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EDITORIAL

Taking Medi-Cal to court

If the program isn't meeting its obligations, the public should be able to hold the state accountable.



L.A. physician Thomas Horowitz said in 2005 that Medi-Cal doesn't come close to covering his expenses. (Los Angeles Times)

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California and the Obama administration urged the Supreme Court this week to bar doctors and their patients from suing states over the amount paid to healthcare providers for treating Medicaid patients. Several justices seemed to agree when the [case](#) was heard Monday, noting that the federal law that created Medicaid didn't give individuals the right to sue.

But that's too restrictive a view of who should have access to the courts. If states aren't meeting their obligations under the law and are effectively denying the poor access to the healthcare Medicaid was designed to provide, the public should be able to hold them accountable.

Medicaid is a joint effort by the federal government and states to provide health insurance to the poor and the disabled. States don't have to participate, but if they do, they have to abide by the requirements, which include paying enough to persuade doctors and other providers around the state to serve Medicaid patients. Before a state can cut those rates, it has to study the potential effects and obtain federal approval.

The recession pushed more families into poverty, driving up demand for Medicaid and shrinking state tax revenues — a double whammy that led many states to try to cut Medicaid costs. In 2008 and 2009, California deeply cut the payment rates for Medi-Cal, its version of Medicaid, without first getting approval from Washington. The government belatedly rejected the new rates, and the state is contesting that ruling. If it doesn't prevail, Medi-Cal will lose all federal aid until the program is back in compliance.

That could take years, however. In the meantime, Medi-Cal recipients and healthcare providers sued to stop the rate cuts. They won an [injunction](#) against the rate cuts from two lower federal courts, prompting the state's appeal to the Supreme Court.

The state's budgetary woes are epic, and if lawmakers cannot cut Medi-Cal costs, the budget gap will widen by billions of dollars. But underpaying doctors for treating Medi-Cal patients has a host of pernicious effects of its own. It leaves fewer healthcare providers willing to participate in Medi-Cal, forcing those who rely on it to travel farther to obtain care. That means they're likely to wait longer to seek help, increasing the chance that they'll need more extensive and expensive treatment when they finally do. Meanwhile, the doctors and hospitals that do take Medi-Cal patients shift more of their costs onto everyone else.

Slashing payments to providers is far too simplistic an approach to the complex problem of relentlessly rising Medi-Cal costs. More fundamentally, the state's unilateral actions ran afoul of the Medicaid Act. When state lawmakers don't abide by federal law, it's not enough to count on Washington to resolve the conflict in a timely manner. The people who are harmed by violations of the Medicaid Act should be able to go to court to stop them.