

**Department of Public Health and a Culture of
Coverage:
Affordable Care Act Preparations**

***Directors Cabinet
June 10th, 2013***

Colleen Chawla- Deputy Director of Health, Director of
Policy and Planning
Lindsey Angelats- Acting Director of Healthy San
Francisco

Today's Agenda

- Health Reform 201: Coverage Expansion
 - Medi-Cal and Covered CA
 - Assistors Program
 - Impact of ACA on Employers
- Impact of ACA on Health Reform on DPH Financials and System
- Impact of Health Reform on Uninsured
 - Overview of Current Programs
 - Volume Projections
 - Enrollment Experience
- Supporting High Coverage Uptake
 - Core Communications Messages
 - Program Preservation
- Proposal: Preparing Our System and Our Staff

Health Reform 201: Coverage Expansion

Health Reform 201: Health Insurance Requirement and Expansion

Mandate to Have Insurance

- Individual requirement to have health insurance
- Penalty for noncompliance:
 - \$95 in 2014
 - \$325 in 2015
 - \$695 in 2016
- Some groups exempt:
 - undocumented immigrants or new immigrants (less than 5 years)
 - people who would have to pay > 8% of their income for insurance
 - people with incomes below the threshold for filing federal taxes
 - Those with religious exemptions, who are incarcerated, or members of Indian tribes

More Affordable Options

- More options
 - Expanded Medicaid eligibility
 - On-line marketplace for individually-purchased coverage
 - Employer-sponsored coverage
- Market reforms make individually-purchased health insurance more accessible
- Creates options AND responsibilities

Health Reform 201: Medi-Cal Expansion and California Health Benefits Exchange



- Expanded Medicaid for childless adults with incomes at or below 138% of the Federal Poverty Level (FPL)
- FPL adjusted annually and varies based on household size: 2013 = \$15,864 for 1 person
- Enrollment is year-round



- California Health Benefits Exchange – “Covered California” on-line market for health insurance
- Subsidies for incomes between 138% - 400% FPL
- Initial enrollment - Oct 2013-March 2014
- 2nd Year enrollment - October 2014-December 2014

Health Reform 201: Employer Provisions

- No employer mandate to provide health insurance
- Large employers (50+ FTEs) may be subject to penalties if they don't offer health insurance
 - Full-time equivalent (FTE) defined as someone who works on average 30+ hours per week
 - Penalty for No Coverage
 - Does not offer health insurance to FTE employees, and
 - At least one of employee receives a subsidy or tax credit through Covered California
 - Penalty is \$2,000 annually multiplied by the number of FTE employees minus 30
 - Penalty for Unaffordable Coverage
 - Health insurance offered by employer pays for <60% of covered health care expenses, or
 - Health insurance offered by employer pays for ≥60% of covered health care expenses but employee pays >9.5% of family income for the coverage
 - Penalty is \$3,000 annually for each FTE receiving tax credit up to a maximum of \$2,000 multiplied by the number of FTE employees minus 30
- An employer pays no penalty if the following are both true:
 - Health insurance offered by the employer pays for at least 60% of covered health expenses
 - Employee pays no more than 9.5% of their family income for the employer coverage

IMPACT OF ACA on DPH FINANCIALS and SYSTEM

Current SFDPH System

- SFDPH provides services to both insured (60-70%) and uninsured (30%-40%) patients
-
- In FY 2011-12, SFDPH provided over 300,000 primary visits, 200,000 specialty visits and 100,000 acute care inpatient days to all patients
- Maintaining San Francisco General Hospital (SFGH) as a fully accredited trauma center and teaching hospital with a high level of clinical expertise is dependent upon the number of patients it serves and clinical visits it provides
- Currently 29,000 uninsured San Francisco residents in Healthy San Francisco and SF PATH use SFDPH as their medical home -- they receive primary, specialty and hospital services through SFDPH
- General Fund covers the majority of the cost of providing services to the uninsured

Overview of ACA Impact

- Insurance Status

<p>↓ # of Uninsured (Decrease in Healthy San Francisco & SF PATH enrollees)</p>	<p>↑ # of Insured (Majority will get Medi-Cal; some will get Covered California)</p>
<p>↓ unreimbursed care/ fee-for-service payments</p>	<p>↑ capitated payments (Medi-Cal expansion and much of the exchange to be offered through managed care)</p>

