Health Care Reform & Medi-Cal

Looking to 2014

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Associate Director
Presentation Outline

- Medi-Cal Today
- Medi-Cal Inmate Eligibility Program
- The Patient Protection & Affordable Care Act
- Medi-Cal & Health Care Reform
Eligibility, Services and Demographics
Current Eligibility Rules

- Coverage groups based on linkage i.e. families with dependent children, pregnant women, seniors, disability, blindness
- Income eligibility – earned/unearned income plus allowable exemptions/deductions
- Property/assets
- Residency
- U.S. citizen
Current Income Eligibility Thresholds

Source – California HealthCare Foundation
## Required V. Optional Services

<table>
<thead>
<tr>
<th>REQUIRED SERVICES</th>
<th>OPTIONAL SERVICES</th>
</tr>
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<tbody>
<tr>
<td>In/outpatient hospital</td>
<td>Prescription drugs</td>
</tr>
<tr>
<td>Physician visits</td>
<td>Medical equipment and supplies</td>
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<tr>
<td>Lab tests and x-rays</td>
<td>Targeted case management</td>
</tr>
<tr>
<td>Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21</td>
<td>Adult day health</td>
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<tr>
<td>Family planning and supplies</td>
<td>Personal care services</td>
</tr>
<tr>
<td>Federally Qualified Health Centers (FQHC)</td>
<td>Physical therapy</td>
</tr>
<tr>
<td>Certified midwife</td>
<td>Intermediate Care Facilities for Mentally Retarded (ICF/MR)</td>
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<tr>
<td>Certified nurse practitioner</td>
<td>Inpatient psychiatric for children under 21</td>
</tr>
<tr>
<td>Nursing home care for adults over 21</td>
<td>Rehabilitation for mental health and substance abuse</td>
</tr>
<tr>
<td>Home health services*</td>
<td>Home health care therapies</td>
</tr>
<tr>
<td>Nurse midwife services</td>
<td>Hospice</td>
</tr>
<tr>
<td>Pregnancy-related services, including 60-days postpartum care</td>
<td>Occupational therapy</td>
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<tr>
<td></td>
<td>Vision services and eyeglasses*</td>
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<tr>
<td></td>
<td>Dental care and dentures*</td>
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<tr>
<td></td>
<td>Audiology and speech therapy*</td>
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<tr>
<td></td>
<td>Chiropractic*</td>
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<tr>
<td></td>
<td>Psychology services*</td>
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<tr>
<td></td>
<td>Acupuncture*</td>
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*Partial list effective July 1, 2009
* For people who meet the criteria for nursing facility level of care
* These benefits will only be covered for Medi-Cal beneficiaries who are under 21 years of age or who reside in a nursing facility

Demographic Summary

52% of Medi-Cal beneficiaries are children. 23% are women of reproductive age.

56% live in southern California.

54% of beneficiaries are Hispanic. 47% have a primary language other than English.

1 in 5 Californians is covered by Medi-Cal.

California is the most populous state in the nation and is the most ethnically diverse.

27% of California residents were born in another country.
Medi-Cal Enrollment Channels

Includes all applications with channel and demographic data for 10/2011, 2/2012, 5/2012, and 8/2012
Unemployment and Medi-Cal Enrollment

“As workers are laid off or have their hours and earnings reduced, more families become eligible for coverage through Medicaid....For every increase of 1 percentage point in the national unemployment rate, it is estimated that an additional 1 million Americans turn to Medicaid for coverage...”

Health Care and Medicaid – Weathering the Recession
Diana Rowland Sc.D.
The New England Journal of Medicine

Created by the Research and Analytic Studies Branch, California Department of Health Care Services
http://www.labormarketinfo.edd.ca.gov/favicon.ico
Medi-Cal Inmate Eligibility Program
Inmate Program Summary

Centers for Medicare and Medicaid Services (CMS) criteria allows for federal financial participation (FFP) consideration for inmates only when they are an inpatient, off the grounds of the correctional facility who are otherwise eligible.

**Programs for State correctional facility Inmates:**

- Adult inmates eligible for Medi-Cal – April 2011
- Adult inmates eligible for LIHP – October 2011
- Medical Parole – June 2011
- Juvenile inmates eligible for Medi-Cal

**Programs for County correctional facility Inmates:**

- Adult Inmates eligible for Medi-Cal
- Juvenile inmates eligible for Medi-Cal
- Medical Probation/Compassionate release for county inmates
Overview of State Inmate Applications

Total applications April 1, 2011 - March 21, 2013 is 5454:

- Medi-Cal: 1361 (25%)
- LIHP: 3814 (70%)
- Medical Parole: 47 (1%)
- Pending disability evaluation: 232 (4%)
Medi-Cal Inmate Eligibility Program

- Assembly Bill 1628 (Chapter 729, Statutes of 2010) and Senate Bill 92 (Chapter 36, Statutes of 2011) authorize the California Department of Corrections and Rehabilitation (CDCR) and the Department of Health Care Services (DHCS) to draw down federal funds for Medi-Cal-covered inpatient hospital services provided to eligible State and County adult and juvenile inmates off the grounds of the correctional facility.

