



Judge Issues Ruling that Blocks State's Attempt to Slash Medi-Cal Reimbursement Rates

CDA applauds federal court ruling

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Sacramento, Calif. — The California Medical Association (CMA), the California Dental Association (CDA), California Pharmacists Association (CPhA), National Association of Chain Drug Stores (NACDS), California Association of Medical Product Suppliers (CAMPS), AIDS Healthcare Foundation (AIDS) and American Medical Response (AMR) applaud the federal court and Judge Christina Snyder for the decision to block California state officials from moving forward with a 10 percent Medi-Cal reimbursement rate cut, which was approved by the federal government.

“The court’s ruling is encouraging to those of us practicing medicine,” said CMA President James T. Hay, M.D. “The state’s repeated attempt to slash Medi-Cal reimbursement rates is a short-sighted solution that balances the budget on the backs of the poorest and most vulnerable Californians. Rather, we need to be addressing long-term solutions relative to the cost of health care. Access to care is crucial for prevention and treatment; the court’s decision today to block the Medi-Cal cuts means that those patients will still have access to health care.”

Last spring, the California Legislature passed and Governor Jerry Brown signed AB 97, which included a 10 percent reimbursement rate cut for physicians, dentists, pharmacists and other Medi-Cal providers. Federal approval was required before the state could implement its proposed cuts.

“CDA is pleased that the judge considered the facts in this case, that the state’s attempt to cut reimbursement rates would harm patients and their ability to access care,” said CDA President Dan Davidson, DMD. “The state already eliminated most adult Denti-Cal services and making further cuts to children’s services would have been devastating to their oral health.”

The information that the Centers for Medicare & Medicaid Services relied on to approve the state's cuts do not measure whether and how patients' access to care would be impacted or otherwise take into consideration, as required by law, the costs to provide the care.

“We commend the court's ruling in favor of preserving and protecting patient care,” said NACDS President and CEO Steven C. Anderson, IOM, CAE. “Drastic cuts are not in the best interest of patient care or the state's finances. Community pharmacies help to reduce health care spending and improve patient health through pharmacy services including

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medication counseling, vaccinations, education and screenings as well as the utilization of generic medications. Jeopardizing patient access to community pharmacy would diminish health and increase the reliance on more costly forms of care.”

Because California Medi-Cal rates are already extremely low and many prescription medications are reimbursed at breakeven rates, many providers cannot afford to participate. Kaiser State Health Facts lists California as the [lowest reimbursed state in the nation](#).

“We fought for an injunction against these cuts on behalf of patients and the pharmacists who serve them,” said Jon R. Roth, CPhA chief executive officer. “The Legislature needs to realize that using the Medi-Cal program to close the budget is bad medicine for California. When the Legislature asked, we provided them with cost-effective solutions that would have helped close the budget gap. However, they effectively slammed the door on our proposed solutions when they voted to reduce reimbursement to providers by 10 percent and in turn have ensured that access to care for California’s most vulnerable citizens is put in jeopardy.”

The lawsuit was filed against the California Department of Health Care Services and the U.S. Department of Health and Human Services on Nov. 21, 2011. Judge Snyder has issued a 25-page final order, wherein she favored the plaintiffs’ request for a preliminary injunction. This final order enjoins the cuts.

“We applaud the ruling of the Court today to help preserve the ability of Medi-Cal providers to continue to provide services to the most needy of our population,” Bob Achermann, CAMPS executive director said. “Providers of durable medical equipment and medical supplies allow Medi-Cal patients to remain in their homes and avoid more costly care in hospitals or other types of facilities. The continued cuts in reimbursement threaten the ability of these patients to access these important services.”

“The ruling today is another in a long line of decisions, now going back years, from courts telling the state that it has not followed the law when attempting to implement these crushing rate reductions. At this point, it seems pretty obvious that the state is doing this deliberately, and that it cannot justify these cuts within the bounds of the law,” said Tom Myers, general counsel for AIDS Healthcare Foundation.

“As California’s largest emergency ambulance provider, American Medical Response provides a critical health care safety net to California’s most vulnerable citizens. We are pleased with the Court’s decision today granting a preliminary injunction to stop these shortsighted cuts,” said Tom Wagner, CEO of AMR’s West Region.

CMA, CPhA, and CDA successfully sued in the past to enjoin prior Medi-Cal cuts and expect to once again demonstrate that federal law, which ensures that Medi-Cal patients have equal access to health care, was not followed.

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About the California Dental Association

The California Dental Association is the non-profit organization representing organized dentistry in California. Founded in 1870, CDA is committed to the success of our members in service to their patients and the public. CDA also contributes to the oral health of Californians through various comprehensive programs and advocacy. CDA's membership consists of more than 25,000 dentists, making it the largest constituent of the American Dental Association. For more information, visit cda.org.

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