



Executive Summary

San Diego County Workgroup

April 1, 2005

Topics covered in the workgroup included Medi-Cal Redesign and San Diego County's efforts to further extend health coverage to the county's children. To preface the day's discussion, ITUP staff provided a 2004 data summary of San Diego County, 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, under "Workgroups" and "County and Regional Data."

Medi-Cal Redesign

Managed Care Expansion

San Diego County has been selected as one of three counties (to include Orange and Contra Costa Counties) to implement an expansion of Medi-Cal managed care through the implementation of an acute and long term care integration project. Under the proposal, certain Medi-Cal only and dual eligible enrollees would enroll in an acute and long term care integration plan (whose scope of services would include acute care, drugs, emergency care, dental services, and interdisciplinary care management) or a managed care plan.

Prior to the Governor's proposal, a similar plan was in development in San Diego County. With the advent of Gov. Schwarzenegger's plan under Medi-Cal Redesign, participants commented they are in discussions on how to put together the necessary provider networks that would cater to the populations that would be required to enroll. The State needs to clarify whether all plans in operation under San Diego's geographic managed care system would be required to participate in the acute and long term care integration project.

On the broader issue of managed care expansions, participants expressed a concern common to many ITUP workgroups discussing Medi-Cal Redesign: the fiscal impact of the proposal on safety net providers that rely on 1255 DSH funds. Attendees see this as an issue that could possibly dampen the state's move towards mandatory managed care.

Beneficiary Cost-Sharing

Participants expressed concern that the proposal to implement premiums for enrollees is going to impact the poorest of the poor. This will have a spillover impact on the county's private hospitals whose ERs will bear the burden of taking care of more uninsured patients.

The additional cost to both the county and local health plans further troubled participants. As enrollees become disenrolled due to non-payment of premiums and re-enroll at a later date, this will add administrative costs to the counties who must handle these changes. In

addition, the county's health plan may suffer the burden of adverse selection resulting from healthier Medi-Cal enrollees forgoing Medi-Cal rather than pay premiums.

Hospital Refinancing

Workgroup participants noted that the proposal to replace the current usage of intergovernmental transfers (IGTs) with Certified Public Expenditures (CPEs) represents a significant policy shift towards a federal/local partnership with the county's University of California hospital, resulting in a possible loss of funding for some of the county's private hospitals.

Children's Application Processing

The vast complexity of the Medi-Cal program has resulted in confusion and delays in processing. Participants stressed the need to simplify Medi-Cal rather than allow the current Healthy Families processor to handle applications for the program. In lieu of the Governor's proposal, participants suggested that a pilot program could be implemented that: 1) decreases the usage of 800 numbers and replaces them with live assistants; 2) allows eligibility workers to do Healthy Families applications, simplifying enrollment; and 3) uses single point of entry at the county level.

Covering San Diego County's Kids

San Diego County currently does not have a program in operation (beyond Medi-Cal and Healthy Families) that expands coverage to the county's uninsured children. Participants have noted, however, that there is a lot of enthusiasm and interest in covering San Diego County's kids. The Alliance Healthcare Foundation has pulled together a broad group of healthcare stakeholders to review the feasibility of putting a children's healthcare initiative in place for all uninsured children that do not qualify for Medi-Cal or Healthy Families programs. Since the initiative is still in its early planning stages, administrative challenges must be identified and addressed, a structure established, and funding identified.

San Diego's managed care structure presents unique challenges to the implementation of a children's health expansion program. The county, as of the date of this publication, operates a geographic managed care (GMC) health plan model consisting of seven separate health plans that contract directly with the state (as of June 1, 2005, one less plan will be available). Unlike two-plan or county organized health system (COHS) models, in the GMC model there are no county operated clinics or hospitals around which to base a children's health initiative. While this presents some difficulties, San Diego's experiences with implementing geographic managed care provides a foundation for future expansion. Coordination, however, between all parties is critical for long term success.