- Primary Care Capacity

<p>Challenge Meeting Demand (both for insured and uninsured patients; need add'l access)</p>	<p>↑ Demand and Capacity Needed (Add'l insured who require care; CA timely access to care standards; Primary care volume feeder for SFGH visits)</p>
---	---

- State and Federal Revenues

<p>↓ Funds for uninsured (1115 Waiver, Disproportionate Share Hospital, Realignment)</p>	<p>↑ Funds for insured (Primarily Medi-Cal)</p>
---	--

ACA Impact on CCSF General Fund

- ACA expands health insurance to the uninsured who will have a payer source for care
- CCSF General Fund should decrease, but is still needed after ACA implementation
 - Why:
 - **1. State and federal revenues for the insured never fully cover the cost of care**
 - General Fund covers the difference between DPH cost of services and federal reimbursement for services
 - But, General Fund contribution for an insured person less than general fund contribution for an uninsured person
 - **2. Not all uninsured will be eligible for health insurance under ACA**
 - Services for the remaining uninsured (i.e., undocumented, those with exemptions, etc.) will primarily be borne by the General Fund
- Factors affecting General Fund level - Pace of enrollment in health insurance
 - Extent to which uninsured eligible for coverage enroll into a health insurance program
 - Extent to which SFDPH retains its current uninsured patients as they become insured (i.e., have a funding source to cover some portion of the costs of their care)

SFDPH Safety Net Transformation

- SFDPH cannot be relegated to serving only uninsured individuals - doing so would
 - leave SFDPH with insufficient and precarious funding
 - require infusion of more General Fund (to cover fixed costs that continue even if serving fewer people with no payor source)
- Under ACA, the uninsured will have a choice of providers
- At a minimum, DPH must become a provider of choice for its existing uninsured patients who will have a payer source for their care post 2014 (e.g., Medi-Cal)
- As a provider of choice, SFDPH wants patients to seek its services because of positive patient experience, quality of care, access and other factors.
- California survey data indicates that almost 60% of low-income uninsured stated would change providers/facilities if given the opportunity - ACA gives them this chance



What Happens If SFDPH Is Not A Provider of Choice

- SFDPH cannot afford – financially or programmatically – to lose potentially paying patients under federal health reform
- If SFDPH fails to retain this patient population and they elect to receive health care services from other community providers, then:
 1. It will lose revenue potential
 2. The average cost of providing care will increase with no appropriate decrease in General Fund
 3. It will become a more inefficient and costly delivery system to operate since it will have limited operational efficiency and no economies of scale in its primary care medical home system due to size (i.e., small number of patients per health center)
 4. SFGH's role as a trauma center, teaching hospital and safety net system could be seriously jeopardized
 - A reduction in the number of patients (i.e., uninsured patients shifting to other providers when they have insurance) equals a reduction in the number of hospital visits
 - Acute care hospitals must have a certain visit volume (often by specialty) in order to maintain accreditation, clinical expertise, a teaching program and/or access to federal Graduate Medical Education
 - SFGH cannot afford to lose the hospital visits that are derived from newly insured patients
 5. The significant resources that San Francisco has, is and will put into the rebuilding of SFGH will be comprised and potentially futile

Opportunities for Success: Preparing for Health Reform

- Overall Strategy: Increase insured patients and decrease uninsured patients that access SFDPH services
- Health Management Associates (HMA) hired to help SFDPH be a provider of choice and thrive under Health Reform
 - Developing an integrated delivery system
 - Creation of a managed care infrastructure
 - Transforming our primary care network to a patient center medical home model
- Invest additional resources in its health care delivery system to
 - improve access to care
 - enhance patient experience and
 - promote better health outcomes
- A robust primary care medical home delivery system that improves access and serves as a feeder into SFGH is a necessity
- SFDPH must be competitive in the health care market since other health care providers will be interested in serving the newly insured

