—
pick your hyperbole.



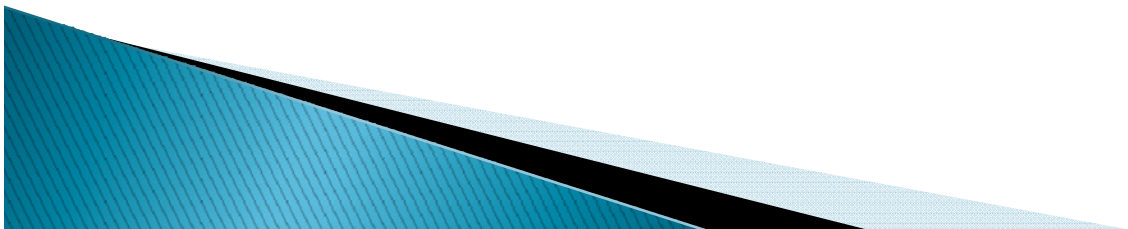
In good (bad) company?

- 44 states facing budget deficits
- CA's deficit as percentage of budget is 2nd worst at 20+%
(Nevada is over 40%)
- ***Slower CA recovery: Roughly 12% unemployment CA
vs. approx 9% nationally
- CA Harder hit by housing bust
- DOF said revenues are recovering - \$1 billion over
projections thru Feb



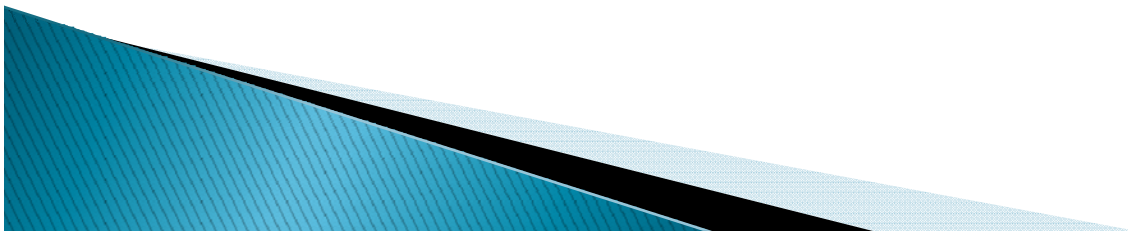
And while they're fiddling, Rome burns

- Direct cuts to immunization funding last year that hit this fiscal year total \$18 million:
 - \$3.5 million from community health centers
 - \$4 million from collaborative projects (e.g., LA Health Rescue Immunization program for low income kids defunded)
 - \$3.2 million from immunization (meant state also lost 1.1 million matching funds for registry) (e.g., SD stopped recruiting new service providers to registry due to cuts)
- * \$7.3 million for vaccines, including influenza.



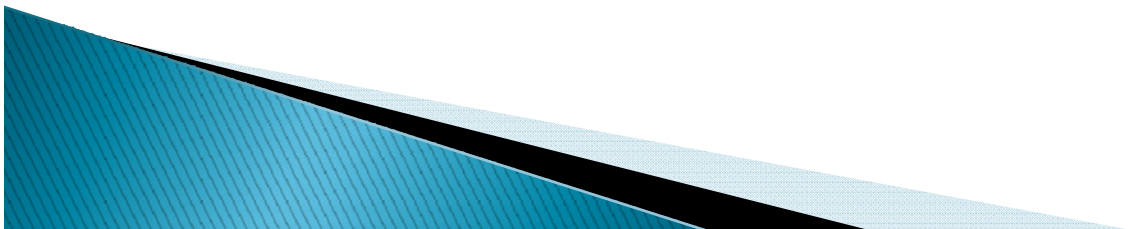
2011-2012

- \$18 million direct immunization fund cuts not restored for next year.
- No new direct immunization cuts (so far--\$13 billion gap unresolved)
- Indirect blows to immunization through reductions in access to primary care are SIGNIFICANT. (“Devastating”, “unconscionable”, “likely to cause deaths”—add hyperbole here.)
- Remaining cuts, if needed, may hit cities/counties (e.g., cut 6 billion redevelopment funds), reducing immunization resources there.



Major HC Programs Affected (so far)

- Medi-Cal
- Healthy Families
- First 5
- Care for Seniors and Persons with Disabilities (SPD)

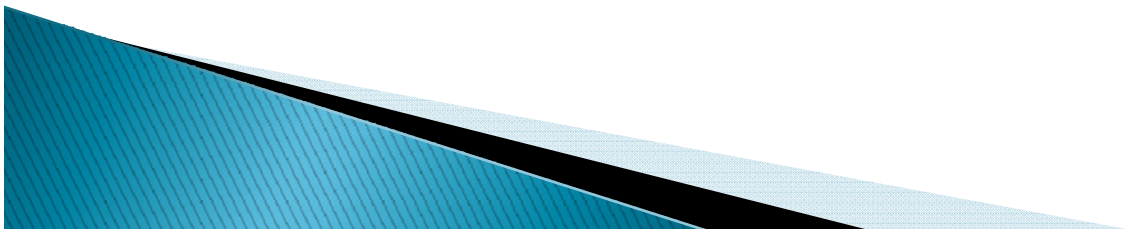


Medi-Cal

Covers 20% of Californians

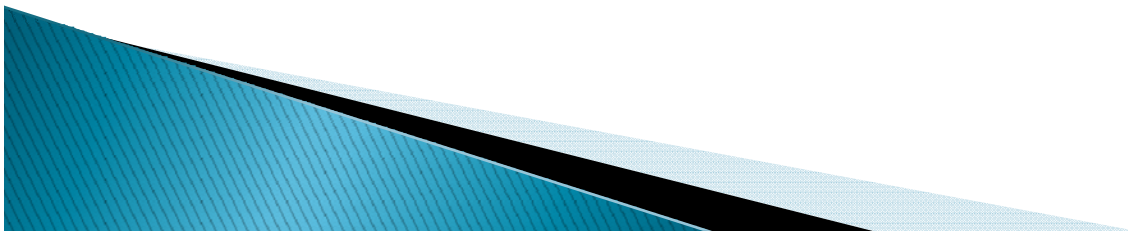
Current Budget cuts:

