

Medi-Cal cuts to hit hard in county

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*Eligibility rules
expected to be changed*

By Carol Reiter

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Doctors who won't see Medi-Cal patients and emergency rooms that are busier than ever may be in Merced County's future if proposed state budget cuts become a reality.

Mike Sullivan, chief executive officer of Golden Valley Health Centers in Merced, said that if Gov. Gray Davis' cuts to health care providers are implemented, everyone in Merced County will be affected.

"This is a poor county, and because of that, this county depends more on state and federal financing in proportion than other counties in the state," Sullivan said.

Medi-Cal is the target of some of Davis' biggest proposed cuts, Sullivan said. Medi-Cal is the state's version of Medicaid, a federally and state-funded program for low-income and needy people.

Davis has proposed that all Medi-Cal providers in the private sector have their payments reduced by 15 percent. Other Medi-Cal cuts include the elimination of optional benefits for Medi-Cal patients, such as adult dental services, optometry and psychology benefits.

Sullivan said that if the budget cuts are approved, providers will refuse to see Medi-Cal patients, and that will result in sicker people in emergency rooms.

"The pain will be shared by everyone. We all end up paying for uninsured patients," he said.

Along with the cuts in provider fees, Davis has proposed to cut the eligibility requirements for Medi-Cal. Patients will need to be poorer to qualify for the health insurance, and will have to prove their income more times a year.

"Instead of once a year, Medi-Cal recipients will have to prove their eligibility four times a year, and they will get frustrated and simply won't do it," Sullivan said.

When people have no health insurance, they tend to wait until they are sicker to seek health care. And often that health care is received at a hospital emergency room.

John Headding, president of Mercy Medical Center Merced, said if Davis' proposals become reality, more than half a million people will be dropped from Medi-Cal rolls.

"That will increase the number of uninsured in the state, and those folks are often treated in emergency rooms," he said.

Mercury would be hit hard if they

had to absorb more non-payers, Headding said.

"We suffer from one of the poorest payer mix marketplaces in the state," he said.

The average hospital in California gets about 50 percent of its funds from state- and federally-funded programs such as Medi-Cal or Medicare. Mercy is currently at 74 percent.

"That's not a lot of higher-paying customers, and an increase in non-paying patients would really hurt," Headding said.

Davis has already cut \$55 million from the monies health care providers receive, and that affects Mercy through their disproportionate share hospital funds.

"We have been severely impacted already, and now he wants to make more cuts," Headding said.

Davis has also proposed cutting funds to long-term care facilities, including skilled nursing facilities like the one Mercy recently opened. "What we have heard is about \$45 million cut to 200 hospitals, but we are still waiting to see what that cut will be," Headding said.

Sullivan said he is very disappointed with the way the governor is trying to balance his budget.

"If these cuts become a reality, they will pass most of the burden and pain of the budget problem onto the poor," Sullivan said.

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