

Children's Health Care: Hot Issues in California in 2013

Children's Advocates Roundtable
February 14, 2013

Overview

- **The state of children's health coverage in California**
- Elimination of the Healthy Families Program
- Special session on Affordable Care Act implementation
- Strengthening children's health care through the budget
- Other children's health care priorities



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California children's health coverage

- Uninsured children are far more likely than those with health coverage to delay and not receive care, and as a result have worse health outcomes
 - Children with health insurance learn better, have a better quality of life, use health care more appropriately, and cost less
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- Over one million California children were uninsured in 2011
 - Over two-thirds of uninsured children – over 700,000 – are eligible for public health programs but are not enrolled
 - California has been making progress in reducing the number of uninsured children, which has dropped by nearly 30 percent over the past decade
 - Children are inexpensive to cover

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Healthy Families: Background



- California's version of the federal Children's Health Insurance Program (CHIP), created in 1998
- Provides low-cost health insurance to children of families whose incomes are too high to qualify for Medi-Cal but are below 250 percent of the Federal Poverty Level
- Covers a range of health care services including physician visits, hospital care, prescription drugs, home health, dental, and mental health services through managed care plans
- ~875,000 children enrolled by the end of 2012

The Elimination of Healthy Families



- Elimination of the program and transition of Healthy Families children to Medi-Cal was proposed in Governor Brown's FY 2012-13 budget proposal
- The legislature and provider and advocacy communities were opposed
- The elimination was agreed to in August 2012 as part of the final budget package that included savings primarily from Medi-Cal's lower provider rates
- Provided support and flexibility for the relevant state agencies to transition the Healthy Families children into Medi-Cal

Healthy Families transition to Medi-Cal



Started on January 1, 2013 and will continue in a number of phases throughout 2013, designed to start with the easiest children to transition and end with the most challenging cases:

- **Phase 1:** Healthy Families plan is also a Medi-Cal plan
- **Phase 2:** Healthy Families plan/provider subcontractor in a Medi-Cal plan
- **Phase 3:** Healthy Families plan/provider does not participate in a Medi-Cal plan
- **Phase 4:** Healthy Families plan/provider does not participate in Medi-Cal because the county uses a fee-for-service system

Healthy Families transition timeline

Phase	Description	Status; start date	Children transitioning	Counties with children transitioning
1A	HF plan also in MC; no access concerns	Implemented; effective 1/1/13	197,241	Alameda, Orange, Riverside, San Bernardino, Santa Clara, San Diego, San Francisco, San Mateo
1B	HF plan also in MC; access concerns addressed	Pending approval; proposed 3/1/13	95,470	Contra Costa, Fresno, Kern, Kings, Los Angeles, Madera, Monterey, Napa, Sacramento, San Luis Obispo, Santa Barbara, Santa Cruz, Solano, Sonoma, Tulare, Yolo
1C	HF plan also in MC; access concerns to be addressed	Pending approval; proposed 4/1/13	110,368	Kern, Los Angeles, Sacramento, San Diego, San Joaquin, Stanislaus, Tulare
2	HF plan/provider is a subcontractor in MC	Pending approval; no earlier than 4/1/13	274,574	Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus,
3	HF plan/provider does not participate in MC	Pending approval; no earlier than 8/1/13	148,966	Contra Costa, Fresno, Los Angeles, Madera, Kern, Kings, Marin, Mendocino, Merced, Monterey, Napa, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Ventura, Yolo
4	HF plan/provider does not participate in MC because county uses a fee-for-service system	Pending approval; no earlier than 9/1/13	42,220	Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Lake, Lassen, Mariposa, Modoc, Mono, Nevada, Placer, Plumas, San Benito, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yuba

Overview

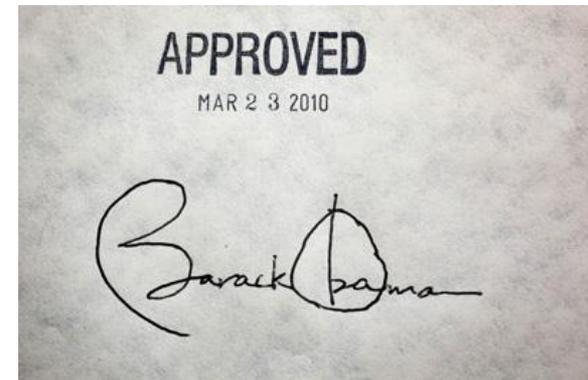
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Federal Health Reform: Affordable Care Act (ACA)

- Health reform legislation jointly, referred to as the ACA: Patient Protection and Affordable Care Act (P.L. 111-148), and Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).
- Signed into law by President Obama on March 23, 2010
- 26 states challenged the constitutionality of the ACA, and 13 states, including California, supported the ACA
- On June 28, 2012, the U.S. Supreme Court ruled the ACA constitutional, with one exception around the provision to expand Medicaid to new populations as a requirement of receiving any federal Medicaid funds



California has been leading on ACA implementation

POLITICO



CAPITOL WEEKLY

THE NEWSPAPER OF CALIFORNIA GOVERNMENT AND POLITICS

“...We don’t want to be a pace car state...we want to be the lead car.”

