



California Dialysis Council

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NEWS UPDATE

TO: CDC Members
FROM: Michael Arnold, Legislative Advocate
Kristian Foy, Legal Counsel
DATE: June 3, 2009

Re: California Budget Update – Clarification on Proposed Dialysis Cut

On May 14th the Governor issued his “May Revision” of the 2009-State Budget. Subsequently, he has issued additional proposals for more and deeper budget cuts. On May 26th the Governor’s Department of Finance (DOF) issued a 25 point list of “Additional General Fund Reduction Proposals for 2009-10 May Revision.” Item in that list reads as follows:

“Medi-Cal - Eliminating Certain State Only Programs-- Services include: Undocumented non-emergency services (breast and cervical cancer treatment and postpartum care, and excluding prenatal and long term care), Institutions for Mental Disease ancillary services payments, dialysis, non- digestive nutrition, and breast and cervical cancer treatment for women over 65, and men.”

Since dialysis is classified as one of the “optional benefits” under the Medi-Cal program, we were concerned that this language intended to eliminate dialysis as a Medi-Cal optional benefit. We have now been advised by a representative in the Department of Health Care Services (DHCS) that this language intended to eliminate a unique and narrow “state only” Medi-Cal program for individuals who do not qualify for Medi-Cal due to the “income and resources” eligibility test. The program is a “state only” program which is fund entirely by the State. The program was established many years ago and is set forth Section 14142 of the Welfare and Institutions Code. DHCS tells us that there are only 75 to 80 monthly eligibles who are currently receiving dialysis treatment pursuant to this “state only” program.

Thus, the proposed language in Item 11 is not intended to eliminate dialysis as one of the “optional benefits” provided under the Medi-Cal program.

In representing the dialysis community here in Sacramento, the CDC always attempts to be proactive. We believe the questions and concerns we raised about the Governor’s proposal to eliminate this “state only” program have heightened awareness in the Legislature of the plight of dialysis patients and the need to continue funding the programs which serve this fragile population.

Moreover, budget deliberations continue here in Sacramento. The State Controller has told the Legislature that the State will be completely out of money in July and that action must be taken by the Legislature prior to June 15th to avoid a significant cash crunch for the State. As the Legislature and the Governor continue to deliberate over these issues, we will be diligent in our efforts to convince them not to make cuts which would adversely impact the care provided to dialysis patients.

We continue to encourage all CDC facilities to invite your legislators for a visit to your clinic so that they may better understand the challenges faced by dialysis patients and providers.

Attachment: Welfare and Institutions Code 14142 – “State Only”
Dialysis Program

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State Only Program for Dialysis Patients

Welfare and Institutions Code Section 14142 - June, 2009

14142. Notwithstanding Section 14005.4 or 14005.7, a person who is otherwise eligible for **dialysis** and related services under Section 14005.4 or 14005.7, except for his or her income and resource eligibility, is eligible for **dialysis** and related services under Medi-Cal pursuant to this article, as follows:

(a) A person in a family unit with a net worth of less than five thousand dollars (\$5,000) shall not be liable to pay for **dialysis** and related services.

(b) A person in a family unit with a net worth of five thousand dollars (\$5,000) or above shall pay 2 percent of the cost of **dialysis** and related services for each five thousand dollars (\$5,000) of net worth, up to a maximum net worth of two hundred fifty thousand dollars (\$250,000). Persons in a family unit with a net worth above two hundred fifty thousand dollars (\$250,000) shall not be eligible to receive **dialysis** under Medi-Cal.