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MEMORANDUM

To: Private Practice Physicians, Allied Health Providers, LTC Providers
From: Provider Services Department
Date: April 3, 2013
Subject: Alliance to Subsidize AB97 Medi-Cal Cuts

The Central California Alliance for Health (the Alliance) Board of Directors has decided to sustain Medi-Cal provider payments and not implement AB97 cuts to Medi-Cal payments. The cuts to Medi-Cal provider payments were proposed in the State's FY 2011-2012 budget bill AB97. AB97 included 10% Medi-Cal cuts to some physicians and other medical provider payments, and cuts to Distinct Part Skilled Nursing Facilities by as much as 23%. Exceptions include inpatient, hospital outpatient, and Federally Qualified Health Centers/Rural Health Clinics, as well as primary care provider services that are now increased to Medicare payment rates under the Affordable Care Act (ACA). Four separate law suits were filed to block its implementation; however, in December 2012 the bill was upheld by the Ninth Circuit Court of Appeals.

In the interest of our providers and the important care they provide to our members, the Alliance has decided to subsidize AB97 cuts and sustain provider payments without any reduction. Please contact your Provider Services Representative with any questions at (831) 430-5504 or 1-800-700-3874, ext. 5504.