

Alameda County Board of Supervisors Health Committee's Community Dialogue on Preparing for Health Reform

Session 1: Overview of the Affordable Care Act

November 14, 2011

This session served as the kick-off for [the year-long series](#) on how the Patient Protection and Affordable Care Act (ACA) could impact Alameda County. Following a high-level summary of the ACA, the speakers offered an overview of:

- National issues posed by the ACA, by **Peter Harbage** of Harbage Consulting;
- County-level issues being considered in California, by **Richard Thomason**, Program Officer, Blue Shield of California Foundation (BSCF); and,
- Work being done in Alameda to prepare for the ACA, by **Alex Briscoe**, Director, Alameda County Health Care Services Agency.

National Overview

Peter Harbage began the session with a broad overview of the ACA. "Health reform fundamentally builds on the existing care system we have," he said. "It's more an evolution than a revolution." Harbage outlined five key themes in health reform:

1. *Expanding coverage.* When health reform is fully implemented, it is projected that an additional 1 million to 2 million people in California will receive insurance through the Medi-Cal expansion. Another 4 million will get insurance through the new Health Benefits Exchange. While people won't start enrolling officially until 2014, significant effort is going on behind the scenes to prepare for that deadline.

2. *Making coverage work.* This is currently the most visible aspect of reform. Several new health insurance regulations have been implemented, such as eliminating lifetime caps, increased regulation of annual caps, regulating overhead and profits insurance companies can make, banning denial based on pre-existing conditions, and requiring greater coverage and lower cost-sharing for preventative services.

3. *Prevention and wellness.* The ACA funds many new efforts to make health care into a wellness program, as opposed to a sickness program. There is a new \$15 billion government fund for wellness and prevention. Also 22 million people with Medicare have already received additional health screenings and preventative care.

4. *Organized systems of care.* There is a lot of effort focused on developing integrated care models through mechanisms, such as medical homes and Accountable Care Organizations (ACOs). There are new investments in electronic medical records to support this restructuring and to encourage communication between hospitals and outpatient clinic systems.

5. *Expanding access to care.* There is an acknowledgement that expanding insurance doesn't equal access to care. Thus, there is new funding to build a strong workforce that both contains costs and improves outcomes. There's also an emphasis on strengthening community clinics.

In California, the state is trying to get a jump on health reform through a new Medicaid waiver. Thus, many of these themes are being implemented in California now.

Harbage then summarized how those five themes apply to Alameda County:

1. *Expanding insurance.* As one of the counties participating in the 1115 Waiver Low-Income Health Program (LIHP), Alameda County is working to expand insurance coverage. Eligibility and enrollment around Medicaid and the exchange will be a major and important effort. Enrollment under past new government programs has been challenging because people need to be educated and the government has to overcome their skepticism. The County should be thinking about how to improve eligibility and enrollment processes.
2. *Making insurance work.* Most of the decisions around insurance are made at the federal and state level, but the county could possibly play a role by supporting products to help people learn about and understand their insurance options, such as a cadre of insurance navigators.
3. *Organized systems of care.* Shifting seniors and people with disabilities (SPDs) into managed care through the Alameda Alliance for health is an example of moving toward more organized care. Dual eligibles may also be enrolled into managed care under a new demonstration and there are efforts underway to support integration of behavioral health and physical health. There also is increased federal support for electronic health records to facilitate this shift.
4. *Prevention and wellness and expanding access.* There may be additional federal financial support for Alameda County's work on developing portals through fire stations, schools and other methods of expanded access to preventative and primary care.

In summary, Harbage said, health reform will be what the county and community wants to make it. How aggressive does the community want to be? The goal of these meetings

over the next year will be to discuss what the community wants to achieve, and how the community can work together to make the health care system stronger.

Issues facing California's Counties

Thomason said the Blue Shield of California Foundation is supporting the Low-Income Health Program coverage expansion with planning grants in 22 counties and funding a UCLA evaluation of the program.

Thomason pointed out that even after health reform is fully implemented, there will be a population that is uninsured and will rely on the county safety net. Those individuals won't just be undocumented immigrants. Of the 8.2 million uninsured in California, up to 500,000 will be enrolled in the LIHP by 2014. This will result in about \$8 billion in new federal funding for the State's Medicaid expansions and bring about fundamental changes in health care insurance and delivery.

