



## **State Budget Crisis Presents Opportunity to Build a Better Health System**

SACRAMENTO, CA (February 4, 2011) -- The state budget crisis is making for “very dark times” for people who depend on the state for health services, but it is also creating the chance to use prevention funding in the federal health reform law to ultimately rebuild the health services system in California to promote health and reduce costs, California Health and Human Services Secretary Diana Dooley said at a Public Health Institute open house Wednesday.

“I think there is an opportunity to seriously look at how we’ve done things in the past and find new ways so that when we do rebuild, we don’t just replace but we fundamentally rebuild,” Dooley said. “We can look for ways to use this new commitment to prevention in a very productive manner and address the cost of health care from the very foundation and root of it,” Dooley said.

The state’s budget crisis will have “significant” consequences for people who depend on the state’s services, and cutbacks will be difficult but necessary, she said. Her agency will carry them out with as much “compassion and integrity and grace” as possible, Dooley said.

Herb Schultz, a regional director for the U.S. Department of Health and Human Services (HHS), also addressed the gathering, emphasizing the Obama Administration’s commitment to the health care reform act, the Affordable Care Act.

“I can tell you that the number one goal in the Department of Health and Human Services in this administration is the quick, efficient and successful implementation of the Affordable Care Act,” said Schultz, whose region includes California.

For the first time in HHS history, the regional director is reaching out to work not just with government partners but also nongovernmental stakeholders such as PHI, he said. There is recognition that “we cannot be successful in things like the implementation of health care reform and very specifically the high priorities around prevention and public health and our \$15 billion in the (prevention) fund without working with key folks like yourselves from PHI and other organizations.”

Schultz invited input on regulations and benefits that are being worked on now. “Instead of waiting until those essential benefits and regulations come out in the fall, talk with us now, work with us now” in the regional office in San Francisco, he said. “As (HHS Secretary Kathleen Sebelius) likes to say, we are only going to be able to understand what the people of this country need if we’re working in regions where we know the regulatory framework and we know the people in a different way than my colleagues in Washington,” he said.

PHI president and CEO Mary A. Pittman, DrPH, said both President Obama and Governor Brown are seeking creative ideas and alternatives to taxation and budget cuts. “I think it’s incumbent on all of us to pull together, to try to find innovations – this is really a call for all of us to step up,” Pittman told the annual gathering of government leaders and public health program officials and staff.

### **About the Public Health Institute**

[PHI](#), an independent nonprofit organization based in Oakland, California, is dedicated to promoting health, well-being and quality of life for people throughout California, across the nation and around the world. PHI's primary methods for achieving these goals include: sharing evidence developed through quality research and evaluation; providing training and technical assistance; and promoting successful prevention strategies to policymakers, communities and individuals.