



San Luis Obispo County Public Health Department

MEETING MINUTES

Coverage Initiative Planning Project (CIPP)

Stakeholder Work Group

Meeting #4 – Tuesday, December 7, 2010, 3:30 p.m. – 5:00 p.m.

The meeting convened at 3:40 p.m.

Attendance

Stakeholder representatives in attendance: Theresa Merkle, CenCal Health; Clint Slaughter, French and Arroyo Grande Hospital ED Physician; Jean Raymond, Health Commission; Jason Chang, Twin Cities Community Hospital (TCCH); Richard Phillips, Sierra Vista Regional Medical Center; Biz Steinberg, CAPSLO; Natalie Walter, Dept. of Social Services (DSS); Tracy Buckingham, DSS; Tom Hale, Twin Cities Community Hospital ED Physician; Amy Gilman, Office of Supervisor Jim Patterson; Christina Chow, DSS; Larry Bacus, Community Health Centers (CHC); Liz Bates, Noor Foundation; Sue Andersen, Catholic Healthcare West (CHW); Betsy Umhofer, Representative Lois Capps.

Others in attendance: Joel Diring, Diring & Associates; Health Agency - Jennifer Shay, Jeff Hamm, Penny Borenstein, Marsha Bollinger, Gloria Gonzales, Mike Stevens.

Handouts provided: Agenda; ITUP "California Health Benefit Exchange Legislation, August 24, 2010"; and CMSP utilization data (four pages).

Welcome and Introductions

Joel Diring, of Diring & Associates, welcomed the stakeholder representatives and began introductions followed by a review of the meeting Agenda. Mr. Diring explained that there is no new information to be presented today under the State/Federal Policy Update topic; however, the Department of Health Care Services (DHCS) will hold a teleconference tomorrow about policy updates. He provided the conference call-in number later in the meeting.

Who provides care to the medically indigent in SLO County: Pharmacy, lab, radiology, ancillary services and specialty care?

Mr. Diring introduced Marsha Bollinger, Division Manager for Health Care Services (program manager of County Medical Services Program, known as CMSP). CMSP funds medical care for eligible SLO County residents. Ms. Bollinger introduced Gloria Gonzales, also with CMSP, as they distributed handouts of CMSP and Community Health Centers (CHC) utilization data and explained the challenges in accessing this data by type of ancillary service.

Ms. Bollinger noted that CHC provides the primary care for CMSP patients and CHC is paid by the county for these services through a lump sum grant. The current CMSP grant funding to CHC is \$3 million dollars. Although the clinic and pharmacy utilization tables illustrate payment amounts, CHC is not paid these amounts, but with costs instead covered by the lump sum grant. The data gives a forecast of what the services would cost if paid on a fee-for-service (FFS) at Medi-Cal rates, including only allowable charges (e.g., CMSP-enrolled patients only).

Ms. Bollinger reviewed the Ancillary Services table for fiscal year 2009/2010 (handout provided), detailing CMSP utilization by number of patients, number of encounters or prescriptions, and utilization costs. The majority of pharmacy services are provided through CHC; however, some must be provided outside. Some of the ancillary services included in the table are not normally covered, such as podiatry, unless CMSP determines the service is necessary to save life or limb. Ms. Bollinger clarified some information in the table of Ancillary Services. Pharmacy encounters are the number of prescriptions. All professional services, except those provided by CHC, are included in the Specialty Care category. For example, outside radiologists are in Specialty Care and not included under the Radiology category. The ER category includes hospital charges only and payments to ER physicians and other professional services are included in the Specialty Care category.

Tom Hale, ER physician at Twin Cities Community Hospital, commented that CMSP patients are often unable to get into CHC quickly enough when urgent care is needed and usually end up at the ER. Dr. Hale further stated that CMSP reimburses hospitals at a flat rate for each patient visit to the ER, regardless of the expense incurred in caring for the patient, which is less than 30 cents on the dollar. Penny Borenstein, County Health Officer, confirmed that the county has contracted with the hospitals for flat rates.

Ms. Bollinger explained that utilization review at CMSP is just like any other insurance provider, but the difference is that CMSP is currently in the red. Dr. Borenstein added that as CMSP costs are going up, we are making lots of difficult decisions.

Tracy Buckingham of DSS commented that the Waiver Initiative seems to include a broader scope of services and asked if we are looking at data that is too narrow in its scope of benefits. Joel Diringer responded that this is somewhat true, and we still have to look at mental health services. Jeff Hamm, County Health Agency Director, stated that when we decide whether or not to participate in the Waiver Initiative we have to first predict what it will look like in 2014 and then decide if we want to facilitate a bridge to 2014.

State/Federal Policy Update: What is the Exchange?

Joel Diringer presented a PowerPoint he borrowed from the California HealthCare Foundation titled *The Role of the Exchange in California's Implementation of National Health Reform*, which may be obtained at www.chcf.org. Mr. Diringer began by reviewing the key roles of the exchange, which allows for consumer choice of competing plans that are certified as "qualified health plans" using federal criteria. Modest income individuals and small, low-wage employers participating in the exchange are eligible for tax credits or subsidies. The exchange covers lawful residents who are not incarcerated and small employers. All plans must offer the

federally specified "essential health benefits package" and must conform to one of four coverage levels. A lower cost "catastrophic" plan is available to people under age 30. The state estimates 1.25 to 8 million potential enrollees and will need to coordinate with existing Medi-Cal and county-based administrative structures. Mr. Diringler concluded his presentation and thanked everyone for their participation.

The next meeting is in two weeks, Tuesday, December 21st, 3:30-5:00 p.m. It will be held at the same location: SLO County Dept. of Agriculture Extension Auditorium: 2156 Sierra Way, SLO 93401 (off Bishop Street, behind the Public Health Dept.).

The meeting was adjourned at 5:00 p.m.