Thomason said there are five key considerations for counties in light of all these changes:

1. *Get enrollment right.* Enrollment will equal revenue for county clinics and hospitals and counties need to revamp their enrollment procedures. They should look at developing a streamlined online system and begin coordinating the various departments involved now. "Work with your unions and staff to figure out how to do this as soon as possible. You don't want the enrollment system to get in the way," Thomason said.
2. *Ongoing indigent care.* Future responsibility of providing care for the remaining uninsured and indigent populations (Section 17000 obligation) will be an ongoing debate between the State and counties.
3. *The mental health carve out.* The LIHP encourages behavioral health and primary care integration. Counties should rethink systems and structures that separate behavioral and physical health and bring them in closer alignment.
4. *Revamping the delivery system.* Alameda County should position itself now for delivery system success. With increases in the rate of insurance, there will be a more competitive environment among health providers. Thomason spoke at length regarding BSCF survey findings that indicate patients, once they have insurance, may consider leaving County and community providers. Counties will have to improve the quality of their care and show the value of their care. There is funding available within the waiver to help counties think about how to re-do their county delivery systems, such as the new hospital payments called Delivery System Reform Incentive Payments (DSRIP). Thomason recommended Counties explore ways to streamline decision making and decentralize operations so hospital and county health staff can

be more responsive and move more quickly. “Cumbersome county procedures might be an obstacle for competing,” he said.

With regard to this point and the survey data, Supervisor Chan asked several questions regarding the methodology and possible bias in the data toward reflecting what might be true in Los Angeles County, versus the rest of the state.

5. *Future indigent health services.* Are the LIHP models for future programs for the uninsured? The BSCF is interested in investigating whether the model being developed through the LIHPs is the way to provide care for indigent populations in the future.

Preparations Underway in Alameda County

Finally, Alex Briscoe discussed the challenges and opportunities with health reform for Alameda County. Briscoe started by making the point that “health care doesn’t mean people are healthier.” Alameda still needs to focus on the social determinants of health and inequality that are the biggest contributors to poor health.

Next, Briscoe noted that the coverage expansion must be accompanied by efforts to increase and guarantee access to care. Currently, there are at least 300,000 uninsured people in the county. Of the 19,000 children who were uninsured a few years ago before expanded coverage, about 13,000 remain uninsured. That is evidence, Briscoe said, that Alameda County needs to improve its processes for identifying and enrolling eligible individuals.

Under the expansion, an estimated 56,200 people (0-133%FPL) will be newly qualified for Medi-Cal. Another 107,000 people (133% FPL-400% FPL) will qualify for subsidized insurance. Assuming full enrollment, the County could reach a 95% insurance rate. However, the County safety net would still have to maintain current services to serve the remaining 60,000 people who will continue to be uninsured. Alameda will not be able to count on the State to assist with funding for any of these efforts. The heart of the waiver is to have counties step-up to use their funds as the non-federal match.

Briscoe reviewed the Waiver components mentioned by Harbage and Thomason:

- Movement of SPD population into managed care
- New financing structure for public hospitals – DSRIP
- Pilots for behavioral health integration, dual eligibles, and California Children’s Services (CCS)
- Low-Income Health Program locally called HealthPAC

These opportunities require delivery system redesign, Briscoe said, listing specifically efforts needed to increase behavioral health integration, expand primary care access,

develop community-based health care portals, and foster collaboration among acute care providers.

Briscoe listed several key challenges for HealthPAC. They included:

- Meeting access standards/having a strong FQHC network
- Providing medical homes
- Covering unknown costs of out-of-network ED services
- Developing community systems to provide true physical and behavioral health integration.
- Working with partners to develop interim systems and supports that meet requirements to be more “plan like” around network adequacy, actuarially sound rates, out-of-network ED costs, and Medicaid cost sharing.

The major opportunities Briscoe cited were:

- Increased funding for services
- Expanded mental health services, primary care and specialty care
- Improved patient experience through increased care coordination and integration of primary care and behavioral health services

Briscoe emphasized the need to improve and rethink the local delivery system. Currently, he said, it takes new patients up to three months to get into primary care. Specialty care can take up to six months. Alameda County needs to reach people in the communities they live at a lower cost. Existing efforts toward this end include expanding school-based health centers, developing community college health centers, day labor centers, fire stations with paramedics providing basic care, and expanding urgent care centers at county hospitals. These are all components of Alameda’s “health care portal” expansion – an Alameda-based answer to insufficient primary care access.

Question and Answers

Supervisor Wilma Chan asked several questions.

First, she asked about the progress of the health care reform provisions that have already gone into effect. Harbage said the coverage expansion to allow individuals up to age 26 to stay on their parents insurance has been very popular. Uptake in the pre-existing condition insurance pool has been slow, however. Despite the federal help, costs for individuals are still high and people aren’t picking up that coverage at the rates predicted. It’s a good warning for what to watch out for when the State sets up its Health Benefits Exchange, he said.

Supervisor Chan next asked about the progress of The Exchange. Harbage said the Exchange is beginning. It has a Board of Directors and recently appointed Executive Director – Peter Lee. Now, those folks are wrestling with how to set up the Exchange’s

eligibility and enrollment processes and how it should interface with existing county enrollment systems. “They’re well on their way to figuring it out but it’s a big challenge,” Thomason said. The Exchange is soliciting input and holding regular public meetings on these issues.