

June 12, 2009

Budget Today

Hearing today on CPCA, Clinicas del Camino Real, Southern Trinity Health Services VS DHCS

The hearing regarding whether FQHCs and RHCs will continue to receive reimbursement for adult dental, podiatry, optometry and chiropractic services was held today. This update will include significant detail on the arguments put forward by our legal counsel and DHCS' arguments. The court did not make a decision or issue a bench ruling (a clear indication of where the court is leaning). Technically, the court has 90 days to issue a ruling, however; the judge is well aware of the impending deadline of July 1st. Our counsel believes we will receive a decision in the next week or two.

The court's first question: Ripeness of the Claim

Prior to the hearing, the court issued three questions that he wanted both sides to address. The first two questions related to whether this court has proper jurisdiction over the case. The court's first question was the following:

Whether the instant action is ripe in light of Respondent's (aka DHCS') evidence that the Department is still in the process of determining how to implement Welfare and Institutions Code section 14131.10 (the statute that eliminates Medi-Cal optional benefits) and preparing the necessary State Plan Amendment, EDS instructions, provider bulletins, and beneficiary notices to implement the changes?

The Opponents counsel was asked to respond first and he argued that a case is not ripe until there is a definitive /concrete issue. In this instance, he argued, DHCS is still trying to implement section 14131.10. The provider manual has not been updated, beneficiary notices were only recently sent and provider bulletins have only been posted to DHCS' website, not mailed to providers. He argued that it is not clear how this issue will impact FQHCs and RHCs and therefore this case is not ripe.

The judge asked if in the Opponent's opinion there will be a ripe controversy at some point. Opponent's counsel responded "yes", targeting October 1st as the date because he argued this is when FQHC/RHC rates are adjusted annually. He argued that at this point FQHC/RHCs would file scope changes and either be denied or approved and clinics would have the opportunity for an administrative appeal. Opponent's counsel argued that the court had no jurisdiction over an action that hasn't been fully vetted in this administrative process.

Our counsel, Jennifer Dauer, countered that it is an undisputed fact that DHCS intends to stop reimbursement to FQHCs and RHCs for adult Medi-Cal beneficiaries receiving dental, optometry, podiatry and chiropractic services. The issue under dispute is not how this change might be implemented, such as in a scope process...We are asking the court to rule that section 14131.10 does not apply to FQHC/RHC services. This issue is ripe because it is clear that DHCS will apply section 14131.10 to FQHCs and RHCs on July 1, 2009.

Jennifer argued that this court has appropriate jurisdiction to rule at this point because the statute had been adopted and DHCS will be illegally applying it to FQHCs and RHCs. Jennifer argued that the court has all the information it needs in order to make this decision at this point in time.

(caveat – We have mentioned to members on various occasions that DHCS has been advised to not discuss the issue of optional benefits with us because of the writ. The concern on the part of DHCS' counsel is that CPCA could use any implementation information in countering the "ripeness" argument. We will continue trying to secure information on implementation, but we do not expect much cooperation because of the writ.)

The court's second question: Appropriate Jurisdiction

The court asked, "Whether application of section 14131.10 constitutes a change in the scope of services for purposes of the administrative appeal procedures described in Welfare and Institutions Code section 14132.100(l)?"

Jennifer responded “no” because as we have argued in our pleadings section 14131.10 does not apply to FQHCs and therefore its application does not constitute a scope of service change. None of the clients have asked for or filed a scope of service change to implement 14131.10 and therefore the administrative appeal procedures are not implicated in this case.

The Opponents countered that whether this constitutes a scope of service change issue would need to be determined at each health center level on the October 1 deadline that he mentioned previously.

Jennifer responded that the issue before the court remains whether section 14131.10 applies to FQHC/RHC services or whether it doesn't and that the reason this is so important for FQHCs is because they have the obligation and mission to serve everyone that comes through their doors. If it does apply, then many will need to close their dental services because these FQHCs will be unable to cover this new uninsured population. This population cannot be turned away for services that the health center provides to other patients. Other Medi-Cal providers absolutely can turn these individuals away. Jennifer emphasized that this issue before the court must be answered in order for FQHCs and RHCs to decide how they can continue to provide for their already underserved populations.

