

Executive Summary

ITUP's North Central Regional Workgroup, June 2003

ITUP's staff described the incredible obstacles facing us all: increasing rate of the uninsured, escalating costs for employers, employees, patients, and providers, budget deficits, and access for residents of rural areas. ITUP staff summarized its research on Northern Central CA demographics, rates of the uninsured, revenue source for the uninsured, enrollment data for Medi-Cal and Healthy Families, county funding for the indigent, the sources of data utilized and the problems with each source. Individual county data summaries and regional overviews are available on ITUP's web page www.work-and-health.org.

Medi-Cal & Healthy Families Enrollment

Large differences in Medi-Cal and Healthy Families enrollment among counties in this region are due to a number of factors:

- Reluctance to enroll in Medi-Cal, the name "Medi-Cal" is a barrier to enrollment.
- Falling Medi-Cal birth rate in some counties.
- Differential success rates in local efforts to enroll:
 - Sacramento geographic managed care plans and the three big hospital operations have successful enrollment programs.
 - Sonoma has strong enrollment from multiple venues including schools, clinics, community groups, and the County. Social service agencies communicate and collaborate to improve enrollment and retention.
 - Napa hospitals have a database and liaison to track kids program enrollment and a mobile unit for enrolling children.
 - El Dorado hospitals hire an outside agency to do Medi-Cal, Healthy Families and CMSP enrollment, cutting hospital bad debt and charity care costs in half.
 - Seniors are encouraged to enroll in Medi-Cal by explaining that Medi-Cal will pay their Medicare Part B premium.
 - Information and enrollment tables are available at local libraries.
 - Mail-in applications are available for people who cannot make it to the enrollment sites.
 - One participant: We have not seen barriers to enrollment as a result of language differences, complexity of forms, or congested phone help lines.

Emergency Room Use

The region appears to be doing a good job in managing patient care, and keeping Medi-Cal ER utilization rates low.

- Walk-in clinics located across the street from ERs helps separate patients who need true emergency care versus urgent care.
- Highly trained EMS take only serious cases into the ER.

Healthy Kids

- Napa County has not yet developed a Healthy Kids program.
- Kaiser Cares for Kids is an option for some, but the premiums are often prohibitive.
- Undocumented children have only emergency Medi-Cal. Cal Kids has limited slots.

Clinics

Community clinic revenues for their uninsured patients are quite low in some counties as those clinics get little or no funding from “other state programs”. In other counties in this region, Family PACT and other state programs are major sources of clinic funding.

Employment-Based Coverage

- The North Central area has a high rate of job-based coverage. This may be due to the very high rate of public employment.
- There are similar rates of poverty in Placer and El Dorado Counties, but the rate of employer-based coverage is significantly higher in Placer. Are there differences in the types of jobs available in those counties that explain the difference in employment-based coverage?

Pilot Coverage Programs

SacAdvantage for the working uninsured

- The County Board of Supervisors earmarked \$2M from tobacco settlement monies for a pilot program. The County also received \$700,000 in federal support.
- Coverage is provided through PacAdvantage health plans at the PacAdvantage negotiated premiums. Available to small businesses with 2-50 employees.
- Over 100 employees enrolled, most are for single individual (not family) coverage. Program enrolls eligible dependents in public coverage.
- There are 3 levels of subsidies based on the least expensive PacAdvantage Plan, the “Standard” HMO. Employees choosing more expensive coverage pay the difference.
 - Employees with income of 251-300% FPL receive a 40% subsidy
 - Employees with income of 200-250% FPL receive a 50% subsidy
 - Employees with income of less than 200% receive a 60% subsidy
- There are waiting periods for both employers and employees to avoid crowd out.
 - Employees and dependents must be uninsured for 90 days prior to enrolling in program
 - Employers must not have offered coverage for six months prior to enrolling in program

Partnership HealthPlan for indigent adults

- Covers 3800 indigent adults in Solano County (County Medical Services Program) through the Partnership HealthPlan of California (PHC) (a County Organized Health System).
- The plan has been very successful in enrolling patients with a primary care provider, increasing access to specialists, and reducing use and costs of hospital in-patient services.
- It has replaced episodic fee-for-service care with managed care for a very poor and seriously ill population.

State Budget

- ITUP reviewed the status of budget proposals affecting Medi-Cal and Healthy Families, the recent infusion of federal funds, the administration’s proposal to take most of the Medi-Cal cuts in provider rate and services off the table, and discussed the impasse in budget negotiations, emphasizing that budget items now off the table could be back on.

- Participants felt revenues must be raised. Recommendations included:
 - An increase in the alcohol tax
 - Sales taxes on services
 - A tax on internet sales
 - Re-evaluating Prop 13's application to business property.

Legislation

- Benefits
 - The essentials necessary for a benefits package include hospital and medical coverage plus prescription drugs.
 - The real debate about benefits will be over the degree of personal responsibility, i.e. how high the deductible and co-payments will be.
 - Long-term care cannot be included in the package, its too expensive.
- Financing Coverage
 - The two types of proposed financing for coverage: raising payroll taxes and employer mandates are opposed by the business community.
 - Workers compensation reform might be a part of a final compromise.
 - Most participants did not support giving up their own programs and funding -- for example EAPC for clinics and DSH for hospitals - to finance coverage for the uninsured.
- Employer-Based Coverage
 - An appropriate subsidy level for small businesses with low-wage workforces would be 50% of premiums.
 - Small businesses are 50 employees or less. The definition of low wages really varies from county to county and region to region.
- Cost Controls
 - A successful cost control program must have some mechanism of capping growth in costs, whether it's a cap on premium growth or a cap on employer/employee payments.
 - Anti-trust action should be considered concerning 20-30% hospital cost increases.
 - Cost control in the rural areas of the state where managed competition can't and doesn't work because of lack of competing providers could include a single payer system.
 - The significant factor affecting costs in rural areas is the expense of equipment, which is disproportionate to the number of patients it benefits.
- Incrementalism
 - Participants supported incremental approaches such as coverage for Healthy Families parents and coverage for low-income adults with county matches and employer/employee contributions.