

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *max*

BOARD AGENDA # *B-6

Urgent Routine

AGENDA DATE March 1, 2011

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Apply to the California Department of Health Care Services for a Low Income Health Program (LIHP)

STAFF RECOMMENDATIONS:

Authorize the Health Services Agency (HSA) Managing Director or her designee to prepare and submit the LIHP Application to the State Department of Health Care Services and to make subsequent modifications to the Application information.

FISCAL IMPACT:

There is no fiscal impact associated with submission of the LIHP Application. Contingent upon further analysis and a LIHP authorization by the State, the HSA would make a subsequent staff recommendation to the Board of Supervisors with regard to entering the contract. If such a recommendation is made, it would include the corresponding fiscal impact.

BOARD ACTION AS FOLLOWS:

No. 2011-124

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The State of California recently entered into a new agreement with the Federal government for a Section 1115 Medicaid Waiver under the Social Security Act. Note: Medicaid is known as Medi-Cal in California. Section 1115 waivers allow the Federal Secretary of Health and Human Services to waive certain requirements to enable State proposed demonstration projects. This new agreement makes way for the demonstration project called the "California Bridge to Reform Demonstration."

While there are several areas or programs impacted by the waiver agreement, this staff recommendation is relative to the health care coverage expansion referred to in the waiver agreement as the Coverage Expansion and Enrollment Demonstration and referred to by the State of California as the Low Income Health Program (LIHP).

The LIHP allows counties to submit an application to the State of California to provide health care coverage to low income uninsured using local dollars to obtain new federal funding. For each qualifying local dollar spent, \$.50 could be obtained in federal reimbursement. Counties are required to spend local dollars at a level at least equal to the local expenditure during the 2009-2010 Fiscal Year for the corresponding eligible population as determined by Federal Poverty Level. Local funding can include General Fund contributions and realignment revenue not otherwise matched in other Federal programs.

On December 21, 2010, the Board of Supervisors accepted a planning grant from the Blue Shield of California Foundation (BSCF), and approved a contract with Health Management Associates, an outside consultant funded by the BSCF grant to assist the Health Services Agency (HSA) with the feasibility study of this LIHP opportunity. The HSA, with assistance from Behavioral Health and Recovery Services and the Community Services Agency, has begun the grant scope of work, and collaborative work with the consultants.

Although the LIHP application was only released in January, the first day that counties could submit an application was February 14, 2011. In order to plan and process the county submissions, the State modified the application process from a rolling open submission to a first and second cycle concept with undetermined cycle dates.

On February 17, 2011, the State contacted HSA and conveyed that only one entity in addition to Stanislaus County, had not yet submitted an application, and offered to answer any questions or provide the information necessary such that our County would submit during this first cycle as well. Note: The other entity is the California Medical Services Program (CMSP) which is the State-operated Medically Indigent Adult program for 34 of the smaller counties, and which has reportedly obtained its Board's approval to submit an application.

Approval to Apply to the California Department of Health Care Services for a Low Income Health Program (LIHP)

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The State emphasized that submitting an application is non-binding on the County; however it enables the State to assign an analyst to provide technical assistance to our County as staff completes the feasibility study and potentially work towards implementation. The process for seeking an LIHP includes the application submittal by the County, then an authorization by the State, and followed by the execution of a contract agreement between the County and the State. Since this LIHP is voluntary on the part of the counties, submission of an application is non-binding.

While HSA firmly desires to improve access to healthcare to the underserved, the 1115 waiver agreement between the State and the Federal government prescribes many requirements of a Low Income Health Program. The State is also establishing additional requirements, some of which have not been released or clarified. Prior to a recommendation to implement a Low Income Health Program, staff with the assistance of the consultants, must forecast the expected costs of the expanded benefits and enrollment requirements in order to determine whether the available Federal reimbursement is adequate to cover the new costs.

At this time staff recommends the submission of the application to the State so as to obtain technical assistance and to avoid what could become an unintended delay resulting from a submission during a yet determined second cycle. Should the results of the feasibility study be favorable, staff would return to the Board of Supervisors to seek approval to enter into a contract agreement with the State for a Low Income Health Program.

POLICY ISSUES:

Approval of these staff recommendations is aligned with the Board of Supervisors priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships as it supports the continued collaborative project to assess a funding opportunity to expand healthcare access.

