MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

1:00 p.m. being the time set for a workshop on Health Care Governance.

Doug Bagley presented the matter and gave a Power Point Presentation.

Roll Call:

All Present: Jeffries, Tavaglione, Stone, Benoit and Ashley

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on March 26, 2013 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: March 26, 2013
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
(seal) and for the County of Riverside, State of California.

By: _____ Deputy

xc: RCRMC

County of Riverside Health Reform Workshop

March 26, 2013

Submitted by BCHMC
3/26/13 Item Workshop
(date)

Health Care Governance Committee

- Formed over two years ago to oversee implementation of health reform in Riverside County
- Members include:
  - Riverside County Health System (RCHS)
    Riverside County Regional Medical Center
    Ten (10) Family Health Centers
  - Mental Health, Public Health, Public Social Services, Office on Aging, Executive Office, Human Resources and Inland Empire Health Plan (IEHP)
- Directed implementation of RCHC (Riverside County Health Care): LIHP (Low Income Health Plan) California's Medicaid Coverage Expansion (MCE)

Agenda

I. County Goals

II. What is "Health Reform"?

III. California State Implementation

IV. Riverside County Approach and Progress

Riverside County Strategic Goals

1. Support UCR School of Medicine
2. Successfully transition RCHS in response to ACA
3. Competitively position Riverside County in the new healthcare landscape
4. Maintain ongoing financial stability
5. Support Riverside County's Livable Communities Initiative

II. What is Health Reform?

A. ACA – Federal "Patient Protection and Affordable Care Act"

B. Other State/Federal Initiatives and Marketplace Forces

A. Affordable Care Act (ACA)

Major Components of ACA

- 15% of U.S. Population Uninsured

1. Medicaid Coverage Expansion (MCE) (covers 5% of U.S. population)
2. Private Insurance Coverage Expansion through Health Benefit Exchanges (covers 5% of U.S. population)
   - Additional Consumer Enhancements
   - Employer Impacts
   - People with current insurance retain it
3. Simplification of Eligibility for existing Medicaid
4. Medicare – largely unchanged
5. Remaining uninsured: approximately 5% of population

1. Medicaid Coverage Expansion (MCE)

a. Existing Medicaid (Medi-Cal in California)

- Separate program for each State
- Covers some, but not all, very low income people
  - Financial criteria – income, assets
  - "Categorical Linkage" – Dependent Children, Disabled, Blind, Aged
- 50% State Share (Non-Federal Share-NFS) -50% Federal Share
- In California, Counties and University of California incur most of the NFS for their public hospital systems
- Demonstration projects permitted ("Waivers")

1. Medicaid Coverage Expansion (MCE)

b. Newly Expanded Medicaid/Medi-Cal

- New Eligibility Category
- "Non-Categorical Linked"
- Income below 138% Federal Poverty Level (FPL)
- Federal Match
  - 100% - 2014, 2015, 2016
  - 90% - 2020 forward, with 10% NFS
  - Only for the new eligibility category
- Optional for States

2. Health Benefit Exchange Insurance

- Qualified Health Plans (QHPs)
- Uninsured, above 138% FPL
- Federal subsidy, sliding scale, up to 400% FPL
- Individual mandate, penalties
- Employer mandate, 50 employees or more, penalties
- Employer tax credit less than 25 employees
- 2017: employers can switch to health benefit exchanges

B. Other State / Federal Reform Initiatives

Non-ACA Initiatives

- Medi-Cal Seniors and Persons with Disabilities (SPD)
  - Converted from fee for service (FFS) to managed care capitation
- Dual Eligibles (both Medicare and Medi-Cal)
  - Scheduled for conversion from FFS to managed care capitation
- Medi-Cal Waiver ("Bridge to Reform")
  - Significant portion of RCRMC Revenue
  - "Pay for Performance" incentive feature
  - Requires certain delivery system changes

III. California State Implementation of ACA

III. California Implementation of ACA

A. Health Benefit Exchange
   - Implementation legislation enacted
   - Exchange formed: "Covered California"
   - Board and staff
   - Federal approval to proceed
   - Work in progress, enrollment October 2013, activation January 2014
   - Funded by premiums
   - Major State Administration priority
   - Qualified Health Plans, Provider Networks, Payment Rates not yet determined
   - RCHS would like to participate: County MISP (Medically Indigent Services Program) includes potential eligibles

III. California Implementation of ACA

B. Medicaid (Medi-Cal) Coverage Expansion

Bills authored in both Senate and Assembly are different than Administration's proposals.

