

# Health Reform Next Steps: Implementing & Improving...

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Biggest Congressional Action for Consumer Protections; Coverage Expansion; Cost Containment

# Up To States (& Us) To:




**Make it work!**

"Because of the money and resources, California is frequently touted as the state that is implementing the Affordable Care Act most actively and aggressively. **The stakes couldn't be higher.**" – *POLITICO*

**"California is a particularly important test for Obamacare.** It's not just the largest state in the nation. It's also one of the states most committed to implementing Obamacare effectively. ... **If California can't make the law work, perhaps no one can. But if California can make the law work, it shows that others can, too.**" – *Ezra Klein, Washington Post*

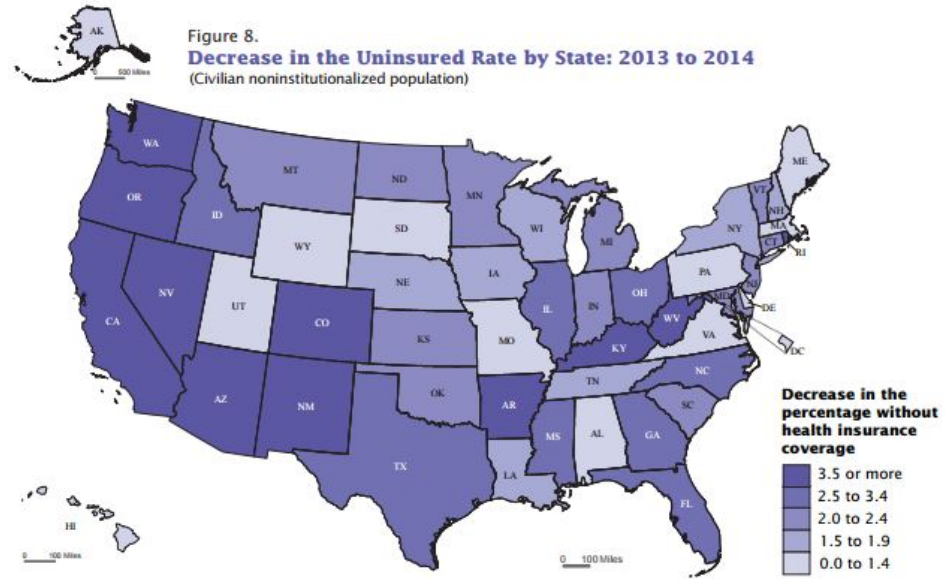
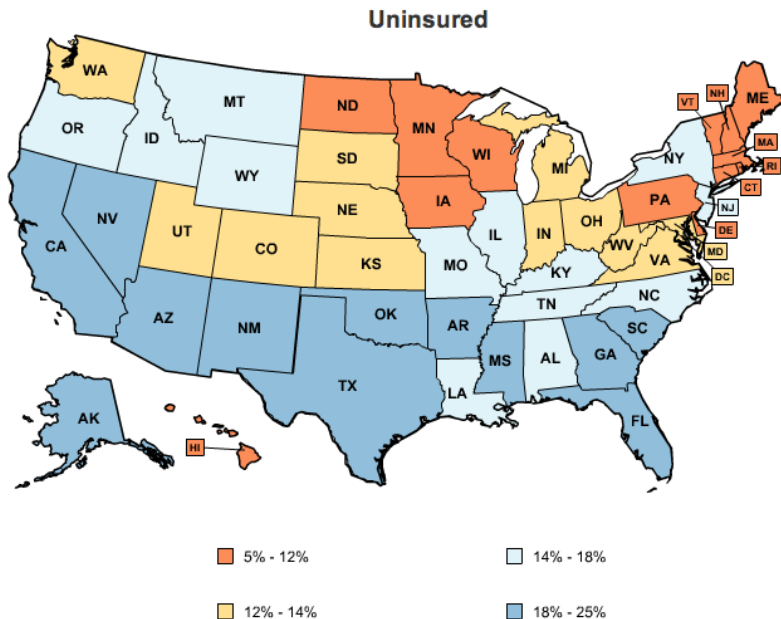
**"The ACA can't succeed if California fails,"** – *Drew Altman, president of the Kaiser Family Foundation.*

A photograph of President Bill Clinton speaking at a podium. He is wearing a dark suit, a white shirt, and a red tie. He is looking slightly to the right of the camera and appears to be in the middle of a speech.

**"If this works in California, eventually America will follow your lead... If it comes off the rails here, it will give aid and comfort to everyone who really just wants to say, 'I told you so.'**"  
– *President Bill Clinton.*

# California: Leading from Behind

- States need to maximize the benefit—our health system needs all the help we can get.
- California shows the way, especially for states with high diversity & uninsured...



