

Established in 1991, UCC serves as the representative voice for state legislative advocacy for high-population counties in California. Initially composed of seven counties, the association has grown to 14 today. Just over 80 percent of the state's population reside in UCC counties. Consequently, urban counties carry out critical programs and services to the state's most vulnerable populations. For more information, including details on our Board of Directors, please visit [our website](#).

February 23, 2024

More Bad Budget News (Really, Really Bad)

A series of recently released reports underscore the state's weak revenue collections and resulting significant budget challenges. The Department of Finance (DOF) released its February [Monthly Finance Bulletin](#), reporting preliminary General Fund cash receipts for the month \$5 billion below the Governor's budget forecast. According to DOF, the primary driver of the shortfall was anemic personal income tax estimated payments, indicating weakness in receipts relating to tax year 2023. Additionally, year-to-date corporate tax cash receipts were \$980 million below forecast due to higher corporate refunds and lower estimated payments.

Personal income tax revenues were \$5 billion short in January. Corporate tax revenues were \$3 million below forecast in January. Sales and use tax revenues were \$53 million below forecast in January. Sales and use tax receipts reflect part of the final payment for calendar year fourth quarter taxable sales, which was due on January 31.

The Legislative Analyst's Office (LAO) suggests that weak revenue performance has ballooned the state's projected budget deficit to \$73 billion since November. In a [report](#) released this week, the LAO estimate further widens the difference between the LAO's projection and the \$38 billion estimate made by the Department of Finance in the Governor's proposed budget. In its report, the LAO details dozens of one-time and temporary spending reduction options organized by policy area.

The Legislature will begin budget subcommittee hearings in earnest next week to dig in to the Governor's budget proposals. Given this dismal budget news – and the potential for further decline – it is important to recognize that the budgetary revisions the Governor proposes in May will be significant.

Bills, Bills, and More Bills

More than 2,100 bills were introduced through the end of last Friday's 2024 bill introduction deadline, with over 900 introduced in the last two days alone. As

per usual, a considerable number of the newly introduced bills are “spot bills,” meaning that they contain placeholder language only. Those measures will have to be amended with more substantive language in short order, so stay tuned. The first major legislative deadline falls on April 26 when all bills with a fiscal impact must pass out of policy committees. Lots of hearing will take place in the intervening two months.

Assembly Health Discusses Health Care Workforce Shortages and Diversity

The Assembly Health Committee held its first informational hearing of 2024, focusing on health care workforce diversity. Chair Mia Bonta opened the hearing by noting that one of California’s worst kept secrets is that it needs more health care workforce. She went on to say that California needs a more diverse workforce, and the lack of diversity creates health disparities. The Committee heard from three panels focused on: 1) the need for greater diversity in California’s health care workforce; 2) current efforts to increase diversity; and 3) increasing diversity in education and training. Agenda, materials, and presentations can be accessed [here](#).

The first panel set the stage for discussing the lack of diversity in California’s health care workforce. While California has clear health care workforce shortages (11 million Californians live in a Primary Care Health Professional Shortage Area), California ranks 44th in the nation for prevention and treatment and 50th for children without a medical and dental preventative care visit. The health care workforce shortage is worsening due to California’s high cost of living, COVID-19 burnout, early retirements, and departures.

Further, the racial/ethnic breakdown of CA’s health professionals is not representative of the state’s population. Latinos only account for 20% of all active health workforce licenses and only 8.2% of physician/surgeons; only six percent primary care physicians and dentists are Latinx. Also, the growing Medi-Cal pool will only increase demand for Latinx providers. Three percent of physicians and three percent of registered nurses are black; 52.7% of all licensed providers in the state speak English only. Patients do better with racially, ethnically, and linguistically concordant providers. Research continues to support the value of language and racial/ethnic concordance.

The behavioral health workforce faces many of the same challenges. The behavioral health workforce doesn’t reflect state’s diversity – 70% of Medi-Cal providers are white. The Steinberg Institute developed a tool to forecast workforce needs for behavioral health. Using the model, California needs to add 373, 565 people to meet current unmet need, attrition and demand growth over 10 years.

Chair Bonta identified three themes: 1) the scale of the workforce needed especially in behavioral health sector, 2) the pipeline, meaning programs that will allow the state to meet that scale, and 3) retention, including opportunities to offer payment models to retain workforce. She probed further with the panelists on how the state could ensure pipeline is as robust as possible.

The second panel included a presentation from the Department of Health Care Access and Information on current programs, programs to bring physicians from Mexico to practice in California, UC Davis's investments in diverse medical students, and Kaiser's Allied Health Professionals School. One of the presenters noted that at the current pace – and assuming no changes to existing practices and strategies – it will take California **500 years** to get a workforce that reflects its diversity.

The final panel talked about diversity in education and training; speakers included another UC Davis School of Medicine representative, Roots Community Health Center, and the California Health Care Foundation (CHCF). UC Davis talked about their approach: diversity (through admissions); equity (through curriculum); inclusion (through climate); and belonging (through policy change). Roots talked about their internships and focus on giving individuals a strong foundation to work in the community. The CHCF urged the members to act with urgency, focus on greater coordination, and contemplate bold actions – including expanding UCD's medical school admissions policies to all UC medical schools; making medical school free; holding slots for rural and/or low income students in health care programs; and adopting apprenticeship models like they have in other fields.

Chair Bonta closed the hearing noting that the issue of diversity in health care professions issue is personal to her. As a Latina and African American child, she never had a doctor of color growing up in New York City and suggested that this is absolutely an infrastructure crisis and a health care crisis. She reflected on California's aging population and the demand for behavioral health services, noting that systems provide access on paper but it's not real without the workforce.

Covered California Enrollment Tops 1.7 Million

The Covered California Board met on February 15 to discuss several items ([agenda](#) and [materials](#)). Notably, 1.78 million Californians selected Covered California plans for 2024 – a 16% increase over 2023 and its highest ever. Among the 2024 new sign-ups, 300,000 were new enrollees, and 11% were consumers recently discontinued from Medi-Cal coverage as part of the unwind of the continuous coverage requirements of the COVID-19 Public Health Emergency.

Covered California staff also presented findings from Covered California's survey of the subsidy-eligible uninsured from 2021, including the following:

- 43% of respondents were uninsured for all of 2021. Among those who had insurance, 54% were not insured for the full year. Overall, 74% of respondents were uninsured for all or some of 2021.
- Demographic profile – tend to be a little bit younger, higher share of college graduates, 72% say English is preferred language, Spanish speaking are over-represented in uninsured. 200-400% are half of uninsured. 89% working full or part-time.
- Latinos make-up a larger share of the uninsured population than Covered California enrollment (48% vs 27%).
- One-third of respondents are among the “long-term uninsured”
- Among the uninsured, cost was the predominant reason for not having health insurance in 2021.
- Two-thirds of respondents who were uninsured in 2021 never heard or heard very little about Covered California.
- Only half of respondents who cite familiarity with Covered California knew that financial help was available through Covered California.
- Nearly half of respondents say they would not try to get financial help because they would not know how to find it, and more than half did not think they could afford coverage even with financial help.