- Section 1115(a) of the Medicaid Bridge to Reform Waiver extended health care benefits to Low Income Health Program (LIHP) eligible inmates. In October 2011, the Department began receiving applications to enroll inmates into LIHP.
Application Process

- A state inmate is admitted into a hospital off the grounds of the correctional facility.

- Application with all necessary documentation is initiated by the California Correctional Health Care Services (CCHCS) on behalf of the inmate and submitted to DHCS.

- CCHCS is the court-appointed receivership responsible for the health care provided to state inmates.
Application & Eligibility

- If applicant ineligible for Medi-Cal, an evaluation for LIHP is performed.
- If eligible, enrollment information is forwarded to the appropriate county for enrollment in the local LIHP.
- Annual redeterminations and ongoing case maintenance are completed by MCED staff.
- Eligibility discontinued when a LIHP eligible inmate paroles.
- The county and CCHCS are notified when LIHP eligibility is discontinued in MEDS for a state inmate.
When a State MCIEP Inmate Paroles

- When a MCIEP beneficiary is released from prison, this is considered a change in circumstances.

- DHCS notifies county of the inmate’s date of release.

- If state inmate is on Medi-Cal and paroles, county staff must follow evaluate the case for ongoing eligibility.

  - **Note:** When an eligible inmate is paroled, Medi-Cal-covered services are no longer limited to patient services.

- If a state inmate is on LIHP and paroles, benefits are terminated by MCED with proper notice.
Medical Parole for State Inmates

- SB 1399 (2010) authorizes the California Department of Corrections and Rehabilitation (CDCR) to grant medical parole to eligible state inmates who have been deemed permanently medically incapacitated by the medical parole board and by the head physician of the institution where the inmate is located.

- An inmate granted medical parole is potentially eligible for full scope Medi-Cal.

- Inmates who are medically paroled are typically placed into Long Term Care (LTC) facilities off the grounds of the correctional facility.
Enrolling County Inmates into Medi-Cal or LIHP

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SB 1462 (2012) authorizes a county sheriff, or designee, to compassionately release or request the court resentence a prisoner from a county jail to medical probation, if the prisoner:

- does not pose a threat to public safety.
- has a life expectancy of six months or less.
- is physically incapacitated, or needs long term care.

Counties are required to pay the non-federal share of Medi-Cal expenditures for a medical probationer or county inmate compassionately released for the period of time the offender would have otherwise been incarcerated.

If the county determines that the former inmate can provide for their own medical care once compassionately released or granted medical medical probation, the county is not be required to pay the former inmate’s medical expenses.
AB 396 (2011) authorizes DHCS to develop process allowing counties and CDCR, Division of Juvenile Facilities (DJF), to receive any available FFP for acute inpatient hospital services and inpatient psychiatric services provided to Medi-Cal eligible juvenile inmates admitted into a hospital off the grounds.

AB 396 took effect on January 1, 2012.
On January 1, 2014, eligible inmates may transition from the LIHP to Medi-Cal as Medi-Cal “Newly Eligibles” for services received now:

- In-patient
- Off-site

Medi-Cal newly eligible beneficiaries are eligible for 100% FFP.
The Patient Protection and Affordable Care Act
Milestones in National Health Policy
1912 - 2010

1912  T. Roosevelt Progressive Party Platform
1935  Social Security Act
1945  Truman Health Message
1956  Eisenhower insurance market reforms proposed
1965  Medicare and Medicaid enacted
1970  Kennedy –Griffiths
1974  Nixon CHIP proposal considered
1979  Carter National Health Plan
1990  Pepper Commission
1992  Bush vouchers/tax subsidies
1993  Clinton Health Security Act
1997  Children’s Health Insurance Plan
2010  Patient Protection & Affordable Care Act
Major Components

- Expands coverage to about 32 million
- Protections to 200+ million with insurance
- Improves quality and system performance
- Emphasizes prevention and wellness
- Promotes workforce development
- Promotes cost reductions and efficiencies
Key Coverage Provisions

- Maintains employer-based system, with requirements
- Maintains private insurance market
- Requires insurance - "individual mandate"
- Expands Medicaid significantly (to 133% FPL)
- Creates health insurance exchanges, with subsidies for many (up to 400% FPL)
- Enacts numerous health insurance reforms
Expanding Insurance Coverage

- Medicaid Coverage (up to 133% FPL)
- Exchanges (subsidies 133-400% FPL)
- Employer-Sponsored Coverage
- Individual Mandate
- Health Insurance Market Reforms
- Universal Coverage
Individual Mandate

- Individuals will be *required* to have health coverage that meets minimum standards in 2014
  - Mandate enforced through the tax system

- Individual mandate spreads costs among whole population

- Penalty for not having insurance: greater of $695 ($2085 for family) or 2.5% of family income

- Exemptions for certain groups and if people cannot find affordable health insurance
Health Insurance Improvements

