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Acupuncture Falls Victim to California Budget Crisis

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In what may well be the end to the ongoing saga of California Medicaid coverage for acupuncture, the current fiscal crisis was the deciding factor. As of July 1, optional benefits (which include acupuncture, chiropractic, podiatry, mental health, optometry and dental services) will **no longer be covered under Medi-Cal**, the state's implementation of the federal Medicare program. The fate of optional Medi-Cal benefits has been a dramatic roller-coaster ride, to say the very least. In **March of last year**, *Acupuncture Today* reported that the benefits were about to be cut. By **November of that year**, after a months-long stand-off over the state budget, Governor Arnold Schwarzenegger granted optional benefits a temporary reprieve. Yet by this April, it seemed as though the benefits could not possibly be saved, in the face of mounting debt both at the state and federal levels.

As *Acupuncture Today* reported in April, there was **brief hope** that these optional services could be saved. However, according to a March 31, 2009 press release issued by the California State Oriental Medicine Association (CSOMA): "As part of the budget package approved in February, California Treasurer Bill Lockyer and Finance Director Mike Genest had until April 1 to determine whether California would receive at least \$10 billion in federal stimulus funds that could be applied to the state general fund through mid-2010. On Friday, Lockyer and Genest concluded that California will receive only \$8.2 billion in stimulus funds for its general fund. Because the federal stimulus funds did not meet the \$10 billion requirement established by the budget package, all funding for optional benefits, including acupuncture, within the Medi-Cal program will end on July 1, 2009. Consequently, Medi-Cal acupuncture benefits will terminate on this date."

A Perfect Financial Storm



In an exclusive interview with *Acupuncture Today*, CSOMA Executive Director Bill Mosca, LAc, explained that budgetary concern was the sole driving force behind cutting the optional benefits. "The state legislature has expressed strong support for all of the optional benefits. Unfortunately, we are in the peculiar position of this financial 'perfect storm' where the legislature was forced to cut the budget to the bone."

Mosca further explained that state legislatures were really caught between a rock and a hard place in that they could either cut benefits not federally mandated or fall below federal standards and thus risk having all federal Medicare funding removed. He added that he does not see a likelihood that funding for the option benefits will be restored this year. This is a devastating blow to acupuncture and Oriental medicine, as Medi-Cal was the only state Medicare program to include these benefits.

A Foot in the Federal Door

One question that acupuncture and Oriental medicine practitioners may be asking is why having Medi-cal benefit coverage is so important. According to Mosca, at a time when more and more practitioners are not taking Medicare patients because doing so is a losing proposition from a financial standpoint, the challenge for CSOMA and other professional organizations is convincing practitioners of the benefit to taking Medicare patients.

"It really is a foot in the door for the profession, particularly since California has the only Medicaid program to provide any acupuncture benefits," Mosca explained. "We [CSOMA] view acupuncture coverage as a beach head of sorts."

Part of the reason for this is a move toward [including acupuncturists in the federal loan repayment](#)

[program](#). Under such a program, practitioners would have their student loans repaid by the federal government if they agree to work with underserved populations. However, in order to qualify for this program, participants must work at a site that [accepts Medicare/Medicaid patients](#). If acupuncturists cannot serve these patients in California, they cannot qualify for the loan repayment program. Mosca explained that because of this, it is vitally important to the development of the AOM profession to be able to retain Medicare/Medicaid eligibility.

However, Mosca does believe that there may be a glimmer of hope in the future for Medi-Cal coverage of acupuncture. Based on strong legislative support, he believes that all Medi-Cal cuts, including the optional benefits, will be among the first services restored once the state is on stronger financial ground. This may be the perfect opportunity for California practitioners to lead the way for the profession. As Mosca stated: "Let your state legislators know that you consider it a priority to restore funding."

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