



18000 Studebaker Road, Fourth Floor  
Cerritos, California 90703

## CMS Rejects Medi-Cal Co-pays

Yesterday, February 6, 2012, CMS rejected California's attempt to impose co-pays on Medi-Cal beneficiaries for certain medical services. CMS's decision dealt another blow to the state of California's latest attempts to cut Medi-Cal costs. In June of 2011 the California legislature passed AB 97, which along with patient co-pays, called for a 10% reduction in physician reimbursement. The 10% cuts actually received CMS approval last October but were later blocked by a Los Angeles District Court ruling on January 30, 2012. The proposed co-pays included \$50 for emergency department visits and \$100-\$200 for inpatient admissions.

The State of California has said it plans to appeal both CMS's decision regarding the co-pays as well as the District Court's ruling which enjoined the 10% cuts to physician payments. However, the next, and perhaps final, chapter in this story is likely to be told early this summer when the US Supreme Court is expected to issue a ruling on California's proposed 10% Medi-Cal cut to physicians stemming from legislation passed back in 2008. Unlike the most recent decisions, though, there will be no appeal of the US Supreme Court's ruling as there is no higher authority than the US Supreme Court.

We will provide updates to this issue as developments occur. If you have questions, please contact Jay Packer, Marina's Director of Legal Services at [jpacker@marinabilling.com](mailto:jpacker@marinabilling.com) or (562) 809-3521.