The courts third question: The consequences of non-compliance

The court asked, “can a state choose not to reimburse Medicaid providers for services that are “required” health care services under the federal Medicaid law? If so, what are the consequences to the state from taking this action?”

The Opponent's counsel stated that two possible consequences existed 1) a complaint or grievance could be filed by a harmed health center and redress could be sought in an administrative proceeding; 2) the federal government could take action for non-compliance with federal mandates applied to the Medi-Cal and could seek termination of federal financial participation.

Jennifer agreed, but restated the response. She asserted that the state cannot lawfully choose to disobey its clear ministerial duty. If the state chose to violate the law, the consequence would threaten the state's federal match for Medi-Cal. This writ is requesting that the court inform the state of their mandatory ministerial duty. Jennifer cited all the existing legal authority that requires states to provide FQHC/RHC services and mandates payments for these services.

Opponent's counsel argued that federal law defines dental services as optional Medicaid services and that Proponents are turning this issue on its head and making these services mandatory.

Jennifer responded that federal law describes the minimum that is required to be reimbursed for FQHC services. California's legislature recognizing the importance of the health center safety-net included the services at issue in the definition of FQHC services and therefore making these services mandatory when provided by FQHCs and RHCs. To eliminate these statutorily protected services would ignore the legislative declaration made in adopting section 14132.100, the state's FQHC statute, describing the need to provide special consideration for the health center safety-net.

The court's fourth question: Parity

The court then asked a fourth question that was not provided prior to the hearing. The court asked, “Can we treat these Medi-Cal providers differently than other traditional Medi-Cal providers.”

Jennifer quickly responded “yes” and that is exactly how it should be. FQHCs are a safety-net because they serve everyone. They don't bill Medi-Cal fee for service because our rate is different acknowledging their unique role as the safety-net. FQHCs are treated differently across the law and as such are significantly disadvantaged when discussing reductions because we cannot deny services to anyone. She emphasized that FQHCs are and should be treated differently.

Opponent's counsel responded that the legislature sought to apply the elimination of certain optional benefits uniformly across the Medi-Cal program and that in this instance, FQHCs and RHCs are seeking special dispensation. The Administration believes that the intent to treat all providers uniformly is clearly indicated by the fact that FQHCs and RHCs were not specifically exempted from section 14131.10.

The court thanked counsel for their presentation of the arguments and left the bench.

Although this text is intended to make you feel as if you attended the hearing, if you have any questions regarding this proceeding, please contact Elia Gallardo at [egallardo@cpc.org](mailto:egallardo@cpc.org)<<mailto:egallardo@cpc.org>>.

### 340B Issue

As you may be aware, the state released its proposal on the 340B program late last weekend and voted on the proposal very quickly on Monday. Provider groups and pharmacies were given little time to do proper analysis and advocacy on the impact of this proposal on their memberships. However, DHCS has indicated that they are willing to consider amending the proposed language on this for some impacted groups, among them clinics.

CPCA has only heard from a small number of clinics as to how this proposal will impact them. Given the complexity of the 340B program and the different situations of members, we need your input. There are two major issues that have arisen that may impact us:

1. The 340B Mandate: this is the requirement that clinics only dispense 340B drugs to Medi-Cal patients and only charge Medi-Cal the 340B price.
2. Reduced Dispensing Fee: the proposal would only allow providers to charge the professional fee of \$7.25 rather than the dispensing fee, which is up to \$12.

Right now, DHCS is willing to consider exempting clinics from item #2 and allow us to still charge the dispensing fee.

If this proposal will negatively impact your clinic, we need to hear from you now. At this point, we are supporting the efforts of some other advocacy groups, including Planned Parenthood Affiliates of California and AIDS activist groups that will also be beneficial for us. However, it is critical that we have a better sense of how widespread of an impact this has on CPCA members.

Please e-mail Jamila Iris Edwards at [jedwards@cpc.org](mailto:jedwards@cpc.org) with any comments on how this proposal affects your clinic. I am also attaching the [proposal](#).<<mailto:jedwards@cpc.org>>

### Budget Conference Committee Updates

Budget Conference Committee did not hear health issues today and is not scheduled to reconvene until Sunday upon call of the car. CPCA will send immediate updates following any Conference Committee hearings that discuss health related issues. However, CPCA has created a grid tracking the proposed reductions to CCHC priority healthcare programs and will continually update to reflect the actions taken by the Committee. You can access this document at any time by clicking the link below or going to the CPCA website.

