

Topics covered in the San Diego Regional Workgroup included federal health reform, the status of Healthy Families and Healthy Kids, an update on local efforts to expand coverage to the uninsured, a discussion of California's \$26B budget deficit, and decisions regarding the renewal of the 1115 Medicaid Waiver. ITUP staff and/or invited speakers provided an overview of each topic and workgroup participants shared their thoughts, concerns, and suggestions for next steps. Meeting materials can be viewed at: <http://www.itup.org/> and <http://www.itup.org/blog/>.

Federal Health Reform

Adam Dougherty, an ITUP staff member currently working in Washington, D.C., presented a summary of HR 3200: America's Affordable Health Choices Act of 2009 and the Senate's HELP Committee Health Reform Package to workgroup participants. Workgroup discussions centered around the following topics: government subsidies, Health Insurance Exchange vs. cooperative model, a public plan option, Medicaid/CHIP, Medicare, employer mandates, and health benefits. Participant's main concern was the large price tag associated with federal reform, which has been put forth without a clear outline of specific covered benefits.

See ITUP Website at <http://www.itup.org/reports.html> for:

- Thoughts on Federal Reform: Let's Not Delay
- Summary of HR 3200
- Summary of Senate HELP Committee Health Reform Package
- Health Reform Comparisons: Matrix

Status of Healthy Families and Healthy Kids

Initially, the workgroup addressed the implications of both the House and Senate proposals for children's health coverage programs. With regard to the Senate's proposal to expand CHIP eligibility to 275% of FPL, the workgroup was in agreement that expanding eligibility criteria would not necessarily equate to more kids enrolling in CHIP programs. These programs, therefore, would also need a new promotion and outreach component to expand enrollment.

The House bill proposes that families and children up to 400% of the FPL would be eligible for new federal subsidies to help them purchase coverage from a public plan or private plans. Therefore, CHIP enrollees above 133% of the federal poverty level would be transitioned to a new national Health Insurance Exchange in 2013 to obtain coverage. The workgroup feels that this transition from CHIP to the Exchange could be problematic in that coverage through the Exchange would cost more than CHIP but provide fewer services to children.

The workgroup also discussed the current state of the Healthy Families and Healthy Kids programs in California. Due to the current budget deficit in California, these programs are taking the largest monetary cut in history resulting in a freeze in enrollment and future disenrollment of previously eligible children. Though applicants can be placed on a waiting list, many individuals will refrain from applying due to the lengthy application process and uncertainty of coverage. The workgroup aims to communicate their views on children's health coverage to local Senators and to identify local First 5 funds that can be used to help salvage local Healthy Families programs.

Update on Local Efforts

Rene Santiago from the San Diego Health and Human Services Agency presented an update on the San Diego Health Care Coverage Initiative (HCCI). HCCI acts as a disease management program that focuses on uninsured adults with diabetes and hypertension. This target population was chosen based on local experience and cost-analysis to determine how many Medically Indigent Adults (MIAs) could be helped. The goal of the HCCI is to improve care coordination for the medically indigent and discourage hospital emergency department use in order to contain medical costs. After a slow planning and initial implementation process, HCCI staff was able to enroll 3,520 beneficiaries in the program, exceeding the target enrollment of 3,260. The program is currently in a re-certification process and will produce an interim report in October 2009 that reviews the program, cohort differentials, cost effectiveness, and political processes.

California Budget Deficit and the 1115 Waiver Renewal

Despite the budget deficit, California's hospital financing waiver is still high on the state's agenda. Therefore, the workgroup discussed options for renewal of the 1115 Waiver. Based on the current state of the California budget, workgroup members were in agreement that the Waiver request would have to be large. The group also discussed the need to cut back on program administrative costs. Some suggestions for how this may be done include: streamlining eligibility and the enrollment process, transferring administrative duties from the county to the state, and better care coordination and care management for high cost populations such as the aged and disabled.

Discussion also focused on a potential Provider Assessment Tax for Hospitals, which is intended to bring in a higher Federal match. The group considered a cost-based reimbursement mechanism that could "incentivize" appropriate care at an appropriate level. The group also questioned the possibility of moving toward a Medicare DRG-model of contracting.

Ultimately, when asked what they wanted to see in the future, workgroup members responded: for California to jump out in front of federal reform through the Waiver, consolidation of public programs, expansion of managed care, streamlined enrollment and eligibility in Medi-Cal, and gain sharing negotiations.