

The Good, The Bad, The Great

*Realizing the Promise of Federal
Health Reform while
Navigating the Stormy State
Budget*

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San Francisco Health Plan: Who We Are

- Public health insurance plan serving over 60,000 low and moderate income San Franciscans
 - Medi-Cal
 - Healthy Families
 - Healthy Workers
 - Healthy Kids
- Perform day to day administration for Healthy San Francisco
- Committed to our providers, our members, participants & the safety net
- Quality Plan: State of CA designated Gold Quality Award Winner, past 4 years



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The Good

- **San Francisco: National Leader in Health Care Coverage & Access**
 - **Universal Coverage of Children**
 - 99.2% coverage of all kids in San Francisco
 - **Universal Access for Adults**
 - 54,000 otherwise uninsured adults covered by Healthy San Francisco
 - **“Culture of Coverage” exists via strong network of:**
 - Application Assistors, Eligibility Workers, Community Resource Navigators
 - Safety Net Providers
 - SF Department of Public Health
 - SF City Leadership



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Federal Health Reform Fundamentally Changes Health Care Delivery System

2010

- Dependent coverage to age 26
- No cost sharing for preventive services
- No more lifetime limits, and restrictions on annual limits
- No pre-existing condition exclusions for kids



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California Leads in Implementing Federal Health Reform & Improving the Health Care Delivery System

- CA Health Benefits Exchange, 1st in the nation, approved in 2010
- Seniors and Persons with Disabilities into Medi-Cal Managed Care
- California's New 1115 Waiver: Bridge to Health Reform.
 - \$10 Billion Waiver over 5 years. Largest waiver ever approved by Center for Medicare & Medicaid Services.



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California Leads in Implementing Federal Health Reform & Improving the Health Care Delivery System

- June 2011: Low Income Health Program (LIHP) component of the 1115 Waiver begins on a statewide basis, eventually adding 500,000 more Californians into coverage.
- Previous coverage initiative only funded in 10 counties.
- Purpose of LIHP's is:
 - Get uninsured and safety net providers ready for 2014 Medi-Cal expansion
 - Improve health care quality and outcomes for the uninsured
 - Maximize federal funding to the safety net



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California Leads in Implementing Federal Health Reform & Improving the Health Care Delivery System

- LIHP in San Francisco:
 - 11,000 Healthy San Francisco participants move into *San Francisco Provides Access to Health Care (SF PATH)*.
- SF PATH begins July 1.
- Similar to HSF but with more benefits and for some, lower cost sharing:
 - Limited to DPH Medical Homes
 - 0 -150% FPL = no participation fees
 - Out of network emergency & post-stabilization care
 - Non-emergency transportation
 - Right to appeal, State fair hearing



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SFPATH
SAN FRANCISCO
PROVIDES ACCESS TO
HEALTHCARE



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The Bad

(and it's really bad)

- CA's ongoing budget problems results in ongoing, major reductions to critical health care programs for low income people.
 - March 24: \$11B in cuts signed into law by Governor.
 - This is only a *partial* solution to the state's \$26.6B budget deficit.



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The Bad

Medi-Cal

- **Mandatory Co-pays** (subject to federal approval)
 - \$5 for every physician or clinic visit;
 - \$3 (generics) or \$5 per prescription;
 - \$50 for emergency room visits (emergencies & non-emergencies) and \$100 per day, with a maximum of \$200 per admission, for inpatient services;
 - \$5 for every child's dental visit.
- **Rate Reductions**
 - 10% provider rate reduction in Medi-Cal starting June 1, 2011 or upon federal approval. Reinstates March 1, 2009 rate cuts of 1% on FFS and 5% on pharmacy through May 31, 2011.
- **Utilization Controls**
 - Eliminated coverage of over-the-counter cough and cold products, and imposes an annual dollar maximum of \$1,510 on hearing aids.



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The Bad

- **Utilization cap of 7 visits annually** to physicians and clinics for adults unless MD certification of medical necessity. Applies to:
 - Hospital Outpatient Department;
 - Outpatient Clinic;
 - Federally Qualified Health Centers (FQHCs); and
 - Physician Offices
- **Adult Day Health Care**
 - Eliminates ADHC as a Medi-Cal optional benefit, reduces funding by \$90M and creates a more narrowly-defined ADHC benefit.



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The Bad

Healthy Families

- June 1 (or upon federal approval), premiums will increase as follows:
 - **\$14 per month increase** for families from 151% to 200% FPL (from \$16 to \$30) and increases the family monthly maximum by \$42 for a total of \$90 for a family of three or more.
 - **\$18 per month increase** for families from 200% to 250% FPL (from \$24 to \$42) and increases the family monthly maximum by \$54 for a total of \$126 for a family of three or more.
- **Healthy Families Hospital Co-Pays**
 - Conforms to the Medi-Cal copay levels for ER and hospital stays, subject to federal approval.
- **Healthy Families Vision Coverage**
 - Reduces vision coverage by \$3 million, without eliminating the benefit.