STAFFING IMPACT:

There is no new staffing impact associated with these recommendations.

DEPARTMENT CONTACT:

Mary Ann Lee, Managing Director, 209-558-7163.

Rev. Low Income Health Program (LIHP) Application

GENERAL INFORMATION

1. Applicant Name: Stanislaus County Health Services Agency (HSA)
Address: 830 Scenic Drive
City: Modesto, California
County: Stanislaus County
Zip: 95350
2. Name of authorized official: Mary Ann Lee, HSA Managing Director
3. Name of Contact: Kathy Passanisi, Assistant Director
Phone: 209-558-6833 Fax: 209-558-7123
Email: kpassanisi@schsa.org
4. Low Income Health Program (LIHP) Name: Not currently determined.
5. Indicate the applicant type:
 County City and County Health Authority
 Consortium of counties serving a region consisting of more than one county.
Identify each participating county member of the consortium: _____
6. Check the appropriate box for the program(s) under the LIHP to be implemented and the proposed date of program implementation. In determining this date, consider the estimated timeframes for application approval and authorization by DHCS. This implementation date must be approved before an authorized applicant may implement the program(s).
 MCE Proposed implementation date. 01/01/2012 (Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.)
 HCCI Proposed implementation date. Not currently applicable.
For those applicants that are not proposing to implement a HCCI under the LIHP, check the appropriate box below.
 Will not implement a HCCI. _____
 Not planning to implement a HCCI at this time.

Note that a HCCI program can not be implemented if a MCE program is not implemented.

Refer to “Program Requirements”.*

***Note that all the sections referenced in the application are in the Program Requirements and Application Process – Low Income Health Program document.**

PROVIDER NETWORK

7. Check the appropriate box to indicate if the applicant’s delivery system(s) will be an open or closed network?

- Open Closed

Note that an applicant’s closed network is considered a managed care delivery system for LIHP. This closed network is subject to all applicable Medicaid laws and regulations, except those expressly noted in the STCs or the expenditure authorities for the Demonstration.

8. Will the applicant’s delivery system(s) include managed care organizations (MCOs), health-insuring organizations (HIOs), prepaid inpatient health plans (PIHPs), prepaid ambulatory health plans (PAHPs) or primary care cast management systems (PCCMs)?

- No Yes*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

If yes, check the box for those organizations that applicant anticipates including in the delivery system.

- MCOs HIOs PIHPs
 PAHPs PCCMs

9. Will the applicant’s delivery system(s) for mental health services be separate (carved out) from that of the applicant’s network? If yes, applicant must complete Attachment 7.

- No* Yes

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

Refer to “Provider Network Delivery System”.

ELIGIBILITY AND ENROLLMENT

10. Indicate the proposed upper income limit for the applicable LIHP.

- MCE upper income limit at or below 50%* percent of the FPL.
- HCCI upper income limit above 133 percent through not currently applicable* percent of the FPL.

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

Note that the applicant should set an upper income limit that minimizes the need for implementing an enrollment cap for the MCE.

Refer to “Eligibility and Enrollment Requirements – Income Standards.”

11. Indicate the non-binding estimates of enrollees by program year (PY). Only applicants with existing HCCI programs should complete the columns for existing enrollees:

| Program Year | MCE Population | | HCCI Population | |
|--------------|---|---------------------------------|---|---------------------------------|
| | Existing (Enrolled in the HCCI on 11/1/10) | New (Enrolled 11/2/10 or after) | Existing (Enrolled in the HCCI on 11/1/10) | New (Enrolled 11/2/10 or after) |
| PY 1 | <u>not applicable</u> | 5,635* | <u>not applicable</u> | <u>not currently applicable</u> |
| PY 2 | <u>not applicable</u> | 5,860* | <u>not applicable</u> | <u>not currently applicable</u> |
| PY 3 | <u>not applicable</u> | 6,086* | <u>not applicable</u> | <u>not currently applicable</u> |
| PY 4 | <u>not applicable</u> | 6,311* | <u>not applicable</u> | <u>not currently applicable</u> |

Refer to “Definitions.”

