

Executive Summary
ITUP Orange and San Diego Regional Workgroup
10/16/02

Uninsured

- Uninsured rates (15% in each) were higher than we expected in Orange and San Diego Counties, given the relatively low poverty rates.

Healthy Families

- Healthy Families enrollment increased significantly in both counties. This increase is attributable to across-the-board inreach and outreach efforts that are now imperiled due to the state cut-off of outreach funding.
- San Diego's approach melds efforts to increase both public and private coverage. A cooperative effort of brokers and CAAs has been the key to San Diego's success in Healthy Families enrollment through employers.
- Orange County has been successful with the CalOptima coordinated efforts through schools, churches, CBOs, and providers.
- Linguistic facility and ethnic identification are essential to effective outreach and enrollment.
- *The relatively poor enrollment of African-Americans and non-Hispanic whites in Healthy Families may be due to inadequate and more difficult outreach and needs fixing.*
- *Enrollment efforts are imperiled by the elimination of state outreach funds; it may be possible to use Medi-Cal Administrative Claiming funds for outreach.*
- The Healthy Kids pilot in Orange is not going forward.

Medi-Cal

- San Diego has had a large increase in Medi-Cal enrollment over the last 2 years.
- Medi-Cal enrollment is still not as strong in San Diego and Orange as it is in other counties, but MediCal accounts for large market shares of hospital inpatient and emergency room services.
- *Private doctors' offices need training in identification of and eligibility referrals for potential Medi-Cal and Healthy Families patients.*

Clinics

- The volume of clinics' care of the uninsured is very significant in San Diego. Orange clinics are not yet as well developed as San Diego clinics, but their uninsured patients represent an even higher percent of their total visits.

- Clinics' uninsured revenues did not cover the costs of their uninsured visits, but they came closer than did clinics in rural Northern Californian counties. County payments account for about 17-18% of clinics' uninsured revenues.

Hospitals

- Hospitals in Orange and San Diego had a significantly higher burden (3 to 4.5%) of bad debt and charity care and lower percent (1.5 to 1.7%) of county reimbursement for care to the uninsured in these counties than hospitals in the rural Northern California counties we studied. On the other hand, they had greater access to Medi-Cal Disproportionate Share Hospital (DSH) payments.
- Fully insured people are using urgent care and Medi-Cal patients are using emergency rooms at alarmingly high rates, indicating access problems to primary and specialty care physicians. After hours care is not available except through urgent care clinics and emergency rooms. Low wage working patients often cannot access care during regular physician and clinic office hours.

1115 Waiver

- California's 1115 Waiver to provide Healthy Families coverage for parents has been federally approved but is not yet state funded due to the Governor's veto.
- *It will be important (but difficult due to the large budget deficit) to get it on the state's agenda for next year.*
- The waiver will pay for care to parents at a Healthy Families 2/1 match rather than a Medi-Cal 1/1 match or 100% state and county General Fund.

Private Coverage

- Employer premiums are increasing tremendously. Health plans have been developing tiered benefits for hospitals and pharmaceutical services to respond to the underlying cost increases.
- There has been an increase in employers dropping or reducing coverage, and employers are decreasing their subsidies of dependent coverage.
- Coverage of dependents is key to businesses ability to retain their employees.
- San Diego's Business Health Care Connection is an effort to increase private and public coverage through better education of employers and employees on their options for coverage.
- Focus is a private premium assistance program developed as a partnership between Sharp Health Plan and the Alliance Healthcare Foundation. The cost of coverage is shared by the employer, the employee and Focus. Focus is designed to target small businesses and maximize the number of newly insured individuals from those firms. The Focus program subsidy is running out, and employers are shifting from a 50/50

subsidy for three years to no subsidy. Most are retaining coverage even as they move to paying the full costs of coverage.

- *Orange County is trying to develop a subsidized job-based coverage program, like Sharp's, that will target very small employers. CalOptima is in strategic and planning mode to develop this initiative.*

Legislative Review

- Over the last two years, there were 3 principal California efforts to cover the uninsured. Senator Speier had a pay or play bill (SB 1414). AB 32 (Richman and Figueroa) would merge Medi-Cal and Healthy Families into a seamless program with an 1115 waiver to cover single adults. Assemblymembers Thomson and Campbell had a bill (AB 39) to enact targeted small employer refundable tax credits.
- Many of the Congressional bills would have authorized association health plans or individual refundable tax credits.
- Nine SB 480 proposals were prepared for the state. Three were single payor, 2 pay or play, and 4 incremental proposals. At this point, it's up to the legislature and the stakeholders to determine which of those ideas are viable.
- *Workgroup priorities for next year include: getting Healthy Families parents covered and educating businesses about the importance, tax advantages and underwriting protections of employment based coverage.*