



San Luis Obispo County Public Health Department

MEETING MINUTES

**Low Income Health Program (LIHP) Planning Project
Stakeholder Work Group
Tuesday, March 13, 2012 3:00 p.m. – 4:00 p.m.**

The meeting convened at 3:05 p.m.

Attendance

Stakeholder representatives in attendance: Leslie Brown, SLO County Administration; Robert Mangini, Chris Briones, and Ed Clerkin, Dept. of Social Services; Jean Raymond, Health Commission; Kena Burke, Denise Stewart, Larry Bacus, and Bob Lotwala, Community Health Centers of the Central Coast; Sue Andersen, CHW/Dignity Health; Theresa Merkle, Marina Gordon, and Lowell Gordon, M.D, CenCal Health; Amy Gilman, Board of Supervisors District 5; Biz Steinberg, CAPSLO; Abby Lassen, CRLA Volunteer Attorney; and Cathy Lewis, ASN/SLO HepC.

Others in attendance: SLO County Health Agency: Jeff Hamm, Diane Jay, Gloria Gonzales, Mike Taylor, Penny Borenstein, and Jennifer Shay; and Joel Diringer, Diringer & Associates.

Handouts provided: SLO County LIHP Update 3-13-12 presentation and LIHP & CMSP Estimated Costs FY 2012/2013 -3-6-12.

Welcome and Introductions

Joel Diringer, of Diringer & Associates, welcomed the stakeholder representatives and began introductions followed by a review of the meeting Agenda.

SLO County LIHP Update

Dr. Penny Borenstein, Public Health Administrator/County Health Officer, began with a status report on the non-legacy counties. Legacy counties are the 10 counties that participated in the pilot Health Care Coverage Initiative—a pre-LIHP of sorts—running from 2007 to 2010. The legacy counties were the first to implement their LIHPs in September 2011, with retroactive dates of July 2011. Riverside, San Bernardino, Santa Cruz and the CMSP group (a consortium of 34 small-sized counties) implemented LIHPs in January 2012. Yolo County recently joined the CMSP group and expects their LIHP to be ready July 2012. Of the 58 counties statewide, those with LIHPs to date include the 10 legacy counties, the 34 in CMSP, and the 3 just mentioned. Of the remaining 11 counties, Merced, Sacramento, and San Joaquin appear to be close to implementation. Yolo will implement in July, and Monterey and Placer are in question. Besides us, the four remaining counties, which include Stanislaus, Santa Barbara, Tulare, and Fresno,

have all placed their implementation efforts on pause. While some of their reasons are similar as ours, each county also has their own unique issues and challenges.

Dr. Borenstein informed the group that she and Jeff Hamm recently briefed the Board of Supervisors, one on one, on the staff recommendation to not proceed with establishing a LIHP. The cost analysis spreadsheet was then distributed to the group. Dr. Borenstein explained that staff has made numerous adjustments to the cost estimates throughout the planning process. The estimated cost for IT development, however, has not yet been fully determined and, therefore, is not included in this total. We have consulted with other counties and with CenCal to fine tune estimated utilization and other program costs with the final result being our best guess and most conservative estimate of LIHP costs (not including IT). The result is that enrolling as few as 1,000 people into LIHP will put us more than \$500 thousand over budget.

Secondly, we have been pushing back our implementation date farther and farther out because of the amount of work remaining. Infrastructure development, such as contracting with the State, CenCal, and all the other providers, and the complex IT development requires more time and money than we had anticipated. The best case scenario here pushes implementation well past July. Even if all our fiscal and infrastructure challenges were somehow resolved, it would still mean the program term would be something less than 18 months. In the final analysis the question became: Is developing a short-term, but very complicated, new program with the County and our providers taking on significant financial risk, the right thing to do because it is a good thing to do for a small number of people? The answer we arrived at, ultimately, was no, and we then communicated that to the Board. Jeff Hamm added it was not just one challenge that led us to this answer, it was the cumulative affect of the many challenges we faced.

Dr. Borenstein concluded the presentation by stating, that while this is an unfortunate conclusion to everyone's efforts, we do want to recognize the many benefits that have come from these efforts. The grant funding from Blue Shield allowed us to conduct a detailed examination of the needs and current system serving our medically indigent adults and to strengthen collaborative relationships with stakeholders, which we hope to continue. We next plan to return to the Board of Supervisors to convey stakeholder feedback. We also need to continue our planning efforts for the transition to Medi-Cal expansion in 2014. Mr. Hamm added that we have also recently communicated our final analysis and recommendation to the State.

Group Discussion

The group then entered into a general discussion about the implementation efforts of the other non-legacy counties. Mr. Hamm noted that there are only two other counties like ours which do not provide direct health care, and when a county is not a direct provider they will have higher medical costs in the LIHP. Joel Diringer pointed out that while some of these new LIHP counties have signed contracts with the State, their LIHPs are not yet functioning. Many in the group agreed that it will be interesting to see what eventually develops throughout the state. Dr. Borenstein expressed appreciation to CenCal Health for all the time and effort they have contributed in this long effort.

Bob Lotwala noted that at a local level, this program expands health care for very few and at a much higher net cost. Mr. Lotwala then posed the question, how are we, as a nation, going to pay for all this health care when the program goes nationwide in 2014? Mr. Hamm replied that the federal government will pay for most of this expansion for the first five years and then in 2019 the states will start paying 10% of the costs.

A general discussion ensued around the County's readiness for Health Reform in 2014. Dr. Borenstein responded that the Medi-Cal population could increase by 10-20 thousand people, which will create a huge demand on DSS resources to enroll these people into Medi-Cal. The majority of CMSP members will then qualify for and transition to Medi-Cal and the remaining, slightly higher income, individuals in CMSP will transition to one of the subsidized insurance exchange programs. Therefore, in theory, there will no longer be a need for CMSP and it will shut down. The State is currently developing the exchange program and the private insurance companies making up the exchange will enroll qualified individuals into the plans.

Dr. Borenstein pointed out that the development of new programs and new funding for health care does not solve the issue of provider capacity and will only challenge existing resources even more. Expanded coverage does not equal expanded capacity. Currently, there are no extra doctors coming out of medical school to care for the newly insured who will be seeking health care. This is an issue that we, the Health Agency and our local providers, need to care about.

Mr. Lotwala asked what the plan was for this group in the future, and should we continue to meet to address these ongoing issues? Mr. Hamm agreed that, although this group was formed for a specific purpose, it is a good idea to continue to meet to work on a transition to Health Care Reform. Mr. Hamm said that the Health Agency would be happy to coordinate the meetings, if there is consensus among the group. Various stakeholders expressed a desire to continue to work together. Joel Diringier added that there is a need in every community to have continuing discussions on this topic. Dr. Borenstein added that she provides the public with regular updates on this topic at the monthly Health Commission meetings. Mr. Hamm suggested that the time for this group to convene again may be when the Supreme Court ruling on the Patient Protection and Affordable Care Act is known, which may be sometime in June. The group agreed to reconvene when more is known about the future of Health Care Reform.

The meeting concluded at 4:00 p.m.