

Topics covered in the Los Angeles Regional Workgroup included data on LA's uninsured, the §1115 Waiver, implementation of federal reform (the Exchange, the future of CHIP, workforce capacity, the undocumented, outreach, and employer coverage), and the federal perspective from District 9 Director, Herb Schultz. Workgroup participants provided overviews of topics and shared their thoughts, concerns, and suggestions.

Data on Los Angeles's Uninsured

Dylan Roby (UCLA Center for Health Policy) presented data on LA's uninsured population. 11.3% of Californians were uninsured for all of 2007 (the most recent CHIS data is 2007; 2009 data will be available in 2011). Nearly 80% of uninsured children are eligible for public programs (Medi-Cal, Healthy Families, Healthy Kids) and less than 7% of uninsured adults are eligible for Medi-Cal.

In Los Angeles County, approximately 28% (22% statewide) of the population will be ineligible for the Exchange and full scope Medicaid due to immigration status. 33% (37% statewide) of Californians have incomes between 133% and 400% FPL and will be eligible for subsidies in the Exchange. 26% (also 26% statewide) of LA residents will be eligible for Medi-Cal expansion. Between 2007 and 2009, Medi-Cal enrollment in LA County has increased slightly (1.46% change) whereas the unemployment rate has skyrocketed (from 5.3% to 12.7%).

§1115 Waiver

DCHS submitted a detailed proposal to CMS in June. The waiver is being proposed as a bridge to reform that implements systematic and financing changes. It is an opportunity to re-design the public and private safety net systems, integrate care delivery and expand the provider network (current primary care provider to enrollee ratio is 1:2,000). Coverage Initiative (CI) matching funds will now be available for all California counties. There will be one pot of money to cover 0-133% FPL and another to cover 133-200% FPL (safety net care pool). The amount of federal matching funds will depend on available county funds. UCLA's CI evaluation indicates that current CI counties will hopefully be able to leverage more CPEs since they went over budget under the first waiver. The waiver will also require enrollment of SPDs into managed care in some counties, try to better coordinate services for CCS beneficiaries, and allocate funds to public hospitals for delivery system reform (HIT, primary care, care coordination, etc). Out of 2M Californians who will be added to Medi-Cal, approximately 400,000-500,000 will come from the CIs.

In Los Angeles, most care is financed through CPEs that serve as matching funds. There are concerns that the economy will affect reimbursements. In addition, participants feel that California is disadvantaged because of lower reimbursement rates (which has saved the federal government a lot of money) and non-cooperation among stakeholders. Priorities in LA include integrating mental health and developing medical homes. Participants are worried that clinics are unprepared for challenges with moving people into managed care and that communication will be key as reform is implemented.

Implementation of Federal Reform

The Exchange

UCLA is gathering data to determine where people will enroll during and after reform based on documentation status, employment, and income. For the most part, clinics and hospitals want to be a part of the Exchange and there are many opportunities to get reimbursed at commercial rates. If LA Care and other safety net plans decide to participate, they would need a strong network of private doctors and hospitals, plus clinics and public hospitals. Regional safety nets may need to be developed for transient populations.

CHIP is currently authorized through 2019 with a block grant that expires in September 2015. Pros to folding the program into the Exchange include 100% federal funding, best elements of both programs can be combined, and parents and kids can be on the same plan. Cons include the current consumer satisfaction with Healthy Families Program and lower copays, deductibles and premiums than the Exchange might offer. Dental coverage will be mandated for children in the Exchange (adult dental coverage, if offered, must be funded by the state).

Workforce Capacity

There is concern that low Medi-Cal reimbursement rates will lead private doctors to opt out of providing services to the 1.7-2M new Medi-Cal eligibles. Suggested solutions include boosting Medicaid rates to Medicare levels, changing scope of practice rules, have FQHC benefits extend to primary care providers (slightly enriched payment structures), use foreign-trained doctors as PAs (foreign-trained doctors are prohibited by stringent rules), and/or improve ability of foreign-trained physicians to practice, such as permitting them to serve an apprenticeship in American medicine to become licensed.

The Undocumented

Undocumented individuals will not be eligible to purchase coverage or receive subsidies through the Exchange, but will still be eligible for restricted scope benefits in Med-Cal. There is concern that those who fear deportation avoid seeking care. Although Healthy Way LA screens for citizenship, PPPs do not have to determine status of each patient and there is an overall discount that assumes a large share of care is to the undocumented. Participants hope that by 2017/2018, the state will find more efficient ways to redirect federally restricted Medicaid DSH dollars (possibly through the waiver). Over time, immigration reform will allow a larger share of this population to enroll in full scope coverage.

Employer Coverage

There will be no penalty to employers for their part-time workers who do not have health coverage. There is concern that employers might avoid the pay-or-play provision by reducing employee hours to 29 hours/week (full-time employee is considered 30+ hours/week). The revenue generated from employer provisions will be very small compared to the overall cost of the program. Employer provisions intend to keep the market as is without everyone rushing into the Exchange for subsidies.

Outreach

Participants approve of federal funding for outreach efforts in health care reform. The National Health Foundation will train advocates and small businesses to most effectively enroll individuals in affordable coverage. Worksite Wellness LA plans to launch statewide education campaigns to inform the small business world. The Actors Fund has many questions as to how reform will help uninsured SAG members and how they can avoid the stigma of applying for a public program. Participants agree that we must learn from the challenges and successes of Healthy Families and Healthy Kids when moving forward so that there are no costly delays in enrollment.

Federal Perspective

Herb Schultz, District 9 Director, shared the federal perspective on health care reform implementation with workgroup participants. His new position allows him to work creatively with stakeholders and advise the head of CMS. He believes that California will act as a leader in implementing reform. There is a lot of focus on breaking down silos in health care delivery in administration and shifting more towards coordination. The most critical near-future issues include high-risk pools, extending young adult coverage, providing real-time recommendations for various pieces of the waiver, expanding workforce capacity (especially in the most needed areas,



such as East Los Angeles, Boyle Heights and South Central) and building relationships with employers to let them know what dollars are coming in.