



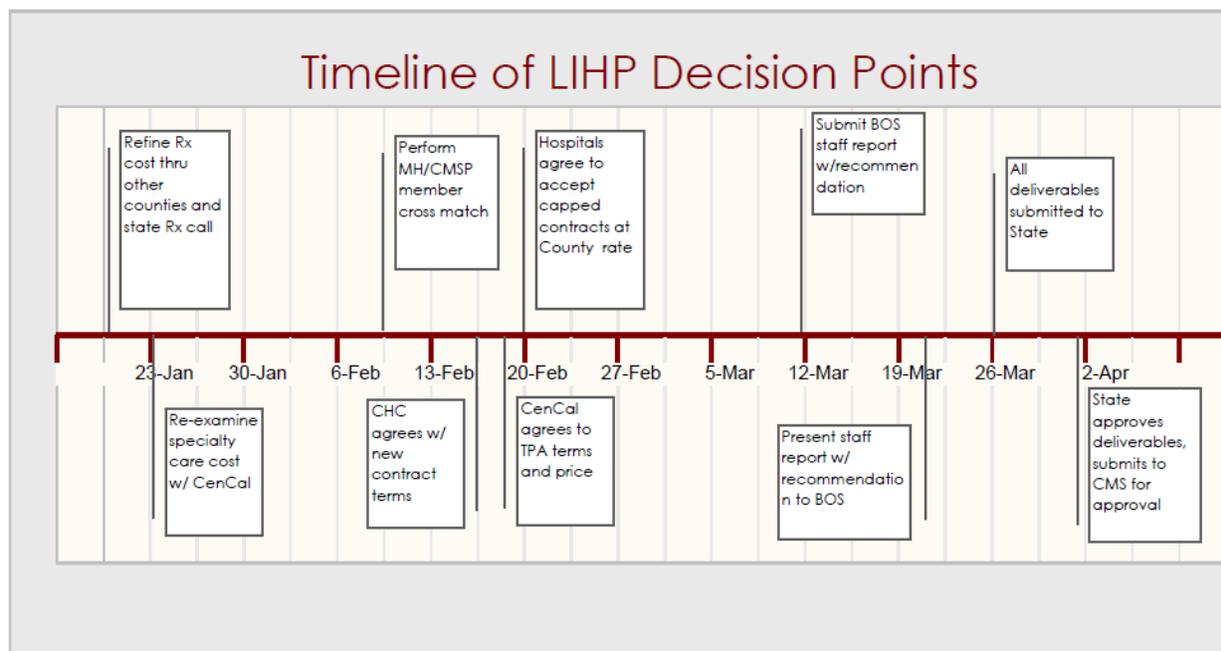
San Luis Obispo County Public Health Department

Low Income Health Program (LIHP) Planning Project
Stakeholder Work Group

LIHP STATUS UPDATE

February 17, 2012

- Health Agency presented a LIHP Status Update to the Board of Supervisors on 11/15/11. The Staff Report and PowerPoint Presentation are available on the [LIHP Stakeholder webpage](#).
- Health Agency has not yet returned to the Board of Supervisors to make a recommendation regarding participation in LIHP.
- Recommendation to participate depends upon several key decision points that staff have been working on and which must be completed in the coming weeks in order for the County to begin LIHP participation by start of fiscal year 2012-13.



- As previously concluded, spending constraints necessitate continuation of County Medical Services Program (CMSP) for medically-indigent adults while affording LIHP enrollment to a small number of residents. Barring approval by the Board of Supervisors

of additional local funding (an unlikely scenario), net expenditures for the dual CMSP/LIHP programs will need to fall within current General Fund support for CMSP and unsponsored Mental Health patients (those projected to be enrolled in LIHP.) Two main variables put expenditures at risk for overage: un-capped enrollment growth in CMSP and higher than estimated utilization of medical services in LIHP.

- A federal condition of LIHP requires the County to pay CHC (any FQHC) a specified (Prospective Payment Service or PPS) rate for LIHP patients, which is higher than the estimated per encounter rate that County grant funds to CHC currently provide for CMSP patients.
- We have asked CHC and local hospitals to consider amending contracts with the County to include LIHP and to accept the potential for financial risks as well as benefits of LIHP. Cost estimates for medical services are intentionally on the high side; however, if actual payments to providers exceed our estimates and the County's budgeted funding for the program is exhausted, we have asked CHC and the hospitals to continue caring for LIHP patients without further payment for the remainder of the fiscal year.
- Other program expenses not yet finalized include CenCal's administration fee and the state's LIHP administration fee, though estimates for both have been included in the program cost estimates.
- Updated information about the necessary resources and costs to implement the program are discouraging.
 - Earlier estimates for pharmacy costs did not include psychotropic drugs. We are currently researching this expense and will add to the program cost estimates when available.
 - Installation, training, and maintenance of the eligibility and enrollment system may incur a significant price increase to include CMSP. Excluding CMSP from new system could increase overall administration cost estimates considerably.
- LIHP infrastructure and policy development continue, though progress has slowed since December as staff try to bring finality to financial considerations. Of the 25 DHCS deliverables, 11 have been accepted, 7 require minor revisions, 5 are in final draft, and 2 remain incomplete.
- We have applied for a \$100,000 LIHP Implementation grant from Blue Shield California Foundation and expect notification sometime in March. The Implementation grant would help offset personnel expense devoted to the project and IT development necessary for eligibility determination, enrollment, and data reporting. Grant funding for the LIHP Planning Project ended 12/31/11.
- Implementation of LIHP throughout the state has progressed as four additional LIHPs (which included the 34 counties in the CMSP group) contracted with CMS and DHCS and launched their programs in January, one more in February, and three are on track for

implementation in March. See the table below for a statewide listing of LIHP status. Reports of enrollment numbers for the 10 legacy counties are available on the [DHCS LIHP webpage](#).

New LIHP Counties		Implementation Status		
Riverside		Implemented January 2012		
San Bernardino		Implemented January 2012		
Merced		Estimated implementation March 2012		
Monterey		Estimated implementation March 2012		
Placer		Unknown		
Sacramento		Estimated implementation February 2012		
Santa Cruz		Implemented January 2012		
Fresno		On hold		
San Joaquin		Estimated implementation March or April 2012		
CMSP (Group of 35 Counties)		Implemented January 2012		
Santa Barbara		On hold		
San Luis Obispo		Still assessing participation		
Stanislaus		Still assessing participation		
Tulare		On hold		
Yolo		Recently joined CMSP Group, plans to implement in July 2012		
LIHP Legacy Counties				
All contracted 9/30/11 with implementation dates retro to 7/1/11				
Alameda	Kern	Orange	San Francisco	Santa Clara
Contra Costa	Los Angeles	San Diego	San Mateo	Ventura