- Pave way for provider cuts of 10% if Supreme Court approves
- New mandatory \$5 co -pay for MD, clinic, dental visits and brand name drugs. \$50 co -pay for ER
- MD certification needed for more than 7 visits
- Eliminates coverage for OTC cough and cold meds.



Healthy Families: CA's CHIP program

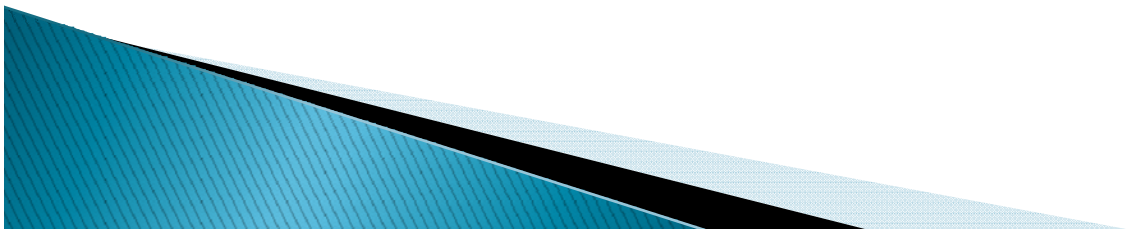
- Covers 900,000 children
- Premium Increases for 565,000 of those kids, e.g., current family maximum of \$54/mo 3 or more kids will go to \$126/mo
- Co-pays: ER visits
- Co -pay increase from \$15 to \$50; inpatient increase from \$0 up to \$200 per stay
- Premium increases may bar as many as 200,000 kids from program.



First 5 – Prop 10 (1998)

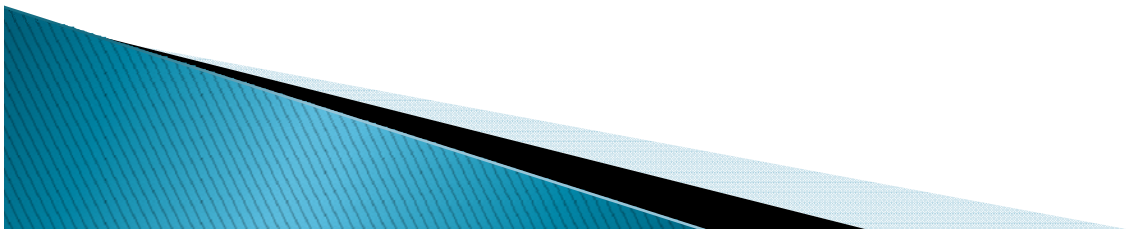
Established program, using tobacco tax for kids 0-5 years

- AB 99 – Creates The Children and Families Health and Human Services Fund in the State Treasury Deposits \$1 billion to the Fund:
 - \$50 million will be from accounts, including reserve funds as specified, under the State Commission and
 - \$950 million will be from combined balances, including reserves as specified, under the County Commissions.
 - Counties with less than \$600,000 are exempt
 - Fresno, Madera, Merced, Orange and LA are suing
may be joined by Kern, Riverside and Solano
- SB 486 pulled from Senate Health – would eliminate state & county commissions, transfer funds to GF



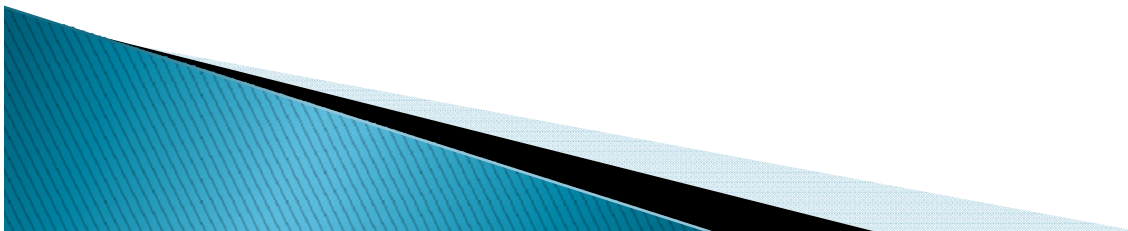
Access for SPD

- Moved into managed care
- SB 72:
 - reduced cash assistance provided through the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program.
- The Legislature cut SSI/SSP grants for individuals by \$15 per month effective July 1, 2011, reducing the maximum grant from \$845 to \$830, the lowest level allowed by federal law.



Bottom Line

- Fewer children and adults will be able to access covered preventive health care, including immunizations, through existing state programs.
- Many need to pay more for that access when they do.



What can you do?

- Stay informed:
 - CIC resources
 - www.aap-ca.org, @krisecalvin on twitter.com
 - Raise visibility and voices for immunizations. (Do not discount this, without it we become a default target)
 - -Contact your legislature (Don't worry about when in the cycle, always is good)
 - Work in coalition with others: CIC, AAP-CA, CAFP, Nurses
- **Run for Office as a centrist focused on issues, be willing to come to the middle. (I kid you not...)

