

Executive Summary

ITUP's Orange County Regional Workgroup, November 2003

ITUP staff reviewed California's challenges of soaring health care costs and premiums and a monstrous state budget crisis. ITUP summarized its research on county demographics, participation in Medi-Cal and Healthy Families, the extent of services and funding for community clinics, county health and community hospitals' services to the uninsured. County data summaries and regional overviews are available at ITUP's website www.work-and-health.org.

Megan reviewed 2003 data summary of Orange County, highlighting key points and significant changes in the past year:

- Significant increase in Healthy Families participation from 1.9% to 2.6%.
- 30% growth in community clinic visits.
- 62% growth in community clinic expenses; revenues only increased 30%.
- Orange County clinics have the highest rate (70%) of uninsured clinic visits in the Southern CA region, if not the state.
- Orange County receives the least amount of funding per uninsured resident of the region, and one of the lowest in the state, despite having the same uninsured rate as San Diego and San Bernardino Counties.
- Orange's CPP Healthy Families enrollment increased from 42-49%, demonstrating greater success than other counties in the region.
- The County has one of the highest rates of employer-based coverage in the region. Rate appears to correlate with the low rate of poverty.
- Health premiums increased significantly for employer-based coverage and individual and family plans.
 - Kaiser and Universal Care Champion premiums increased the most among plans participating in PacAdvantage.
 - Kaiser and Blue Cross premiums increased the most among other small employer plans.
 - Blue Cross and PacifiCare premiums increased the most among plans for individuals and families.

Challenges

Coverage for Children

- CAAs are key to enrollment and retention of kids in all programs and budget cuts pose a real threat to their success.
- Without trained CAAs, families will be bumped around applying to programs for which they are not eligible.
- Single point of entry is vital.
- Outreach needs to expand; the community outside of the CAA network needs to know about the various programs for which they may be eligible.

ER Utilization

- Many still view the ER as an alternative to primary care.

- Education is vital to managing ER use.

Employer Coverage

- Healthcare has become one of the top concerns for many employers.
- AHPs might target low-risk occupations and leave the others to commercial insurers.

SB 2

- All employers are concerned with cost and affordability of coverage.
- More employers will likely contract out to avoid mandate.
- Large employers will be most financially able to support opposition to SB 2 through a referendum.
- Implementation regulations have not yet been written.
- Co-pays and deductibles remain undefined.
- Cost of noncompliance has not yet been addressed.

Funding for Orange County Children's Health Initiative

- Currently funded privately. First 5 is not yet funding.
- It is difficult to secure sustaining support. Finding start up money is easier.
- The fact that Orange County children's coverage model is different than the rest of the state may make it more difficult to secure support.
- Benefits package is limited.
- There is insufficient county money to take advantage of AB 495.
- Options to cover parents with local funding and the state's 1115 waiver does not seem to be likely in Orange County; these parents are not in the county's MSI program.

Successes and Recommendations

Children's Coverage

- Successful enrollment is attributed to a CAA task force that was created in Orange County 5 years ago, which provides a forum to support CAAs.
- There is great collaboration within the County, including school districts, hospitals and clinics.
- CHOC is very effective in developing relationships with the community and school district.
- There is also considerable outreach supported by the County First 5 Commission, linking kids to appropriate programs.
- Orange County Congregation Community Organization (OCCCO) and the Center for Healthcare Reform at St. Joseph Health System are working with CaliforniaKids Healthcare Foundation to promote children's coverage in the workplace. Employers will be asked to allow CAAs to help employees with eligible uninsured children sign up for Healthy Families and Medi-Cal. In addition, employers will have the option of sharing the cost of CaliforniaKids premiums with workers whose uninsured children do not qualify for public programs.
- Currently 500 kids enrolled in CaliforniaKids.

SB 2

- Some employers are not opposed, but have taken a neutral position on SB 2 because some large employers do not provide coverage and do their share.
- SB 2 provides a tremendous opportunity for discussion, despite its several problems. It will at least be a great catalyst for dialogue.

Coverage Options

- PacifiCare Self-Directed Plan for small employers (2-50); high deductible PPO which covers limited primary care services up to \$1,000, additional deductible of \$1,000-\$2,000 for other services, depending on whether or not the enrollee has met the \$1,000 limit for primary care.

Cross Border Programs

- Health Net's Salud con Health Net product, currently released in LA, not yet in Orange County.
- St Joseph's Health System is also looking to develop a cross-border program.
- Helpful contacts may include the California-Mexico Initiative and the US/Mexico Border Health Commission.

Funding

- Schwarzenegger has a better relationship with the Bush administration than did Davis. He may be able to provide some assistance in reaching President Bush on an 1115 waiver for adults.
- There is a program in Mexico that involves matching private dollars with public funds. The 3 for 1 program matches each private dollar with one from each of the federal, state and county governments. This may be possible in California.
- Subsidized employer-based coverage programs in Sacramento or San Diego Counties may be possible in Orange as well.

Next Steps

- Leadership is vital. Perhaps the Center for Health Care Reform could take the lead, as they have done with the California Health Care Foundation Step-By-Step initiative, which was approved for a planning grant.
- Focus more on system-wide solutions instead of problems in the messages.
- Consult Frank Gilliam/Frameworks Institute approach to effective messaging.