

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

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Lucien introduces the day's agenda and materials and thanks SHARP Health Plan for hosting today's meeting.

Talia Silverman: Overview of Orange County and San Diego

Demographics:

- Both Orange and San Diego Counties have an uninsured rate of 15%. This rate has decreased from last year for both counties, where the uninsured rate was 22% in Orange County and 19% in San Diego County.
- Healthy Families enrollment increased to 1.9% for both OC and SD (last year it was 1.3% in Orange County and 1% in San Diego County). This shows great improvement in Healthy Families enrollment.

Clinics:

- "Other state programs" and "self-pay" are significant payer sources for the uninsured in both Orange County and San Diego County.

- In Orange County, clinics are smaller than in San Diego County, but their patient visits are more likely to be uninsured.
- In San Diego, clinics being reimbursed by “County Programs” are providing more intensive services and getting paid more per visit than in Orange.
- There is a very high percentage of HMO grants and contracts for Orange County clinics.

Hospitals:

- In San Diego, Medi-Cal represents a larger percentage of inpatient days and a longer length of stay, possibly because San Diego hospitals are providing more long term care days.
- Orange County has a larger percentage of ER visits paid by County Health.
- In San Diego, there is less private insurance reported for inpatient days.

Participant: Only 12.4% of Orange County residents are uninsured, according to a recent Orange County survey.

Chip Griffin: Community Health Group is dropping out of PacAdvantage

Summary of Orange and San Diego Medi-Cal and Healthy Family outreach and enrollment efforts

- State funding cuts in outreach have really hurt the outreach effort
- Inreach has some potential
- Funding *outreach* will be a challenge
- It may be possible to use SB 910 money (Medi-Cal administrative claiming and targeted care management) for outreach.

Lucien:

- The increase in Healthy Families looks strong.
- Medi-Cal enrollment doesn’t look as good as other counties, but program use (i.e. hospital inpatient, outpatient and ER) is still very strong.
- The uninsured rate of 15% is the statewide average. We thought that given the strong economies here as well as the lower poverty rates, uninsured rates were higher than expected in Orange and San Diego counties.
- Cost of health coverage is lower than in other regions.
- Clinics’ care to the uninsured is very strong in both counties, but not as strong in Orange as in many of the Northern CA rural counties.

- Clinics' uninsured revenues didn't cover uninsured visits, but they came closer than in rural Northern California counties.
- Hospitals: There was a higher percentage of bad debt and charity care and a lower percent of county reimbursement in these counties than in rural Northern California counties.
- We wondered why is Medi-Cal enrollment low, and yet inpatient and emergency room use for Medi-Cal patients is relatively high?
 - It could be that people aren't enrolled in Medi-Cal except when they go to the hospital.
 - It could be that the undocumented can only use the program for emergency care.
 - It could be that Medi-Cal managed care is not working very well.

Ralph: Many people don't want to go on Medi-Cal, but maybe they become Medi-Cal when they go on for an emergency or hospitalizations.

Lucien: What type of use of services for Medi-Cal patients do Sharp and CHG see?

Jeff: With managed care, it's a struggle for health plans to make sure members aren't seen in the emergency room instead of primary care. The key is encouraging people to establish relationships with doctors outside of the emergency room.

Participant: We haven't looked at our emergency room utilization. Is urgent care diverting patients from the ER?

Ralph: Fully insured people are using urgent care at an alarmingly high rate, because it's hard to get in to see a physician and make an appointment. Provider networks have been destroyed; there are still fears of public charge.

Participant: You don't have to take a sick day to get urgent care because urgent care is open at night.

Participant: San Diego has had a large increase in Medi-Cal enrollment over the last 2 years. But eligibility workers still do not direct people appropriately and families still walk away because of the complexity and intrusion.

Participant: Medi-Cal enrollment is increasing, but Cal-Works outreach funds were cut as of June of this year. Outreach contractors working for the county had to let staff go.

We are looking at MAC and TCM to replace them, but there is an 18 months float before you get reimbursed.

Lucien: It makes sense for providers and plans to be doing inreach -- i.e., looking at your own patients to see if they are eligible for Healthy Families or Medi-Cal. Is that happening?

Answer: It is hard to do this. There is not much incentive.

Jeff: There has been a lot of inreach. However, it's time consuming and the yield is low.

With CHDP "gateway" programs, providers will look at whether these kids are eligible under Medi-Cal or Healthy Families. We're educating providers to see that they are able to implement the gateway program.

Lucien: In our Central Coast Workgroup last year, participants said inreach is more effective than outreach. The providers are doing the inreach.

Participant: Presumptive eligibility is underutilized.

Mark Rivera: We need to combine public and private efforts, coordinate data bases, develop tracking measures, seek funding available through CAP and Homeland Security.

