

Topics covered in the workgroup included the state health care reform proposals, coverage for kids and local efforts to expand coverage. To preface the day's discussion, ITUP staff provided an overview of state health care reform proposals, highlighting the eligibility, benefits, financing and cost containment contained in the Governor's proposal, AB 8 (Núñez/Perata) and SB 840 (Kuehl). Workgroup participants shared their perspectives, concerns and goals for health care reform in the coming year. The workgroup materials and additional county and regional overviews can be viewed on our website: <http://www.itup.org/Workgroups/RegionalWorkgroups/CentralCoast/centralcoast.html>.

Statewide Health Care Reform Options

In California, a number of health care reform proposals have emerged, all taking unique approaches to fixing what many have termed the state's "broken system." Discussion centered the Governor's proposal—still not in bill form—AB 8, and SB 840. Participants from representative stakeholder groups expressed varying levels of support and concern. With the Governor's proposal still not in bill form and the legislative session coming to a close, many questions remain. It is likely that a bill will be put forward that does not include financing and passed by the legislature with a simple majority. However, participants identified some potential challenges for the proposals: whether certain financing mechanisms are fees or taxes and the employer mandate will face ERISA challenges.

Participants identified specific issues of importance related to the health care reform debate. Inclusion of prevention and wellness services was a priority for many participants especially with minimal cost sharing; this is a provision of AB 8 and SB 840. There were questions about affordability and cost containment. High deductible plans are not well suited for many low and moderate income individuals and families as out of pocket costs are too high. Similarly, participants cited the absence of cost controls related to pharmaceuticals. In an effort to offer more affordable coverage, one participant suggested flexibility in benefit design so that coverage could be offered at lower cost with limited benefit packages.

Local Coverage Expansion

While waiting for reform at the statewide level, many counties including those in the Central Coast have launched initiatives to expand coverage to their counties' uninsured. In ten California counties, federal funding will help to expand coverage for uninsured adults. These counties were selected through a competitive grants process. Among them are programs that aim to coordinate care for individuals with chronic conditions and frequent users of health services, including the establishment of a medical home.

In Ventura County, the ACE (Access, Coverage, Enrollment) program for adults was awarded a grant to expand coverage to adults age 19-64 with incomes below 200% of FPL who live or work in Ventura County. The original proposal included a focus on the farmworker population that they are trying to maintain. The program will provide a full array of services akin to Medi-Cal provided through 26 acute and public health clinics operated by the county. Members will pay an annual enrollment fee rather than monthly premiums. Although the program is not insurance, members will be assigned a primary care provider, receive a card and participate in care management services like an HMO. In an effort to promote preventive, access and convenience care, clinics operate extended hours; additionally, the re-enrollment fee will be waived if the member demonstrates use of preventive care. The program will launch a database in order to track patients and utilization producing data not otherwise available about the uninsured population; this data will help in establishing program sustainability. The county is planning town hall sessions to educate members about the program and health care generally. Currently the county does not have a contract with the state despite a scheduled launch date of September 1, 2007. The ACE for kids program in Ventura County establishes a single point of entry for enrollment into public and private programs for children. In addition the program provides services via the county health

system including mental health, public health, office visits, immunizations and hospitalization. The program is available to children residing in Ventura County who are 18 and under with family income below 300% of FPL. Families are responsible for small copays and receive a card. The county funds the program with some reimbursement from emergency Medi-Cal and some OERU dollars for case managers focusing on eligibility and promotion of preventive care. Originally the county envisioned a seamless connection between the kids and adults programs; however the eligibility requirements for the Coverage Initiative required some program revisions.

As part of the Governor's 2005-2006 budget, Medi-Cal managed care will expand into 13 more counties including San Luis Obispo. The Santa Barbara Regional Health Authority will assume responsibility for these beneficiaries and operate there in the same way it does in Santa Barbara. It will be renamed the Santa Barbara/San Luis Obispo Regional Health Authority and the new two-county program will be called CenCal Health. The board will include members from both counties. SBRHA has established an expanded network that includes hospitals, primary care providers and pharmacies in San Luis Obispo; it is challenged to establish an adequate network of specialists. SBRHA is working with both providers and community groups to educate them about the change that will take place beginning March 1, 2008.

Coverage for Kids

With health care reform at the forefront of California's legislative agenda, coverage for all children is a realistic goal in the move towards universal coverage. The local and statewide Children's Health Initiatives (CHIs) are hard at work in creating sustainable coverage programs for children, through legislative means and local efforts. However, the CHIs are concerned about maintaining enrollment and staffing in light of the elimination of OERU funding in the final budget. The cut eliminates reimbursement for activities or costs after June 30, 2007. San Luis Obispo, Santa Barbara and Ventura Counties all benefited from this funding and are working with CCHI to respond.

In San Luis Obispo, OERU funding supported case management and enrollment activities. Currently the waiting list of 600 for the 6-18 year old population keeps growing as the younger children age out. The partnership with DSS for eligibility determination has been very successful and the CHI has exceeded its OERU program goals especially around utilization. Santa Barbara has created a network of community partners to help with enrollment and promotion of preventive care and appropriate utilization of health care services, leading to 100% utilization rate among enrolled kids. Ventura County has stepped in to help offset the loss of OERU funding; however the cut will limit expansion to five centers. Advocates are still working towards comprehensive coverage for Ventura County children including vision and dental.

Santa Barbara and San Luis Obispo CHIs have received great support from their respective local communities. The Santa Barbara County Board of Supervisors approved \$1 million to support Healthy Kids and related infrastructure. In the long-term it will be difficult to secure continued support from that or any other organization if universal coverage for kids is not achieved at the state level. San Luis Obispo has had success with fundraising events; the CHI is planning a soccer tournament and continually looking for new opportunities. The business community has supported the CHI as well. In general, the CHIs must focus on a statewide solution to provide sustainability.

Recommendation/Priorities

Participants agreed on a few salient priorities for health care reform.

- Universal coverage
- Control costs
- Reauthorize SCHIP and ensure sustainability for children's coverage