

California Department of Health Care Services

Medi-Cal Cost Containment Proposal: Cap on Outpatient Physician Office/Clinic Visits for Medi-Cal Beneficiaries

FACT SHEET

Background:

The federal government requires states that participate in Medicaid (Medi-Cal) to provide certain benefits, referred to as mandatory benefits, one of which is physician visits. Subject to federal approval, this proposal places a cap on the number of outpatient physician office and/or clinic visits allowed per Medi-Cal beneficiary, per year, and Medi-Cal will not pay for any physician visits beyond the established amount. The cap will be set at 10 visits per year. The Department of Health Care Services (DHCS) will establish this cap by provider bulletin and will apply the cap to all visits to outpatient physician offices and clinics, including FQHCs and RHCs. Most Medi-Cal beneficiaries who utilize outpatient physician offices and clinics will be unaffected. This proposal affects the following types of physician visits:

Physician Office Visits: are outpatient primary and specialty care provided at non-hospital affiliated health care providers.

Federally Qualified Health Center (FQHC): community-based organizations that provide comprehensive primary care and preventive care, including physical and oral health, and mental health/substance abuse service to the medically underserved.

Rural Health Clinics (RHC): clinics located in rural, medically under-served areas. RHCs were established to address an inadequate supply of physicians serving Medicare and Medicaid beneficiaries in rural areas.

Similar to the optional benefit reductions that DHCS implemented in FY 2009-10, this proposal will exempt the following Medi-Cal beneficiaries:

- Pregnancy-related visits and visits for the treatment of other conditions that might complicate the pregnancy if left untreated;
- Beneficiaries under the Early and Periodic Screening and Diagnosis and Treatment program (beneficiaries under the age of 21); and
- Beneficiaries who reside in a long-term care skilled nursing facility.

Why is this change needed?

California is facing a multi-billion dollar shortfall, and Medi-Cal, as the second largest state program after education, must be part of the effort to reduce State General Fund costs. These actions will reduce the services provided under these programs and will therefore reduce Medi-Cal expenditures.

Potential for opposition, if yes, why.

Advocates, provider groups, Medi-Cal beneficiaries, and welfare rights organizations are likely to oppose this proposal. They may argue that caps will impair access to care, which may result in some beneficiaries going without care in some instances or seeking care in other settings, and will have the biggest impact on beneficiaries who utilize services the most.

Is there a BCP associated with this language (yes or no)? No. This item is included in the Medi-Cal May Estimate.

Any other brief information that is relevant/important to highlight so that one can fully understand the issue that is being presented.

Future managed care capitation rates will require adjustment to reflect the actuarial equivalent of implementing these outpatient physician office and clinic visit caps.