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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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December 12, 2012

TO: Participating Physicians

FROM: Mitchell H. Katz, M.D. Mitchell Katz
Director

SUBJECT: **PHYSICIAN SERVICES FOR INDIGENTS PROGRAM (PSIP)**

Thank you for participating in this program and providing health care services to uninsured persons.

Unfortunately, for the next year we will be decreasing the reimbursement rate to 9% of the Official County Fee Schedule due to a projected decrease in Maddy Fund collections (traffic fines that support this program) and the continued increase in claim volume (resulting in lower payment per claim).

We are hopeful though that better times are coming. As you know, the Patient Protection and Affordable Care Act (ACA) will greatly expand health care coverage. We estimate that 70% of currently uninsured persons in Los Angeles will gain health care coverage through Medicaid or the Health Care exchange. This will have two positive effects on the PSIP program. First, it will mean that physicians will now be able to bill full Medicaid rates or private insurance for patients for whom they were previously receiving the low PSIP rate. Second, since most of the currently uninsured will be insured, the number of claims should drop (remaining claims will be for the residually uninsured). Therefore, we anticipate that in the future we will be able to increase the reimbursement rate for the PSIP.

If you have any questions, please contact me or Cathy Chidester, Emergency Medical Services (EMS) Agency Director, at (562) 347-1604.

MHK:am

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Los Angeles County Medical Association
Hospital Association of Southern California (HASC)