

As We See It: State budget: Don't put kids at risk

Cutting health insurance would be costly, dangerous

Gov. Arnold Schwarzenegger's budget-cutting proposals threaten to unravel the safety net for children.

Among his drastic proposals are cutting Medi-Cal eligibility and eliminating the Healthy Families program.

Both would cause unnecessary pain and suffering for the state's most vulnerable residents; both also are financially infeasible.

The governor's proposal to dismantle Healthy Families, which will be debated Friday in a legislative session, would save the state about \$366 million, no small sum when trying to close a deficit currently at \$24 billion and growing.

But, under Healthy Families, the federal government contributes a nearly 2-1 match to the state for insuring more than 940,000 kids. Healthy Families covers children whose families can't afford private health insurance but are not poor enough to qualify for Medi-Cal.

In Santa Cruz County, the local programs -- including Healthy Kids, which provides coverage for children using mandated state funds and also enrolls children into Healthy Families and Medi-Cal -- have been highly successful; 98 percent of children not eligible for other coverage are now covered, the second highest rate in the state. If Healthy Families is cut, the county would lose about \$7.2 million in federal and state funds; 6,000 kids in this county would lose coverage.

This in turn will put a further strain on hospital emergency rooms and health clinics, at a time of great economic uncertainty, when many families have lost employment and employer-provided health coverage.

The governor's budget would also slash nearly \$700 million from the state's Medi-Cal program for the poor.

Such a draconian cut would be a punishing blow to hospitals and health clinics, and would further reduce primary care for Californians, a trend already noted in the Sentinel's special report, "Collision in Care."

The savings from raising eligibility standards are illusory, since eligibility standards were lowered just last month so the state could get federal stimulus money. The state could lose this \$8 billion without a federal waiver -- highly doubtful when the Obama administration is advocating for more health insurance coverage for people.

The governor says he understands the importance of many of the programs he's proposing to slash or end. He also says he has little choice, that the state's wallet is empty and after June 15, when a balanced budget is due, bills won't get paid.

Clearly, both Democrats and Republicans are mindful of the havoc that will be wreaked if these programs are eliminated.

The alternative is to find new sources of revenue. These can be found. For instance, in so-called "sin taxes" that could be increased on alcohol and tobacco products. Other fees could also be attached to products where most Californians would never feel the pain.

The point is -- what kind of state, what kind of society, are we? To balance the budget on the backs of the poor and the young is unconscionable, and will end up costing more than the governor apparently realizes.