



**FOR IMMEDIATE RELEASE:**

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**RESPONSE TO PROPOSED MEDI-CAL BUDGET CUTS**

*Statement from Christopher Ohman, President/CEO,  
California Association of Health Plans*

**Sacramento, CA** – The California Association of Health Plans (CAHP) President and CEO Christopher Ohman today issued the following statement:

“A whopping 10 percent cut in the reimbursement rates for Medi-Cal managed care poses a huge threat to the health care of millions of Californians who have no place else to turn for coverage. While they would continue to be covered by Medi-Cal under the governor’s proposal, these Californians will face even greater obstacles than they already do to find physicians and other medical providers willing to accept these substantially lower Medi-Cal payments.

“The California Association of Health Plans’ members provide Medi-Cal coverage to nearly half of the state’s 6.6 million Medi-Cal beneficiaries, and we are very concerned that this big a rate cut will drive even more doctors and other medical providers out of the system and threaten access to care for those Californians who must rely on Medi-Cal for their health care coverage.

“These deep cuts in Medi-Cal will drive health care costs even higher for everyone else because doctors have to charge other patients more to make up for what they lose on their Medi-Cal patients. We already know from a 2007 study by the California Foundation of Commerce & Education that hospitals add an extra 10 percent to their bills to recoup losses from Medi-Cal and Medicare. One can only imagine how much more all the rest of us will be forced to pay for our health care if significant Medi-Cal cuts are approved.”

Medi-Cal managed care offers health care home and access to coordinated, high quality health care to 3.2 million Medi-Cal beneficiaries. With 48 percent of all Medi-Cal enrollees served through managed care, the program accounts for only 18 percent of all Medi-Cal costs.

The California Association of Health Plans is a statewide trade association representing 40 health plans that provide health coverage to more than 21 million Californians. The Association's mission is to improve the health of California's communities by promoting the growth of health plans dedicated to providing high-quality, affordable, accessible health care to their members.

For more information about CAHP please visit [www.calhealthplans.org](http://www.calhealthplans.org).

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