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## **Medi-Cal Reimbursement Update**

### December 19th Hearing to Stop 10% Cuts

In a hearing scheduled for December 19, 2011, the Los Angeles District Court is expected to decide whether the 10% Medi-Cal payment cut should be allowed to go forward as planned. In a lawsuit filed shortly after the cuts received federal approval on October 27, 2011, the California Hospital Association petitioned for an injunction to stop the cuts. The California Medical Association and other interest groups also filed suit against the California Department of Health Care Services and US Health and Human Services (US HHS) in efforts to declare the cuts invalid according to federal law. While not a party to the December 19th hearing, these interest groups will be watching in earnest for U.S. District Judge Christina Snyder's ruling on the preliminary injunction hearing. A preliminary injunction is a temporary remedy, but granting the injunction is a necessary step if the cuts are to eventually be declared invalid.

The Brown Administration has stated it will not implement the cuts until after the decision following the December 19th hearing.

### \$50 ER Copay

AB 97, the bill which led to the 10% cuts being placed into state law, also included a provision imposing a \$50 patient copay for emergency room visits. Unlike the 10% cuts, however, the \$50 copay has yet to receive US HHS approval and therefore it remains unclear when, or if, this requirement will be enforced.

### L.A. Care Won't Pass On Cuts to Providers

L.A. Care, the largest Medi-Cal managed care plan in California, has stated it will not pass the planned 10% payment cuts to its directly contracted providers. The move was made in order to "preserve the integrity of the health plan's network" according to L.A. Care CEO Howard Kahn, who also said the decision was made in the hope that other Medi-Cal managed care plans would follow suit. L.A. Care estimates the cost of keeping the rates steady will be between \$10 million and \$20 million.

If you have questions about Medi-Cal Reimbursements, please contact Jay Packer at 562.809.3521 or [jpacker@marinabilling.com](mailto:jpacker@marinabilling.com).