



Region's Poorest Could Pay More for Medical Care

State will pay doctors less, and is vying to charge patients more

By [Sharon Bernstein](#) | Saturday, Oct 29, 2011 | Updated 8:22 AM PDT

Southern California's poorest residents would pay more for hospital and emergency room care, and the state would pay less to their doctors, under a plan being negotiated with federal health officials.

Because Southern California has the highest number of Medi-Cal recipients in the state, people here will be disproportionately affected. LA County's public hospital system is already bracing for an onslaught of patients who can no longer afford to go to a regular doctor, a top county financial official told NBC LA.

The U.S. Centers for Medicare and Medicaid Services have already approved part of the plan, agreeing earlier this week to let California pay 10 percent less to doctors and nursing homes for adult patients covered under the state's Medi-Cal program.

The state also wants to cap the number of times a Medi-Cal patient can see a doctor each year and charge co-pays of \$100 per day for hospital visits. A trip to the emergency room would cost \$50 under the plan.

Dr. Tom Horowitz, a family doctor in Los Angeles, said he gets calls daily from patients who are seeking a doctor who will accept Medi-Cal insurance. He already limits the number of slots for Medi-Cal patients, Horowitz said, and is likely to have to cut them further once the fee reductions kick in.

"As it is, Medi-Cal pays well below our cost of doing business," Horowitz said.

For example, one of his patients is an adolescent who is infected with HIV. Her visits typically take about 45 minutes, but Medi-Cal only pays \$18 for the entire appointment.

"That doesn't pay for me keeping my lights on, much less the staff time," Horowitz said. "It's just something you do out of altruism."

When the cuts kick in, it will only get worse, Horowitz and others said.

"This is a penny-pinching, pound-foolish measure that puts people's lives at risk," said Dr. Jack Chou, who practices family medicine at Kaiser Permanente in Baldwin Park. "Physicians who take on Medi-Cal patients are already losing money."

Los Angeles County stands to lose 5 to 10 percent of the revenue that normally flows in to treat patients at its outpatient clinics, said Alan Wecker, Chief Financial Officer for the Los Angeles County Department of Health Services.

The county is worried that patients who can't find doctors who will take their Medi-Cal insurance will flood public hospitals, Wecker said. And, if the co-pays on hospital care are approved, the county could wind up holding the bag, he said. That's because if patients can't afford the co-pays, the county will have to absorb that cost.

LA County already spends \$3.7 billion per year in health services for people who are poor and disabled.

State health officials say they have to pay less to doctors – and charge more to patients – in order to keep services flowing during a time of intense budget problems.

The Brown administration says that neither the fee reductions nor the increased co-pays would harm patients. Toby Douglas, director of the state Department of Health Care Services, said in a statement that officials would monitor patients to make sure that they continue to receive care under the new rules.

If the new co-pays are approved, patients would pay \$3 or \$5 for pharmaceuticals, \$5 to visit a doctor or dentist, \$50 to go to the emergency room and \$100 per day for hospital stays. The hospital co-pay, however, would be capped at \$200.

Patients would also be limited to seven doctor visits per year – unless they can prove that the additional visits are medically necessary.

Norman Williams, a spokesman for the state Health Care Services Department, said federal officials are “close” to deciding whether to allow the co-pays and the limit on doctor visits.

To be legal, regulators must be satisfied that the changes will not harm patients and that they are justified by the state's poor fiscal condition.

On Wednesday, federal health care officials said they would not allow California to reduce the amount of money it pays for poor patients to go to the hospital, or to reduce the fees doctors are paid for treating children.

But Cindy Mann, Deputy Director of the Centers for Medicare and Medicaid services, said that the state had justified the reduction in fees to doctors.

“Many of the state's original rate cut proposals are now off the table,” Mann said. “While we recognize the remaining cuts will have a significant impact on the affected providers, the state has submitted extensive data demonstrating that the remaining cuts will not jeopardize Californian's access to care, and has agreed to ongoing monitoring of access to care for the affected services. “

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