



INSIDE OLYMPIA

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Governor's Budget Cuts Health Care, Plans for Revenue

Governor Gregoire released her first proposed budget for 2010 this morning. The proposed budget is balanced by cuts alone, but she made a strong statement she will seek revenue to restore many of the worst cuts. She plans to issue a second budget including revenue in mid-January, 2010

Washington State is facing a new **\$2.6 billion deficit** - a direct result of the recession. The state is experiencing increasing demand for services from struggling families at the same time revenue collections are decreasing. Federally mandated benefits, pensions, most of K-12 and higher education, and debt service cannot be cut, so only about 30 percent of the state budget is on the chopping block. Low-income health care was particularly hard hit.

In order to address the worst recession in 80 years, the Governor proposed enormous cuts to the health care system and health care for our most vulnerable residents. These cuts threaten quality health care for everyone in Washington State. Under her proposal, at least **100,000** more people would become uninsured.

WSHA applauds the Governor's courage and commitment to find revenue to close the budget gap and rebuild our economic future. We are particularly pleased many of the programs we care about are on her short "buy-back" list: Basic Health, Apple Health for Kids, and a restructured General Assistance-Unemployable program. We are also pleased the Governor is working with us to enact the Hospital Safety Net Assessment. Without significant new funding, the people of Washington State will be hurt by cuts to vital health programs.

Health Care in the Budget

The Governor's budget proposal takes the following actions in health care:

Hospital payments:

- Issues a [policy statement](#) about "helping others help themselves," meaning giving schools, local governments, and hospitals tools to fix their own budget problems. The Governor includes strong support for helping hospitals gain access to more federal dollars through the Hospital Safety Net Assessment. We are very pleased to have her endorsement of our proposal.

- Cuts Medicaid payments to hospitals for inpatient and outpatient services by five percent (cuts between **\$63 and \$76 million**). The Governor's clear intent is to restore this cut through the Hospital Safety Net Assessment.

Health insurance and health care access for vulnerable people:

- Forces **67,000** low-income working adults off health insurance through the elimination of Basic Health, the state's only health insurance program for low-income working adults - on top of cutting 35,000 people off last year (**cuts \$160 million**).
- Reduces eligibility for the Apple Health for Kids program from 300 to 205 percent of poverty; jettisons nearly **20,000** children off the program; and foregoes millions in federal funding for children's health (**cuts \$33 million**, including \$21 million in federal funds).
- Eliminates health care for more than **18,000** people with disabilities and mental health needs currently covered by General Assistance-Unemployable and ADATSA (drug and alcohol treatment), and institutes time limits for General Assistance enrollees who may qualify for federal disability programs (**cuts \$134 million**).
- Eliminates so-called "optional" Medicaid services, including adult dental, vision, and hearing, hospice, podiatry, and physical/occupational therapy (**cuts \$60 million**).

Other significant health care issues:

- Cuts rates paid to the Regional Support Networks for mental health care (**cuts \$7 million**).
- Allows additional federal funding for medical professionals at the University of Washington Medical Center (**adds \$58 million**). The Association of Washington Public Hospital Districts will be working to expand the program to additional district hospitals. This will not require any new state funding, but does require state authorization.
- Captures additional federal funding to allow smoother implementation of the ProviderOne Medicaid management information system (**adds \$19 million federal**).
- Eliminates Maternity Support Services (**cuts \$53 million**).
- Eliminates funding for Medicaid interpreter services, making it more difficult for non-English speakers to get care in physician offices and outpatient settings (**cuts \$17 million**).
- Institutes a new payment system for Federally Qualified Health Centers and Rural Health Clinics, fixing a budget error from last session (**adds \$35 million**).
- Reduces support for the health professional loan repayment program (**cuts \$6 million**).
- Further reduces the state's tobacco prevention program (**cuts \$2.4 million**), on top of the \$11 million already cut last session.



- Eliminates the health professions survey, the only source of data on the supply of health professionals (*cuts \$558,000*).
- Other health programs the Governor plans to buy back include adult dental and vision services, hospice care services, and developmental disability and long-term care services.

Your Advocacy

Please contact your legislators and urge them to support the Hospital Safety Net Assessment and other revenues to prevent these deep cuts to hospitals and health care. Legislators need to understand the impacts of these cuts on their communities!

We will be calling on you for advocacy every step of the way.

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