# CALIFORNIA IMPLEMENTS

Millions with new consumer protections; financial assistance  
4+ million Californians with new coverage already  
Uninsured cut in half; Average rate hike 4.2%

# CALIFORNIA IMPROVES

## EARLY:

Low-Income Health Programs/Medicaid  
Children with pre-existing conditions  
Maternity coverage

## BETTER:

Exchange that negotiates & standardizes  
Medi-Cal express lane enrollment options  
LGBT outreach and inclusion  
Immigrant coverage: DACA/DAPA, recent legal,  
and now children in May 2016





**WHAT'S NEXT?**

# Improving Medi-Cal/Covered CA Eligibility/Enrollment Systems

## ■ Making Signing Up Easier

- Not Just a Glitch: Last Year's 900,000+ Enrollment Backlog
- Conflicting, Confusing Notices
- Fixing CALHEERS & the 24-Month Roadmap
- Former Foster Youth
- Consumer Experience Needs to Be Improved

## ■ The Need to Limit Estate Recovery

- California: only one of 10 states that requires estate recovery for Medi-Cal managed care applicants aged 55+.
- Raises little revenue, major enrollment barrier, inequitable.
- Governor vetoed bill last year; pointed to budget process



# HEALTHCARE

# 4 all

**NO EXCEPTIONS. NO EXCLUSIONS. #HEALTH4ALL**



# Who Needs More Help?

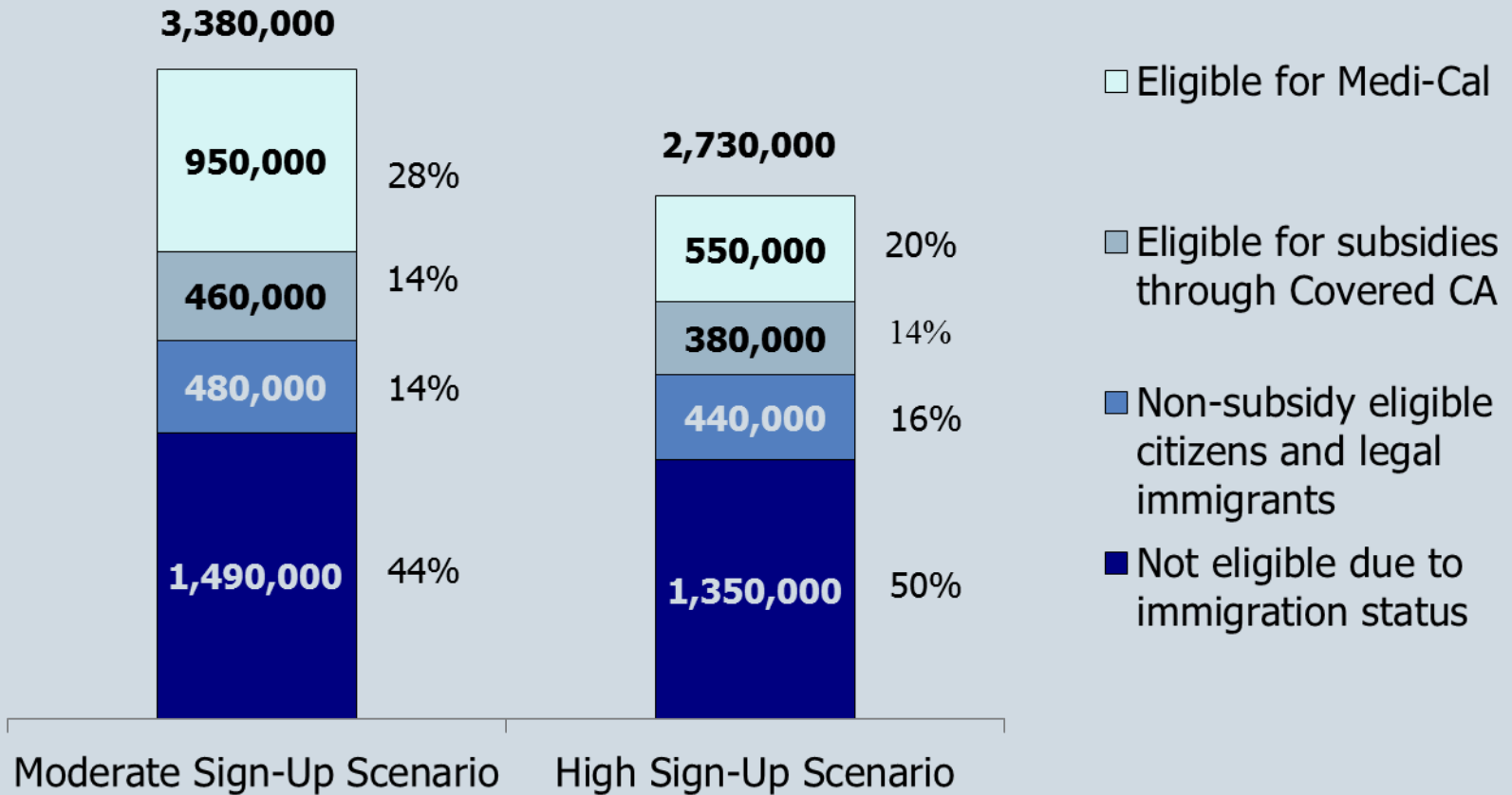
ACA has millions of “winners,” who have new coverage, new access, and/or new financial help to afford coverage.

- And everyone wins with a health system more humane, more rational, more transparent, with a stronger safety-net, new consumer protections and incentives aligned for improved quality and reduced cost.

