State and Federal Health Care Reform in Alameda County:

- Preliminary Impact Analysis
- Challenges and Opportunities
- The Low Income Health Program
- The Health Care Portal
Alameda County, California

Population, 2010: 1,510,271 (CA: 37,253,956)
Land area, 2010 (square miles): 738 (CA: 155,959)
Persons per square mile, 2010: 2,046 (CA: 239)
College graduates, persons 25 and over, 2010: 40.3% (CA: 30.1%)
Housing units, 2010: 582,549 (CA: 13,680,081)
Homeownership rate, 2010: 53.4% (CA: 55.9%)
Median household income, 2010: $67,169 (CA: $57,708)
**Place Matters:**
Health Inequities by Where People Live

![Life Expectancy Map](image-url)

Race and Racism Matter: Health Inequities by Race/Ethnicity

Life Expectancy at Birth (Years)

- **African American**
  - 1960: 65
  - 1970: 70
  - 1980: 75
  - 1990: 80
  - 2000: 85
  - 2009: 90

- **White**
  - 1960: 71
  - 1970: 75
  - 1980: 80
  - 1990: 85
  - 2000: 90
  - 2009: 95

**Inequities:**
- **African American** vs. **White**
  - 1960: 4.0 years
  - 1970: 5.1 years
  - 1980: 6.2 years
  - 1990: 7.3 years
  - 2000: 8.4 years
  - 2009: 9.5 years

6.5 years increase between African American and White populations from 1960 to 2009.
Compared to a White child in the affluent Oakland Hills, an African American born in West Oakland is...

- **1.5 times** more likely to be born premature or low birth weight
- **2.5 times** more likely to be behind in vaccinations
- **5 times** more likely to be hospitalized for diabetes
- **7 times** more likely to be born into poverty
- **4 times** less likely to read at grade level
- **2 times** more likely to die of heart disease

**Cumulative impact:**
15 year difference in life expectancy
President Obama signed comprehensive health reform, the Patient Protection and Affordable Care Act on March 23, and the Health Care and Education Reconciliation Act of 2010, on March 30th.

Patient Protection and Affordable Care Act (P.L. 111-148) is the most sweeping federal health care reform legislation since Medicare was created in 1965.

This new law would add 16 million Americans to the Medicaid roles, and cost approximately 940 billion dollars over the next 10 years.

The bill creates an individual mandate to carry health insurance coverage while also requiring most employers to offer coverage.

Most provisions of the bill begin in 2014, with full implementation and financing operational by 2018. Some pre 2014 provisions are significant.
Complicated bill and ramp up process distilled...

- **Coverage Expansion:**
  - Individual Mandate
  - MediCal/MediCaid
  - Exchange and Employer Participation

- **Insurance Market Reform**

- **Funding for The Safety Net**
  - DSH Funding
  - 1115 Waiver in California as a “Bridge to Reform”

- **Time Line**

- **Key Provisions**

- **Projected Impact in Alameda County**
The inclusion of an individual mandate will obligate every legal resident to obtain qualified health insurance. In total, nearly 4 million uninsured Californians will be eligible for coverage expansion programs, while another 960,000 will be ineligible for financial assistance but still required to purchase insurance and able to use the Exchange to do so.

Exemptions from the mandate will be available based on financial hardship (more than 8% of income) and religious exemption. Obviously non-citizens are exempt but also do not qualify for subsidies.
Coverage Expansion: Medi-Cal

- Medi-Cal eligibility will increase to 133% FPL while SCHIP eligibility will increase to 250% FPL.

- Over 15 million individuals will become newly eligible nationally, and UCLA projects the program will expand coverage to nearly 1.7 million uninsured Californians. This equals a 25% increase in the current Medi-Cal program, while doubling Medi-Cal managed care enrollment.

- In total, it is projected the legislation provides California with an additional $6.8B federal match in 2018.
Coverage Expansion: The Exchange

- Californians between 133-400% FPL will be eligible for insurance subsidies through the Exchange, and will be responsible to contribute 3-9.8% of their income towards their premiums.

- Over 2.3 million uninsured Californians will be eligible for these subsidies, as would an additional 900,000 who currently purchase insurance on the individual market. The plan benefits through the Exchange will be subject to a baseline actuarial value, covering a comprehensive set of services.

- It is projected that $11.1B in federal subsidies would come to Californians through the Exchange. Small businesses will also be eligible for subsidies to provide coverage for their workers, and we project a benefit of over $600 million annually for the 638,000 small businesses with less than 20 employees in California.
Projections in Alameda County

- Of the 1.45 million residents in Alameda County, 17.6% were uninsured in 2006 totaling 229,252 persons. Given economic pressures, we project the number to now be 250k.

