

BUSINESS

New state budget may hurt local 'safety net'

By Carol Reiter

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Health care booms

After early holdups during the construction phase, the new Golden Valley Dental facility became a reality in early December. The nine-room facility at the corner of W. I and J streets will offer more dental services for the growing community.

Pinnacle Health Urgent Care in the Premier Cinema's shopping center off of Mercey Springs Boulevard opened in May to allow more urgent care needs.

In September, the city approved construction for a rehabilitation and internal care center along I Street in between Linda Vista Avenue and I Street.

The new facilities add a new twist to the area that is mainly influenced by apartments.

is to limit Medi-Cal enrollment for immigrants. More than one-quarter of the county's residents are eligible for Medi-Cal.

"Those folks tend to come to come over to what's left of the safety net. That's Golden Valley, and we are maxed out now," Sullivan said.

The governor's plan would cut \$900 million from the state's Medi-Cal program, most of which would come from a 10 percent cut to reimbursement rates for health care providers. A judge ruled last year that a similar 5 percent cut was illegal, but the state has appealed that court order.

These cuts, if they become reality, would cause many doctors to shut their doors to Medi-Cal patients. Chris Tomford, executive director of the Merced Mariposa County Medical Society, said

Gov. Arnold Schwarzenegger's \$99.1 billion budget proposal will hit local health care providers hard if it becomes reality.

The governor's plan would cut Medi-Cal payments to providers by 10 percent, which would be devastating to at least one Merced safety net health clinic.

Golden Valley Health Centers sees about 55,000 patients a year, with 60 percent of them on Medi-Cal.

"These proposals will dramatically impact Golden Valley," Mike Sullivan said. The chief operating officer of the clinics said that realignment funds to the county may also be cut, which would affect health care for the uninsured poor in Merced County.

Approximately 30 percent of the patients at Golden Valley are uninsured, Sullivan said, and he believes more will be joining those ranks if the Medi-Cal cuts become reality. Another part of Schwarzenegger's proposal

that every time money is taken out of the health care system, it affects both doctors and patients.

"All physicians are directly affected by this. Their reimbursement rates have gone down, and their practice overheads have gone up. More and more physicians are just not taking Medi-Cal patients," Tomford said.

Medi-Cal provides free or low-cost health services to children in low-income families. Another state-federal program, Healthy Families, offers low-cost insurance to children in families that make too much to qualify for Medi-Cal, but less than 250 percent of the federal poverty level - currently about \$38,000 for a family of three.

Enrollees pay a monthly premium and \$5 co-payments for prescriptions and doctor visits.

Schwarzenegger proposed restructuring the Healthy Families program so that families that earn more, pay more for the insurance plan.

He also wants to cap enrollment to control costs.

The cutting of realignment funds, which were created in 1991 during the state's last big fiscal crisis, will also affect county health care funding. John Volanti, public health director for Merced County, said that the indigent care program may take a hit with the proposed budget.

"The lease agreement the county has with the hospital is predicated on realignment funds. If they are cut, it could possibly impact that agreement," Volanti said.

Mercy Medical Center Merced has a lease agreement with Merced County for the physical lease of the Community Campus on East 13th Street, and for providing health care for indigents. Mercy receives about \$1.6 million from the county for indigent care, but spends at least \$5 million, Volanti said.

"There will be local funding monies transferred to education, and I'm afraid that

money will come from realignment funds," Volanti said.

Another area that the governor has targeted in Medi-Cal is fraud. Assemblywoman Barbara Matthews, D-Tracy, said she is pleased to see that Schwarzenegger is including in his budget many of the recommendations that came from audit done by Matthews.

"We believe there are opportunities to do things in a better way," Matthews said. In May, Matthews requested an audit of the state's Medi-Cal program, and presented the governor with the final report after his State of the State address.

"I'm pleased to see that the Governor is taking advantage of the potential for \$2.5 billion in savings through the reduction of Medi-Cal fraud," Matthews said.

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