

Topics covered in the workgroup included hospital financing, coverage expansion opportunities and legislative updates. To preface the day's discussion, ITUP staff provided a 2004 data summary of the North Central Region highlighting key points and significant changes in the past year. A PowerPoint presentation of these points is available on the ITUP website, [www.itup.org](http://www.itup.org), under "Regional Workgroups."

### **Hospital Financing and Waiver Coverage Options**

The state and federal governments negotiated a waiver impacting how hospitals are financed as well as how the Medi-Cal managed care system serves its non-Medicare eligible Aged, Blind, and Disabled population. Part of this waiver designates \$180 million to be used on coverage expansions.

There are several options available under this three-year, multi-million dollar waiver:

- 1) Build public, private or a public/private delivery system,
- 2) Build public, private or a public/private financing system,
- 3) Use matching funds from the state (this match would likely mean the state decides who receives the funds),
- 4) Use matching funds provided by the county (this match likely means counties decide the design of the coverage expansion), and/or
- 5) Attract private funding whereby individuals pay some of the premium and employers (who are not currently insuring their employees) pay part of the premium for their employees; private funding cannot be used as the match.

There are three key unresolved issues of the waiver.

- 1) What is allowable as a CPE (certified public expenditure) and how does this work?
- 2) How can managed care best serve the disabled population and will CA implement this part of the waiver?
  - i. The California Endowment released a report that provides a checklist of attributes of a successful managed care plan, identifying those issues applicable to California.
  - ii. It is critical that the state's specialty network is both up to par and properly reimbursed.
  - iii. Additionally, social services, mental health and medical care will need to be coordinated to ensure managed care works successfully.
- 3) What coverage expansions will be funded with the \$180 million annually in years 3-5 of the waiver? ITUP's analysis of options for the coverage expansion waiver can be found in the report, "The Quick and the Dead," located at [www.itup.org](http://www.itup.org) under reports.

- i. This region has two interesting models for pilots: SacAdvantage for uninsured low wage workers in small businesses and Solano Partnership Health Plan's expanded coverage of Medically Indigent Adults.

### **Local Pilots: SacAdvantage**

Dr. Amerish Bera presented a status report on SacAdvantage, a local health insurance subsidy program which aims to insure low-income small business employees in the Sacramento area. Dr. Bera discussed the goals and obstacles and evolution of this program encountered from program start to present day. The program has been undersubscribed and not achieved its initial goals for a variety of reasons. The status report is available upon request.

### **Legislative Updates**

Participants were provided with an update on the status of a number of bills outlined in ITUP's "Matrix of Selected Uninsured Legislation in California." Most bills described in the matrix are in committee or have passed out of their house of origin. The legislative matrix can be found on ITUP's website, [www.itup.org](http://www.itup.org) under reports. The effort to cover uninsured children was a very high priority for workgroup participants; there will be a joint legislative and ballot initiative strategy next year.