- After full implementation of reform in 2018, 56,200 Alameda residents will be newly eligible under Medi-Cal, allocating nearly $227 million to the county in federal match. We estimate that 107,547 Alameda residents will be eligible for subsidies to purchase private, individual insurance through the Exchange, with a countywide allocation totaling $370.5 million in federal subsidies.

- Assuming full enrollment, Alameda would see a 95.5% insurance rate, with only 65,000 individuals remaining uninsured.

- Those who remain uninsured would be comprised of the undocumented and those with exemptions due to religious beliefs or financial hardship.
Who Goes Where?

This is another way to break down the impact in Alameda County....

 MediCaid Expansion  The Exchange  Employer and Individual Mandate

0% FPL  133% FPL  400% FPL

56,000 newly eligible  107,000 eligible for subsidy  35,000 required to purchase or their employer will be required to purchase

Approximately 60,000 Alameda County Residents will not be insured, even under the most optimistic implementation scenario
Who Are the Uninsured?

- 300% + FPL, 63,000
- <133% FPL, 58,000
- 134% - 199% FPL, 31,000
- 200% - 299% FPL, 19,000

Bar chart showing:
- <133% FPL: 58,000 (34%)
- 134% - 199% FPL: 31,000 (18%)
- 200% - 299% FPL: 19,000 (11%)
- 300% + FPL: 63,000 (37%)
Time Line: MediCaid Expansion

- Medicaid eligibility to childless adults (nondisabled adults up to age 65) up to 133 percent of the Federal Poverty Level (FPL), effective January 2014.

States will receive federal funding as follows:

- 2014 to 2016: 100 percent federal funding
- 2017: 95 percent in 2017,
- 2018: 94 percent in 2018,
- 2019: 93 percent in 2019 and
- 2020 and thereafter: 90 percent.

- States have the option to expand eligibility as early as April 1, 2010; but States would not receive the enhanced federal matching rate until January 1, 2014.
1115 Waiver in California

- 1115 Waiver was approved in November 2010.

- Four core components of the waiver:
  - Movement of SPD population into Managed Care
  - New finance structure for Public Hospitals
  - Pilots in BHI and CCS
  - The Low Income Health Program (LIHP) or Pre-Medicaid Expansion

- The Low Income Health Program is California’s effort to take advantage of the opportunity to expand MediCal eligibility before 2014 using county funds as the non federal match.

- Alameda County has a relatively unique (just a few counties) to take advantage of this opportunity, up to 40 million in new federal funds per annum.
Overview of HealthPAC

Alameda County’s Low Income Health Program (LIHP)
Who will be eligible for LIHP?

To be eligible for funding under LIHP an enrollee must:

- Be 19 to 64 years old.
- Have a family income between 0 and 200% FPL.
- Verify Citizenship or legal permanent residency for at least 5 years.
- Not be eligible for Medi-Cal.
Requirements Under LIHP

– All patients must be given a medical home

– The County indigent program must become more “plan-like”
  • Network adequacy
  • Actuarially based rates
  • Cover out-of-network emergency and non-emergency transportation
  • Meet Medicaid cost sharing limits
Funding that can be Leveraged Under LIHP

- The LIHP program will allow the County to receive a 50% match on funding used to pay for physical and mental health services provided to eligible enrollees.
  - Covered health services provided through HealthPAC Provider Network.
  - Mental health services provided through Behavioral Health Care Services and Mental Health Provider Network.
  - Inpatient services provided to prison inmates (Medi-Cal does not cover this population)

- At full capacity we believe this program will leverage approximately $40,000,000 (approximately $30,000,000 in new money).
How does LIHP fit into the existing County Indigent Program?

- The Alameda County Indigent Program, known as HealthPAC includes three populations
  - HealthPAC Medi-Cal Coverage Expansion (MCE)
  - HealthPAC Health Care Coverage Initiative (HCCI)
  - HealthPAC County (not eligible for MCE or HCCI and are between 0 and 200% of FPL)

- Services for the three populations will be the same except for coverage of out-of-network emergency services, which is only available to the HealthPAC MCE population
Opportunities Under LIHP

– Increased funding for Services.
  • Expand mental health services.
  • Expand access to primary and specialty care.
– Improve care coordination for patients.
– Integrate primary and behavioral health services.
– Leverage funding for Sheriff through prisoner/inmate coverage.
Challenges Under LIHP

– Meeting access standards.
– Providing a medical home to all eligible patients.
– Unknown costs of covering out-of-network emergency services to MCE enrollees.
– Developing communication systems to provide true physical and behavioral health integration.
Timeline

February 14, 2011
- Applied for program

March 2011
- Amend CMSP/ACE contracts

July 2011
- New HealthPAC contracts to expand capacity to provide physical and mental health services

July 2014
- Eligible patients will move to Medi-Cal or Exchange.
Behavioral Health Integration Under the 1115 Waiver

