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For Immediate Release

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Federal Court Grants Injunction Against Illegal Medi-Cal Cuts

CMA v. Bonta

Case No. CIVS032336DFLPAN, U.S. District Court, Sacramento

SACRAMENTO—A U.S. District Judge Tuesday granted a preliminary injunction to the California Medical Assn. and other plaintiffs saying that the state's 5 percent cuts to Medi-Cal cannot go into effect because the state of California failed to consider how the hundreds of millions in cuts would affect access to care for poor, disabled, elderly and children whose health care is provided by Medi-Cal.

The reduction was set to go into effect Jan. 1, 2004

"This is excellent news," said CMA CEO Jack Lewin, M.D. "Going forward, this ruling seems to thwart the current administration's additional 10 percent proposed reductions as well. The judge's decision will prevent further erosion of access to care for our most vulnerable patients."

The 42-page ruling stated: "Because the state failed to consider the effect of a rate reduction on beneficiaries' equal access to quality medical services, in view of provider costs, the pending rate reduction is arbitrary and cannot stand." The injunction was handed down by U.S. District Judge David F. Levi in Sacramento.

"I certainly feel like we got everything we asked for," said Craig Cannizzo, attorney with Hooper, Lundy & Bookman, Inc., of San Francisco, which filed the lawsuit on behalf of CMA and multiple other plaintiffs representing patients, dialysis clinics, dentists, pharmacists and other providers.

The judge also ruled that cuts already made against Medi-Cal managed care plans would have to be addressed separately. He found that only the health plans would have standing to sue on that issue. Medi-Cal managed care accounts for about half of all Medi-Cal recipients.

In launching the legal challenge Nov. 7, CMA and other plaintiffs cited the Social Security Act, which says that a state plan for medical assistance (Medi-Cal in California) must assure that payments are "consistent with ... economy and quality of care," and are sufficient to enlist enough providers so that services are available at a level equal to those available to the general public. According to the lawsuit, the number of primary care physicians per capita for Medi-Cal patients was one-third less than for the general population using 2001 figures from the Medi-Cal Policy Institute. The figure for specialists is 50 percent less than for the general population; and for surgeons – it is two thirds less. Further cuts would have made the disparities larger.

About 6.5 million people are eligible for Medi-Cal in any given month. California ranks in the bottom 10 of the 50 states for reimbursement for Medi-Cal patient care.

Go to the CMA website at www.cmanet.org under press releases for further information on the lawsuit and filings as they become available.