

Governor's plan ends welfare as we know it

[By Kurtis Alexander](#)

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SANTA CRUZ -- Even before the governor has finished unveiling his plans for trimming the state budget, health care advocates are warning of a collapse of the county's medical safety net.

Proposals to eliminate insurance for needy children reduce Medi-Cal services for the poor and scale back assistance to the unemployed would choke off millions of dollars to Santa Cruz County and cripple access to health care and other critical services for thousands locally, advocates say.

"And you're talking about doing this at a time when people need this help more than ever," said Leslie Conner, program director for Healthy Kids of Santa Cruz County.

Conner's organization, which has been hailed as a statewide model for securing medical coverage for children, condemns the governor's call to sever California's Healthy Families program. Such a move would eliminate insurance for nearly 1 million kids statewide, including an estimated 6,300 in Santa Cruz County.

"It would just be devastating for us," said Santa Cruz resident Rachael Jacobs, whose twin 1-year-old sons rely on subsidized medical coverage. While Jacobs' husband manages a local bike shop, The Bicycle Trip in Santa Cruz, the family's income, like many in the county, is too low to afford the insurance offered by his employer.

Since the failure of five budget-balancing measures last week, Gov. Arnold Schwarzenegger has put forward several proposals to patch the state's growing budget gap, now estimated at \$24.3 billion.

Health care services are among the biggest targets of the governor's plan, and more cuts are expected to be announced before the week's end. Schwarzenegger has said he understands the measures will be painful but says the May 19 election left him no choice.

Assemblyman Bill Monning, D-Monterey, acknowledged Wednesday that both Republican resistance to tax hikes and a worsening economic forecast inevitably will mean tough times ahead, but he pledged to sort through the budget recommendations carefully to try to ensure the least fallout, particularly on public health.

"The governor's proposals are changing so rapidly, our attitude is not to overreact at this point," Monning said.

The Legislature on Wednesday heard testimony from statewide health care providers and beneficiaries about the proposed cuts. Monning, meanwhile, said his office had taken more calls about health care from local constituents than any other issue.

In addition to the \$248 million hit for Healthy Families, the governor has proposed a savings of \$34 million in Medi-Cal expenses by eliminating breast and cervical cancer treatment for women over 65 and cutting all non-emergency health care for undocumented residents. The governor also is calling for \$92 million of Medi-Cal savings by scaling back treatment and drug options for the mentally ill.

"People won't have their psych drugs under this plan," said Rama Khalsa, director of the county's Health Services Agency. "It's just unbelievable that they would take that away."

Another \$1.3 billion in savings, under the governor's proposals, would come from a reduction to CalWORKs, a welfare program that provides cash and job assistance to the unemployed. This would mean a \$1.2 billion cut in payments to local families and truncate a key lifeline for basic services, says Claudine Wildman, with the county's Human Services Department.

The various cuts to CalWORKs, Medi-Cal and Healthy Families would cost the state additional money in matching federal funds, health care providers note, sometimes more than \$2 in funding for every dollar cut.

The program cuts, others say, do little to save money in the long run and simply pass major health care problems along.

"What's this going to cost when all the uninsured get sick and go to the emergency room," said Mary Lou Goeke, executive director of the United Way of Santa Cruz County. "I can't imagine why the governor thinks all this is a good idea."

Proposed cuts

The governor's plans to reduce the state's budget shortfall call for big hits to health programs. Among them:

- Elimination of Healthy Families Programs (\$248 million savings)
- Reductions for Medi-Cal mental health programs (\$92 million savings)
- Elimination of Medi-Cal breast and cervical cancer treatment and non-emergency care for undocumented (\$34 million)
- Cuts to HIV/AIDS programs (\$56 million savings)
- Cuts to primary care services in rural areas (\$34 million savings)
- Reductions to maternal health programs (\$10 million savings)
- Reductions to CalWORKs programs (\$1.3 billion savings)

SOURCE: California Department of Finance, County Health Executives Association of California