

**Health Care Reform
Implementation in California**



April 5, 2013 ■ Sacramento, CA
Child Support Directors Association

2013 Governor's Budget



- California to proceed with “mandatory” and “optional” expansions
- Mandatory: enrollment and eligibility changes, primarily for parents and children
- Optional: expand Medi-Cal up to 138% FPL to adults not otherwise eligible today (primarily childless adults)



2013 Governor's Budget

- Coverage expansion – 2 paths
 - State-based approach: use existing Medi-Cal system. Negotiate realignment with counties (redirect 1991 health realignment funds to human services programs).
 - County-based approach: expand Medi-Cal using Low-Income Health Programs; counties in charge of expansion.

2013 Governor's Budget



■ Risks

- How to match new responsibilities with revenues?
mandate issues, constitutional issues
- Future state and federal legislative changes
- Future litigation
- Residual responsibilities – ensure there are resources for remaining public health and uninsured responsibilities (§17000)
- New and existing §17000 risks

2013 Governor's Budget



■ Risks

- Both options involve a conversation about diverting 1991 health realignment funds
- New share of cost for Medi-Cal – is it sustainable over the long-term? Legal issues.
- Can counties expand LIHPs by January 2014? Network? Capacity? What about counties without LIHPs?
- Mental health/Substance use disorder parity rules unknown



CSAC Principles

- The Medi-Cal optional expansion should happen on January 1, 2014.
- The proposal for a county option is not viable for the statewide Medi-Cal expansion.
- The Governor's proposal for a state option provides the best framework for expanding Medi-Cal by January 2014. However, the programmatic realignment aspect of the proposal is problematic.



CSAC Principles

- Counties must retain sufficient health realignment funds to be able to fulfill residual responsibilities (remaining uninsured and public health services).
- When considering redirection of savings, consideration should be given to reinvesting those savings in local health, public health, and behavioral health systems that are preventive in nature.
- A key priority for counties is to manage the transition to Medi-Cal expansion within the constitutional protections associated with mandates. Counties oppose realignment without revenue protections and protections on future costs associated with state and federal law changes.
- State and county fiscal impacts associated with the Medi-Cal expansion and continued health service responsibilities must be identified on an ongoing basis to inform future decisions regarding shared financial risks.

Remaining Issues for California to Address



- What issues does California still need to address in legislation and policy decisions?
 - Eligibility and enrollment (ABX 1/SBX 1)
 - Private insurance market changes
 - Medicaid Bridge Program
 - Medi-Cal expansion up to 138% FPL
 - Benefits for Medicaid expansion population
 - Mental health and substance abuse parity

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