

CAFP Talking Points – Protecting Patient Access to Medi-Cal by Preventing Mandatory Co-Pays and Harmful Physician Visit Limitations

The Situation: *The California Department of Health Care Services (DHCS) announced that the federal Centers for Medicare & Medicaid Services (CMS) has granted California a State Plan Amendment for the Medi-Cal program that will severely threaten patient access to medical care by implementing a 10 percent provider payment cut currently prevented by a federal court injunction. There are two pending State Plan Amendments sought by California that would impose mandatory co-payments on Medi-Cal enrollees and limit the number of visits a Medi-Cal patient can make to his or her physicians.*

The Ask: 1) Tell your legislators, both in Congress and in the State Legislature, how this cut will affect your patients; and 2) ask them to pressure CMS to deny any further State Plan Amendments permitting the imposition of mandatory co-payments on patients and limits on the number of visits Medi-Cal patients may make to their physicians.

1) The damage the 10 percent cut will have on access to care will be drastic.

Your message: You are sympathetic to the need to make cuts during hard times. But these cuts make no sense because they move patients towards costly emergency rooms and away from cost effective primary care teams that are part of their communities. a) providers and health plans will leave the program because of lower rates and added administrative burdens (California currently ranks 47th out of 50 states for Medi-Cal provider payment); b) higher co-pays and visit limits will create barriers to care for patients who need medically necessary care and medications; c) access problems will lead to lower quality of care; and d) the savings achieved by these cuts are short-term and short-sighted. Ultimately, the state will pay more for a sicker population that gets its care in the emergency room and hospital setting.

- California Medi-Cal rates are 20 percent lower than the national average Medicaid rate.¹
- California Medi-Cal rates are 44 percent below Medicare reimbursement rates.²
- Medi-Cal primary care rates are 53 percent below Medicare rates.³
- Medi-Cal pays \$24 for an established patient visit; other payer rates are more than triple this amount.⁴
- Currently, less than half of California physicians participate in the Medi-Cal program for the reasons above.⁵
- As a consequence, 56 percent of Medi-Cal beneficiaries reported difficulty finding physicians willing to treat them, according to a 2001 California Health Care Foundation study.⁶

¹ "Trends in Medicaid Physician Fees 2003-2008," Zuckerman, Williams, Stockley, *Health Affairs*, April 2009.

² "Trends in Medicaid Physician Fees 2003-2008," Zuckerman, Williams, Stockley, *Health Affairs*, April 2009.

³ "Trends in Medicaid Physician Fees 2003-2008," Zuckerman, Williams, Stockley, *Health Affairs*, April 2009.

⁴ "Trends in Medicaid Physician Fees 2003-2008," Zuckerman, Williams, Stockley, *Health Affairs*, April 2009.

⁵ Grumbach, K., Chattopadhyay, A., and Bindman, A. *The California Physician Supply Re-Count: Fewer and More Specialized*. University of California, San Francisco, 2009.

- The Brown Administration has been disingenuous in its effort to provide a thorough and appropriate analysis of whether the proposed changes meet the equal access standard, nor has it demonstrated that access to care will not be irreparably harmed.

While the number of Medi-Cal beneficiaries continues to climb, the number of family physicians does not. The number Medi-Cal enrollees began increasing in early 2007, according to a 2010 California Budget Project report. “Between May 2007 and May 2009 – the most recent month for which complete data are available – the number of Californians enrolled in Medi-Cal rose by 7.2 percent (470,965), compared to a 0.2 percent decrease in enrollment between May 2005 and May 2007,” the authors say.⁷

2) Deny the imposition of co-pays and limits on visits.

Your message: Imposing copays and limits on visits to primary care physicians’ offices at a time when the state is trying to ramp up to 2014 Medi-Cal expansion is short sighted and costly to taxpayers: a) co-pays will discourage Medi-Cal patients from obtaining needed preventive and chronic condition care, leading to higher emergency room and hospital costs for the state; b) collecting co-pays from an indigent patient population puts physicians and other providers in the difficult, if not impossible, position of accepting even lower payment or turning away patients who cannot afford a co-pay and have nowhere else to go; c) monitoring the number of visits a patient makes has little to do with quality of care. This could create an administrative nightmare for physicians and other health care providers who would not be paid for services rendered if a patient had reached the allowed number of visits.

- Physician office administration of visit limits is impossible – how can one physician or practice know how many visits to other providers a patient has had?
- Collection of co-pays adds yet another expense to caring for Medi-Cal patients, punishing both the provider and the patient.
- Underwriting of managed care plans for Medi-Cal patients has already factored in lower utilization, and rates already have been reduced. Further reductions will affect a plan’s ability to retain providers.
- The Brown Administration has made no effort to provide a thorough and appropriate analysis of whether the proposed changes meet the equal access standard, nor has it demonstrated that access to care will not be irreparably harmed.
- Mandatory copayments as proposed flagrantly violate limits imposed on Medicaid cost-sharing in the federal law.⁸

⁶ Medi-Cal Policy Institute. *Physician Participation in Medi-Cal, 2001*. University of California, San Francisco, 2003.

⁷ *Proposed Budget Cuts Come at a Time of Growing Need*. California Budget Project, February 2010.

⁸ “Medicaid Program; Premiums and Cost Sharing; Final Rule.” In *Federal Register*, Vol. 75, No. 103, May 28, 2010.