



**Provider Groups File Lawsuit against California Department of Health Care Services and U.S. Department of Health and Human Services**

*Recently approved reimbursement cuts did not follow proper legal channels*

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**Sacramento, Calif.** – The California Dental Association joined the California Medical Association, the California Pharmacists Association and the National Association of Chain Drug Stores to file a lawsuit against the California Department of Health Care Services and the U.S. Department of Health and Human Services. The suit is in response to the Centers for Medicare and Medicaid Services' recent approval of a 10 percent reimbursement rate cut in California's Medicaid program, known as Medi-Cal.

“In late September, the Centers for Medicare & Medicaid Services (CMS) asked DHCS for more information that would substantiate its state plan amendments (SPAs) for cuts in the Medi-Cal program. Without receiving that information, CMS went ahead and approved the cuts before them,” Francisco J. Silva, CMA General Counsel and Vice President said. “It is clear that CMS did not follow protocol and applied the wrong legal standard. The approval of the SPAs will have dramatic affects on access to health care for the poorest, most vulnerable Californians.”

Earlier this year, in a budget-cutting move, the California Legislature passed and Governor Brown signed AB 97, which included a 10 percent reimbursement rate cut for physicians, dentists and pharmacists. The federal government approved the rate cuts on Oct. 27. Federal approval was required before the state can implement its proposed cuts. By law, the state is required to submit underlying documents to CMS clearly documenting that access to care for Medi-Cal patients would not be impacted by the state plan amendments. The lawsuit challenges the adequacy of the information provided by the state to support the cuts.

The California Dental Association believes this latest attack on the already inadequate Medi-Cal network of dental care will result in further hindrance of dentists' ability to provide appropriate care.

“The state's elimination of adult dental services in 2009 was devastating to low-income Californians. More cuts to children's services are unconscionable,” said Dan Davidson, DMD, president of the California Dental Association. “California's vulnerable children deserve better, and we must take a stand against the state's willingness to obstruct their access to care.”

The information that CMS 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. In fact, [a recent poll and independent studies show](#) that access to care is already unequal, making the recent cuts illegal by federal standards.

**California Dental Association**

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“Provider cuts may satisfy this year’s State budget but will ultimately result in greater long-term costs. This case isn’t about pharmacist profits; it’s about pharmacists being reimbursed less than what they pay for the medication itself, not to mention any consideration for their professional services as a health care provider. Patients are the ones who are going to suffer,” said Jon R. Roth, CPhA chief executive officer.

Because California Medi-Cal rates are already extremely low and many prescription medications are reimbursed at breakeven, many providers cannot afford to participate. Kaiser State Health Facts lists California as the [lowest reimbursed state in the nation](#). The copayments and arbitrary limits on services will create additional barriers for sick, vulnerable patients seeking care and ultimately, they will be forced to delay care or use emergency rooms for basic health services.

"As studies have shown repeatedly, jeopardizing patients’ access to community pharmacy services diminishes health and increases the reliance on costly forms of care. These drastic cuts are not in the best interest of patient care, nor are they in the best interest of the state’s finances," said NACDS President and Chief Executive Officer Steven C. Anderson. "Community pharmacies help to reduce direct drug spending through strategies including utilization of generic medications. They also help to make health care more affordable through health-improving services such as medication counseling, vaccinations, education and screenings. These cuts would turn the state’s back on innovative and affordable approaches to patient care, and turn the state’s back on patients themselves."

The lawsuit was filed with the California Central Federal District Court. The California Hospital Association recently filed a suit on behalf of the Subacute Distinct Part Nursing Facilities that is set to be heard on Dec. 19.

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

### **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](http://cda.org).*

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