Administration Proposal:

- State Based Option
  - State builds on current Medi-Cal
  - Additional Social Services responsibility shifted to counties (e.g. childcare)
- County Based Option
  - Counties build upon existing Low Income Health Plans
  - Counties assume responsibility for share of Medi-Cal cost

Senate/Assembly bills:

- State Based Option
- No Social Services shift to Counties
- 1991 Realignment not addressed

Administration Position on Medicaid Expansion

- New Federal dollars will produce savings for counties
- Savings should be transferred to State
- State will experience new costs and risk
- Counties must share in costs and risk
- It is wrong for counties to just think of Health Realignment in terms of the expanded Medicaid population
- Must be addressed now

Financial Analysis – Legislative Analyst Office (LAO)

Findings/Recommendations:

- For at least a decade, savings to State and Local governments exceed new costs (but can't estimate how much for each)
- Significant uncertainty about actual costs and savings
- Some counties will have significant indigent costs remaining
- Provider counties face changes and challenges
- Recommends consideration of leaving higher levels of 1991 Realignment with provider counties
- Apportioning 1991 Realignment reductions among counties will be difficult
- Recommends process to update 1991 Realignment allocations
- Recommends a process for dialogue over next few years, to revise 1991 Realignment as effects of ACA become clear

III. California Implementation of ACA

Effect of ACA on State and Counties:

- *Uncertainty, especially Medicaid Expansion:*
  - How many people will be eligible?
  - How many will enroll ?
  - How rapidly will they enroll?
  - What cost per enrollee?
  - How many residually uninsured?
  - Reductions in other current federal revenues (Disproportionate Share, Safety Net Care Pool) for counties
  - How much State match cost?
  - Changes to 1991 Realignment

Counties' Position on Medicaid Expansion

- State should proceed with full MCE, January 2014
- State should not prematurely take critical Realignment funds from counties
- When State incurs real costs in 2017, actual experience can inform discussions of sharing State-County costs and savings
- County 1991 Realignment funds will remain a critical source of funding to cover both community public health and the remaining uninsured
- Study the impact of ACA during 2014-16, then make changes to 1991 Realignment

IV. Riverside County Approach to Health Reform

Formulating a Riverside County Approach to Health Reform

A. National Health Policy Goals
B. Key Health System Transformations
C. Financial Impact
D. Riverside County Strategic Goals

A. National Health Policy Goals

1. Lower Cost of Health Care
2. Cover More People and Improve Access
3. Improve Patient Safety, Quality and Population Health
4. Improve Patient Experience (Satisfaction)

"Be the Solution to the Problem"

B. Key Health Delivery System Transformations Impacting RCHS

1. Episodic care to ongoing care management
2. Fee For Service payment to managed care (capitation) payment
3. Institutionally directed funding to dollars attached to the covered patient
4. Limited provider choice for uninsured to broader provider choice in Medicaid Expansion and Health Benefit Exchange

C. Financial Impact

Payment Changes

- 15 Payment programs affected (such as: Disproportionate Share Hospital – DSH; Safety Net Care Pool, Medi-Cal Managed Care)
- 7 Variables affect each program
- 12 Hospital Provider Counties: financial modeling

ACA Impact on Riverside County

• Estimate of Uninsured	460,000
• Eligible for Medicaid Expansion	
- Adults	127,000
• Eligible for Exchange	
- Adults	146,000
- Children	20,000
• Residually Uninsured	
- Adults	152,000
- Children	15,000

D. Riverside County Strategic Goals

Strategic Goals:

- Support UCR School of Medicine
- Successfully transition in response to ACA
- Competitively position Riverside County in the new healthcare landscape
- Maintain ongoing financial stability
- Support Riverside County's Livable Communities Initiative

Strategic Initiatives: Health Reform Transition

- Coverage Expansion
  - Low Income Health Plan → Medicaid Expansion
  - Health Benefit Exchange
- Productivity Improvement / Cost Reduction
- Patient Experience
- Quality / Safety
- Primary Care Capacity / Access
- Specialty Care Capacity / Access
- Medical Education

UC Riverside School of Medicine

UCR School of Medicine needs teaching hospital and clinics:

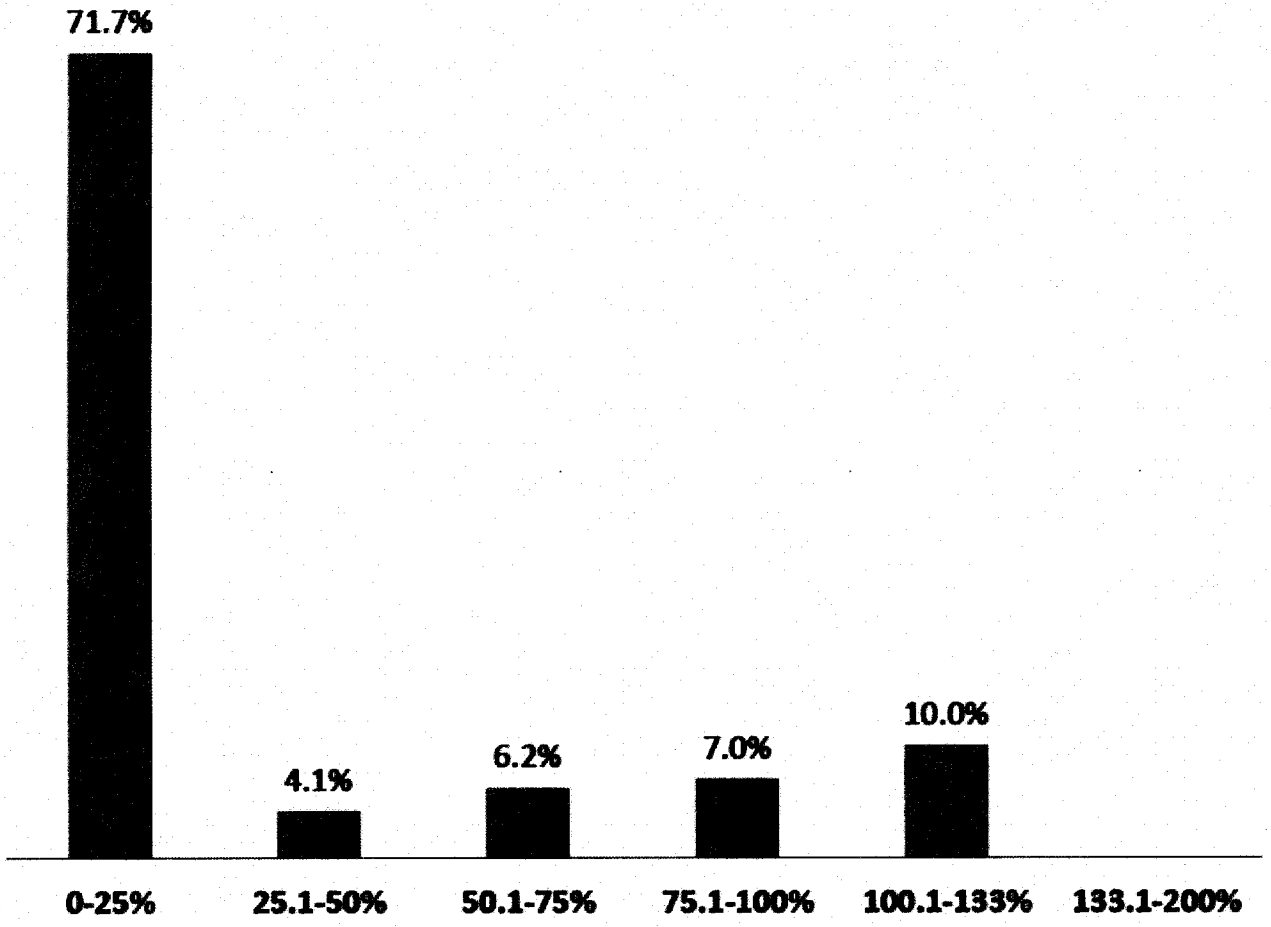
- Third and fourth year clinical clerkships for medical students
- Residency training programs (GME-Graduate Medical Education)
- Fellowships – specialty training beyond Residencies
- Clinical practice – income to support UCR School of Medicine
- Clinical research

Riverside County's LIHP: Riverside County Health Care

- Started January 2012
- Rapid early enrollment
- 23,000 enrollees currently
- Contract with Inland Empire Health Plan (IEHP) for health plan infrastructure support
- Enrollment now at RCRMC, Family Health Centers, DPSS Temporary Assistance Offices
- Services mostly at County health facilities, some contract services

UCLA CENTER FOR HEALTH POLICY RESEARCH

Demographic Characteristics of Cumulative Unduplicated Enrollees – FPL



This exhibit displays the percent of enrollees by Federal Poverty Levels (FPLs).