But **on affordability, some folks will need more help:**

- Uninsured **undocumented immigrants**
- Those in “**family glitch**”: family members for workers with job-based coverage affordable for just themselves
- Some **over 400%** federal poverty level (typically older, in high-cost areas) who have no affordability guarantee.
- Those **under 400%** who find monthly premiums/cost sharing still a burden, and may/may not decline coverage.

# California May Have 3 Million Remaining Uninsured



# Our Current Safety-Net

- *Uninsured live sicker, die younger, are one emergency from the financial ruin.*
- **Emergency Rooms:** But only to stabilize emergencies; Bill and debt afterwards
  - 2006 Fair Hospital Pricing Law [www.hospitalbillhelp.org](http://www.hospitalbillhelp.org)
- **A Safety Net That Survives and Thrives:** Private providers: clinics, hospital charity care
- **Counties often the last resort safety-net**
  - Counties have a “17000” obligation to provide basic care
  - **California’s 58 counties continue to vary widely on their service to the uninsured, especially on:**
    - **How they provide care; What care they provide; and to who, especially based on income & immigration status.**
  - Amidst 58 counties, 12 have public hospitals;
  - 12 “Article 13” counties just have clinics, or contract with private providers; or are a hybrid
  - 35 small rural counties in County Medical Service Program

