

September 2, 2011

The Honorable Edmund G. Brown, Jr.
Governor of California
State Capitol, First Floor
Sacramento, CA 95814

Re: Senate Bill 36 – County Health Initiative Matching Fund

Dear Governor Brown:

This letter is to respectfully request your signature on Senate Bill 36 relative to the County Health Initiative Matching Fund.

In 2001 the Legislature established the County Health Initiative Matching Fund (CHIMF). This fund allows counties to make intergovernmental transfers to the Managed Risk Medical Insurance Board to draw down available federal matching dollars to provide uninsured children with health insurance.

Coverage is provided through county-sponsored insurance programs with county and federal funds. MRMIB administers the program, but recoups all of its costs from participating counties. There is, therefore, *no cost to the state*.

Three counties currently provide health insurance to over 1,200 children through CHIMF: San Francisco, San Mateo and Santa Clara. However, the enabling legislation (AB 495, Chapter 648, Statutes of 2001) includes an income eligibility cap that prevents counties from receiving federal matching funds for children above 300 percent of the federal poverty level (FPL).

Senate Bill 36 would increase that cap to 400 percent of the FPL. This change is necessary because the federal government is now willing to provide matching funds to children up to 400 percent of the FPL. California is a high cost state with a number of high cost counties where the use of the higher FPL multiplier is appropriate.

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In February 2009, President Obama signed the Children's Health Insurance Program Reauthorization Act. Section 114 of that legislation explicitly stated that the federal government would provide matching funds to states for children above 300 percent of the FPL; New Jersey and New York already receive federal funds for children up to 350 and 400 percent of the FPL, respectively.

That being the case, California is failing to access available federal funds for children's health insurance. Senate Bill 36 will enable counties, *at their option*, to take advantage of these unused funds by expanding their CHIMF programs to children up to 400 percent of the FPL. San Mateo County, for example, already provides insurance to 350 children between 300 and 400 percent of the FPL; yet the county receives no federal matching funds for these children.

Senate Bill 36 enables counties to address a local issue using local funds, and is thus consistent with your desire to realign services to local governments. The bill allows counties that are willing to prioritize children's healthcare to put up their own funds *at no cost to the state*. Increased access to healthcare will not only promote better health, but will also reduce the costs to providers for uncompensated care, and will reduce cost pressures on the state.

Any federal funds made available to California which are unused by our state simply revert to other states. Senate Bill 36 allows California to access its fair share of federal dollars, and leverage the limited funding it has at the local level to give more help to more children. *There is no opposition to this bill.*

I respectfully request your signature on Senate Bill 36.

Sincerely,

S. Joseph Simitian
State Senator, Eleventh District

cc: Nancy McFadden, Executive Secretary
Gareth Elliott, Legislative Secretary
Lark Park, Deputy Legislative Secretary