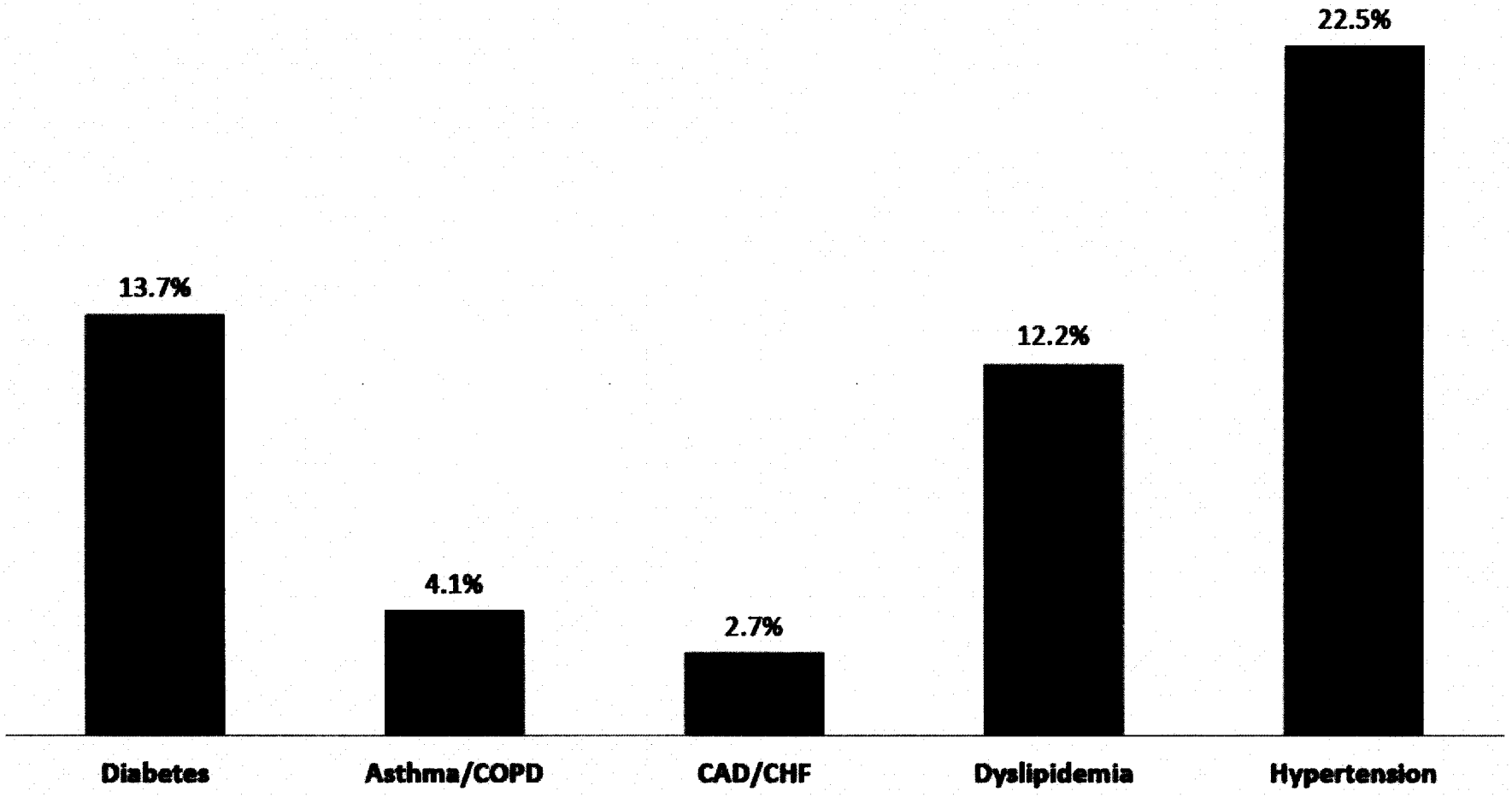
Current Program Federal Poverty Level (FPL) Limit = 133%

The percent of enrollees by FPL can exceed the LIHP's current FPL due to HCCI enrollees that have been grandfathered into the program from the previous demonstration.

Total Cumulative Unduplicated Enrollees: 23,693

Note: All enrollees meet program eligibility rules, regardless of cases where data are unavailable.

Chronic Conditions – Cumulative Active Users with Diabetes, Asthma/COPD, CAD/CHF, Hypertension or Dyslipidemia



Total Cumulative Unduplicated Enrollees: 23,693

Summary

- Riverside County:
  - Participating in Medicaid Expansion
  - Actively participating in county-State negotiations
  - LIHP operational
  - May participate in "Covered California"
  - Health reform initiatives moving forward
  - Obtaining consultant services to assist in:
    - Strategic plan review / formulation
    - County-UCR SOM relationship
    - Improve operational / financial performance
    - Community Public Health planning
    - Mental Health services planning

Summary

- State of California:
  - Health Benefit Exchange: moving ahead
    - DPSS will be the "walk-in" option for eligibility and plan enrollment and will handle "mixed cases" after open enrollment period
  - Medicaid Coverage Expansion:
    - Uncertain as to structure
    - Uncertain as to State/County relationship
    - Uncertain as to Mental Health services structure
    - DPSS responsible for eligibility and plan enrollment