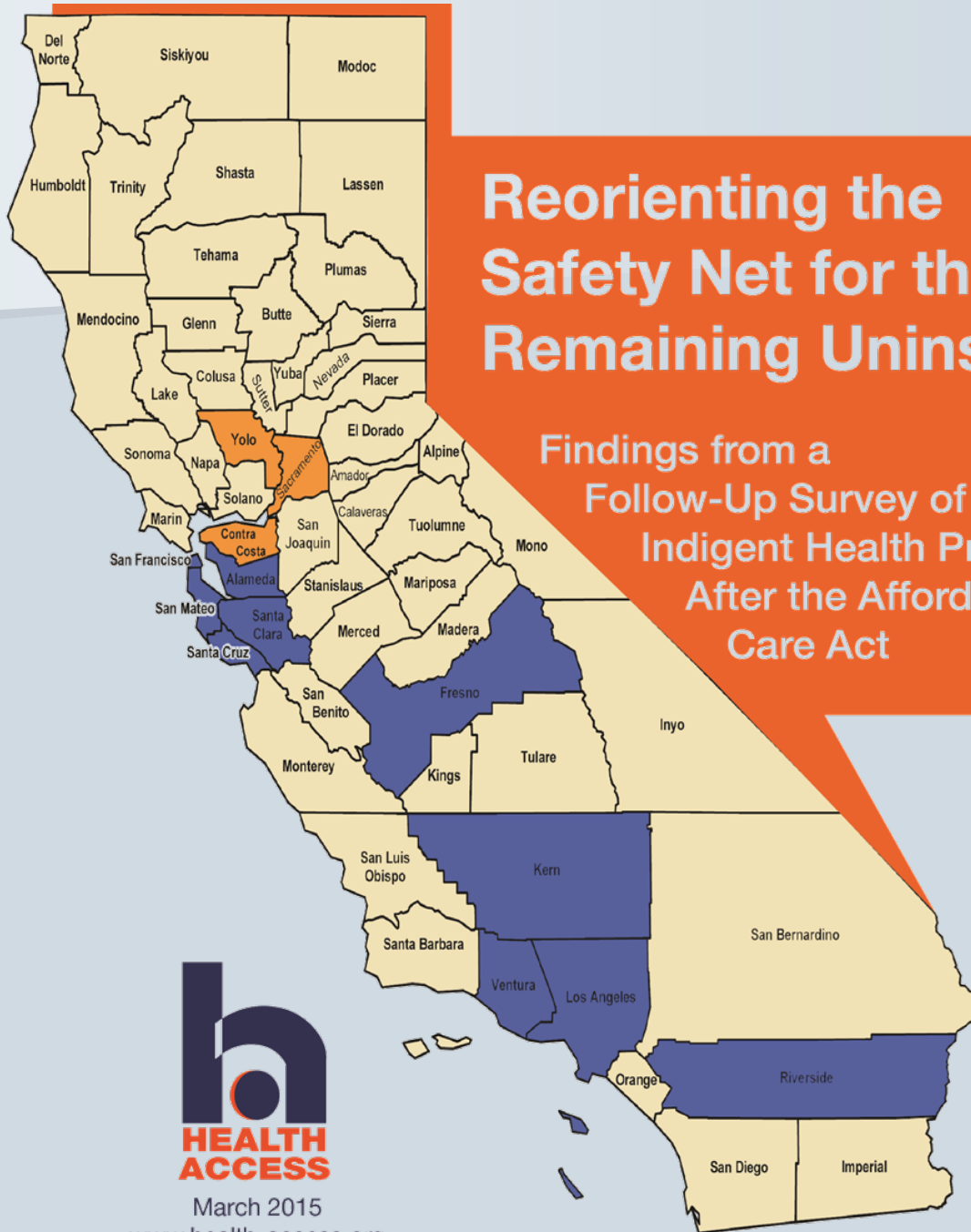


# California's Uneven Safety Net: County Indigent Care Programs After the ACA

	Enrolled 2013 Pre-ACA	Served Now (Late 2014)	Income Limit:%FPL	Ages Served	Name of Indigent Care Program	Type/AB85 Formula
Alameda*	90,603	37,000	200%	19-64	HealthPAC	Public Hospital
Contra Costa	11,212	0	300%	19+	Basic Health Care	Public Hospital
Fresno*	18,841	616	114%	21-65	MISP	Payor - Formula
Kern*	9,121	30	200%	19-64	MIP	Public Hospital
Los Angeles*	282,026	81,000***	138%	6+	My Health LA	Public Hospital
Merced	14,000	0	100%	21-64	MAP	Payor - Formula
Monterey	1292	15	200%	18-64	MAP	Public Hospital
Orange	54,278	58	200%	19-64	MSN	Payor - Formula
Placer	3,426	0	100%	19-64		Payor - 60/40
Riverside*	37,000	6,942	200%	21-65	MISP	Public Hospital
Sacramento	26,320	109	None**	19-64		Payor - 60/40
San Bernardino	32,637	511	133%	21-64	CMSP	Public Hospital
San Diego	41,664	310	350%	21-64	CMS	Payor - Formula
San Francisco*	56,048	22,000	500%	18-64	Healthy SF	Public Hospital
San Joaquin	7,428	250	200%	18-64	MAP	Public Hospital
San Luis Obispo	3,200	6	250%	19-64	CMSP	Payor - Formula
San Mateo*	31,090	20,000	200%	19+	ACE	Public Hospital
Santa Barbara	985	0	200%	21-64		Payor - 60/40
Santa Clara*	39,176	6,832	350%	19-64	Ability-to-Pay	Public Hospital
Santa Cruz*	2,560	180	100%	19-64	MediCruz Classic	Payor - Formula
Stanislaus	5,554	10	279%	21-65		Payor - 60/40
Tulare	4030	0	275%	21-65	TCMS	Payor - Formula
Ventura*	11726	0	700%	19+	Self-Pay Discount	Public Hospital
Yolo	1945	(in CMSP)	200%	21-64		CMSP - 60/40
CMSP	72,571	665	200%	21-64		CMSP - 60/40

# Reorienting the Safety Net for the Remaining Uninsured

Findings from a Follow-Up Survey of County Indigent Health Programs After the Affordable Care Act







# California's New Steps to #Health4All

- ***Secure and Expand our County Safety-Net Programs:*** Counties are the last resort of coverage. Some counties are enhancing their safety-net for the remaining uninsured, with programs like My Health LA. Fresno secured their program for the undocumented. Sacramento and 35 rural counties expanded their benefits to include the undocumented. Other counties like Contra Costa and others are considering it.
- ***Continuing California's Coverage of "Deferred Action" Immigrants:*** Affirmed in the state budget, the President's executive action had the impact of expanding the DACA/DAPA immigrants covered by state-funded Medi-Cal.
- ***Winning Medicaid Coverage For All Children Under 266% FPL—regardless of immigration status,*** Ultimately a \$132 million annual commitment to cover an estimated 170,000 more children. SB4(Lara) was signed to make it easier to enroll these children starting May 2016.
- ***Taking potentially other steps to a Statewide Solution for #Health4All:*** Pending for next year, SB10(Lara) would expand Medi-Cal to all adults regardless of immigration status, and would seek a federal waiver to allow undocumented adults to buy into Covered California with their own money. These elements got bipartisan support in the Legislature to date.



# LEGISLATIVE CAMPAIGN: SB4 (& SB10)

NEWS

## State senator wants health care for all immigrants

By [ROXANA KOPETMAN](#) / ORANGE COUNTY REGISTER

*Published: Jan. 10, 2014 Updated: 6:04 p.m.*



RICH PEDRONCELLI, ASSOCIATED PRESS

The chairman of the California Legislative Latino Caucus plans to propose a new law that would expand access to health insurance for all Californians, including those living in the country illegally.

State Sen. Ricardo Lara, D-Bell Gardens, is working with a broad coalition of organizations to map out the details of a bill that would cover undocumented immigrants, who are excluded from insurance coverage under the national Affordable Care Act, or ACA.

“Immigration status shouldn’t bar individuals from health coverage, especially since their taxes contribute to the growth of our economy,” Lara said in a news release.

# Financing #Health4All

LOS ANGELES TIMES:

**“Study sees modest costs in healthcare for immigrants here illegally”**

By [Patrick McGreevy](#) \* May 21, 2014

- *Increased health of poor Californians could reduce costs down the road, study says*

Extending healthcare to people in the country illegally would cost the state a modest amount more but would significantly improve health while potentially saving money for taxpayers down the road, according to a study released Wednesday.

The study by the UCLA Center for Health Policy Research estimates that the net increase in state spending would be equivalent to 2% of state Medi-Cal spending, or between \$353 million and \$369 million next year, while the net increase in spending would be up to \$436 million in 2019. Enrollment in Medi-Cal would increase by up to 730,000 people next year and up to 790,000 in four years.