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

12. Indicate below the projected expenditure level which will trigger an enrollment cap.

HCCI expenditure level: not currently applicable*

MCE expenditure level:

- **Total Annual County (realignment/general fund) MCE expenditures: \$12,000,000***
- **Total Annual Expected LIHP-MCE Federal Reimbursement (via FFP): \$6,000,000***
- **Total Annual Projected Net County LIHP- MCE Associated expenditures: \$6,000,000***

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

Refer to “Eligibility and Enrollment Requirements – Income Standards and MCE Enrollment Requirements”.

13. Check the appropriate box below and fill in for the proposed retroactive period where appropriate.

MCE retroactive eligibility period will be ____ months. (1-3 mos.)

*MCE retroactive eligibility period will not be allowed.

HCCI retroactive eligibility period will be ____ months. (1-3 mos.)

HCCI retroactive eligibility period will not be allowed.

Refer to “Eligibility and Enrollment Requirements.”

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

EXPENDITURE AND REIMBURSEMENT MECHANISM

14. Place a check mark in the appropriate column to indicate the anticipated reimbursement mechanism for each program year. The mechanisms can change from year to year but both methods (Fee-for-Service or actuarially sound capitated rate) can not be combined within the program.

MCE Program

| Program Year | Cost Based Payments Using CPEs | Actuarially Sound Capitated Rate | |
|--------------|--------------------------------|---|--|
| | | Non-federal Share Provided through IGTs | Non-federal Share Provided through CPEs paid to 3 rd party. |
| PY 1 | X* | <u>not currently determined*</u> | <u>not currently determined*</u> |
| PY 2 | X* | <u>not currently determined*</u> | <u>not currently determined*</u> |
| PY 3 | X* | <u>not currently determined*</u> | <u>not currently determined*</u> |
| PY 4 | X* | <u>not currently determined*</u> | <u>not currently determined*</u> |

HCCI Program

| Program Year | Cost Based Payments Using CPEs | Actuarially Sound Capitated Rate | |
|--------------|----------------------------------|---|--|
| | | Non-federal Share Provided through IGTs | Non-federal Share Provided through CPEs paid to 3 rd party. |
| PY 1 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |
| PY 2 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |
| PY 3 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |
| PY 4 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |

Refer to “LIHP Funding Amounts and Requirements – Reimbursement Mechanisms.”

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

15. Indicate in the appropriate column by program year the amount of anticipated total funds expenditures (TFEs) for each proposed program(s)

| Program Year | MCE TFEs | HCCI TFEs | Total TFEs |
|--------------|------------------|----------------------------------|------------------|
| PY 1 | \$12,000,000*,** | <u>not currently applicable*</u> | \$12,000,000*,** |
| PY 2 | \$12,000,000*,** | <u>not currently applicable*</u> | \$12,000,000*,** |
| PY 3 | \$12,000,000*,** | <u>not currently applicable*</u> | \$12,000,000*,** |
| PY 4 | \$12,000,000*,** | <u>not currently applicable*</u> | \$12,000,000*,** |

Refer to “Definitions”.

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

***\$12,000,000 Total funds inclusive of both “county net contribution” and FFP reimbursement.*

16. HCCI Allocation Request: Indicate in the table below the requested allocation amount for federal funds. Only applicants with existing HCCI enrollees should complete the column for Existing HCCI Enrollee.

Refer to “LIHP Funding Amounts and Requirements - Allocation Process and Requirements.”

| Program Year | New Enrollee HCCI Allocation | Existing HCCI Enrollee Allocation | Total |
|--------------|----------------------------------|-----------------------------------|----------------------------------|
| PY 1 | <u>not currently applicable*</u> | <u>not applicable</u> | <u>not currently applicable*</u> |
| PY 2 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |
| PY 3 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |
| PY 4 | <u>not currently applicable*</u> | <u>not currently applicable*</u> | <u>not currently applicable*</u> |

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

17. Complete attachments 1 through 8 as applicable. Indicate on the attachment if it is not applicable.

Acknowledgements:

The applicant:

- Will comply with program requirements, standards, and performance measurements pursuant to Welfare & Institutions. Code § 15909 *et seq.* and other applicable requirements, as set forth in the Special Terms and Conditions of the Demonstration.
- Asserts that this application was developed in collaboration and partnership with other county departments, including the county Departments of Mental Health, Social Services, and Health Services.
- Voluntarily agrees to provide the non-federal share of LIHP project expenditures in an amount to be determined by the applicant annually.