[Budget Conference Committee Update](#)

### Capitol Rumbblings

- Governor Steps Up The Threats - Governor Schwarzenegger backed his recent threats with some real action and revoked the State Controller's authority to secure "high-interest" emergency loan to keep the state afloat if the Legislature fails to pass a budget soon. The Governor reasoned that it would be "irresponsible" for the state to borrow money without a budget, and that the high-interest loan would cost the state two-fold in the end. This comes at the heel of his comments yesterday stating his willingness to bring the state to a "grinding halt" if budget talks stall.

## Advocacy Around the State

CPCA now has a [Facebook](#) page and a [Twitter](#) account. CPCA will be “tweeting” from the Legal Hearing tomorrow. Please join our networks and forward it to others who may be interested in clinic advocacy.

Again, for additional information on other efforts around the state please click here [Advocacy Around the State](#) under “BUDGET ALERT AND ACTION REQUIRED.”

## Action Required

There is no additional advocacy action requested as of today. However, please continue the clinic staff and patient advocacy ask of yesterday in contacting your Legislators and informing them of the critical need to preserve Traditional Clinic Programs, urging them to put pressure on the Conferees to protect our programs.

June 15, 2009  
Budget Today

In an effort to close down Budget Conference Committee today, decisions were made on all priority issues including the following:

- ADOPTED - \$1 billion was adopted for the Governor's Federal Medi-Cal Flexibility and Stabilization Waiver. The legislature stated that these resources were secured in primarily federal funds that are owed to California.
- ADOPTED SENATE ALTERNATIVE – on traditional clinic programs that reduces general fund allocation to the programs by 30 percent and the Prop 99 allocation to EAPC by 30 percent. ([see attached Senate Alternative](#))
- REJECTED – The proposal to restrict Medi-Cal services for “Newly Qualified Legal Immigrants” less than 5 years and PRUCOL individuals.
- ADOPTED CONFERENCE COMPROMISE - on the proposed elimination of the ADHC program. The compromise will preserve the program, but will adopt the 3 day limit on services, adopt a higher threshold for acuity, freeze rates on August 1 and provide for more positions for fraud detection.
- ADOPTED – A reduction in eligibility for the Healthy Families Program from 250 percent of the federal poverty level to 200 percent. Other changes were also discussed. CPCA will secure the handout on this item for tomorrow.
- ADOPTED SENATE ALTERNATIVE – on Maternal, Child, and Adolescent Health (MCAH) Programs. The program will be reduced by \$11.5 million in order to provide some base level funding for the Black Infant Health Program and the Adolescent Family Life Program. ([see attached Senate Alternative](#))
- ADOPTED SENATE ALTERNATIVE – on all AIDS related support. All these items were reduced by 10%.

CPCA will secure more detailed information on the Federal Waiver, the ADHC program, the Healthy Families program and the AIDS programs in order to include this information in tomorrow's budget alert.

Although it seems likely that the clinic programs will take a significant reduction, we still need to mobilize to preserve the resources that are left. Assuming the programs survive the rest of the budget process, because the clinic programs are all subject to budget appropriations, these programs are extremely vulnerable to the Governor's Blue Pencil authority. The Governor cannot change state law with his blue pencil authority, therefore he cannot further reduce eligibility for the Healthy Families program, for example. However, the Governor can reduce allocations that do not require statutory changes such as with the clinic programs. CPCA will be mobilizing members to weigh in on this issue with the Governor.

Attached find the changes adopted for the [Medi-Cal Waiver](#), the [Healthy Families program](#), the [ADHC program](#), [the AIDS related funding](#) and [others](#).

#### Budget Conference Committee Updates

As reflected above, the Budget Conference Committee did hear all health issues today.

CPCA has created a grid tracking the proposed reductions to CCHC priority healthcare programs and will continually update to reflect the actions taken by the Committee. You can access this document at any time by clicking the link below.

