

California Budget 2025-26 May Revision Talking Points



Opening Message

- I'm here on behalf of [Health Center Name/CPCA Advocates] to urge the Legislature to **reject the Governor's May Revision proposals** that would cut services and destabilize the health care safety net for millions of Californians.
- These cuts would roll back progress on access to care, destabilize community health centers, and harm the most vulnerable Californians—especially low-income, immigrant, and limited-English proficient patients.

Rollbacks to Medi-Cal Coverage for Immigrants

- The Governor's proposal to freeze full-scope Medi-Cal enrollment for undocumented adults and eliminate long-term care and dental benefits is unacceptable.
- These are essential services. Cutting them will shift care to costly emergency settings and burden local systems already stretched thin. Furthermore, the local programs and infrastructure that once served the uninsured have been dismantled.
- Health care is a universal need—it doesn't disappear when coverage is denied. These cuts undo years of investment in health equity.

Elimination of PPS Payments for Patients with Unsatisfactory Immigration Status

- The plan to eliminate PPS reimbursement to FQHCs/RHCs for immigrant patients is **unworkable** and puts community health centers, the backbone of California's primary care network, at financial risk.
- Clinics don't and can't collect immigration status. There's no legal or compliant way to implement this policy and **storing this data would put our patients at risk.**
- CHCs serve 1 in 3 Medi-Cal patients, but account for less than 16% of Medi-Cal General Fund spending—**an efficient investment that saves money systemwide.**
- Removing PPS for one population undermines the entire safety net model, especially in high-immigrant areas like LA and the Central Valley.
- Clinics would face billing chaos, legal risk, and major financial losses. If implemented, this would **destabilize care for all patients**, not just immigrant patients.

Misuse of Prop 35 and 56 Funds / MCO Tax

- We appreciate that the May Revision retains funding for the Community Clinics Directed Payment Program and Graduate Medical Educations.
- However, Prop 35 and Prop 56 were intended to increase provider payments and improve access—not to backfill the general fund.
- Diverting these funds undermines the will of the voters and shortchanges safety-net providers.
- Excluding FQHCs/RHCs from Prop 35 rate increases directly harms the state's primary care backbone.
- These cuts, combined with PPS elimination, will cause widespread service disruptions, particularly for reproductive health providers who would lose up to one-third of their annual revenue.

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Acupuncture Medi-Cal Benefit Elimination

- Acupuncture is a vital service offered by many CHCs for chronic pain, stroke recovery, and as an alternative to opioids.
- Cutting this benefit will disproportionately impact low-income patients, AAPI communities, and those with opioid use disorders.
- Acupuncture reduces dependence on medication and is a culturally relevant, evidence-based treatment. This is not a luxury—it's primary care for many patients.

Health Enrollment Navigators

- Health Navigators are essential frontline staff who help people enroll in, understand, and retain Medi-Cal coverage.
- In a recent survey, **97% of Navigator-assisted applications were successful**, compared to just 70% for those applying on their own.
- CHCs and consortia provide Navigator services across **107 sites in 38 counties**—this is statewide infrastructure that works.
- With massive changes to Medi-Cal eligibility ahead, including (nearly certain) federal work verification requirements, Navigator funding *must* be included in the final budget solution to prevent widespread coverage loss.

Closing Message

- These proposals shift the burden of budget cuts onto those least able to absorb them—low-income, immigrant, and underserved communities.
- These proposed cuts **don't just reduce services—they threaten the core infrastructure of California's safety net.**
- We ask the Legislature to:
 - Protect Medi-Cal coverage for all income-eligible Californians,
 - Preserve PPS funding and fair MCO tax distribution,
 - Reject cuts to acupuncture services and reproductive health care, and
 - Continue funding Health Enrollment Navigators
- California's budget should reflect our values of equity, access, and care for all. These proposals fall far short.