CAMPS
Medi-Cal Cuts
Fee for service/
Managed Care

California Association of Medical
Products Suppliers
1 Capitol Mall, Ste. 320
Sacramento, Ca. 95814
(916) 443-2115
10% Medi-Cal Cut 2011

- State in Bad Fiscal State- massive deficits
- State Spending is 90% in categories of education, social services, prisons
- Medi-Cal is a significant state program- 6 million enrollees and growing- $16B cost
Medi-Cal 10% Cut 2011

- Legislature adopted 10% provider rate cut- almost all provider types
- Implement as of June 1, 2011
10% Provider Rate Cut

- CMS approved SPA in late September
- DHCS stated would make it retroactive to June 1, 2011
- DHCS announced would implement by end of December
- Injunction in Fed Ct by pharmacy group-granted in December 2011
10% Provider Rate Cut

- CAMPS joined coalition led by CMA
- CAMPS agreed to provide $85,000
- Provided declarations
- Injunction granted on 1/31/12
- DME cut began 12/22/11
- Stopped by injunction
10% Provider rate cont

- December 2012 Court of Appeal
  Reversed injunction
- Attempt with en banc appeal- denied
- Writ of Certiorari to US Supt Court
- Writ Denied in July 2013
CAMPS supports efforts with Bills in Legislature

Repeal the cut- Legislative support

Governor resistant to undo budget savings- nothing in budget

Senate leadership looks for other program relief
Medi-Cal 10% Cut

- DHCS announces implementation of prospective 10% reduction
- Does by provider type, DME/Med Supplies - October 24, 2013
- Pharmacy/ Drugs and Med Supplies if billed by provider with pharmacy provider # - 1/9/14 - delayed to 2/7/14
Medi-Cal 10%

- Pharmacy got some relief with more expensive drugs- delay was need for SPA adoption
- Enteral formula- got additional 5% cut- since ongoing 5% already
- DHCS says claw back 6/1/11 will be phased in no earlier than 60 days after last prospective – April 2014-
Medi-Cal 10% Cut

- Claw back done over 24 month period- 5% a month
- Provider gets notice with total $ to take back- hardship exceptions
- No announcement as of yet
Medi-Cal 2014-15

- Gov’s January Budget proposal
- Eliminate retroactivity for some providers, physicians, pharmacy on some drugs
- No relief for DME/Med supplies
- DHCS says make exemptions based upon impaired access
AB 1805 (Skinner and Pan) would eliminate claw back for all and the 10% reduction

We and others support the bill

 Likely will not move on its own-budget process will be where it happens or doesn’t
Medi-Cal 2014-15

- DME/Medical supplies- cost to eliminate claw back $37 M General Fund
- Annual savings from 10% for all providers and Managed care is $427 M GF- docs and some already out 50%
Medi-Cal 10% Cut and Claw Back

The Governor in his proposed budget for 2014-15 includes the elimination of the claw back of the 10% overpayment back to June 1, 2011 for a limited number of provider groups, including physicians, clinics, and some expensive drugs. It does not eliminate the claw back for DME/Medical Supplies or enteral formula. Over the next few months the respective Assembly and Budget sub-committees will be considering what if any other changes are made with respect to the claw back and 10% reduction. CAMPS members need to reach out to the members listed below who will be involved in the decision making.

In addition Assembly members Skinner and Pan have introduced AB 1805 that would repeal the retroactivity and the 10% cut going forward. CAMPS is a strong supporter of this bill.

You can go to www.assembly.ca.gov or www.senate.ca.gov and easily find contact info for any of the members listed below and your individual Assembly or Senate member if you do not reside in any of their districts. The time to act is now.

- **Mark Leno (D)** Senate Budget Committee Chair  
  **District:** 11 includes San Francisco county and parts of San Mateo county. **Main Cities** are San Francisco, Broadmoor, Colma, Daly City, and small parts of South San Francisco and San Mateo.

- **Ellen Corbett (D)** Senate Budget Subcommittee Chair  
  **District:** 10 includes parts of Alameda and Santa Clara counties. **Cities** are Hayward, Fremont, Pleasanton, Milpitas, Union City, and parts of San Leandro.

- **Bill Monning (D)** Senate Budget Subcommittee Member  
  **District:** 17 includes San Luis Obispo and Santa Cruz counties, and parts of Monterey and Santa Clara counties. Main cities are Carmel, Monterey, San Luis Obispo, Santa Cruz, and Watsonville.

- **Mimi Walters (R)** Senate Budget Subcommittee Member  
  **District:** 37 includes parts of Orange County. **Main cities** are Anaheim, Costa Mesa, Huntington Beach, Irvine, Laguna Beach, Laguna Woods, Lake Forest, Newport Beach, Orange, and Tustin.