# Financing #Health4All

- These Californians already in our health system today, getting care in the most expensive, least efficient way.
- More effectively use existing dollars:
  - Maintaining federal \$ for restricted scope ER Medicaid
  - Savings from existing programs
  - Natural recoupment from county safety-net
  - More effectively use state-only Medicaid
  - Opportunities under Medicaid waiver
- President Obama's executive action and deferred action
- Decisions to deal with the remaining costs:
  - Additional revenues face a 2/3 vote
  - **Making this a budget priority**, against other priorities
  - **Phasing in/starting with a down payment with a proposal** under a certain dollar amount.



# Additional Medi-Cal Budget Issues

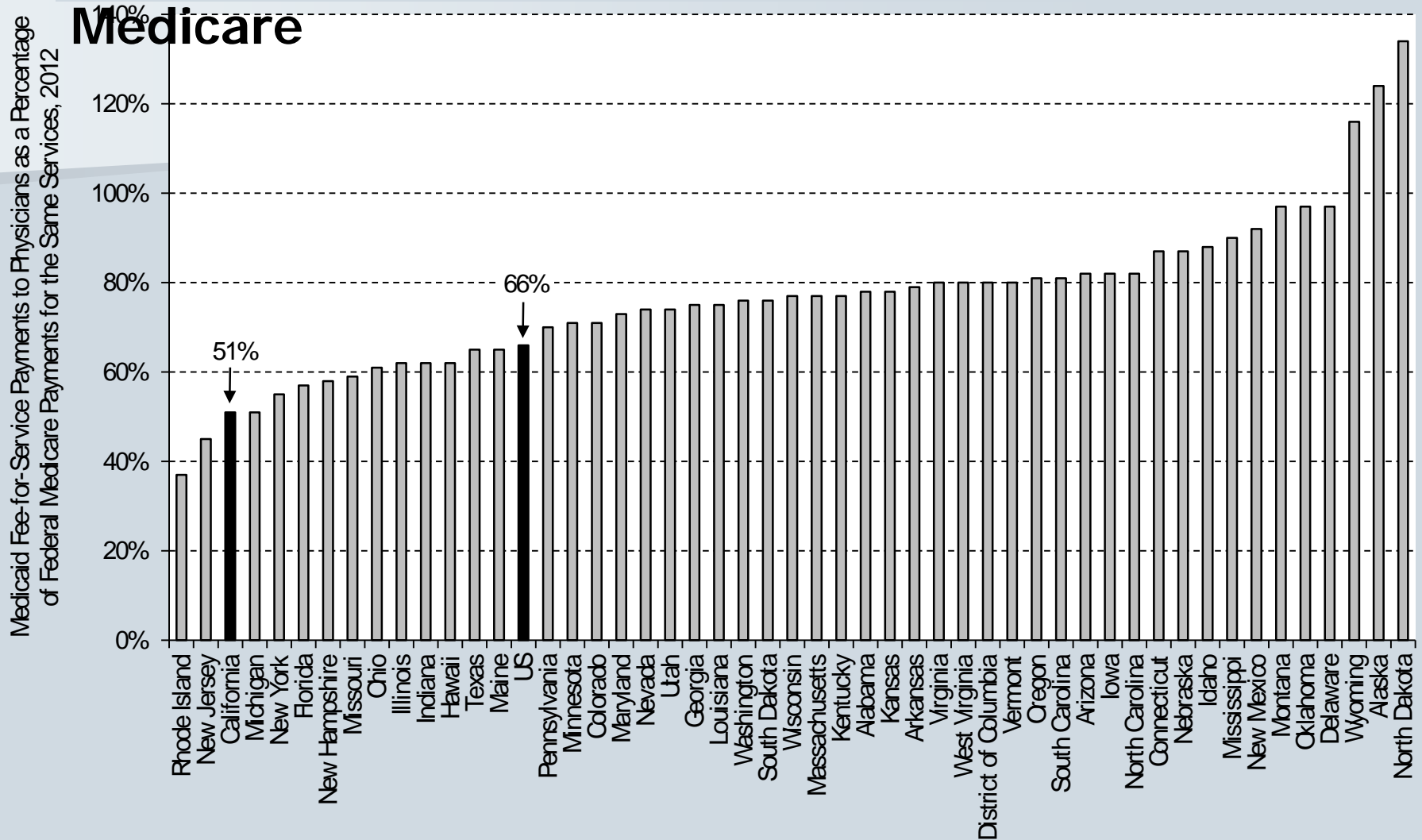
## Benefits

- In 2009, 10 benefits were cut from Medi-Cal
- Partially restored dental coverage
- Need to fully restore the package of benefits, from vision to podiatry.
- Comparatively not that much money

## Rates & Access to Care

- In 2010, AB97 cut Medi-Cal fee-for-service rates by 10%; some adjustments by CMS but still not restored;
- ACA included a 2-year primary care rate bump to Medicare levels; 73% increase nationally, around double in CA; Bump expired in the new year, January 2015