I hereby certify that I am authorized to submit this non-binding application on behalf of Stanislaus County as approved by Stanislaus County Board of Supervisors on March 1, 2011 (Board Action No. 2011-124, attached).


Signature

Mary Ann Lee, Stanislaus County Health Services Agency Managing Director
Name, Title

3/21/11
Date

If unable to obtain approval from the County Board of Supervisors or other governing boards as appropriate, prior to submission of the application, indicate below the estimated date when the approval will be provided to DHCS.

ATTACHMENT 1 INCOME RULES FOR MCE ELIGIBILITY DETERMINATIONS

Explain specific income rules that will be used for making eligibility determinations for the MCE program. Include income that will be exempted, deducted, disregarded when determining MCE income eligibility.

Refer to “Eligibility and Enrollment Requirements.”

The policies and procedures for the proposed LIHP cannot be fully explained at this time. However, the Stanislaus County Health Services Agency currently oversees the Medically Indigent Adult Program (MIA), which employs the following income guidelines:

Eligibility for the Medically Indigent Adult Program is based on income calculations which take into consideration an applicant’s income along with standardized and other deductions, depending on the applicants unique circumstances, to determine if the net income is within the allowable limits as set by the Stanislaus County Board of Supervisors.

Eligibility and patient financial responsibility (if any) determinations are made on the basis of the income standards adopted by the Stanislaus County Board of Supervisors as applied in conjunction with the rules for exemptions, deductions, apportionment and availability as set forth in the Indigent Health Care Program (IHCP) Eligibility Manual.

Income includes benefits in cash or in-kind from labor, services provided, business activities, returns from real or personal property, contributions, or other similar sources. Income generally can be defined as earned (wages, salaries, commissions, net profits from self-employment, state disability insurance payments) or unearned (pensions, retirement payments, unemployment insurance benefits, workers compensation).

The MIA program applies various deductions depending on the type of income including a \$90 deduction for earned income for work related expenses, disability income deductions and deductions for child support payments and health insurance payments.

The MIA program also considers applicant and recipient assets, county residency, citizenship or legal permanent residence status, availability of full scope health insurance and other items within the IHCP Eligibility Manual to ensure that services are available to those that meet program rules. Patients that are denied eligibility or discontinued from the program are given the right to file for a Fair Hearing to appeal any action with which they disagree.

It is anticipated that further meetings and collaboration with partners and involved parties, including those currently employed with administering the Medi-Cal Program, an updated eligibility process will be established for establishing the final income rules and corresponding procedures for determining LIHP eligibility.

ATTACHMENT 2
INCOME RULES FOR HCCI ELIGIBILITY DETERMINATIONS

Explain specific income rules that will be used for making eligibility determinations for the HCCI program. Include income that will be exempted, deducted, disregarded when determining HCCI income eligibility.

Refer to “Eligibility and Enrollment Requirements.”

Check here if the same income rules used for MCE are used for HCCI.

1. Not currently Applicable*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

ATTACHMENT 3

Add-on Health Care and Mental Health Services for MCE and HCCI.

Indicate in the appropriate tables below any add-on services allowable under Section 1905(a) of the Social Security Act that the applicant proposes to provide in addition to the minimum core benefits, the mental health minimum benefits package for the applicable program, and the proposed date when the services will be implemented in the proposed program(s). Also indicate add-on substance abuse services separately.

Refer to “Program Requirements - Health Care and Mental Health Services.”.

| Add-on Health Care Services | Proposed Implementation Date | MCE | HCCI |
|------------------------------------|-------------------------------------|------------|-------------|
| Options under review* | | | |
| | | | |

| Add-on Mental Health Services | Proposed Implementation Date | MCE | HCCI |
|--------------------------------------|-------------------------------------|------------|-------------|
| Options under review* | | | |
| | | | |

| Add-on Substance Abuse Services | Proposed Implementation Date | MCE | HCCI |
|--|-------------------------------------|------------|-------------|
| Options under review* | | | |
| | | | |

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

**ATTACHMENT 4
LIHP COST-SHARING**

Specify any cost sharing that will be imposed by service. If cost sharing is imposed, also explain how the aggregate cost will be limited to five percent per family.

Refer “Program Requirements – Cost Sharing Requirements.”