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But Wait – It May Get Worse

- **May Revision Proposal to Healthy Families**
 - Shift ~ 900,000 kids from HFP to Medi-Cal beginning January 2012
 - Approximately 30% rate reduction to providers
 - Over 504,000 kids would have to switch plans
 - Some may have to change 2x in 3 months, since prior budget cuts have already reduced plan availability (October 1, 2011 & January 1, 2012)



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But...There Is Hope

- Medi-Cal co-pays, utilization limits and rate cuts need federal approval.
- Healthy Families premium increases and co-pays also require federal approval.
- May Revision proposal to move HFP kids into Medi-Cal not yet approved by the Legislature.
- Rate cuts are being litigated and courts may hold them up.



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The Great

2014: Federal Health Reform Kicks In

- Expansion of Medicaid and establishment of national floor to 133% of the FPL (plus 5% income deduction = 138% of the FPL).
 - No more of this:
 - Arkansas working parent: 17% of FPL
 - California working parent: 106% of FPL
- **Simplification of Medi-Cal**
 - Elimination of asset test & most income disregards (except elderly, duals, SSI, foster care)
 - Based on modified adjusted gross income
 - Single statewide enrollment form for Medi-Cal, HFP, Exchange



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The Great

- Major changes to expand availability and affordability of private coverage by 2014.
 - No more denials based on pre-existing conditions
 - Everyone will need to have insurance (individual mandate)
 - Creation of health insurance exchanges to make purchasing easier, understandable, and affordable
 - Premium and cost sharing subsidies in the Exchange up to 400% of FPL
 - Single person: up to \$43,560
 - Family of 4: up to \$89,400



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The Great

- Over 2 million Californians will become newly eligible for Medi-Cal due to federal reform
 - Over 40,000 more San Franciscans will qualify for Medi-Cal
 - Most SF PATH, HSF members will transition into Medi-Cal
 - Primary Care Physicians will receive rate increase through 2015 (100% of Medicare rates)
- 2.5 million Californians projected to be eligible for subsidies in the CA Health Benefit Exchange
 - 90,000 San Franciscans projected to be in the Exchange

50,000 fewer uninsured in San Francisco!



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The Challenge: How to Close the Gap Between Eligibility & Actual Enrollment

- Medi-Cal: Move over 2 million newly eligible into Medi-Cal in 2014.
- Medi-Cal: Move over 900,000 currently *eligible* but *unenrolled* into Medi-Cal.
- Exchange: Enroll 2.5 million people starting 2014.



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Helping Meet the Challenge: Federal Health Reform Establishes Navigator Program

- Navigators will have a key role in enrolling/retaining coverage in all public programs
 - Exchange will be a new portal for enrolling into all forms of public coverage (Medi-Cal, Exchange)
 - Newly eligible need help getting and keep coverage
 - Individual mandate will impose a tax penalty
- Exchange will directly fund navigators through grants



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Role of the Navigator Under Federal Law

- Educate public about availability of subsidized insurance
- Be fair and impartial information source
- Help consumers enroll in the Exchange
- Assistance in culturally and linguistically competent manner
- Referral to consumer assistance sources, such as ombudsman, Office of the Patient Advocate, etc.



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Helping Meet the Challenge: Federal Health Reform Establishes Navigator Program

- Who Can Be A Navigator?
 - Entities with established relationships with those eligible for Exchange:
 - The uninsured & underinsured
 - Self-employed individuals
 - Employers
 - Employees
 - Anyone meeting the qualifications set out by the Secretary of HHS and the CA Health Benefit Exchange
 - Barred:
 - Health insurers
 - Anyone that receives money from a health insurer for enrolling someone in a plan
 - Anyone with a conflict of interest



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Does this...?



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The Great - Your Role

- **YOU: Assist, navigate, get people eligible for health care coverage**
 - Trusted source of information about public coverage
 - Understand maze of public coverage rules
 - Understand importance and challenge of retention/renewal
 - Cultural and linguistic competency
 - Deep ties to many communities: seniors; people with disabilities; low and moderate income individuals and families; immigrants



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You Are Key to Health Reform Success

- **Won't work in CA unless:**
 - Everyone has health insurance and access to care
 - Close to 5 million eligible people enroll in public programs and the Exchange
- **You are key to making this happen!**



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Prepare & Be Aware

- CA Health Benefit Exchange will be determining qualifications for navigators in CA
- CHBE already meeting twice a month, must be ready to enroll by 2013, will begin operations in 2014.
- GGHI can provide important input to CHBE re: navigator qualifications
- Why?
 - Legislation introduced this year to require navigators to become licensed agents/brokers



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Questions?

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Thank you!