# Medi-Cal Fee-for-Service Payments A Low % of Medicare

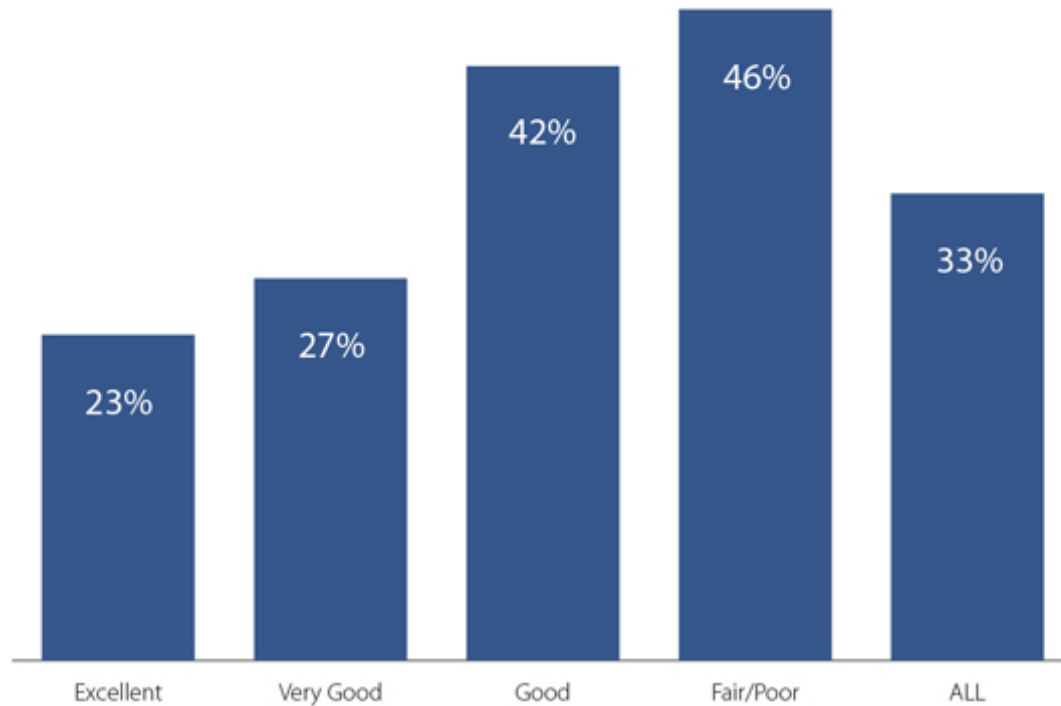


Note: Data reflect fees for primary care, obstetric care, and other services. Tennessee is excluded because its Medicaid program does not have a fee-for-service component.

Source: Kaiser Family Foundation

## Access to Specialists, by Health Status, 2012

PERCENTAGE REPORTING DIFFICULTY GETTING APPOINTMENTS



Notes: Excludes Medicare-Medicaid enrollees and enrollees unable to participate in telephone survey. Includes parents responding about their enrolled children.

Source: California HealthCare Foundation, *Medi-Cal at a Crossroads: What Enrollees Say About the Program*, research conducted by Lake Research Partners, May 2012, [www.chcf.org](http://www.chcf.org).

# Medi-Cal a Key Lifeline, But Real Issues of Access

## Medicaid matters:

- Even early results of Oregon study shows increased use of a regular place of care, a usual doctor and use preventive care; and improved mental health, and financial benefits to having coverage.
- 69% said "Medi-Cal provides access to high quality medical care." (CHCF)

## But access issues remain:

- Clear that Medi-Cal patients don't have the same access as others to doctors and specialists.
- Issues arise, as expected, with patients with specific needs; with specialists; exacerbated in certain rural/urban areas.

# Special Session

## *Need to revamp managed care organization (MCO) tax*

- *Expand from Medicaid to all health plans*
- *If not, \$1.3 billion dollars in cuts*
- *Tough politics: 2/3 votes; Republican support; Insurers*
- *Needed to just maintain status quo funding levels*

## *Need to invest in Medi-Cal*

- *Additional restorations for Medi-Cal rates & benefits, developmental disabilities, etc.*
- *Potential revenue source: \$2 Tobacco Tax Increase*
  - *Potential ballot measure*
- *Related: Tobacco Control Legislation*
  - *18 to 21 years old; E-Cigarette regulation; Local tax increases; etc*



# Budget & Medicaid Waiver

## *Budget:*

- MCO Tax Revenue Preservation
- Limiting Estate Recovery in Medi-Cal
- Access in Medi-Cal: Provider Rates
- Other Restorations to Medi-Cal Benefits, Public Health Programs

## *Medicaid Waiver Goals:*

- *More federal \$ for a safety-net that survives/thrives*
- *Improved/coordinated access to remaining uninsured*
- *Incentives that work for patients on cost/quality/equity*
- *Better integration with human services*

