

Editorial: In support of Jones' bill to increase low-income health care funding

In these tough budget times, as California political leaders are debating deep cuts in programs for lower-income families, should the state also try to obtain additional federal dollars approved by Congress for health care for those same families?

The answer is an obvious “yes.”

In the past, the health program for low-income families was a 50-50 split between the federal government and California. But the stimulus package passed by Congress (the American Recovery and Reinvestment Act) increased the federal share to 62 percent for nine fiscal quarters, through 2010.

California could take greater advantage of this to increase funds for hospitals if it would revive a portion of Gov. Arnold Schwarzenegger's health care reform proposal of the last session: a hospital fee.

Preliminary estimates indicate that if hospitals were to pay \$1.8 billion in fees to the state, the federal government then would provide \$3.6 billion in new money that could go to hospitals and \$300 million to cover uninsured children. This would help a lot, considering the state's budget troubles.

A bill by **Assemblyman Dave Jones, D-Sacramento** (Assembly Bill 1383), would authorize a hospital fee so the state could haul in more federal dollars for health care. The California Hospital Association is a co-sponsor of the bill and wants to keep it moving – but a handful of private hospitals in its membership are trying to kill the bill.

Naturally, with any fee, some hospitals (those with more lower-income and uninsured patients) will benefit more than others. But the reality is that AB 1383 would help the state's health care system as a whole. We'd like to see the few holdout hospitals take a constructive attitude of “let's do what we can do to make this work” – not block the effort. California currently is dead last among the states in its reimbursements to providers, and that ought to change.

The current federal rules that govern California's Medi-Cal program, negotiated with the Bush administration, do not allow the state to use a provider fee for its share of the program's costs. The Obama administration, however, should be open to repealing that silly ban. Twenty-two states have such fees.

The Senate Health Committee hears AB 1383 today. California, which already has missed the first half of 2009, needs to act quickly to take full advantage of the new stimulus funds. Get AB 1383 passed pronto.