



July 8, 2010

[California Delegation]

Re: Letter of support for increased federal funding

Dear Members of the California Congressional Delegation:

On behalf of the California Olmstead Advisory Committee (OAC), I am writing in support of the Administration and Legislature's request for additional federal funds.

Since the OAC was formed in 2004, we have advocated for persons with disabilities to receive services in the most integrated settings and to promote opportunities for them to remain in their communities. For the past six (6) years, the Committee has supported significant improvements in the health care delivery system for persons with disabilities, including implementation of California Community Transitions, improvements in the Medi-Cal Working Disabled program, and the development of diversion strategies to allow seniors and persons with disability to remain safely at home and in the community.

As you are aware, California has been operating in a deficit since July 2007. This year is no exception. With the state's projected budget deficit at \$19.1 billion, the Administration and Legislature are facing very difficult decisions. The Legislative Analyst's Office indicated that in order to maintain financial solvency, the state will need to significantly reduce programs, add revenue streams, and create a sustainable framework for public finances.

However, building and implementing such a sustainable solution will take time. In the interim the Governor and Legislature are considering drastic reductions to and even elimination of vital health and human services programs.

The OAC appreciates your support and the final decision of the U.S. Department of Health and Human Services to apply the enhanced Federal Medicaid Assistance Percentage (FMAP) to states' "clawback" payments and is asking for your further support in addressing specific fiscal concerns. These federal funds are a necessary part of closing California's budget gap, especially as we face proposals such as the elimination of CalWORKs and Adult Day Health Care as well as deep reductions in local mental health services. Receiving these funds is a key component to reaching a budget agreement.

We ask for your support to ensure that the following provisions, proposed in the President's budget, are funded expeditiously to provide states much needed fiscal support:

- Extension of the current American Recovery and Reinvestment Act (ARRA) temporary increase to federal Medicaid matching rate through June 2011; and
- Funding for the State Criminal Alien Assistance Program.

We also ask for your support in obtaining additional federal funding through:

- Recoupment of \$700 million from Social Security Administration's error in retroactively billing states for Medicare Part B premiums for disabled individuals;
- \$325 million from Centers for Medicare & Medicaid Services' (CMS) recalculation of California's flawed "clawback" calculation; and
- \$86.9 million from expanded federal eligibility for foster care.

According to the Tax Foundation, in 2005, California received \$0.78 in federal dollars for every dollar paid in federal taxes. Over the past twenty years, the amount of federal dollars received in California has steadily decreased, \$0.94 in 1995, and \$1.03 in 1985. We ask for your assistance to bring additional federal funding back to our state.

The OAC is very concerned about the severe and harmful impact that the health and human services program reductions could have on our most vulnerable residents. We petition you to support the proposals to secure additional federal funding, in order to preserve our state's vital health and human services programs, and move California toward a fiscally sustainable future.

Sincerely,

Brenda Premo

Brenda Premo
Chair, California Olmstead Advisory Committee

Cc: Governor Arnold Schwarzenegger
Jennifer Kent, Deputy Legislative Secretary
Richard Figueroa, Deputy Cabinet Secretary
Ana Matosantos, Director of Finance
Kim Belshé, Health and Human Services Agency Secretary
Honorable Darrell Steinberg, President Pro Tempore
Honorable Dennis Hollingsworth, Senate Republican Leader
Honorable John Perez, Speaker of the Assembly
Honorable Martin Garrick, Assembly Republican Leader
Members, California Olmstead Advisory Committee