# Accountability on Timely Access

- The promise of “coordinated care” is that Medi-Cal is no longer “a license to hunt,” but a guarantee of access to needed care and adequate networks.
- Managed care plans (including Medi-Cal managed care) are supposed to meet timely access to care standards.
- Department of Managed Health Care has set time standards, including 10 days for a doctor or specialist appointment.
- SB964(Hernandez), sponsored by Health Access and passed last year, requires annual reviews of network adequacy, by lines of business, including Medicaid managed care plans

# Network Issues

- Headlines in the News
- "Narrow Networks"
- New Access Concerns
- Consumers and Providers
- "Mad As Hell And Not Going To Take It Anymore."
- New Scrutiny Under the Affordable Care Act and Covered California
- Centrally Important: Need to Get Right



# The Policy Response

- **Regulation** (DMHC, CDI)
- **Investigation** (DMHC Survey)
- **Negotiation** (Covered CA)
- **Litigation** (Courts)
- **Legislation** (SB964 in 2014)  
(SB137 in 2015)



**COVERED  
CALIFORNIA**



# **2015 CA Legislative Agenda: Unfair Out-Of-Pocket Costs**

- SB137(Hernandez): **Accurate Provider Directories**
- AB339(Gordon): **Prescription Drug Cost Sharing**
- AB1305(Bonta): **Double Deductible/Out-of Pocket Costs**
- AB248(Gordon): **Large Employer Junk Insurance Loophole**

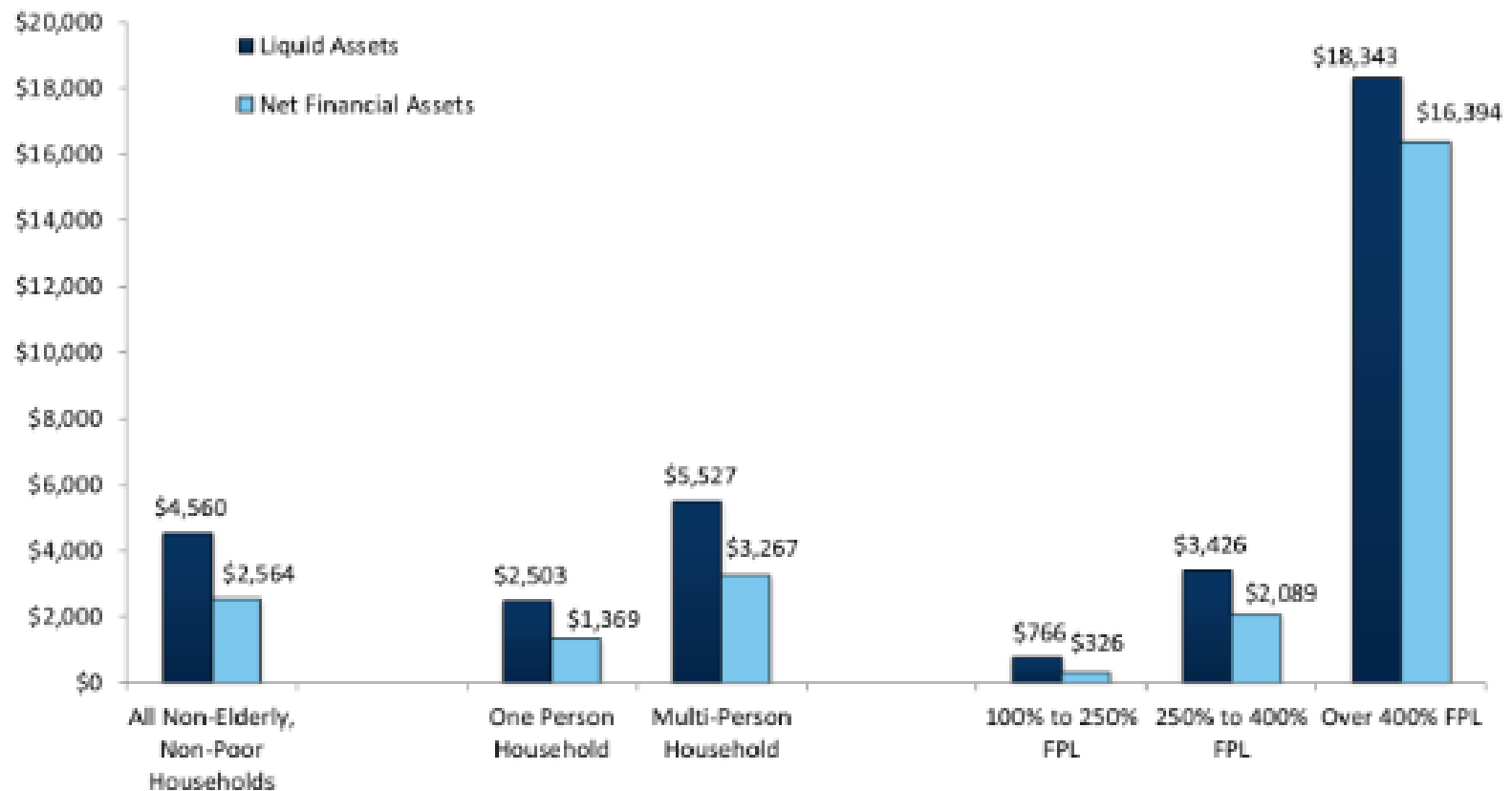
**\*\* SIGNED \*\***

# Out-of-Network Costs Not Option

Figure 1

## Median Liquid and Net Financial Assets

*Among All Non-Elderly, Non-Poor Households*



NOTES: FPL refers to the 2013 Federal Poverty Level.