- Reform the health insurance market
  - Prohibit pre-existing condition exclusions
  - Prohibit rescinding coverage
  - No annual or lifetime limits on coverage

- Improve benefits for those with insurance
  - Cover preventive services with no cost-sharing
  - Establish minimum benefit standards
  - Limit out-of-pocket spending for consumers
Health Insurance Exchanges

- State Exchanges — insurance marketplaces - for individuals and small businesses

- All Exchange insurance plans must provide “Essential Health Benefits”

- Exchange plans offered by competing insurers with comparable values:
  - Bronze [60%] Silver [70%], Gold [80%] or Platinum [90%].
# Medicaid vs. Subsidized Exchange Coverage: Differences in Eligibility and Premiums

<table>
<thead>
<tr>
<th>Income</th>
<th>Medicaid</th>
<th>Exchange</th>
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</thead>
<tbody>
<tr>
<td>≤138% FPL</td>
<td>139-250% FPL</td>
<td>251-400% FPL</td>
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<table>
<thead>
<tr>
<th>Premiums</th>
<th>Medicaid</th>
<th>Exchange</th>
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</thead>
<tbody>
<tr>
<td>None</td>
<td>Limited to 3.00-8.05% of Income</td>
<td>Limited to 8.05-9.50% of Income</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Cost Sharing</th>
<th>Medicaid</th>
<th>Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited to nominal amounts for most services</td>
<td>Credits based on sliding scale</td>
<td>None</td>
</tr>
</tbody>
</table>

Coverage Continuum in 2014

Federal Poverty Level:
- 0%: $31,322
- 100%: $70,650
- 200%: $94,200

Insurance Affordability Programs:
1. Medicaid (Medi-Cal)
2. CHIP (Covered through Medi-Cal)
3. Access for Infants & Mothers
4. BHP (state option)
5. Premium Tax Credits and Cost Sharing Reductions for Qualified Health Plans
6. Qualified Health Plans
Implementation Timeline

2010
- Some insurance market changes—no cost-sharing for preventive services, dependent coverage to age 26, no lifetime caps
- Pre-existing condition insurance plan
- Small business tax credits
- Premium review

2011-2013
- No cost-sharing for preventive services in Medicare & Medicaid
- Increased payments for primary care
- Reduced payments for Medicare providers & health plans
- New delivery system models in Medicare & Medicaid
- Tax changes and new health industry fees

2014
- Medicaid expansion
- Health Insurance Exchanges
- Premium subsidies
- Insurance market rules—prohibition on denying coverage or charging more to those who are sick, standardized benefits
- Individual mandate
- Employer requirements
Sources of Health Insurance Coverage in California

Source: California HealthCare Foundation. SNAPSHOT California’s Individual and Small Group Markets on the Eve of Reform, 2011.
Eligibility for ACA Coverage Expansions
Adults and Children Uninsured During the Past 12 Months, Ages 0-64, CA 2009

ACA Eligibility Changes to Medi-Cal

- Collapses eligibility into four major categories
- Income rule - *Modified Adjusted Gross Income*
  - on tax returns plus tax exempt interest, tax exempt Social Security and foreign earned income
- Use of single streamlined application for all health subsidy programs
- Simplifies eligibility verifications
  - Use of self-attestation & “reasonably compatible” review
  - Federal electronic verification hub
Eligibility & Enrollment Requirements

- States will use a single streamlined application for all insurance affordability programs that is available for submission through multiple avenues.

- States will streamline enrollment processes and rely on electronic data matches to verify eligibility criteria.

- States will coordinate eligibility determinations with exchanges and other insurance affordability programs.
The ACA provides 100% FMAP for the optional Medicaid expansion population in the first three years, then declines to 90% by 2020:

- 2014 to 2106 – 100%
- 2017 – 95%
- 2018 – 94%
- 2019 – 93%
- 2020 – 90%
- On-going after 2020 – 90%
Medi-Cal Expansion Projections

- 1.4 million Californians under 65 will be newly eligible for Medi-Cal in 2014 due to the ACA.

- In addition, 1.3 million Californians are currently eligible for Medi-Cal, but not enrolled.

- An estimated 1.2 and 1.6 million Californians will have coverage through Medi-Cal by 2019.

[http://laborcenter.berkeley.edu/healthcare/aca_implemented.shtml](http://laborcenter.berkeley.edu/healthcare/aca_implemented.shtml)
Early Expansion via 1115 Waiver

Low Income Health Program

- 51 of 58 counties with enrollments of 552,000
  - 93% of estimated LIHP enrollees under 138% FPL
- California leads early Medicaid expansion nationally
  - Five states have early Medicaid expansion
  - California’s LIHP accounts for 80% of all early expansion
- $367 million in FFP payments to date for health care services provided to local LIHPs
Enrollment Pathways - 2014

- CALHEERS on-line portal
- SAWS on-line portals
- In-person at county offices
- Community-based assisters
- Providers – clinics, hospitals
- Phone – Covered California Service Center
- Mail
Thank You

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