

Schwarzenegger Seeks to Cut CAM Services From Medi-Cal

On Nov. 6, 2008, California Governor Arnold Schwarzenegger convened an emergency session of the California legislature in an attempt to address a worsening budget crisis in the state. Schwarzenegger proposed \$4.7 billion in new taxes, including \$4.5 billion in new cuts, to prevent a cash crisis brought on by a projected \$11.2 billion hole in the current state budget. The governor's proposed cuts to various Health and Human Services programs total \$970 million for the current budget year and may include additional cuts for the 2009-2010 budget year.

"We have drastic problems that require drastic and immediate action. We must stop the bleeding right now," Schwarzenegger said in a prepared statement.

For the second time this year, the governor has proposed eliminating all state Medicaid (Medi-Cal) "optional benefits." These are benefits not required by the federal Medicaid program and include acupuncture, adult dental, audiology, optometry, optical, chiropractic, podiatry, psychology and speech therapy services. Collectively, these programs represent less than three percent of the proposed \$4.5 billion in cuts to this year's budget.

If adopted by the Legislature, the governor's spending reductions would completely eliminate acupuncture from Medi-Cal benefits. In addition, the governor has proposed requiring that adult Medi-Cal beneficiaries whose annual incomes are between 72 percent and 100 percent of the federal poverty level pay for a portion of their Medi-Cal coverage.

Legislative leaders expressed doubt, however, that an agreement would be reached on the state budget. Assembly Speaker Karen Bass (D-Los Angeles) indicated that cuts to Health and Human Services programs were "a non-starter."