SOURCE: Kaiser Family Foundation analysis of 2013 Survey of Consumer Finance (SCF) data.

# Potential 2016 CA Agenda: Implementing & Improving

- Insurer Mergers
  - Conditions
- Covered California Benefit Designs
- Additional Patient Protections
  - Surprise Medical Bills: In-Network Hospitals, Out-of-Network Docs
- 1332 Waiver
  - Possible Improvements
- **Cost, Quality, Value, Equity**

# Cost/Quality/Equity

- **Prevention:** Major investments in prevention and public health; Change delivery system to promote primary and preventative care; no cost-sharing for preventative care to encourage use; other efforts like menu labeling.
- **Bulk Purchasing** through group coverage, and a new exchange, to bargain for better rates.
- **Abolishing Underwriting** and its expense and incentives, getting insurers to compete on cost & quality rather than risk selection.
- **Information Technology** to foster electronic records, reduce bureaucracy, get better data on cost & quality
- **Better Research from Transparency Efforts** on prices and health outcomes; and on **comparative effectiveness** of key treatments.
- **Patient Safety** measures to reduce hospital-acquired infections, reduce hospital re-admissions, etc.
- **Payment Reforms** to reward quality & better health outcomes, including better care coordination and disease management;
- **Coverage for all** both directly (prevention, reduces cost-shift) reduces costs and helps provides policy tools for further efforts.



# Next Steps: Fulfilling the Full Promise of Health Reform

*“What we are getting here is not a mansion but a starter home. It’s got a good foundation: 30 million Americans are covered. It’s got a good roof: A lot of protections from abuses by insurance companies. It’s got a lot of nice stuff in there for prevention and wellness. But, we can build additions as we go along in the future” –Senator Tom Harkin*

- Including the Excluded/Covering the Undocumented
- Fixing Flaws in the Law/Closing Gaps
- Consumer Protections: Access and Cost-Sharing
- Improved Health Care Delivery System
  - Quadruple Aim: Value, Outcomes, Quality, Equity
- More on Affordability & Cost Containment
  - Rate Regulation; Public Option; Path to Single-Payer, Etc.



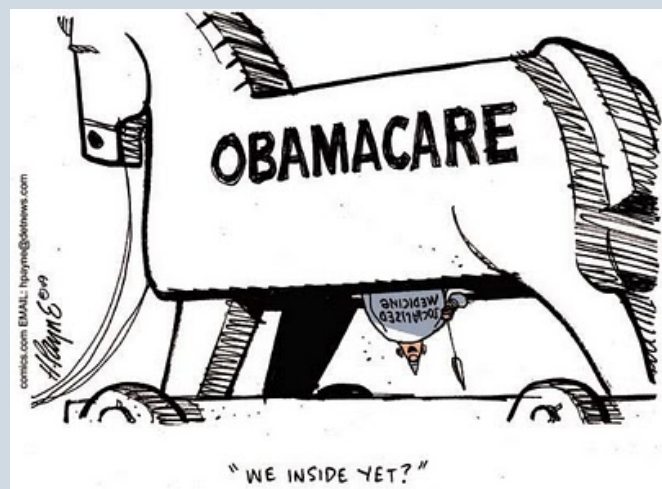
## A Platform On Other Issues



# DEFUND OBAMACARE



There's a reason for the opposition, and it isn't just health care...



# “GIFTS”

*“What I would do if I were a Democrat running four years from now, I’d say, you know what, dental care will be included in Obamacare.”*



*\* Medi-Cal: Adult Dental Partially Restored May 2014*

*\* Covered California:*

- Pediatric Dental in Stand-Alone Plans in 2014*
- Pediatric Dental Embedded in 2015*
- Family Dental Offered as Additional Option in 2016*



SB35(Padilla)

“The federal government’s biggest attack on economic inequality since inequality began rising more than three decades ago...” – *David Leonhardt, The New York Times, 3/23/2010*



Beyond Preventing Medical Bankruptcy:

Progressive Revenue & Distribution \* Income Support  
Affordability \* Health Jobs \* On-The-Job Benefits  
Economic and Community Development



Changes to coverage, mental health, and substance abuse treatment can and should have ripple effects throughout criminal justice, policing, county services, and corrections...



# A Political Realignment for Prevention and More?





Social Security was part of the New Deal;  
Medicare/Medicaid was part of the Great  
Society;  
What will we build alongside the ACA?





**“We do big things.”**  
 --President Barack Obama

“Health care is at the center of our collective demands for economic security, racial justice, gender equality and a fairer distribution of wealth in our society.”  
 --HCAN

Fully cognizant of the flaws in our processes, politics, and politicians, what is our vision for our generation’s Great Society, our New Deal?

How can we use the platform of the Affordable

# For more information

Website: <http://www.health-access.org>

Blog: <http://blog.health-access.org>

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