

California Legislature

May 20, 2019

The Honorable Gavin Newsom
Governor of the State of California
State Capitol
Sacramento, CA 95814

RE: May Revise Termination of Realignment Funding to CMSP – OPPOSE

Dear Governor Newsom:

As members of the legislative delegation representing the counties participating in the County Medical Services Program (CMSP), we write to express our opposition to the provision of the May Revise proposed budget that permanently ends Realignment funding to CMSP. The proposed change to the Health Realignment allocation formula – changing to 75% (state)/25% (county) – would result in the permanent loss of annual funding to CMSP beginning this new fiscal year. The Legislative Analyst concurred with this determination.

CMSP has successfully served smaller rural counties in our districts for over thirty years. The program's latest project, Path to Health (*Camino a la Salud*), serves low-income undocumented adults (ages 21-64) that are enrolled in emergency services only Medi-Cal. Path to Health provides no-cost primary care and low-cost pharmacy benefit coverage through health centers throughout CMSP counties. The project has the potential to reach up to 50,000 undocumented adults, which goes far beyond what has been proposed in the budget.

The May Revision budget proposal would permanently end the allocation of Realignment revenues to CMSP. As an alternative to what is in the May Revise, the CMSP Governing Board has proposed an alternative where \$20 million of future CMSP Realignment allocations be rededicated to the State to assist with the expansion of Medi-Cal coverage to undocumented young people up to age 26. The CMSP Governing Board has already approved several additional programs and program expansions that will have a direct benefit to Californians; however, the Board cannot move forward with these projects (which will spend down their reserve over the next 8 years to supplement the reduction in funding) unless their long-term funding stream and financial viability are assured.

As members of the CMSP delegation, we support the alternative proposal offered by CMSP. We ask that your Department of Finance staff develop trailer bill language that reflects this compromise, and abandon the current proposal. We are deeply concerned the Realignment

formula change and the loss of ongoing funding to CMSP will force the CMSP Governing Board to scale back its health coverage expansion efforts, which would hurt our districts and impact many of our constituents.

Thank you for your consideration of our concerns and this compromise recommendation.

Sincerely,

<u>Cecilia Aguilar-Luna AD4</u>	<u>Brian J. Ma AD2</u>
<u>David AD26</u>	<u>Max Levine AD10</u>
<u>John W. Adams AD2</u>	<u>Mark AD30</u>
<u>Daphne AD3</u>	<u>John Mitchell AD7</u>
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- cc: The Honorable Holly Mitchell, Chair, Senate Budget Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
Chris Woods, Office of the Speaker Pro Tem
Jason Sisney, Office of the Assembly Speaker
Keely Bosler, Director, Department of Finance
Adam Dorsey, Department of Finance
Jennifer Kent, Acting Director, Department of Health Care Services
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom
CMSP Governing Board