IMPACT of Health Reform on OUR UNINSURED Participants

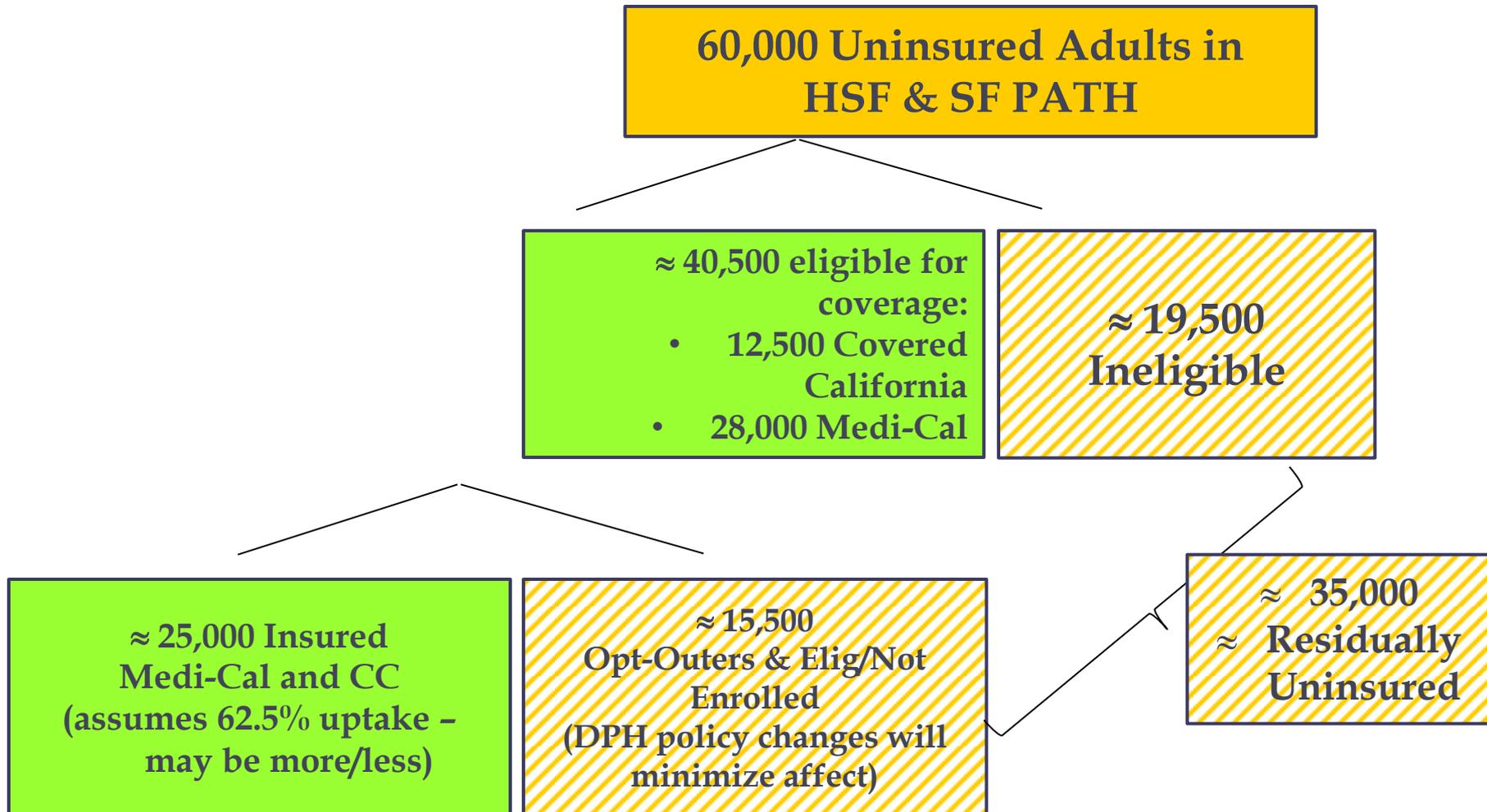
Current DPH Programs for Adult Uninsured

	SF PATH	Healthy San Francisco
Provider Organization	100% SF DPH	-65% HSF Partners -35% SF DPH
Current Enrollees	~10,000	~50,000
Funding Sources	General Fund ~50% Federal Funds ~50% Enrollee Fees >1%	General Fund (large) Employer Contributions (small) Enrollee Fees (very small)
Immigration	U.S. Citizens or Legal Permanent Residents in U.S. for 5 > years	Any
Income	0-25% FPL (increase to 133% effective 6.14)	0-500%
2014 Eligibility	-90% Medi-Cal -10% Covered CA	-44% Medi-Cal -28% Covered CA -28% Healthy San Francisco
Language Preference	80% English	44% English