[Budget Conference Committee Update](#)

## Capitol Rumbblings

- Assembly Democrats Finally Throw Taxes on the Table – Early today, the Assembly Democrats realizing that the \$24 billion deficit cannot be closed with cuts alone, unveiled a number of revenue-raising package that will be discussed further at Conference Committee. Included in this package is increased taxes on tobacco, alcohol and oil extraction; a new tax targeting Internet and mail-order sales; and eliminating some corporate tax-loopholes that were secured by the Republicans in last year’s budget negotiations. And in a quick interview with Assembly Minority Leader Blakeslee following the release, he unsurprisingly declared that the Republicans would oppose this package.
- Governor Using Budget Woes to Restructure Three Agencies – In the name of “government efficiency”, the Governor has proposed to consolidate California’s tax collecting agencies – the Franchise Tax Board (FTB), a majority of the Board of Equalization (BOE) and the Employment Development Department (EDD) into one agency – the Department of Revenue, whose director would be appointed by the Governor. Cumulatively, the three agencies have a work force of more than 18,000, and spend about \$2 billion a year in the collection of about \$106.5 billion in tax revenue. In response, many stakeholders have raised a bevy of critical questions, like how much savings? Can an executive branch agency to provide unbiased tax system information to legislators? Perhaps these may addressed in the Big Five...

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## Action Required

CPCA will be mobilizing members to seek to preserve the clinic programs from a Governor's Blue Pencil. Please look for an action alert soon.

June 16, 2009

## **Budget Today:**

**Obama Says “No Way” to California’s Plea for Aid** – California’s “top brass” warnings of a complete fiscal “meltdown” if there is no federal financial assistance, fell on deaf ears in the Obama Administration. And while California’s economic plight is causing great concern and trepidation amongst senior-ranking Obama officials, they are unwilling to “bailout” California for fear that other states would follow suit, and a “domino effect” would ensue. In the series of meetings, Treasury Secretary Geithner felt that California could wait it out a little longer and should get its budget in order rather than rely on a federal bailout. Several outside officials and Members of Congress are however very wary of letting the 8<sup>th</sup> largest economy in the world slip deeper into an economic abyss, stating that, “...it is hard to see the country recover if that state (CA) does not.”

**More on 340B:** The 340B issue was introduced quickly (and on a weekend) and was voted on even more quickly early last week. Most advocates and provider groups did not have much time to vet it through their membership. However, from the limited feedback we’ve received from CPCA members has indicated that there are two major problems with this proposal:

The 340B Mandate: would require 340B entities to purchase 340B eligible drugs for Medi-Cal patients at the 340B prices, and Medi-Cal would reimburse at only the 340B prices.

The Dispensing Fee Reduction: rather than the dispensing fee (which is up to \$12) it would only reimburse providers for the professional fee (which is \$7.25)

CPCA joined a meeting with Planned Parenthood and AIDS organizations had with DHCS last week. Planned Parenthood proposed exempting community clinics from the reduced dispensing fee. The AIDS organizations proposed language to DHCS to exempt clinics from the 340B mandate. DHCS was pretty clear they would not be reconsidering the 340B mandate, since it allowed them to receive rebates from 340B drugs upfront. However, CPCA recently learned that DHCS did agree to exempt clinics from the reduced dispensing fee – thus we will still be able to bill for a dispensing fee of up to \$12.

**Adult Dental Advocacy:** Although CPCA remains committed to advocating for complete restoration of Medi-Cal optional benefits, we have learned that the proposal by the California Dental Association to add basic restorative procedures for adults to the list of allowable services under Denti-Cal, has received some support from policymakers. It is estimated that the elimination of adult dental will result in 17,000 additional emergency room visits, costing the state \$11 million. The addition of these services will cost \$15-20 million and possibly save some clinics from closure. We encourage members to promote this idea when talking to legislators.

## **Budget Conference Committee Updates:**

The Budget Conference Committee heard all health issues yesterday, June 15, 2009.

CPCA has created a grid tracking the proposed reductions to CCHC priority healthcare programs and will continually update to reflect the actions taken by the Committee. You can access this document at any time by clicking the link below or going to the CPCA website.

