

## California providers fight for info on Medicaid cuts

By Jason Millman

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California provider groups say the state is intentionally keeping them in the dark about how major proposed cuts to the state's Medicaid program will affect access to care.

It's been two months since California formally requested CMS approval to slash Medicaid by \$1.5 billion through provider rate cuts, new mandatory co-pays and limits on the number of physician visits. The state's care providers are up in arms over California's refusal to share information on how those cuts would affect Medicaid beneficiaries' ability to get care.

"They're stonewalling us," said Francisco Silva, general counsel for the California Medical Association, which filed [a Freedom of Information Act request](#) with CMS two weeks ago to determine whether the state has done its homework on how the cuts would affect physician access.

Democratic California Gov. Jerry Brown has urged CMS to quickly approve the state's requested Medicaid cuts, which include reducing provider rates by 10 percent. But the state's provider groups argue that California's large Medicaid rolls and already-low reimbursement rates raise serious questions about whether the safety net program can sustain further cutbacks.

"How can CMS approve the [proposed changes] if no one else has seen the information that purportedly justifies the cuts?" the CMA wrote in its FOIA request.

Patient advocates have long contended that too much of the process for reviewing proposed changes to states' Medicaid plans takes place behind closed doors. A couple of Government Accountability Office reports in [2002](#) and [2007](#) faulted HHS for the secrecy of the Medicaid waiver process.

But that's all about to change because of health reform, making the fight in California a key test for the Obama administration.

The California Department of Health Care Services, which oversees the state's Medicaid program, acknowledged in its June proposal that the state hadn't considered access issues when proposing the cuts. The department said it would perform an analysis and develop a plan for monitoring access for CMS as the federal agency weighs whether to approve the state's proposal.

However, the DHCS said those items would be posted on the department website following CMS approval, indicating a reluctance to share that information with beforehand.

“The state is de facto admitting they don’t know the impact of the cuts to access and quality,” said health care lobbyist Licy Do Canto, head of the Do Canto Group. “And for CMS to approve and the administration to validate this request without such analysis would be irresponsible and bad public policy, to say the least. I’m glad it appears that they will be asking the state for more information.”

DHCS spokesman Norman Williams pointed out that the state publicly shared its initial request to CMS and will share the agency’s final decision. However, Williams said the state’s current discussions with CMS can include “very specific information that is something the state believes is best shared between us and between CMS.”

A September 2010 proposed rule authorized by health reform would significantly change how states approach CMS to greenlight Medicaid changes. The proposed rule would require states to issue a public notice and comment period at least 30 days before formally pitching Medicaid changes to CMS. Further, the public notice must include an analysis of the Medicaid changes, and the state must hold at least two public hearings.

However, Joan Alker, co-executive director of Georgetown University’s Center for Children and Families, said “it is not clear” if California must share the information that provider groups are seeking because the Affordable Care Act rule hasn’t been finalized.

“The whole gist of the new regs is to provide transparency,” CMA’s Silva said. “They aren’t in effect yet, but this is a complete rejection of those regs.”