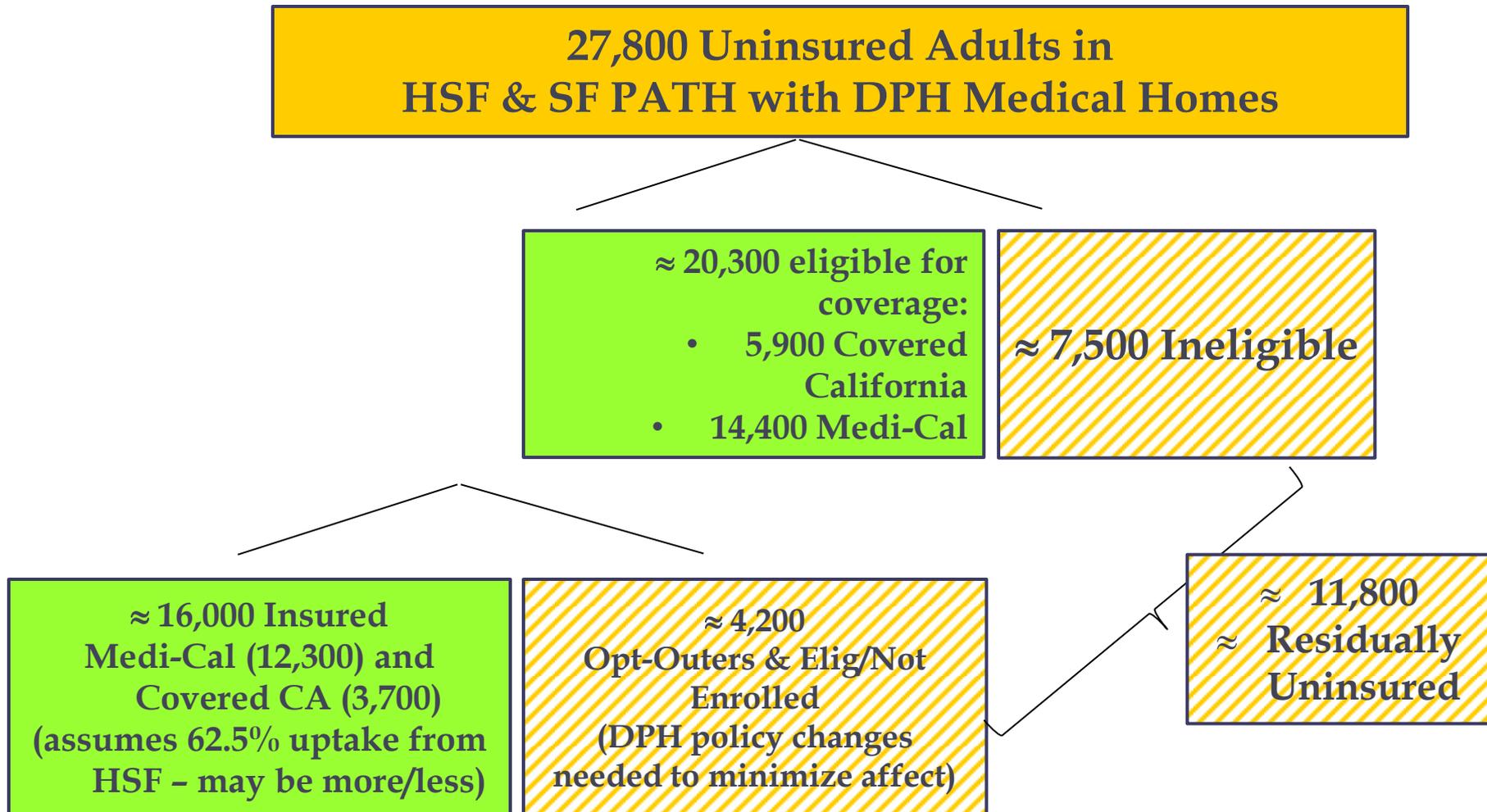
HSF and SF PATH have Helped Put San Francisco Ahead of the Curve

- Effective January 2014, Healthy San Francisco will be in operation for 6.5 years
 - Addressed some of the “pent-up” demand for health care services in San Francisco
 - Promoted participant use of medical homes and preventive services
 - Expanded number of providers serving uninsured individuals
 - Positioned providers to compete successfully in a more competitive health care landscape
 - Ensured we have information on uninsured to help facilitate transition into health insurance program
- Effective July 2011, SF PATH will be in operation 2 years
 - Enrolled ~9000 enrollees who will transition automatically to Medi-Cal on January 1, 2014
 - Documented challenges of performing enrollment into Federal program
 - Highlighted challenge of tracking compliance with managed care access standards

Estimates of Coverage Transitions for ACA



Estimates of Coverage Transitions for ACA (at DPH medical homes)



Supporting HIGH COVERAGE
UPTAKE
MESSAGING, OPERATIONS, and POLICY

How is HSF Working to Support a Successful Coverage Transition?