- CHHS Secretary Diana Dooley (1/18/11)

“California has been the national leader in implementing federal healthcare reform, and we will continue to move full-speed ahead to ensure that every person in our state has the quality, affordable healthcare they deserve.”

- Assembly Speaker John Pérez (9/4/12)

ACA Private Coverage Reforms

In September 2010 many ACA provisions took effect:

- Bans coverage denials of children with pre-existing conditions
- Bans annual or lifetime limits in private coverage
- Requires most insurers to spend 85% of premiums on medical care
- Ends insurance rescissions when an enrollee gets sick
- Allows young adults to remain covered as dependents until age 26
- Requires preventive and primary care services to be covered by insurance plans at no cost

ACA Strengthens Public Coverage

- ACA protects health coverage programs for low-income children Medicaid (Medi-Cal) and Children's Health Insurance Program (Healthy Families)
- ACA temporarily increases payments for Medicaid primary care providers in 2013-14 to improve access
- ACA invests an additional \$40 million in Medicaid and CHIP outreach and enrollment activities and streamlines the enrollment processes
- ACA provides additional federal funding for CHIP
- ACA expands Medicaid eligibility for adults and children to 133% of the federal poverty level in 2014
- **ACA allows former foster youth to remain eligible for Medicaid up to age 26**

Special legislative session on ACA implementation

Governor Brown called for a special legislative session to implement key ACA provisions

Special session bills cover:

- **Medi-Cal expansion**
- **Individual market reform**
- **Bridge program**



Bills have been introduced and will be heard next week

Special legislative session on ACA implementation

Medi-Cal expansion

- ABX1-1 (Pérez) and SBX1-1 (Hernandez)
- Simplifies Medi-Cal eligibility rules
- Expands Medi-Cal eligibility to low-income childless adults
- **Expands Medi-Cal eligibility to former foster youth up to age 26**
- **Identifies and tracks former foster youth who “age out” of Medi-Cal coverage in 2013**
- **Does not cover foster youth who “age out” of Medi-Cal in 2013**

Special legislative session on ACA implementation

Individual market reform

- ABX1-2 (Pan) and SBX1-2 (Hernandez)
- Limits enrollment to open enrollment and special enrollment periods
- Limits factors to be used for rate setting to age, geographic region, and family size
- Requires plans to offer to enrollees aging out of Healthy Families the same coverage as a bridge to 2014, for anyone who aged out after January 1, 2012

Special legislative session on ACA implementation

Bridge Plan

- SBX1-3 (Hernandez)
- Declares the intent of the Legislature to enact legislation to create a bridge option to allow low-cost health coverage to be provided to individuals within the California Health Benefit Exchange (HBEX)
- *May* adopt recommendations made to the HBEX Board for HBEX to contract with Medi-Cal Managed Care plans to provide services to individuals up to 200% FPL, and to parents of Medi-Cal/Healthy Families children up to 250% FPL

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Strengthening children's health care through the budget

- **Problem:** Access to quality care
- **Possible solution:** Increase reimbursement rates for children's providers and services
- **Potential revenue sources:**
 - Managed Care Organization assessment
 - Hospital Quality Assurance fee

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Developmental screenings

- **Problem:** While an estimated 40% of young children under age 6 are considered to be at moderate or high risk of developmental delays, fewer than 20% of California children receive recommended developmental screenings that can identify delays and optimize each child's future
- **Developmental screening** is the administration of a brief standardized tool aiding the identification of children at risk for a developmental disorder, which is critical for guiding future evaluation and services
- **Possible solutions:**
 - Develop a state action plan based on best practices
 - Update the Child Health and Disability Prevention periodicity schedule to require rather than recommend screenings

ACA Supports Better Care Coordination and More Innovation in Service Delivery

- ACA (Section 2703) provides an option for states to create **health homes** for beneficiaries with high needs and chronic conditions, including asthma, diabetes, heart disease, obesity, mental condition, and substance abuse disorder
- ACA offers a temporary 90% federal match rate for health homes services, including:
 - comprehensive care management
 - care coordination and health promotion
 - comprehensive transitional and follow-up care
 - individual and family support
 - referral to community and social support services
 - the use of health information technology (HIT) to link services

ACA & Health Homes for Children

- What is a **child-centered health home**?
 - A “full-service” vision of health care that promotes access to a full range of medical, dental, mental health, vision, social support, and other services
 - This multi-sector approach can especially help vulnerable children get and stay healthy for a lifetime
- Do health homes exist now?
 - Yes! Many pilots across the state, especially at children’s hospitals - some focus on very sick children; some on other vulnerable children such as foster youth
- Will California adopt the ACA health homes option?
 - DHCS received federal planning grant to assess health homes options for implementation in California, and commissioned analyses, which, among other things, recommended pursuing health home option for CCS children
 - SB 393 (Hernandez) and AB 2266 (Mitchell) proposed last session

Questions?

Children Now

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THANK YOU and HAPPY VALENTINE'S DAY!

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