[Budget Conference Committee Update](#)

## Capitol Rumbblings:

- **California's Credit Rating Drops Below "Worst"** – Today, Standard & Poor's Rating Services (S&P) has placed California's credit rating, already the **lowest** in the nation, on a watch list "with negative implications" due to the state's unremitting and unresolved budget deficit. The credit watch notification on general obligation (GO) and lease-revenue bonds reflects "our assessment of the state's projected depletion of cash by the end of July 2009 absent the adoption of a significant revision to the fiscal 2010 budget," S&P said in a statement. This rating affects \$59 billion in GO debt and \$8.1 billion in appropriation debt...which means the state goes further into debt because of higher rates now tacked onto already astronomical interest fees.

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## Action Required:

CPCA will be mobilizing members to seek to preserve the clinic programs from a Governor's Blue Pencil. Please look for an action alert soon.

**June 17, 2009**

## **Budget Today**

**MRMIB Meeting On Healthy Families-** The Managed Risk Medical Insurance Board (MRMIB) which operates the Healthy Families program convened today to discuss the proposed budget cuts, among other issues. The Healthy Families update indicated that the program needs to find funding not for the \$70 million cut that was adopted by conference committee, but \$90 million in order to continue operating the program at its current levels. Should Healthy Families be unable to find funding for the \$90 million needed, an estimated third of the children currently enrolled would be either wait-listed, disenrolled, or both. MRMIB will hold a special meeting on June 29<sup>th</sup> to further discuss its options.

MRMIB also prepared the [attached brief](#) on Complying with CHIPRA PPS Requirements for Services Provided by FQHCs/RHCs: Background and Options. On the positive side, MRMIB is supporting CPCA's recommendation that the implementation of PPS in Healthy Families use the existing Medi-Cal structure for managed care. On the negative side, MRMIB continues to intend to implement by January 1, 2011 and, because of the current threat to the program, as outlined above, are extremely concerned about the budget implications. CPCA will continue to work on implementation. We are having our legal team draft implementing statutory language to share with MRMIB.

**The Fight for Traditional Clinic Programs Continues-** CPCA staff met with legislative leadership today where it was made blatantly clear that the fight to preserve funding for Traditional Clinic Programs remains far from over. In addition to our concern over the Governor's blue pencil authority, legislative staff reiterated that Conference Committee has the ability to reopen health issues if they conclude additional cuts need to be made. Conference Committee will continue to be monitored and any developments will be shared with CPCA membership as quickly as possible. Please continue to spread the message on the importance of Traditional Clinic Programs and be prepared to participate in additional advocacy efforts as they are organized.

## **Budget Conference Committee Updates:**

The Budget Conference Committee heard all health issues on June 15, 2009. There is talk that certain health issues may be reopened and face additional cuts in the coming days. CPCA will update membership on any developments.

CPCA has created a grid tracking the proposed reductions to CCHC priority healthcare programs and will continually update to reflect the actions taken by the Committee. You can access this document at any time by clicking the link below or going to the CPCA website.

[Budget Conference Committee Update](#)

## **Capitol Rumblings:**

- **Senate Proposes to Feel Some Pain** – In an effort to match the Assembly's gesture, the Senate has proposed to cut their pay by 5 percent for Senate members and staff. Senate Pro Tem Steinberg is recommending to the Senate Rules Committee that pay and benefits be reduced by 5 percent for those staffers earning \$50,000/year or more, as well as asking Senators to *volunteer* a 5 percent pay cut as well. The Senate's current budget is estimated at \$100 million annually and the staff pay/benefit reduction through a furlough day will add up to roughly \$4 million in savings.
- **Democrats + Taxes – Republicans = Big Budget Fight** – Yesterday, the Legislative Conference Committee, on a partisan vote, supported to increase taxes on tobacco, oil companies for extraction, vehicle fees, reversing corporate tax break negotiated last September, etc. The Committee's proposal to raise \$1.9 billion in taxes has Republicans and the Governor fuming and

ready to battle in what is looking to be a long, hot summer. In addition to the tax package, the Committee, again on a party-line, voted to reject the Governor's proposed additional 5 percent cut to state workers, on top the current 10 percent. Essentially, each party has drawn the line in the sand...the Democrats on what they will cut and the Republicans on what they will tax...all the while California continues to spiral into complete chaos with the world as our audience.

