

June 11, 2008

RE: Impact of proposed State Budget Cuts on West County Health Centers (WCHC)

<u>WCHC Clients</u>		<u>Visits</u>	<u>Sites</u>
Medical	7,786	28,877	Occidental Area Health Center
Dental	1,454	3,952	Russian River Health Center
Mental Health	604	4,052	Sebastopol Community Health Center Forestville Teen Clinic Russian River Dental Clinic and Mental Health Services

Client Demographics

32% Medi-Cal, CMSP, Healthy Families	35% below poverty level (\$21,000/family of 4)
44% uninsured	36% between poverty and 200% (\$42,000/family of 4)
11% Medicare	

Annual Budget

Medical Care	\$3.5 million
Dental Services	\$ 724,310
Mental Health Services	\$ 577,000
Enabling & Other	<u>\$ 557,816</u>
Total	\$5.4 million

Staffing

9 physicians
4 mid-level medical providers
2 dentists
5 mental health providers
45 clinical support staff

State Budget Cut Financial Impacts

1) 10% cuts to traditional clinic programs EAPC and Rural Health	\$ 40,300
2) 10% cuts to Breast Cancer Screening & Family Planning Programs	\$ 11,150
3) Medi-Cal Dental cuts	\$313,000
4) Medi-Cal Mental Health cuts	\$152,000
5) Quarterly Status reports (20% patients losing MC)	<u>\$350,000</u>
TOTAL	\$866,450 (16% of total revenue)

Potential Program Impacts

- 1) Potential closure of dental program-43% of current budget from Medi-Cal reimbursement. Loss of services for HIV clients and children, in addition to adults. Increase in medical costs for untreated dental problems.

- 2) Cut mental health staffing- 26% of current budget from Medi-Cal reimbursement. Patients without coverage end up in hospital emergency rooms and jails.

- 3) Loss of Medi-Cal benefits increases the number of uninsured clients. In 2007, WCHC provided 3,640 uninsured patients with a total of \$760,685 sliding fee discounts for services, \$42,444 in subsidized labs, and \$42,390 in subsidized diagnostic tests. This is \$232.28 per patient for preventative and acute care. Since we do not turn any eligible patient away for lack of ability to pay, the financial viability of our agency is seriously threatened by the loss of Medi-Cal benefits for our patients.

- 4) Specialty services are severely limited for Medi-Cal patients in our community. Community health centers have been working for two years with County officials and other health care providers to bring a Managed Medi-Cal program to Sonoma County that would guarantee specialty services for our patients and provide other financial benefits. Implementation of State budget cuts to Medi-Cal threatens to stop the implementation of this successful and effective program in Sonoma County.