



California Dialysis Council

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NEWS UPDATE

TO: CDC Members

FROM: Michael Arnold, Legislative Advocate
Kristian Foy, Legal Counsel

DATE: June 8, 2009 **(AFTERNOON UPDATE)**

RE: California Budget **AFTERNOON UPDATE** –
Clarification on Proposed Dialysis Cut

This afternoon, the 10-person budget conference committee rejected the Governor's proposal to eliminate the "state only" dialysis program and three other state only medical programs.

Attached is page 25 from the conference committee briefing book. In action today, the committee voted 3-2 on the Senate side and 3-2 on the Assembly side to reject proposals 2-5, including item 4, the "state only" dialysis program. The committee voted 5-0 and 5-0 to accept item 1, dealing with payments for ancillary health services provided in Institutions for Mental Disease.

These actions are tentative, until approved by the entire Legislature, but send a good signal about the unwillingness of the budget conferees to cut certain important health care programs.

The Legislature is working to have a proposed budget to the Governor for consideration by July 1st.

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Issue	Description	2009 Budget Act	May Revise	Comments
923	Eliminate Certain "State Only" Programs. The May Revision proposes elimination of the following:		-34,368,000 TBL	The State's Medi-Cal Program provides certain health care services funded solely with General Fund support. Often times these services are provided to a special population or for a certain medical condition. The elimination of State reimbursement for ancillary health services provided in IMDs is a unique issue since generally individuals in an IMD are not Medi-Cal eligible due to federal law. However, the DHCS has been repaying the federal government for claims because the Department of Mental Health was not properly posting these claims to distinguish for the proper billing, which should be county-operated indigent health care, and not the State. AB 1183, Statutes of 2008 (health trailer bill) provided clarifying language regarding this area. For the BCCTP, this would mean that individuals with breast or cervical cancer could not receive treatment services. The special dialysis program, established in the early 1970s serves a small number of individuals who, without services, would probably become eligible for emergency Medi-Cal services due to dialysis needs. The IV and non-digestive nutrition program provides services to about 5 individuals and is a very unique program.
	<ol style="list-style-type: none"> 1. Payment for ancillary health services provided in Institutions for Mental Disease (IMD) for a reduction of \$14.2 million (GF). 2. Elimination of low-income women over 65 years, men and other low-income individuals with partial health coverage from the Breast and Cervical Cancer Treatment Program (BCCTP) for a reduction of \$11 million (GF). 3. Elimination of specific non-emergency services, including the BCCTP and postpartum care, from individuals without documentation status for a reduction of \$8.8 million (GF). 4. Eliminate the dialysis program as administered under Section 14140 of Welfare & Institutions Code for a reduction of \$410,000 (GF). 5. Eliminate IV and non-digestive nutrition for savings of \$47,000. 			