

SUBJECT: Low Income Health Program Application

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BACKGROUND:

Riverside County's proposal to submit a Low Income Health Program (LIHP) application is in follow up to the Board workshop held on October 18, 2010 concerning "Riverside County Healthcare Services Reform and Design." The LIHP application reflects a collaborative effort between Riverside County Regional Medical Center, the Community Health Agency/Department of Public Health, Department of Mental Health, Department of Public Social Services, and the Office on Aging. In addition, the Inland Empire Health Plan is participating as a strategic partner and will provide administrative services on a contractual basis to support LIHP implementation.

The afore mentioned workshop discussed how California would use one component of its recently renewed Section 1115 Comprehensive Demonstration Project Waiver as a bridge to health care reform implementation. The Waiver includes the establishment of the LIHP to expand health care coverage to low income, uninsured adults who are not eligible for Medi-Cal or other public programs. It will have two components: the Medicaid Coverage Expansion (MCE), which will be available to individuals with incomes up to 133% of the Federal Poverty Level (FPL) and the Health Care Coverage Initiative (HCCI) for individuals with incomes between 134-200% FPL.

Health care services will be provided through a primarily county-based system of providers, plus some other participating providers. In 2014 MCE enrollees will be transitioned into Medi-Cal and HCCI enrollees will be eligible to participate in the new health care exchange. The California Department of Health Care Services (DHCS) is capitalizing on the option to initiate early implementation of federal Medicaid expansion prior to 2014, to enable counties to obtain additional federal funding. Counties will be responsible for contributing the non-federal share dollars to draw down federal funds, due to the current State budget. The County will be required to assure compliance with the Maintenance of Effort (MOE) set forth in the LIHP by expending non-federal funds for services to low-income individuals in the annual amount of no less than the amount expended by the County in State Fiscal Year 2009/2010. There will be no financial impact related to the approval and submission of the LIHP application.

Upon approval of Riverside County's LIHP application, the DHCS will prepare a contract for Riverside County's execution. At that time a Form 11 will be submitted to the Board to approve the contract, and it will also include the necessary adjustments to the budget.

REVISED