MCE: Options under review*

HCCI: Not currently applicable*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

**ATTACHMENT 5
LIHP NETWORK ADEQUACY**

Complete the table below with the number of primary, specialty, and emergency care providers by type to describe your proposed provider network for the LIHP. Add other types of providers to the table below as needed. Approved applicants will be asked to provide additional information to determine network adequacy and access at a later date before authorized to implement the LIHP.

Refer to “Provider Network Delivery System.”

Stanislaus County proposes that LIHP relevant services be provided by the County with other potential LIHP providers currently under review.*

The below table reflects the provider breakdown for the current Medically Indigent Adult (MIA) program, which does not necessarily coincide with final LIHP provider network:

| Provider Type | Number of Primary Care Providers | Number of Specialty Care Providers | Number of Emergency Care Providers |
|---|--|--|---|
| Physician | 29 | 173 | <i>contingent upon current MIA county contracted emergency care provider determined staffing needs*</i> |
| Physician-Residents | 33 | N/A | <i>contingent upon current MIA county contracted emergency care provider determined staffing needs*</i> |
| Non-Physician Medical Practitioner (LCSW, Nurse Practitioners, Physician Assistants) | 29 | <i>contingent upon current MIA county contracted provider determined staffing needs*</i> | <i>contingent upon current MIA county contracted emergency care provider determined staffing needs*</i> |
| Pharmacist | | | |
| Clinic | <i>Refer to first two rows for “# of Primary Care Providers” and “# of Specialty Care Providers”</i> | <i>Refer to first two rows for “# of Primary Care Providers” and “# of Specialty Care Providers”</i> | |
| FQHC/FQHC-LA | <i>Refer to first two rows</i> | | |

| | | | |
|-------------------------|---|--|--|
| | <i>for “# of Primary Care Providers”</i> | | |
| Hospital | <i>contingent upon contracted provider determined staffing needs*</i> | | |
| | | | |
| Total Physicians | 235 | | |

Total Physicians is 235, but does not necessarily include all physicians providing patient care through contracted medical/specialty groups.

Provide the anticipated ratio of primary care physicians to MCE enrollees (YR1): *62:8,050 or 1:130**

Provide the anticipated ratio of primary care physicians to HCCI enrollees: not currently applicable*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

Alternative Access Standards

Describe any geographic areas served by the LIHP that are eligible for alternative access standards. Attach a map to the application to illustrate these geographic areas.

1. Not currently determined*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

ATTACHMENT 6
LIHP FUNDING AND CAPITATION RATE DEVELOPMENT

List the anticipated source(s) of non-federal funds for the LIHP and include funding from governmental entities other than the applicant.

Refer to “LIHP Funding Amounts and Requirements – Reimbursement Mechanisms.”

1. Stanislaus County allocated realignment—i.e. sales tax, vehicle licensing fees—funding*
2. Stanislaus County allocated general funding*
3. Other funding*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

Provide the status of the development of capitated rates for the LIHP, including the following: who is developing the rates and the projected date the capitation rate information will be submitted to DHCS.

1. not currently available*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

ATTACHMENT 7
MENTAL HEALTH SERVICES DELIVERY SYSTEM AND REIMBURSEMENT
MECHANISM

If the applicant's delivery system(s) for mental health services is separate (carved out) from that of the applicant's provider network, please describe the delivery system and the reimbursement mechanism for these services. If unable to provide this information with the application, indicate the date that it will be submitted to DHCS. **Refer to "Provider Network Delivery System."**

1. not currently determined*

**Contingent upon final results of Stanislaus County facilitated gaps analysis, needs assessment, county consultant recommendations, and Stanislaus County Board of Supervisor approval.*

LIHP ELIGIBILITY AND ENROLLMENT SYSTEM

Fully describe the manner in which the LIHP will process, screen and determine eligibility; and enroll eligible applicants into the LIHP. If appropriate, include in the description the use of any electronic and/or web-based system(s), any eligibility and/or enrollment software product(s) used for processing applications, screening, eligibility determinations, and case management and how such systems/products ensure consistent eligibility determinations. Also include, if warranted, the roles and responsibilities of the county department of health services and social services in eligibility determinations for LIHP enrollees. If unable to provide this information with the application, indicate the date that it will be submitted to DHCS.

Refer to “Eligibility and Enrollment Requirements.”

1. Refer to response for “Attachment 1”