

# Health Care Reform

California's approach

# Reform Goals

- Vision to create a seamless, integrated system of care
  - Low income and vulnerable populations
  - “No wrong door”
  - Medical homes
  - Comprehensive and integrated
    - Behavioral Health, Long term services and supports

# Health Care Reform in California

- 2014 – just 2 years away
- CA is preparing for reform
  - 1115 Waiver - A Bridge to Reform
  - Duals Eligibles
  - Pre-existing Condition Insurance Program
  - Exchange

# 1115 Waiver – A Bridge to Reform

- Seniors and Persons with Disabilities
- Low Income Health Programs
- CCS Demonstration Projects
- Public Hospital financing

# Seniors and Persons with Disabilities

## Medi-Cal only

- Mandatory enrollment began June 1
- Relatively smooth
  - About 30,000 enrolled each month
  - Up tick in exemption requests
  - Number of default enrollments are going down
  - Virtually no call to Ombudsman

# Low Income Health Program

- County/Federal Program
- Low income, Childless Adults
  - Up to 133% FPL
- 10 “legacy” counties operational
- Rest of Counties on-line through fall
- Final go-live January 1 for CMSP counties

# Low Income Health Program

- Ryan White Issue
  - Payer of last resort
  - Impacts on Counties
    - Some changes in FPL
      - Waiting lists
      - Network differences

# CCS Demonstration Projects

- Probably 5 projects
  - Integrate CCS Services with other primary, acute, behavioral and long term support services
  - Bid announcements in next few weeks

# Public Hospital Financing

- Major component of the 1115 Waiver
  - Support the safety net through the reform period
  - Includes a quality improvement program

# Dual Eligibles

- People eligible for both Medicare and Medi-Cal
- Medicare is primary
- 1.1 Million in California

# CMS Vision

- Integrate Medicare and Medi-Cal benefits
  - medical, behavioral, long term care and social supports
- One stop shopping for beneficiaries
  - Single card?
- Plans or providers bear financial risk
- Federal and state share in savings
- Strong beneficiaries protections

# California Duals Project

- \$1 million CMS planning grant
  - One of 15 states
- Requests For Information in May
  - 39 responses
  - Meeting on August 30 to hear
    - Responses, ideas and concerns
  - Gearing up at DHCS
    - New Deputy
    - New LTC Division Chief

# Duals Concepts

- Integrate preventive, acute, behavioral, pharmacy and long term care
  - Entire continuum – maybe include dental
  - Financial model
    - Three way contract
      - Capitated
      - Plans at risk
      - All share savings

# Behavioral Health Role

- Focused part of CMS planning
  - CA challenge to integrate County mental health systems with CMS, State and Plans
    - Financial considerations
    - Benefit considerations
    - Network considerations

# Personal Care Services

- IHSS large part of Duals systems of care
  - Integrate into Health Plans?
    - How will authorizations work?
    - How will payments flow?
    - Role of Counties?
    - Role of Public Authorities?
- Very similar to behavioral health integration considerations

# Dual Project timeframes

- Policy meeting through Fall
  - Enrollment
  - Financing
  - Benefit integration
  - Integration of regulation and oversight
- Sight selection early 2012
- Program development 2012
- Go live November 2012

# Other Reform Activities

- Pre-existing condition insurance plan
  - In MRMIB
  - For individuals unable to find insurance
  - PPO product
  - Rates are discounted from commercial
    - Co-pays and deductibles

# Health Care Exchange

- Under construction
- Marketplace for individuals and small groups to purchase subsidized insurance
- Four products
  - Precious metals
- Creating eligibility systems now
- \$38 Million grant to build system

# Conclusion

- Reform in California
  - A Bridge to Reform
    - LIHPs
    - SPDs
    - CCS
    - Hospital financing
  - Dual Eligible Project
  - PCIP
  - Exchange