

June 2, 2020

The Honorable Diane Feinstein
Senator
United States Senate
Washington, DC 20510

The Honorable Kamala Harris
Senator
United States Senate
Washington, DC 20510

Dear Senator Feinstein and Senator Harris:

On behalf of the California Pan-Ethnic Health Network (CPEHN) and the undersigned organizations, *we write to urge you to pass a comprehensive COVID-19 relief package without delay.*

The California Pan-Ethnic Health Network (CPEHN) is a multicultural statewide health advocacy organization that aims to unite communities of color in advancing racial and health equity in California. Our network of partners, the Having Our Say Coalition and the Behavioral Health Equity Collaborative, are comprised of over forty racially and ethnically diverse community-based organizations (CBOs) and policy advocates from various regions across the state, dedicated to improving the health and well-being of the state's diverse populations.

California's revised state budget proposal, if enacted, will erode protections for health programs, harming low-income Californians, including those hit hardest by COVID-19 – seniors, communities of color and the remaining uninsured. The effects will be devastating to our health care system and state economy without significant federal help. California has a constitutional deadline to pass a budget by June 15th. **Congress must take urgent action now to prevent the devastation that will surely follow if this budget is approved.** The proposed budget:

- ***Eliminates 10 Medically Necessary Benefits in Medi-Cal including Dental Benefits:*** If this proposal goes through, beneficiaries will no longer be able to access critical dental services including gum treatments, rear root canals, laboratory-processed crowns, and partial dentures. California is still dealing with the consequences of our catastrophic decision to fully eliminate benefits ten years ago. In previous years, cuts to the Medi-Cal dental benefit disproportionately impacted young adults, communities of color, urban communities, and persons with disabilities.¹ California could lose up to \$7.7 billion in federal funding between January 2020 and July 2021 by reducing adult dental coverage.²

¹ For more information, see Health Affairs article on how eliminating Medi-Cal adult dental coverage in California led to increased dental emergency visits and associated costs

<https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2014.1358>

² However, if Congress passes the Federal Matching Assistance Percentage increase that is proposed in the House-passed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, California stands to lose up to \$14 billion in this same time frame. Matt Broaddus, "Pelosi Bill Includes Much-Needed Medicaid Funding for States," Center on Budget and Policy Priorities, updated May 15, 2020, <https://www.cbpp.org/blog/pelosi-bill-includes-much-needed-medicaid-funding-for-states>.

These benefit cuts would also have a significant impact on Medi-Cal consumers' overall health – particularly for those populations at most risk of disease and death from COVID-19.

- ***Threatens the Health and Safety of Low-Income Seniors:*** The budget hits seniors who are most at-risk from COVID-19 particularly hard by lowering Medi-Cal eligibility from 138% to 123%, reinstating Medi-Cal estate recovery which will discourage many seniors from even signing up for coverage, eliminating community based services and multi-purpose senior services and withdrawing a proposal to provide health insurance to all seniors in California.
- ***Eliminates Funds for Enrollment Assistance by Trusted Community-Based Navigators:*** The budget eliminates funds for enrollment assistance precisely as millions of Californians are experiencing job loss. Community-based enrollers are trusted messengers from their communities who are able to provide culturally and linguistically appropriate outreach and enrollment assistance. Reaching out to individuals and families—most of whom will know nothing about their eligibility for Medi-Cal or other no-or low-cost avenues for accessing medical care—will be extremely important not only for low-income Californians but also for the overall effort to contain and protect all of us against the spread of COVID-19. California could lose up to \$30 million in federal funds for enrollment assistance by eliminating this program.³
- ***Cuts affordability Assistance for Covered California Enrollees:*** The budget cuts the amount allocated for affordability assistance in Covered California at a time when millions of Californians are newly unemployed and in need of affordable health care for themselves and their families.
- ***Cuts Supplemental and Value Based Payments to Clinics and Providers:*** The COVID-19 pandemic has resulted in huge financial losses to the health care sector. This proposal threatens our tenuous health care infrastructure by eliminating supplemental payments for physician, dental, family health services, developmental screenings, and non-emergency medical transportation, value-based payments, and loan repayments for physicians and dentists, which will reduce access to care for millions of California patients. Rather than eliminating these payments, federal and state policymakers should be doubling down on investments in the health care sector as an integral part of our nation's response to this crisis.

Federal action is needed today so California can avoid these catastrophic cuts. The HEROES Act includes \$1 trillion in aid to state and local governments including \$915 billion in flexible aid a 14% increase in the federal matching percentage for Medicaid. These funds are crucial to ensuring states can respond to the public health emergency our country is facing, the magnitude of which we have never seen. We urge Congress to pass a comprehensive stimulus package that:

- ***Adequately invests \$1 trillion in state and local governments*** who are on the frontlines dealing with the economic impacts of the current pandemic.

³ DHCS Stakeholder Communication Update, August 2019.
https://www.dhcs.ca.gov/services/Documents/August2019_StakeholderUpdate.pdf

- ***Increases FMAP for Medicaid by 14% and provides full federal funding to Indian Health Services*** so states and Tribes can respond to projected caseload increases due to COVID-19 while also supporting state Medicaid programs to continue to provide full access to comprehensive Medicaid benefits including oral and behavioral health.
- ***Improves access to care*** by ensuring no cost sharing for COVID-19 treatment and vaccines for all individuals and across all public and private health insurance markets and including extra funds for Home and Community Based Services (HCBS).
- ***Continues to invest in behavioral health and substance use treatment*** to help individuals and families respond more appropriately to the increased stress and anxiety caused by COVID-19 which has exacerbated mental health and substance use disorder conditions. The HEROES Act provides funds for states and local governments, Tribes, community-based organizations, primary and behavioral health organizations to more adequately respond to COVID-19 needs.
- ***Invests in COVID-19 prevention, containment and mitigation*** including through the provision of \$2.1 billion in funds for the Centers for Disease Control and Prevention, funds to support accurate collection and reporting of demographic data on testing, hospitalizations and deaths, and establishment of a national system for testing, contact tracing, surveillance, containment and mitigation that includes funds for community-based organizations, trusted messengers in their communities, to assist with this work.
- ***Invests in additional economic and social supports*** to help individuals and families struggling to stay healthy during this pandemic, including through an increase in SNAP benefits, extension of economic impact statements to those using Individual Taxpayer Identification Numbers (ITINs), job-protected paid leave and paid sick leave, grants for individuals and families experiencing homelessness, emergency rental assistance and support for state unemployment insurance systems.

These priorities must be maintained in a final package and the stimulus passed without delay. In addition to the priorities above, we urge you to maintain the strong maintenance of effort (MOE) protections enacted in Families First, as repealing or altering the MOE would put coverage at risk for millions. We also urge you to take action now to ensure these budget cuts do not go through as they will undo the progress California has made in covering the uninsured and transforming our health care system. **For questions about this letter please contact: Cary Sanders, Senior Policy Director at csanders@cpehn.org.**

Thank you for your time.

Sincerely,

California Pan-Ethnic Health Network
 ACCESS Women's Health Justice
 API Equality-LA
 Asian Americans Advancing Justice - Los Angeles
 Asian Pacific Islander Forward Movement
 Asian Resources, Inc
 California Immigrant Policy Center

Community Health Councils
Empowering Pacific Islander Communities (EPIC)
Fresno Interdenominational Refugee Ministries
Korean Community Center of the East Bay
Little Tokyo Service Center
Mi Familia Vota
Mid-City CAN (Community Advocacy Network)
Multi-Ethnic Collaborative of Community Agencies
(MECCA)
NAPAFASA
Roots Community Health Center
Street Level Health Project