

RESOLUTION NO. 13- 7862

RESOLUTION URGING THE CALIFORNIA LEGISLATURE TO PASS ASSEMBLY BILL 900 TO ELIMINATE THE REDUCTION OF MEDI-CAL RATES BY TEN PERCENT (10%) OF 2008 RATES FOR DISTINCT PART NURSING FACILITIES AS PASSED BY ASSEMBLY BILL 97 AS PART OF THE FISCAL YEAR 2011-2012 CALIFORNIA STATE BUDGET

WHEREAS, Eastern Plumas Healthcare District and Seneca Healthcare District in Plumas County, State of California have Distinct Part Skilled Nursing facilities; and

WHEREAS, these organizations are integral to the successful delivery of health care services for the direct benefit of residents in Plumas County, as well as those living in surrounding counties because they provide and support critically necessary twenty-four hour advanced life support ambulance and emergency room services; and

WHEREAS, as distinct part nursing facilities (DP/NFs), these organizations primarily rely upon reimbursement from Medi-Cal (the California version of the federal Medicaid program) to cover their operating expenses; and

WHEREAS, the fiscal year 2011-12 California state budget through Assembly Bill 97 (AB 97) rolled back the Medi-Cal reimbursement rate for DP/NFs to 90 percent of 2008 levels effective June 1, 2011, endangering skilled nursing services statewide; and

WHEREAS, in October 2011, the federal Centers for Medicare and Medicaid Services (CMS) approved California's plan to reduce Medi-Cal rates pursuant to AB 97; and

WHEREAS, although the United States District Court, Northern District of California granted a preliminary injunction (*California Medical Association v. Douglas*) in January 2012 blocking the implementation of the AB 97 Medi-Cal rate reductions on the basis they would cause irreparable harm to Medi-Cal providers and beneficiaries, on December 13, 2013, a three-judge panel of the Ninth Circuit Court of Appeals lifted the injunction stating that the U.S. Secretary of Health and Human Services has the authority to decide whether California and other states can reduce Medicaid (Medi-Cal) rates while still adhering to program requirements; and

WHEREAS, as a result of the Ninth Circuit Court of Appeals decision, Governor Brown's administration has indicated its intent to move forward with the AB 97 Medi-Cal rate reductions retroactive to June 1, 2011; and

WHEREAS, the AB 97 Medi-Cal rate reduction represents an approximate 23% cut from current reimbursement levels which would bring Eastern Plumas Healthcare to 77% of 2008 reimbursement rate levels; and

WHEREAS, the cost of the rate reduction to the Eastern Plumas Healthcare alone would result in an approximate \$2.4 million cash impact this year plus an approximate \$1.3 million cash impact in each subsequent year threatening the survival of Eastern Plumas Healthcare; and

WHEREAS, smaller DP/NFs throughout the state would have to close if the rate reductions take effect, in many cases depriving less populous counties of desperately needed healthcare services; and

WHEREAS, on February 22, 2013, Assembly Member Luis Alejo introduced Assembly Bill 900 (AB 900), which would rescind the AB 97 Medi-Cal rate reductions for DP/NFs retroactive to June 1, 2011 and maintain rates at their current levels; and

WHEREAS, the California State Legislature is now considering passage of AB 900.

NOW, THEREFORE, BE IT RESOLVED that the Plumas County Board of Supervisors, County of Plumas, State of California, hereby urges the California State Legislature to pass AB 900 during the 2013 legislative year in order to protect some of the most vital and successful healthcare services in the state.

The foregoing Resolution was duly passed and adopted by the Board of Supervisors, County of Plumas, State of California, at a regular meeting of said Board held on the 16th day of April, 2013 by the following vote:

AYES: SUPERVISORS THRALL, GOSS, SIMPSON, KENNEDY, SWOFFORD

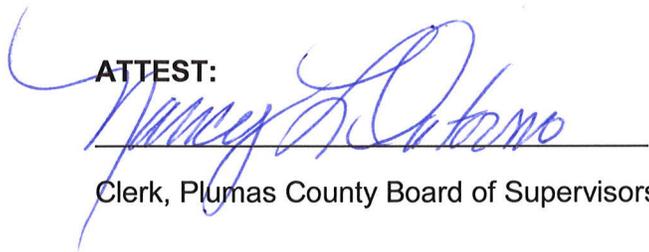
NOES: NONE

ABSENT: NONE



Chair, Plumas County Board of Supervisors

ATTEST:



Clerk, Plumas County Board of Supervisors