



FOR IMMEDIATE RELEASE

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SEIU Releases Principles on Crucial Medicaid Waiver

Waiver needed to prepare California for national healthcare reform

SEIU California today released a Statement of Principles regarding the renegotiation of California's Section 1115 Medicaid Waiver. The waiver is needed to prepare California for healthcare reform and to secure more resources for California's healthcare safety net.

The current waiver expires in August 2010.

The Statement of Principles follows.

SEIU's Principles for Renegotiating California's 1115 Waiver

November 2, 2009

Background

SEIU supports the efforts to renew California's 1115 waiver. We recognize that these discussions have some urgency:

- California loses money every day under the current 1115 waiver, negotiated with President Bush. Every month the current waiver is used is another month California is disadvantaged.
- A renewed waiver provides the Obama administration and California a head start on health reform.
- Waiver negotiations are complex, time-intensive processes. Any delay now risks the waiver won't be updated until 2011.
- With close to 400,000 members providing care in a wide range of healthcare settings across California, SEIU understands the human costs of underfunding the current system.
- SEIU plays a critical role as an advocate for both healthcare workers and working families, ensuring our healthcare system works for all Californians.

Principles

California's new 1115 Waiver should provide the state with a bridge from the current inadequate safety net for the uninsured to near universal access under national health reform. The new waiver is an opportunity to strengthen the Federal-State partnership and ensure that California earns its fair share of federal resources. Those resources must be invested in the delivery system and its workforce to strengthen and modernize the core institutions California will need when three million previously uninsured residents finally get real coverage.

The New Waiver Is a Bridge to National Healthcare Reform.

It should:

- Expand coverage for the uninsured.
- Modernize and upgrade the safety net so that it can thrive in a changed healthcare system.
- Promote access to health coverage and healthcare for all Californians.
- Increase support for training and upgrading the healthcare workforce to ensure adequate capacity.
- Maximize California's federal support, recognizing the state's role as an innovator for cost containment.
- Account for the shared responsibility of California's counties in financing current and future healthcare spending in a way that is fair and equitable.

The New Waiver Should Improve the Quality and Efficiency of California's Healthcare Delivery System.

It should:

- Improve care coordination and care management through system redesign and by bringing new populations under those systems.
- Align California's delivery system with national approaches to improve care such as expansion of primary care, new approaches to chronic care, and new payment and organizational designs.
- Update Medi-Cal payments to pay for quality, reduce medical errors and encourage innovation.
- Promote home and community based care.

Concerns

The State's Draft Paper is an important and useful step forward in the process. Much of it reflects a broad consensus already agreed to by all the stakeholders, while some of it is quite controversial and will require significant modification before being acceptable. For example, SEIU agrees that the current fee-for-service Medi-Cal program for seniors and people with disabilities fails to deliver high quality outcomes and is inefficient in its use of public resources. In other states, like New York, SEIU has seen how managed care, done right, vastly improves health outcomes for this population. We also recognize that simply turning our most vulnerable citizens over to Medi-Cal managed care as currently designed would be a recipe for disaster. Reforming the delivery and payment system so that beneficiaries have a primary care physician and coordinated access to all needed services with appropriate consumer protection is the outcome everyone wants. In the coming months, we look forward to working together to find ways to improve access, quality and efficiency.