

Historical Perspective on Health Realignment

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THE GREAT SOCIETY

- Employer-sponsored programs failed to provide for the health care needs of the elderly and the poor
- LBJ passed Medicare and Medicaid
- California's version of Medicaid, the California Medical Assistance program, was implemented in 1966
- California counties were permitted to get additional funding for indigent care programs

Medi-Cal Reform Round One – Medi-Cal Indigent Persons Program

- Legislature eliminated the county option
- A new formula to determine county contributions began in 1972-1973, based on property taxes

Prop 13

- Voters revolted in 1978
- Local property tax revenues dropped by 52%
- The state assumed each county's share of Medi-Cal costs and provided block grants
- AB 8 bailout
 - Drew from from school district property tax funds.
 - Provided for MediCal for indigents, communicable disease control, environmental health, and MediCal for people in county jail.

Elimination of Medical Indigent Adults from Medi-Cal

- Recession in 1982
- The state eliminated people aged 21-64
- Entitlement was replaced by a block grant
- The block grant amount not increased to account for annual medical care inflation

Realignment

- Recession, Take Two
- The state has a \$14 billion deficit
- Governor Wilson gets counties to agree to accept VLF and sales tax to replace general fund dollars
- HOAC fights unsuccessfully to keep CCS and small counties out of realignment

Thank you.

- Credit goes to “Caring for Medically Indigent Adults in California: A History” prepared for the California Health Care Foundation by Deborah Reidy Kelch in June, 2005