- **Nancy Skinner (D)** Assembly Budget Committee Chair  
  **District:** 15 includes parts of Alameda and Contra Costa counties. **Main cities** are Berkeley, Oakland, El Cerrito, Emeryville, Pinole, Richmond and San Pablo.
Budget solution keys

- Shirley Weber (D)  Assembly Budget Subcommittee Chair
  District: 79 includes parts of San Diego County. Main cities are Bonita, Chula Vista, La Mesa, Lemon Grove, National City, and San Diego.

- Wes Chesbro (D)  Assembly Budget Subcommittee Member
  District: 2 includes Del Norte, Humboldt, Mendocino and Trinity counties, and parts of Sonoma county. Main cities are Arcata, Blocksburg, Caspar, Crescent City, Dos Rios, Eureka, Fortuna, Garberville, Santa Rosa, Whitehorn, Ukiah, and Ituras.

- Roger Dickinson (D)  Assembly Budget Subcommittee Member
  District: 7 includes parts of Sacramento county. Main cities are Antelope, Elverta, Rio Linda, Sacramento and West Sacramento.

- Alan Mansoor (R)  Assembly Budget Subcommittee Member
  District: 74 includes parts of Orange County. Main cities are Costa Mesa, Huntington Beach, Irvine, Laguna Beach, Laguna Woods, and Newport Beach.

- Shannon Grove (R)  Assembly Budget Subcommittee Member
  District: 34 includes parts of Kern County. Main cities are Bakersfield, Ridgecrest, Taft and Tehachapi.
Budget Solutions

- Need to contact your Assembly and Senate Members
- Tell them who you are, how long in Medi-Cal, number of employees/services
- What the claw back does to you
Medi-Cal Duals Transition

- Part of demo project in multiple states
- Move Medi/Medis into managed care plans
- About 1.1 M patients in Ca. SPDs last year
- Why- they are highest cost, multiple chronic conditions, 2/3rds are 65 plus
Medi-Cal Duals cont.

- Coordinated Care Initiative - integrated model of care - reduce fragmentation
- Initially proposed for 8 counties
- Initial start March 1, 2013 implementation
- Need to submit for CMS approval
Duals cont.

- Medi-Cal either FFS or managed care
- Managed Care has 3 models
  - County Operated Health Systems- one plan run by public agency- 14 COHS counties
  - Geographic Managed Care- benef chooses among variety of health plans
  - 2 GMC counties
Dual cont

- Two plan model - county where Medi-Cal contracts with 2 plans - typically one local and one commercial - 14 two plan counties
- Managed Care exists in 30 out of 58 counties
Duals cont

- Many stakeholder mtgs
- Still need to submit final to CMS
- Population is more complex
- Concern about adequacy of provider networks
# Health Plan Options

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<tr>
<th>Los Angeles</th>
<th>Alameda</th>
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<tr>
<td>• Health Net and LA Care (Care 1&lt;sup&gt;st&lt;/sup&gt;, CareMore)</td>
<td>• Alameda Alliance and Anthem Blue Cross</td>
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<tr>
<td><strong>Orange</strong></td>
<td><strong>Santa Clara</strong></td>
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<td>• CalOptima</td>
<td>• Santa Clara Family Health Plan and Anthem Blue Cross</td>
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*Participation in Orange County pending readiness reviews.*
The Coordinated Care Initiative: Where

- San Mateo
- Alameda
- Santa Clara
- San Bernardino
- Los Angeles
- Riverside
- Orange*
- San Diego

*Participation in Orange County pending readiness reviews.

These changes, and this new program will be in 8 different counties.
Duals cont

Timeline: Southern CA

- **Los Angeles**
  - Voluntary enrollment (HealthNet and LA Care only): April – June 2014
  - Passive enrollment (HealthNet, Care1st, CareMore, Molina)*, generally based on birth month: no earlier than July 2014
  - Passive enrollment (all 5 plans)*: no earlier than January 2015

- **Riverside, San Bernardino, San Diego**
  - Voluntary enrollment: April 2014
  - Passive enrollment, generally based on birth month: no earlier than May 2014

*Participation in Care 1st, Care More, Molina and LA Care pending readiness reviews.
Duals cont

Timeline: Northern CA

- Alameda
  - Passive enrollment, generally based on birth month: no earlier than July 2014

- Santa Clara
  - Enrollment beginning no earlier than January 2015

- San Mateo
  - All enrollment in April 2014
Questions & Answers

Go to www.campsone.org to donate to the Medi-Cal Rate Reduction Fund.