



May 4, 2022

Senator Susan Talamantes Eggman
 Chair, Senate Budget Subcommittee No. 3
 1021 O Street, Suite 8530
 Sacramento, CA 95814

Assemblymember Joaquin Arambula
 Chair, Assembly Budget Subcommittee No. 1
 1021 O Street, Suite 6240
 Sacramento, CA 95814

RE: EXEMPTION of Continuous Glucose Monitoring (CGM) Systems from AB 97 (Ch. 3/2011) Provider Cuts

Dear Budget Subcommittee Members,

The listed organizations are writing to urge immediate budget action to avoid unintended health impacts and potential disruption of CGM access for diabetes patients.

In 2021, your subcommittees and the Legislature approved the Governor's budget proposal to add CGMs as a covered Medi-Cal benefit for patients with diabetes. Coverage began January 2022. Since then, we have learned that some patients may be denied access to CGMs because AB 97's 10-percent provider cuts reduce Medi-Cal reimbursement to **below** actual costs, making it unfeasible for some providers to offer these life-changing medical devices.

As you may know, AB 97 was enacted more than a decade ago at a time when the State faced serious budget deficits. When the economy turned around, the State began to exempt various medical services and devices from AB 97's provider cuts, and that practice continues today.

In fact, the Department of Health Care Services is proposing even more exemptions as part of this year's budget trailer legislation. And DHCS is not alone. At least one healthcare provider group has formally submitted a budget request for exemption, while others are questioning the need for continuing any provider cuts given the impact on patient access and given the State's \$46 billion budget surplus.

CGM Medi-Cal coverage was intended to improve healthcare inequities. It was intended to mitigate risk of diabetes-related COVID-19 complications that continue to disproportionately impact California's African-American and Latino communities. Without an AB 97 exemption, some of the Legislature's work on behalf of diabetes patients will be undone. Access may be restricted for some patients. And other patients may suffer a disruption in care when they are forced back to finger-stick blood tests.

We respectfully urge you to exempt CGMs from AB 97's provider cuts and remedy its unintended consequences. We stand with you in reaffirming the State's commitment to health care access and protecting our most vulnerable.

Sincerely,

Advanced Medical Technology Association (AdvaMed)
American Diabetes Association
American Nurses Association\California (ANA\C)
Association of California Health Care Districts
Association of California Nurse Leaders (ACNL)
Association of Diabetes Care & Education Specialists (California Coordinating Body)
Beyond Type 1
Biocom
California Academy of Nutrition and Dietetics
California Access Coalition
California Alliance of Caregivers
California Association for Nurse Practitioners
California Association of Clinical Nurse Specialists
California Association of Health Facilities
California Black Health Network
California Children's Hospital Association
California Chronic Care Coalition

California Life Sciences Association
California Pharmacists Association
California Retailers Association
Children's Specialty Care Coalition
Children With Diabetes
Clinical Association of California Endocrinologists
College Diabetes Network
DiabetesSisters
Diabetes Leadership Council
Diabetes Patient Advocacy Coalition
Latino Coalition for a Healthy California
National Association for the Advancement of Colored People
National Association of Chain Drug Stores
Perianesthesia Nurses Association of California
Taking Control of Your Diabetes
T1D Exchange
The diaTribe Foundation

Cc: Members, Senate Budget Subcommittee No. 3
Members, Assembly Budget Subcommittee No.1