Area	Recent Actions
Enrollee Communication	<ul style="list-style-type: none"> • Launched health reform webpage in May 2013 • Piloting a text messaging campaign in Summer 2013 to promote retention • Training HSF/SF PATH Customer Service to answer health reform questions
Enrollment Readiness	<ul style="list-style-type: none"> • Spearheading citywide campaign to ensure that all HSF participants can apply for new insurance programs at our 33 enrollment locations • Partnering with Human Services Agency to align volume projections, communications, and staff training
Behind the Scenes	<ul style="list-style-type: none"> • Working to support a smooth electronic transition for our SF PATH enrollees 0-133% FPL to Medi-Cal

Health Reform Communications

Covered California is now online

<http://www.coveredca.com/>

COVERED CALIFORNIA

HOME ABOUT US GETTING COVERED RESOURCES LANGUAGE: ENGLISH

COVERING CALIFORNIA FAMILIES

Health Care Reform

Visitors Participants Employers Employees Medical Home Eligibility Staff About Us

English Español 中文

The City and County of San Francisco created *Healthy San Francisco* to provide access to care for our residents who were not eligible for health insurance. To date, over 100,000 participants have been enrolled.

We will be here to help you apply for new affordable health insurance programs in 2014.

You may have heard this called federal health reform in the news. These changes are occurring because of the Affordable Care Act (ACA), a federal law passed in 2010 that makes changes to our health care system.

Health insurance is better than Healthy San Francisco if you qualify - You will still be able to keep your doctor and go to the same clinic for your care but will have access to more services.

Which Program Will I Qualify For in 2014? Your immigration status and income will determine which program you will qualify for in 2014. Your HSF Application Assistor can help you apply for the right program when you come to renew beginning in October 2013. Here is guide to these programs:

	What is it?	Immigration Status	Income Limits
Medi-Cal	A free Federal and State healthcare program	U.S. Citizen and certain legal immigrants	Family income at or below 138% of the Federal Poverty Level. (\$15,865 for family with one person or \$35,507 for a family with four people)
	California's health		Any. You will qualify for a discount ("tax credit") on your monthly premiums and co-pays

START

Start



English Español 中文



HealthySanFrancisco.org
>5000 page views/month

1. Patient Communications

New Federal health insurance programs are coming in 2014-
HSF Assistors will be here to help you enroll

Health insurance is a **better option** than HSF, if you qualify.

Healthy San Francisco **will still be here** for those who are not eligible for new programs.

