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March 12, 2012

The Honorable Mark DeSaulnier, Chair
Senate Budget Subcommittee #3
State Capitol, Room 5035
Sacramento, California 95814

Re: FQHC Payment Reform--OPPOSE

Dear Senator DeSaulnier:

Formed in 2003, the **Latino Health Alliance (LHA)** brings together a variety of statewide organizations to build an alliance that would serve as an effective voice to increase access and opportunities that would positively impact the health of Latino families in California. The members of LHA include: Council of Mexican Federations (COFEM), California Immigrant Policy Center (CIPC), California Latinas for Reproductive Justice (CLRJ), California Primary Care Association (CPCA), Latino Coalition for a Healthy California (LCHC), Mexican American Legal Defense and Educational Fund (MALDEF) and the National Council of La Raza (NCLR).

Through their networks, these organizations reach thousands of Latino leaders and health professionals and affect the lives of millions of Latinos in California. As such, **LHA strongly opposes the Governor's FQHC budget proposal**. It would severely diminish the ability of community clinics and health centers (CCHCs) to provide primary health care services to the vulnerable and disenfranchised Californians whose well-being is increasingly being sacrificed to balance the state's budget.

The proposal would slash the health care safety net that has always provided the highest level of care with limited funding to California's neediest populations. The proposal would impose an onerous cut in funding for CCHCs - forcing some to close and others to restrict hours and limit patient access. Prior cuts have led to clinic closures especially in the rural areas of the state where CCHCs are often the only provider of care. As CCHCs are forced to reduce services or close their doors, costs would be shifted to more costly hospital in-patient care and emergency rooms.

CCHCs are the foundation of the primary care system in California. They provide comprehensive, quality health care services to primarily low-income, uninsured, and underserved Californians. **Over half of those served by CCHCs are Latino**. In addition to medical services, they also provide mental health services, outreach, and case management for very vulnerable patients; and they have been shown to decrease

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health disparities among Latino and African American populations. They are a key participant in the implementation of national health care reform, but this proposal flies in the face of the national initiative. Rather than expanding access to care, the proposed changes would restrict it.

The Office of Management and Budget, and countless studies, have concluded that CCHCs provide high quality and cost effective health care to the most vulnerable populations in our state, while reducing overall costs to the health care system. The current system is based on federal law and requirements that were created to ensure services for the underserved. The budget proposal, however, would replace this FQHC system with a system that is controlled by managed care plans and favors for-profit providers.

The FQHC payment “reform” proposal will actually cost the state money to implement and will decrease quality of care. It directly conflicts with national health reform and further victimizes the most needy individuals. For these reasons, **the Latino Health Alliance strongly opposes the Governor’s FQHC Payment Reform proposal** and urges the Subcommittee to reject it.

Sincerely,



Chad M. Silva, JD
Policy Director, Latino Coalition for a Healthy California
On behalf of the Latino Health Alliance

cc: Members, Senate Budget Committee, Sub 3
Michelle Baas Consultant, Senate Budget Committee
Assembly Member Ricardo Lara, Chair, Latino Legislative Caucus