



## **COUNTY OF SANTA CLARA**

### **2019 FEDERAL LEGISLATIVE PRIORITIES**

#### **Protect Affordable Health Care Coverage and Safety Net Funding**

Efforts to repeal the Affordable Care Act (ACA) have not been successful and the change in the majority party in the House of Representatives all but guarantees that the ACA will remain the law of the land for at least the next two years. Risks to the ACA that continue include the Administration's attempts to dismantle the law through the rulemaking process and a recent court ruling that the ACA is unconstitutional. This year, other health care issues Congress needs to address include pre-existing condition protections, ACA market stabilization, and improvements to Medicaid and Medicare.

The County supports efforts that strengthen the ACA such as ensuring affordable health care, full parity of physical and behavioral health coverage and services and maintaining coverage for pre-existing conditions. Affordable health care coverage helps provide better health for all Santa Clara County residents. The County strongly urges market stabilization of the ACA through cost-sharing reductions and the funding of reinsurance to make health insurance more affordable on the exchanges. Additionally, the County would go further, advocating for continuous coverage expansion and universal coverage and access.

An issue of concern to the County include cuts to Disproportionate Share Hospital (DSH) funding and the 340B drug discount program. The County relies on DSH funding to provide lifesaving, communitywide services to sustain care for low-income, working people and others who face financial hardships. The County's allotment of DSH funds was reduced by \$14.5 million in FY 17-18 and deeper cuts are scheduled to take effect October 1, 2019. The impact of such cuts to the health care safety net would be damaging and unsustainable. The County urges swift work to eliminate these cuts or delay them until stakeholders can reach a sustainable, permanent solution.

Another program of concern to the County is the 340B drug discount program. The program is funded through pharmaceutical manufacturer discounts rather than federal funding and helps ensure access to lifesaving medications and treatments for hospitals that treat a disproportionate share of low-income patients, including Santa Clara Valley Medical Center (SCVMC). The 340B program is a key component of the County's and the nation's health care safety nets. However, regulations and other efforts to scale back its use or limit how hospitals may use savings to benefit vulnerable patients have been proposed, placing the program at risk. The County seeks legislative protections for the 340B program to maintain the hospital's ability to stretch scarce federal resources and continue providing essential services to the uninsured or other disadvantaged patients.

### **Immigration**

Immigration policy is a matter of high importance to the County of Santa Clara. In the County, more than 38 percent of 1.9 million residents are foreign born and more than 180,000 residents are undocumented individuals. The County has an extremely diverse population and immigrants are an integral part of our community. We are committed to helping to ensure that all our residents, regardless of immigration status, are treated humanely, afforded due process protections, provided access to necessary services, and are given the opportunity to secure legal resident status.

Prior to 2017, federal discussions about immigration issues were primarily focused on reform to improve the system. Comprehensive immigration reform did not happen and under the current Administration, a change in policy direction occurred. Immigration efforts have become focused on more enforcement against unauthorized immigrants, stricter screening of legal immigrants, and overall reduction in the number of people entering to and relocating in the United States.

The County supports an immigration system that serves the national interest and meets the needs of our economy; provides the ability for immigrants to become citizens; and contains policies that respect human and legal rights, protect workers, safeguard national security, and promote commerce. We support action by Congress to grant legal status to eligible undocumented youth and young adults who entered the country as children – the “Dreamers.” We also support allowing those with Temporary Protected Status (TPS) to remain in the United States and pursue nonimmigrant status or other protections. The County will oppose proposals that unjustifiably ban refugees, immigrants and visitors from entering the county based on religion or national origin; efforts to impose more restrictive eligibility requirements for H-1B or similar visas; and efforts to eliminate the ability of H-4

visa holders to obtain work authorization. The County also opposes efforts to expand the criteria for determination of individuals deemed likely to become a “public charge.”

### **Title IV-E Waiver**

California is one of only nine states in which counties administer child welfare services and is the only state in which counties finance the entire non-Federal share of Title IV-E Foster Care and Adoption Assistance costs. Since 2014, the County has operated under a Section 1130 Child Welfare Demonstration Project (Title IV-E Waiver). The Title IV-E Waiver has provided the County the opportunity to use federal funds more flexibly to test innovations to child welfare service delivery and financing. This has allowed the County to design and demonstrate a wide range of approaches to reforming our child welfare system to improve outcomes for children, youth, and families in the areas of safety, permanency, and well-being.

In the four years of operating under the Title IV-E Waiver, the County has experienced decreases in the number of open child welfare cases, the number of youth removed from home, and the number of youth in out-of-home placements. Specifically, the average number of open cases each month has decreased by 13-percent; the number of youth removed from home was reduced by 8-percent; and the number of youth in out-of-home placements decreased by 20-percent.

The Family First Prevention Services Act (FFPSA) was signed into law in February 2018 as part of the Bipartisan Budget Act. The act reforms federal child welfare financing streams to provide services to families who are at risk of entering the child welfare system. It aims to prevent children from entering foster care by allowing federal reimbursement for mental health services, substance use treatment, and in-home parenting skill training. The FFPSA presents new opportunities to support families, safely reduce the need for foster care, and improve outcomes and support communities. However, key provisions of the FFPSA become effective the day after the County’s current Title IV-E Waiver expires, which provides insufficient time to transition from the Title IV-E Waiver to FFPSA.

The County supports a five-year extension of its current Title IV-E Waiver to ensure that planning for and implementing the transition from current efforts to the FFPSA are efficient and seamless. This will prevent the compromise of services to vulnerable children and families.

## **Protect Tax Exempt Municipal Bonds**

Tax-exempt municipal bonds have been a fundamental feature of the United States tax code for over 100 years. They remain the primary method used by states and local governments to finance public capital improvements and public infrastructure projects that are essential to creating jobs, sustaining economic growth, and improving the quality of life in the community.

The County of Santa Clara has issued over \$1 billion in general obligation bonds to finance rebuilding and improving seismically deficient medical facilities at Santa Clara Valley Medical Center. In 2016, voters approved another \$950 million in general obligation bonds to address the affordable housing and homelessness crisis in the County. Lease revenue bonds will be used to purchase two hospitals and an urgent care facility and have previously been used to finance the acquisition, construction, and renovation of various Santa Clara Valley Health and Hospital projects and to seismically retrofit the Los Gatos Courthouse and the Hall of Justice.

Municipal bonds offer investors a strong repayment rate and attractive tax-exemption for interest earned on their investment. In return, state and local governments receive much needed funding to finance public facilities, infrastructure and development. The County supports the preservation of the tax-exempt status of municipal bonds.