### **Advocacy Around the State:**

Clinics continue to voice their frustration with the attacks towards the most vulnerable populations of the state. Today, **Community Clinic Consortium** and their clinics participated in a rally in coalition with Labor and other Health partners that included 40-50 people. Media was present and CEO Jane Garcia of **La Clinica de la Raza, Inc.** was interviewed. The press coverage will be on our website as soon as they become available. Additionally, **The Effort**, in Sacramento, has met with Assemblymember Dave Jones and follow-up conversations will continue with Capitol **Community Health Network** and the **Central Valley Health Network**.

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Again, for additional information on other efforts around the state please click [here](#) under "BUDGET ALERT AND ACTION REQUIRED."

### **Action Required:**

CPCA will be mobilizing members to seek to preservation of the Traditional Clinic Programs from additional reductions in Conference Committee and from the Governor's Blue Pencil. Please look for an action alert soon.

July 18, 2009

## Budget Today

**The Fight for Traditional Clinic Programs Continues-** As was stated yesterday, the fight to preserve funding for Traditional Clinic Programs remains far from over, with the very real threat of these programs being suspended or even eliminated still eminent in Budget Conference Committee and/or in the hands of the Governor once a budget bill reaches his desk and he has what is called "Blue Pencil Authority" to further reduce or eliminate programs that do not entail changes to state statute.

Being that the budget is facing a full vote in what could be days, it is important that *all* Legislators continue to be informed about the importance of these Clinic Programs and the very real impact that the current proposed 30% reduction means to CCHCs and the families and communities served. They need to understand that we cannot withstand a larger reduction to these programs and that for some, even this reduction will be devastating.

**Additional Threat Lingers for Critical Medi-Cal Services, Even If Legal Efforts Successful** – Though there has been no court ruling on our lawsuit against DHCS, we do expect a decision in the coming weeks or sooner, as the Judge is very much aware of the July 1 implementation deadline. *Unfortunately*, even if we were to be *successful* in our legal efforts, we are hearing from very reliable sources that leadership is considering immediately submitting Budget Trailer Bill language that would change the state statute that we believe preserves the legal ability for FQHCs/RHCs/IHS to continue to be reimbursed for adult dental, chiropractic, podiatry and optometry services to Medi-Cal beneficiaries. Again, time is running very short, we *must* make sure that *all* Legislators are aware and further, that they are putting pressure on members of the Budget Conference Committee - who will need to decide on any trailer bill language changing this statute.

Please see the ACTION Required section below and act quickly to mobilize around preserving these programs and services.

## Budget Conference Committee Updates:

The Budget Conference Committee heard all health issues on June 15, 2009. There is talk that certain health issues *may* be reopened and face additional cuts in the coming days. As of now, we are hearing that Conference Committee will not reconvene until after a vote on the budget is taken, likely sometime next week. CPCA will update membership on any developments

CPCA has created a grid tracking the proposed reductions to CCHC priority healthcare programs and will continually update to reflect the actions taken by the Committee. You can access this document at any time by clicking the link below or going to the CPCA website.

[Budget Conference Committee Update](#)

## Capitol Rumblings:

§ **An Angry Governor Lashes Out by Sending Targeted Prank at Leadership**– After Conference Committee Democrats voted yesterday to include \$1.9 billion in increased taxes, the Republicans, and especially the Governor, are not happy. And, as reflected by the Governor's actions today, the inclusion of taxes on top of "not enough" cuts, has conjured up anger and backlash from Governor Schwarzenegger. The Governor, who once called several state lawmakers "girlie men", sent Senate leader Steinberg a package containing a metal sculpture of bull testicles, attached with a note suggesting the lawmaker would need them to make some tough budget choices, implying he and other Legislative leaders had not made severe enough cuts as of yet....*perhaps advocates should send a package to the Governor*

*symbolizing his need to find a soul...indicating his actions are a clear reflection of the fact he hasn't one...Unfortunately, this stunt is yet another indication that the Governor is playing with real lives like a puppeteer, not taking serious the impact his decisions to cut and even eliminate critical programs will have on the literal survival of the state's most vulnerable.*

§ **Budget Plan In Sight?** - Democratic Legislative leaders are vowing that the Legislature will pass a "share the pain" plan early next week that will close the state's deficit without completely shredding California's social service safety net. At the same time, the Governor is making his vows – but instead of a “share the pain” plan that includes both reductions and revenues to reach a balanced budget – Schwarzenegger has articulated his unwillingness to sign the Conference Committees budget and is adamant about not including tax increases and not including fees. The fight to find a balanced solution that will receive the bi-partisan support needed appears...to not yet be in sight...