- **FQHC Investment**
  - **Mild**
  - $10 million

- **Expansion of Level III Network**
  - **Moderate**
  - $20 million

- **Creation of Level II Network**
  - **Serious**

- **Increase and Expand MD Consult Service**
  - **Severe**

**PRIMARY CARE**

- **Access**
- **Quality**
- **Integration**
- **Post 2014 Reform**

**OUTPATIENT**

- **CRP/PES/SC**
- Service Teams
- FSPs

**INPATIENT**

- **Acute Care Hospitals**
- **Institutes of Mental Disease**

**15,000 Served**
- 4,500 LIHP eligible
- 1,800 in CMSP

**Investment**

- $10 million
- $20 million

**Behavioral Health Integration Under the 1115 Waiver**
Access To Care and The Health Care Market in Alameda County

- Health coverage is unaffordable for more than 200,000 Alameda County residents
- Medical debt can lead to financial ruin (1 in 4 bankruptcies in AC)
- Health care services are fragmented
- Supply and Demand Disconnect on preventive and primary care
- Inadequate reimbursement for GACH safety net hospitals
- Lack of racial and language diversity among providers
- Lack of support for patients and families to manage their own care
Quick Look at the Problem...

- What does the low-income uninsured population look like? (demand)
  (The working poor, 40% undocs, social determinants and marginalized communities: Homeless, mentally ill, reentry population, newcomer population)

- What is the health care safety net in Alameda County? (supply)

- Demand - Supply = Gap in Access (unmet need)

- Currently, 142 FTE primary care providers

- Additional 95 FTE primary care physicians and 33 FTE specialists; mid-levels and allied health professionals would be needed, even at current panel size projections.
How long does it take to access care through the safety net?

- Wait times for primary care
  - As long as 3 months for new patients

- Wait times for specialty care
  - As long as 6 months for new patients
Emergency Department Childhood (<5 Years) Asthma Visits

Rate per 100,000

- 961.3 - 1466.3
- 631.7 - 961.2
- 396.1 - 631.6
- 110.1 - 396.0
- Insufficient or no data

Comprehensive Primary Care Sites

Note: Comprehensive Primary Care Sites icons represent only those sites providing full-scope primary care.

Source: CAPE, with data from Alameda County Access to Care Collaborative 2012.
Note: Comprehensive Primary Care Providers include full-scope primary care sites, as well as school-based health centers, enabling and social service sites, dental-only sites, mental health/substance abuse sites, and other services (e.g. optometry, fitness center).
Family Planning and Women's Clinics

Source: CAPE, with data from Alameda County Access to Care Collaborative 2012.
All Primary Care Service Sites

Source: CAPE, with data from Alameda County Access to Care Collaborative 2012, OSHPD 2010, and AC HCSA School Health Services Coalition 2012.
The Health Care Portal

- There is simply not now, nor where there be in the foreseeable future, an adequate supply of Primary and Preventative Care.

- Health Care costs are rising at five times the rate of wages, with health care premiums doubling in the last decade and projected to at least double in the next. A significant part of the problem is that we continue to drive episodic care to the highest cost settings.

- Per the American College of Emergency Room Physicians, California ranks 51st among states in the US in terms of ED capacity. In all other jurisdictions that expanded coverage (Vermont and Massachusetts), there were double digit percentage increases in ED utilization.

- The Health Care Portal is a new level of care, fully integrated in the existing health care service delivery system, place based, uses the expertise and trust of the EMS and Fire pre hospital care system, and accessible to all communities to dis-impact primary and ED service settings.
The Health Care Portal

- A unique collaboration between Fire Departments and Federally Qualified Health Centers.

- Limited Scope clinics staffed by 3.0 FTE. 1.0 FTE Mid Level Practitioner from the FQHC, 1.0 FTE Fire Paramedic, 1.0 Care Coordinator.

- HCSA is proposing a three year pilot at five fire stations in Alameda County.

- In addition to providing on site limited scope services including follow up from ED visits, the Health Care Portal will also conduct population health services by:
  - responding to sub acute 911 calls under the new Medical Priority Dispatch System (approx 30,000 calls annually in Alameda County)
  - Discharge follow up for residents in a defined geography within 48 hours of discharge from Acute Care
  - Taking direct referrals from 211 for medical advice or consultation.
Citations:

- Insure The Uninsured Project: County by County Comparison of the Impact of the Federal Health Care Reform
- Kaiser Family Foundation, Analysis of Federal Health Care Reform Legislation
- Author Stream: Federal Reform in Health Care
- Laurie Soman: Alameda County Children’s Special Needs Committee
- CA Dept. Health Care Services Projections on March 2010 Federal Reform Initiative
- CMAC Fact Sheets on Health Reform