Lucien: It might pay off to train private practitioners on how to identify children eligible for public programs and to get them into Medi-Cal and Healthy Families.

Lucien: At last year's workgroup, you said Orange County's outreach effort was collaborative, whereas San Diego was less coordinated. Do these difference still apply?

Answers: There is still no trust level in San Diego. It's a hostile environment for the uninsured in terms of getting care or coverage. There is a strong board policy opposed to providing services to the undocumented. Others disagreed.

CalOptima and County Medi-Cal Services are separate organizations. Initially the intent was to pull the administration of both programs together. Now we each do our own thing.

Lucien: To what do you attribute your success in increasing Healthy Families enrollment?

Jeff: We attribute our success to across-the-board inreach and outreach efforts. We're trying to build links between community-based organizations, small employers, schools and providers. We've recognized that brokers are the key! You try to sell private coverage and if you cannot make that sale; you try to get those eligible enrolled in Healthy Families and Medi-Cal. That's how you work with the intersections between public and private programs. Brokers have taken ownership in that. Brokers employ CAAs to do Healthy families applications.

Ilia Rolon: Schools, brokers and CAAs are critical to our success in Orange.

Participants: You need people who can communicate in all the dialects. You have to speak the languages very well. Large school districts (e.g. Santa Ana) are now hiring and using CAAs. San Diego schools are ready to pilot express lane. CBO and church outreach efforts are fabulous; our problems have been with the follow up. We need to infuse eligibility for child care subsidies into the outreach efforts.

Mary: It's a disgrace for employers to be encouraging employees to get into Healthy Families. Employers are doing this because they don't want to cover dependents. It would be less costly to the state if employers provided care. There is a large erosion in private coverage. I'm talking about large employers (i.e., janitorial services).

Participant: What options exist for small employers? Maybe they should be able to buy coverage through CalPERS or Healthy Families.

Lucien: In rural Northern California, CalPERS coverage is very expensive. The employee share of cost is very high. Healthy Families is becoming a safety net for low wage workers who can't afford their share of premiums.

State and County employees have a very high share of cost and can't afford to pay it and want to apply for Healthy Families. Federal law says you can't use Healthy Families to pay for coverage of state employees. That would require a federal law change which isn't going to happen.

Lucien: What's working to get people into Healthy Families?

Jeff: Outreach through brokers is key. There is a disconnect between public programs and private programs; brokers can bridge the gap for us.

Lucien: At last year's workgroup in Orange County, it was said employers were not a good avenue to get to the uninsured; schools were. Has that changed?

Lucien's Summary:

- San Diego's approach that melds efforts to increase public and private coverage has been working well.
- Orange County's effort using schools, churches, CBOs, CalOptima and providers works well.

There appears to be substantial under-enrollment of Non-Hispanic Whites and African Americans in Healthy Families in both your counties.

Mary Lewis: The focus has been on enrollment in the Hispanic community. It has been tough to find grantees to do the outreach in African-American communities.

Ralph: It is easy to find, identify and enroll uninsured Hispanic workers. They are concentrated in particular industries such as construction, light manufacturing, hotels and restaurants. It is much harder to find and identify uninsured "white" families; they are more spread out throughout the economy and the geography; many of the "white" uninsured are in part time jobs for employers who otherwise offer coverage or in restaurants and tourism related industries.

1115 Waiver

Lucien: California has an 1115 waiver that approves Healthy Families coverage for parents which is not funded due to the Governor's veto. It will be important but hard to get it on the state's agenda for next year because of the budget deficit. What about covering parents in a particular county using county money as the match? Could this be a reality down here, or is it just a pipe dream from the Bay Area?

Lucien: Do the County Medi-Cal Services (CMS) and Medi-Cal Services to Indigents (MSI) programs pay for care to Healthy Families parents with no federal match? Could we use these state/county realignment funds as a temporary match? Also, we are paying for hospital care through Medi-Cal medically needy share of cost coverage for these parents with a 1/1 match. Why not use a 2/1 Healthy Families match under the waiver rather than a Medi-Cal match?

Answers: We do not know; it might be worth thinking about. CMS and MSI are vastly under funded for their existing mission.

Private Coverage:

Lucien reviews the Kaiser Foundation findings: employer premiums are skyrocketing, employee out of pocket responsibilities and shares of premiums are increasing and small employers are dropping. Lucien reviews regional efforts to develop affordable coverage for child care workers.

Chris Nelson: I deal primarily with Healthy Families and Medi-Cal. Blue Cross created its Plan Scape program to enhance choice of benefits and plan design for individuals and small groups. There has been an increase of employers dropping or reducing coverage, and dependent care coverage is becoming less and less subsidized by employers.

Chip: We've seen scaling back in the generosity of the packages -- i.e., 3-tiered pharmacy benefits.