### **Advocacy Around the State:**

**CCALAC** and its clinic members collected over **7,300** postcards addressed to the Legislature and Governor requesting their rejection of the reductions to CCHCs core service funding in the May Revise. CPCA will be hand delivering them to the Members tomorrow morning.

Additionally, clinics and consortiums continue being noted in the media across the state. **Salud Para La Gente** and **Dientes** continued the spotlight around Optional Benefits and **Council for Community Clinics- SD** was highlighted on an hour long show aired on KPBS, effectively articulating the devastating impacts that the health related budget reductions will have on CCHCs. Additionally, **Vista Community Clinic** called on voters to call their legislators to retain the critical traditional clinic programs in an article published today.

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### **ACTION Required:**

#### **Make Calls THIS WEEK to Your Legislators on TWO Critical Issues:**

As stated above, there is a need to work every and any relationship clinics have with Legislators and those in decision making positions to put pressure on Budget Conferees on two critically important issues: 1 - To hold the line at the 30% reduction to Traditional Clinic Programs, as CCHCs cannot endure a greater hit and 2 – Should CPCA's legal efforts around adult dental, podiatry, chiropractic and optometry be successful, Conferees need to preserve the state statute that allows FQHCs and RHCs to continue to be reimbursed for providing these services to Medi-Cal beneficiaries.

- **Protection of Traditional Clinic Programs** – Contact your Legislators *directly* (or the highest level staff possible) and ask them to *directly* contact the Conferees, informing them of the impact the 30% reduction to clinic programs will have, *especially* when unemployment rates are rising and the number of uninsured in CCHCs is increasing. ***Urge your representatives to directly call Conferees and pressure them to not make any further reductions to the clinic safety-net. CCHCs cannot afford a reduction beyond the already proposed 30% and some will fail to survive with this reduction.***
- **Preservation of Critical Medi-Cal Services** – When you call your Legislative representatives, additionally inform them regarding the importance of your adult dental, optometry, chiropractic and podiatry programs. Under state law these are mandatory FQHC/RHC/IHS services, which is

the basis of the lawsuit filed against DHCS to preserve these critical services. FQHCs have the mission and the mandate to serve everyone including the uninsured, unlike the vast majority of Medi-Cal providers. Elimination of funding to serve adult Medi-Cal beneficiaries will mean severe reduction in these services and for many elimination of entire programs. These services will disappear for Medi-Cal children and the uninsured. In the FQHC context, this reduction does not just adversely impact Medi-Cal adult beneficiaries. We fear that if we are successful in our legal efforts against the state, we will face an attack in the budget process on our state statute that currently designates adult dental, optometry, chiropractic, and podiatry services as FQHC/RHC/IHS services. Our desperate legal efforts to preserve these critical services will be thwarted. ***Urge your representatives to directly call Conferees to pressure them to not pass trailer bill language that would strip away state statute preserving FQHC/RHC/IHS ability to provide these services.***

*Please note: After a court decision is known and if we are successful, a similar advocacy mobilization request will be made of members. CPCA is working on a media campaign for the day of the decision as well, please pay special attention to budget alerts in the coming days.*

To locate your State Senator and Assemblymember, please go to <http://www.leginfo.ca.gov/yourleg.html> and simply enter in your zip code, then find their phone and fax number in the [attached roster](#).

July 19, 2009

## **Budget Today:**

**Educating and Empowering Clinic Staff:** Attached you will find a [PowerPoint presentation](#) related to the May Revise proposal, the budget process, Conference Committee, and next steps to share with member clinics and clinic staff. It is vital that all clinic staff be informed of the possible changes and impacts on their clinic and patients. CPCA recommends that staff be asked to fill out "Health Center Advocate" postcards (if they haven't already) at the same time they view the PowerPoint. Should anyone need Health Center Advocate postcards please contact your consortia or Serena Kirk ([skirk@cpc.org](mailto:skirk@cpc.org)) and Aracely Navarro ([anavarro@cpc.org](mailto:anavarro@cpc.org)).