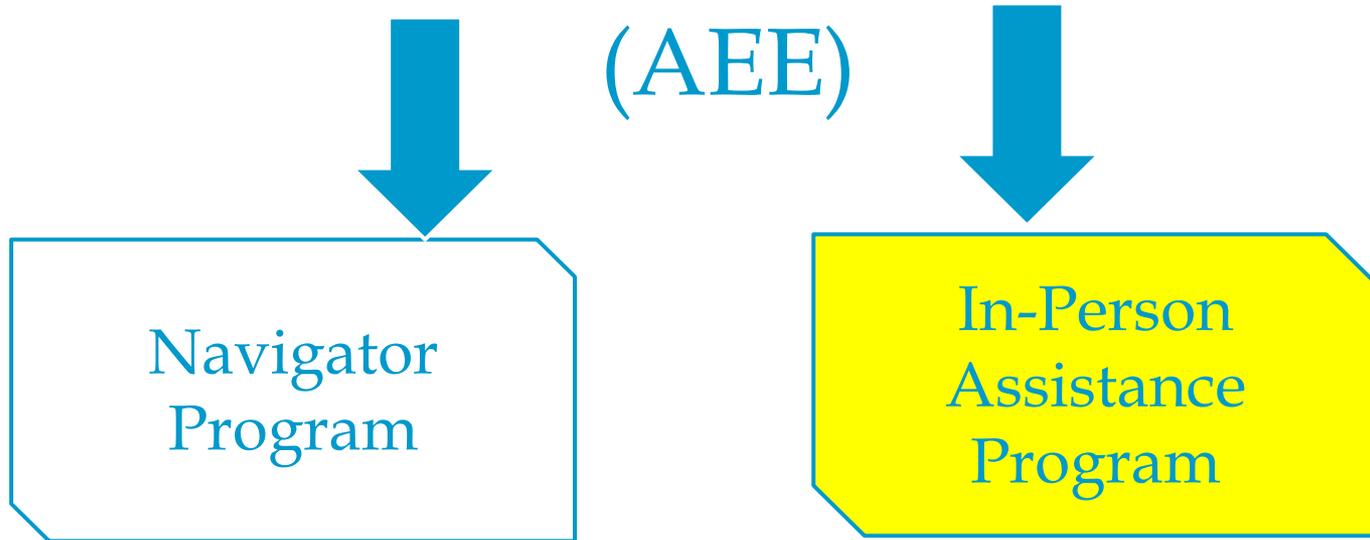
2. Policy Preparations

- Consistent with HSF program regulations:
 - Participants are ineligible for Healthy San Francisco if they are eligible or enrolled in public coverage—including subsidized coverage through Covered CA
 - Participants who are eligible for Medi-Cal or a subsidy under the exchange must apply
 - Participants who are eligible for Medi-Cal or Covered CA may eventually be disenrolled from Healthy San Francisco
- Only applicants who are proven ineligible for subsidized health insurance are eligible for Healthy San Francisco

3. Operational Preparations

Assister Enrollment Entities

(AEE)



