

Topics covered in the Orange County Regional Workgroup included county-level coverage expansion (the MSI program and patient-centered medical homes), implementation of federal reform (future of OC, outreach, the residually uninsured, roles of different parties and workforce capacity) the §1115 waiver, and California legislation updates (high risk pool and Exchange). Workgroup participants provided overviews of topics and shared their thoughts, concerns, and suggestions.

County-Level Coverage

Dan Castillo, County of Orange, gave a presentation on the Medical Services Initiative (MSI). Orange County's safety net serves 3.1 million Orange County residents, 500,000 of whom are uninsured (with 140,000 eligible for services). The MSI program serves adults ages 21-64 who do not qualify for public health programs, have had no other source of insurance for 90+ days and are U.S. citizens/OC residents. After 2014, 80% of the MSI population will be eligible for Medi-Cal and the program will fold into CalOptima. The remaining 20% have incomes between 134% and 200% FPL and will go into the Exchange. The MSI program will phase down and there is a chance a small, residual program will remain as LPRs who have been in the country less than 5 years will remain under county care.

With the original Coverage Initiative (CI), the MSI program was able to create a new pool of people who didn't have an urgent or emergent medical condition. With overwhelming response, MSI has had to cap that program at approximately 3,500 members. MOEs were exceeded by more than \$16.9 million for three years. Still, no one is turned away but there is an average 45-day waiting period and currently 6,000 pending applications.

An OC task force meets to better define Patient-Centered Medical Homes (PCMH). The county is looking to team with a collation and CalOptima for a PCMH pilot with NCQA certification. There are currently 233 private practice primary care practitioners and 14 community clinics that serve as primary care physicians under MSI. Of 37,000 MSI members, 100% are assigned to a doctor (52%) or clinic (48%). Reimbursement rates are declining so not all community clinics participate in the program. Patients have choice of PCP (can choose between private or clinic). After 30 days, they are auto-assigned based on where they live. They are locked in for 6 months and may only access services at their medical home. In the past 6 months, 60% of patients have had preventive care visits.

Implementation of Federal Reform

OC workgroup participants feel that outreach and education will be a huge task that needs to be well-organized and structured using schools, retail locations, churches, employers, etc. as mediums. It is important to avoid cherry picking and to provide good, unbiased and understandable content to potential clients. There will be a big role for agents and brokers, we are just not yet sure what it will be and how it will evolve. The OC Chamber of Commerce is interested in engaging small business groups.

Participants worry that there will not be sympathy for those who fall through the cracks. These residually uninsured will likely be treated by hospitals and clinics. It is possible to keep some state and local public programs alive as a residual safety net, yet we are trying to transition people out of those programs and into the Exchange for state and local fiscal relief.

The County has plans to expand primary care workforce capacity by reallocating unused residency slots to primary care in clinic settings. They will also create teaching health centers that look like FQHCs in an academic environment, which can evolve into PCMHs (UCI is interested in these opportunities). The County also plans on increasing the number of slots for pharmacy techs

and physician's assistants at a junior college level. In addition, nurses are lobbying to expand their scope of work.

CalOptima's core program is Medi-Cal. The Medi-Cal network is the basis for future CalOptima development. Moving forward, CalOptima plans to build on existing programs given available resources. Post-2014, OC hopes to build stronger relationships with clinics.

§1115 Waiver

Orange County will focus on individuals who do not have urgent or emergent conditions who are between 100-133% FPL (approximately 60,000 individuals). Orange County is looking to grow their current \$60M program to a \$210M program based on identified CPEs. The waiver would also allow OC's MSI program to apply mental health benefits to the population. CalOptima is also working closely with the County and other Orange County stakeholders to expand access to additional members below 134% FPL.

California Legislation Update

Cliff Sarkin, ITUP's Policy Director, gave updates regarding the High Risk Pool and the Health Insurance Exchange. California decided to start a new, statewide High Risk Pool for individuals with pre-existing conditions who have been uninsured for 6+ months. Premiums will be set at 100% of the premiums of private, individual coverage with no annual or lifetime limits. California will receive \$761M for this program.

Much of the formation of the Exchange has been left up to the states. California can choose between active and passive purchasing, type of governance, standardization of benefits, separate or integrated employer pools, roles of brokers and public plans, and plan contracting. Once the Exchange is up and running, CalOptima is open to the idea of exploring participation in the Exchange. Reimbursement rates are still unknown but anticipated at higher than Medi-Cal but lower than commercial rates). Regardless of participation in the Exchange, CalOptima will need to work closely with the Exchange due to the high projected amount of churning among members between Medi-Cal and the Exchange. In addition, many of the subscribers in Orange County will be parents of Healthy Families or Medi-Cal children.