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[Budget Conference Committee Update](#)

## **Capitol Rumbings:**

- **New Tax Proposal to Hit Governor and Legislature** - The California Commission on the 21st Century Economy, also known as the Parsky Commission, named after its infamous chairman, businessman Gerald Parsky is on the verge of proposing sweeping tax reform to the Governor and Legislature. The plan is considered "cost neutral", because it is not changing funds now collected, and will most likely propose abolishing corporate income taxes and the state sales tax in favor of a "net receipts" tax that's similar to the value-added taxes common in European countries, replacing the steeply progressive personal income tax with a flat tax, perhaps 6 percent, and adding a "carbon tax" to reduce fuel use. The plan aims at reversing California's volatile dependence on personal income tax which now account for over 50 percent of the state's revenues, and with over half of the taxes being paid by 1 percent of the taxpayers. The commission approved the framework this week in Los Angeles and will like amend it slightly, and then adopt it in San Francisco next month, given that Chairman Parsky can garner large support among the diverse Governor appointed members on the Commission.

## **Advocacy Around the State:**

CPCA now has a [Facebook](#) page and a [Twitter](#) account. Please join our networks and forward it to others who may be interested in clinic advocacy.

Again, for additional information on other efforts around the state please click [here](#) under "BUDGET ALERT AND ACTION REQUIRED."

## Action Required:

### **Make Calls THIS WEEK to Your Legislators on TWO Critical Issues:**

As stated above, there is a need to work every and any relationship clinics have with Legislators and those in decision making positions to put pressure on Budget Conferees on two critically important issues: 1 - To hold the line at the 30% reduction to Traditional Clinic Programs, as CCHCs cannot endure a greater hit and 2 – Should CPCA's legal efforts around adult dental, podiatry, chiropractic and optometry be successful, Conferees need to preserve the state statute that allows FQHCs and RHCs to continue to be reimbursed for providing these services to Medi-Cal beneficiaries.

- **Protection of Traditional Clinic Programs** – Contact your Legislators *directly* (or the highest level staff possible) and ask them to *directly* contact the Conferees, informing them of the impact the 30% reduction to clinic programs will have, *especially* when unemployment rates are rising and the number of uninsured in CCHCs is increasing. ***Urge your representatives to directly call Conferees and pressure them to not make any further reductions to the clinic safety-net. CCHCs cannot afford a reduction beyond the already proposed 30% and some will fail to survive with this reduction.***
- **Preservation of Critical Medi-Cal Services** – When you call your Legislative representatives, additionally inform them regarding the importance of your adult dental, optometry, chiropractic and podiatry programs. Under state law these are mandatory FQHC/RHC/IHS services, which is the basis of the lawsuit filed against DHCS to preserve these critical services. FQHCs have the mission and the mandate to serve everyone including the uninsured, unlike the vast majority of Medi-Cal providers. Elimination of funding to serve adult Medi-Cal beneficiaries will mean severe reduction in these services and, for many, elimination of entire programs. These services will disappear for Medi-Cal children and the uninsured. In the FQHC context, this reduction does not just adversely impact Medi-Cal adult beneficiaries. We fear that if we are successful in our legal efforts against the state, we will face an attack in the budget process on our state statute that currently designates adult dental, optometry, chiropractic, and podiatry services as FQHC/RHC/IHS services. Our desperate legal efforts to preserve these critical services will be thwarted. ***Urge your representatives to directly call Conferees to pressure them to not pass trailer bill language that would strip away state statute preserving FQHC/RHC/IHS ability to provide these services***

*Please note: After a court decision is known and if we are successful, a similar advocacy mobilization request will be made of members. CPCA is working on a media campaign for the day of the decision as well, please pay special attention to budget alerts in the coming days.*

To locate your State Senator and Assemblymember, please go to <http://www.leginfo.ca.gov/yourleg.html> and simply enter in your zip code, then find their phone and fax number in the [attached roster](#).