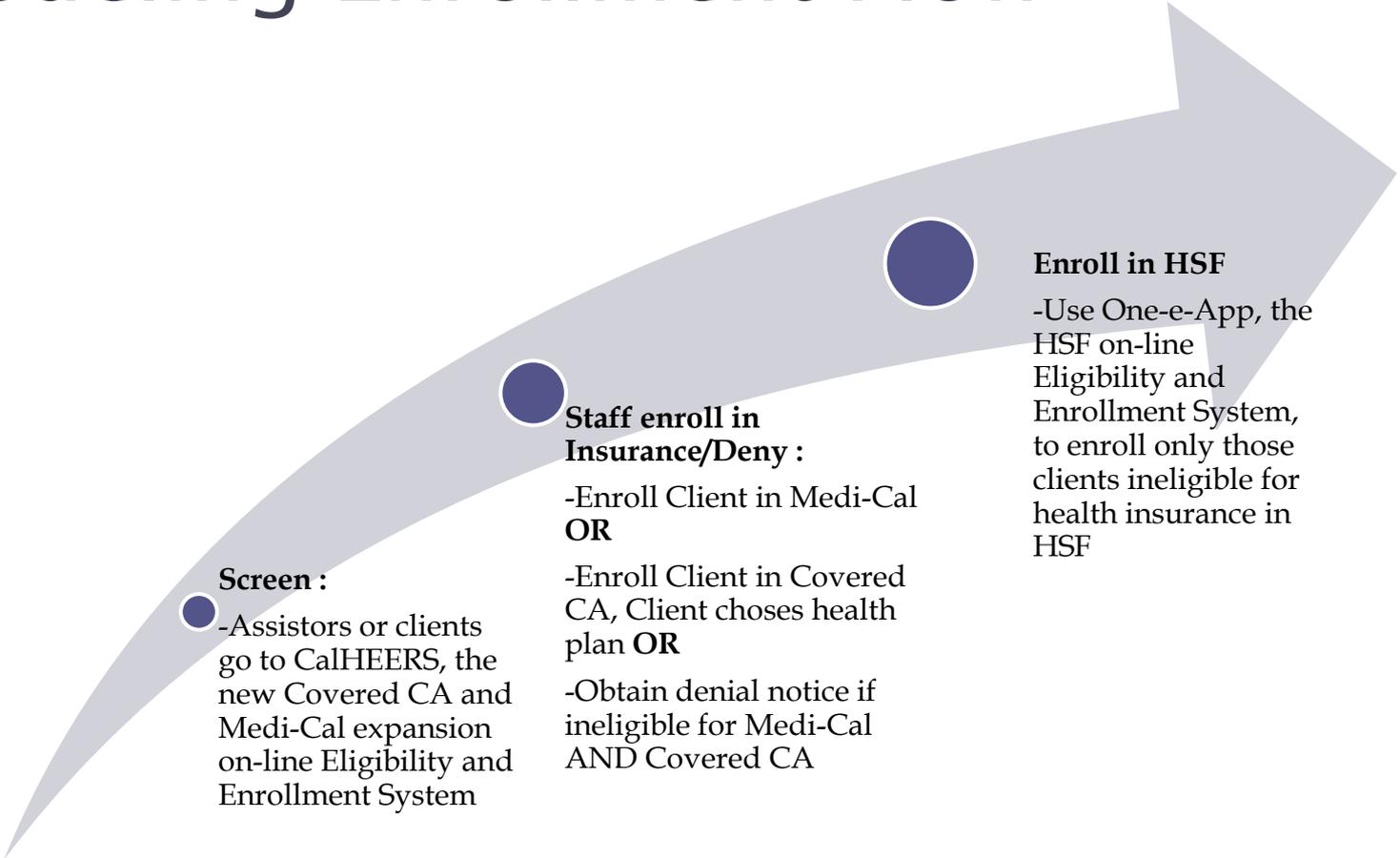
Navigator
Program

In-Person
Assistance
Program

Some Eligible Entities Include

- Hospitals (unpaid)
- Community Clinics (paid)
- County Health Department (unpaid)

4. Operational Preparations- Modeling Enrollment Flow



Screen :

-Assistors or clients go to CalHEERS, the new Covered CA and Medi-Cal expansion on-line Eligibility and Enrollment System

Staff enroll in Insurance/Deny :

-Enroll Client in Medi-Cal
OR

-Enroll Client in Covered CA, Client choses health plan **OR**

-Obtain denial notice if ineligible for Medi-Cal AND Covered CA

Enroll in HSF

-Use One-e-App, the HSF on-line Eligibility and Enrollment System, to enroll only those clients ineligible for health insurance in HSF

PROPOSAL: PREPARING OUR SYSTEM AND STAFF

Timing of Transition

October 2013

Covered CA and Medi-Cal Pre-Enrollment Begins

Federal Financing for Uninsured Begins to Decline



January 2014

SF PATH Ends (10K Uninsured to Medi-Cal)

Low Income Health Program Funding Ends



January 2014- December 2014

~25K-40K HSF Participants Transition to Managed Care

Dramatic shift to capitation to finance care

Coverage Conversion Key Milestones

Milestone	Date	Key Action
Covered CA Qualified Health Plan Provider Networks Finalized	June 2013	Determine contracting partners, if any
State of CA In-Person Covered CA Assister Training and Certification Begins	August 2013	Participate in State's training and support citywide engagement
Open Enrollment Begins for Covered CA and expanded Medi-Cal	Fall 2013	Prepare DPH staff for key enrollment role
~9,000 SF PATH enrollees automatically converted to Medi-Cal	January 1, 2014	Continue work to test data exchange with DHCS
Open Enrollment ENDS for Covered CA and expanded Medi-Cal	March 30, 2014	Enroll ALL eligible uninsured 138%-400% in Covered CA by this date- disenroll from HSF
Bridge Plan Launches (insurance program for 138%-200% FPL)	April 2013	Prepare DPH staff for key enrollment role Work with SFHP to prepare

How Can We Best Prepare?

- Support Continuous Enrollment in HSF and SF PATH
 - Promote annual HSF renewal in encounters with your HSF patients- HSF has a 62.5% renewal rate.
 - HSF participants must apply for new programs
- Provide Standard Information
 - Direct HSF patients to healthysanfrancisco.org/healthreform for more information
 - Ensure your registration staff, clinicians, and eligibility staff are 100% aligned to support a culture of coverage
- Engage with Delivery System Improvements
 - How well are we managing/supporting care for those who are already in managed care? (Healthy Workers, Medi-Cal, etc.)?
 - How can we make needed improvements in Primary Care Access?

Options to Inform and Prepare DPH Staff

- Staff Communications
 - Health Reform FAQ Tip-Sheet
 - Health Reform Townhalls
- Patient Communications
 - www.healthysanfrancisco.org/healthreform
 - www.sfpath.org/healthreform
- Staff Training
 - Affordable Care Act: Developing Required On-Line Training for Staff
- Citywide Communication
 - Citywide Health Reform Website
 - 3-1-1 and Human Services Agency alignment