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## The California Budget Crisis and How It Is Affecting The Emergency Care Funds

### CAL/AAEM Legislative Update

By Shahram Lotfipour, MD

CAL/AAEM Vice- President and Official Representative to the CAL/ACEP Governmental Affairs Committee - September 22, 2002

Medical rate cuts have been the most worrisome news for emergency physicians throughout California. Currently the Governor is poised to veto AB 3006, the Budget Trailer Bill that would keep the 40% Medical Rate increase established in August 2000 for emergency and on-call Physicians. At print time this is still unsure but likely a worrisome consequence of the budget shortfall this year. The Governor has signed SB 425, the State Budget Act, with the understanding that most of the Medical Rates will be returned to pre August 2000 levels with some exceptions. He has proposed giving the power to the Director of the Department of Health Services. He will address this more formally in the revised 2002-2003 budget to be submitted to the Legislature in January 2003. It seems that the Maddy EMS funds \$24.8 million augmentation using Cigarette Tax Funds was included in the State Budget Act. On the other front California Medical Association has considered taking further action, including a

possible lawsuit to stop the Medi-Cal physician rate cuts.

SB 807, CAL/ACEP sponsored bill to increase DUIs and reckless driving by \$200 per violation has passed the Legislature and is on the Governor's desk. The proceeds are to be deposited into the Maddy EMS Fund. The Maddy Emergency Medical Services Fund was initially created to reimburse physicians who provided emergency services to uninsured patients (estimated to be about \$150 million a year). This could potentially raise an estimated \$20-30 million a year to help offset other losses in the system and help to sustain on-call as well as current levels of emergency care.

Next year's budget holds much more challenges and we hope to work together to overcome them. I applaud each and every one of you who has responded to requests to send letters to the Legislatures and has participated actively in lobbying for better emergency care in California. I would encourage anyone who has not, to respond to email solicitation in the future and let Sacramento and your local papers know of our crisis on a regular basis. These letters are much more important than can be imagined. Your help is enormously appreciated.

**News Alert: CAL/AAEM is happy to report the Governor signed AB 3006 - See page 76 for more details.**