Jeff: Employers are reducing benefits and moving to bare bones packages and increasing employees' costs.

Ralph: The Kaiser findings on costs are not accurate for CA. The problems are education for employers and employees on plan and benefit choices. The big issue is dependent coverage; that is what allows employers to retain employees. Davis Bacon Act requires prevailing wages and benefits for large construction projects with public funds.

Mary: There has been a moral shift in the country about responsibility of health care. Our union is trying to make employer-provided health care "THE" agenda for the presidential election. The only way health care is going to be provided is through employers. We fought hard for 90¢ an hour for health benefits for janitors. The premium increases mean county clerk typists cannot afford their share of the premiums and need to apply for Medi-Cal. We're trying to increase coverage through living wage ordinances, where a portion of the wage is designated for health benefits. This sends out the message that health care has to be a priority just like education.

Hilary : CalOptima put a lot of effort into developing an Uninsured Kids pilot last year. It didn't really happen because of the Orange County's budget crisis. We are now trying to develop a subsidized job-based coverage program, like SHARP's. We will target very small employers. We're working hard to develop a local pot of money. We're in

strategic and planning mode. We've had preliminary discussions with the feds and various state agencies, the Orange Business Council. We're trying to tackle the issue of the undocumented through increasing work force coverage. We had the Tomas Rivera Institute do focus groups and studies on price points and responsiveness of employers and employees. We will share the findings.

Participants: In San Diego, we have the Business Health Care Connection. It is an 18 months pilot with 5 staff to tie together employers/brokers/health plans/providers in a joint effort to increase private and public coverage.

Jeff: Our FOCUS program subsidy is running out. We are transitioning our employers who have had three years of subsidy to no subsidy. We are slightly subsidizing the transition and have a 90% retention rate as the subsidy phases down and out.

Legislative Review:

Corrections to the materials: AB 39 was not chaptered; the Koretz and Cardosa bills were chaptered.

Lucien reviewed selected California and Federal legislation, as well as the state budget.

There are 3 principal CA efforts. Senator Speier carried a pay or play bill. AB 32 (Richman and Figueroa) would merge Medi-Cal and Healthy Families into a seamless program with an 1115 waiver to cover single adults. There has been a series of efforts to enact small employer refundable tax credits. People paid the most attention to AB 39 (Thompson and Campbell), but it never got out of the policy committee.

I wouldn't be surprised to see all three approaches come back next year in some form along with a universal coverage, single payer bill.

MSA (Medi-Cal Savings Accounts) didn't go anywhere.

Assemblywoman Helen Thompson's bill (which tries to improve the ability of people who lose their jobs to keep their coverage) was chaptered.

Assemblywoman Jackie Goldberg's bill to allow businesses affected by the living wage ordinances to buy coverage through PacAdvantage was also chaptered.

California and Federal legislation are headed in completely different directions.

Federal Legislation:

- The priorities were association health plans (ways for small employers to buy coverage through associations without requirements of state mandates) or individual refundable tax credits. Most of the advocacy community thinks tax credits are a disaster because \$1,000 doesn't go very far, and it could unravel the employer-based system. There's a way to augment, design and target these credits without unraveling the employer-based system (see e.g. ITUP's SB 480 proposal) that has some potential to cover a large number of uninsured.

Mary Pinkerson: What happened with SB 480?

Lucien: Nine proposals were prepared and sent to the state. There were 3 single payer, 2 pay or play, and 4 incremental proposals. Lewin Group did a cost analysis of all nine. These are available at { HYPERLINK <http://www.healthcareoptions.ca.gov> }. The state shipped its final report off to the feds. At this point it's up to the legislature and the stakeholders to see which of those ideas have any viability. There could be a mix and match of various proposals, as there are good features in each proposal.

Lucien: What are your priorities for state legislation for next year?

Responses:

- We want to see parents covered.
- Educate businesses about the importance of coverage, the tax advantages and underwriting protections.
- Different benefits and approaches are going to sell for different ethnic groups.
- Internet access doesn't work for everybody.
- Ask CA Healthcare Foundation what has happened to its informational campaign.
- There is a 12 day gap in coverage for newborns.
- We need to open up the 340(b) drug discount program for ambulatory care.

ITUP Follow-up:

- The annual ITUP conference is February 19th.
- The dinner for workgroup participants and conference speakers is the evening of February 18.
- We'll follow up the conference with a legislative briefing February 20th.
- We are thinking about a new format for the conference and will send it out for your feedback and comments.

- These notes will be available on our web site and will be password protected for the use of workgroup participants only. { HYPERLINK <http://www.work-and-health.org> }. We will send them out for your corrections.
- We will also prepare an executive summary for more general use.
- Please fill out your evaluations so we can figure out whether and how to do these workgroups next year and what follow up you want us to do.