

# ITUP

Insure the Uninsured Project

**Assembly Select Committee on Health Delivery  
Systems and Universal Coverage**  
Safety Net Programs, Populations, and Providers

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# Safety-Net in California

## **This presentation will focus on:**

- Health disparities experienced by safety-net populations
- Safety-Net providers dedicated to caring for these populations
- Safety-Net programs, especially those serving the remaining uninsured

# Safety-Net Definitions

## Safety-Net Population

- Uninsured and enrolled in a public program
  - Under 300 percent of the federal poverty level (FPL)
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## Safety-Net Providers and Programs

- Disproportionately serve safety-net populations
  - Provide services regardless of ability to pay or immigration status
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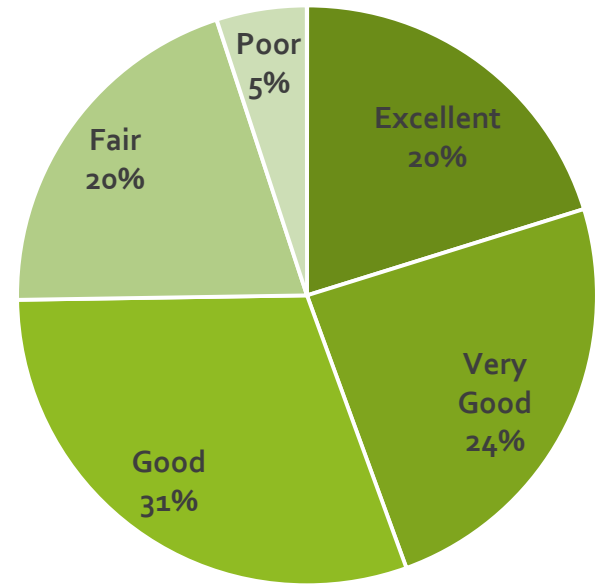
## Health Disparities

- Differences that cause a variation in the rate of disease occurrence between socioeconomic and/or geographically defined population groups

# Disparities in Self-Reported Health Status

Californians <300% FPL compared to those over 300% FPL

Safety-Net Population



Population over 300% FPL

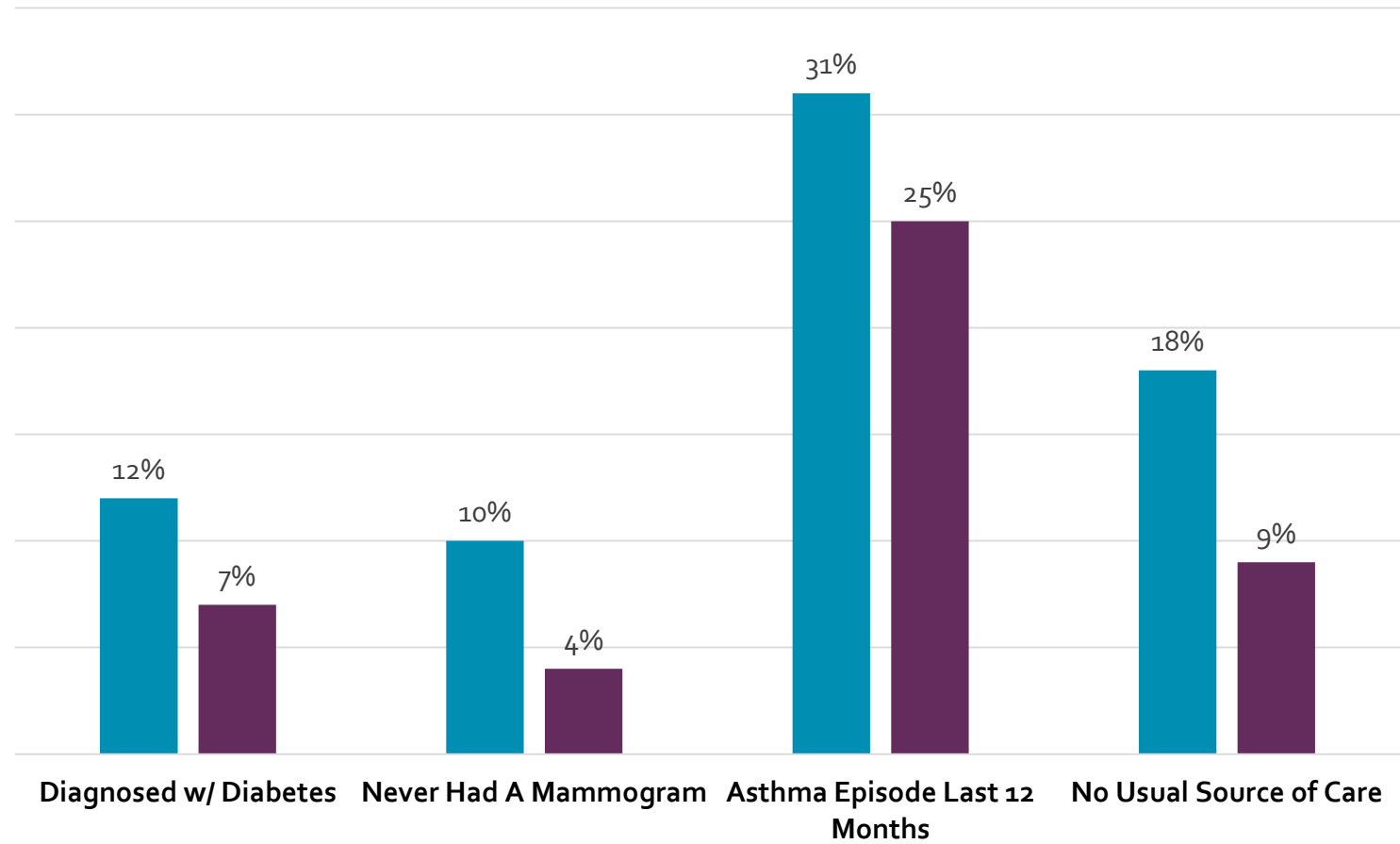


Source: Insure the Uninsured Project; California Health Interview Survey 2015 Data

# Disparities in Health Status

Californians <300% FPL compared to those over 300% FPL

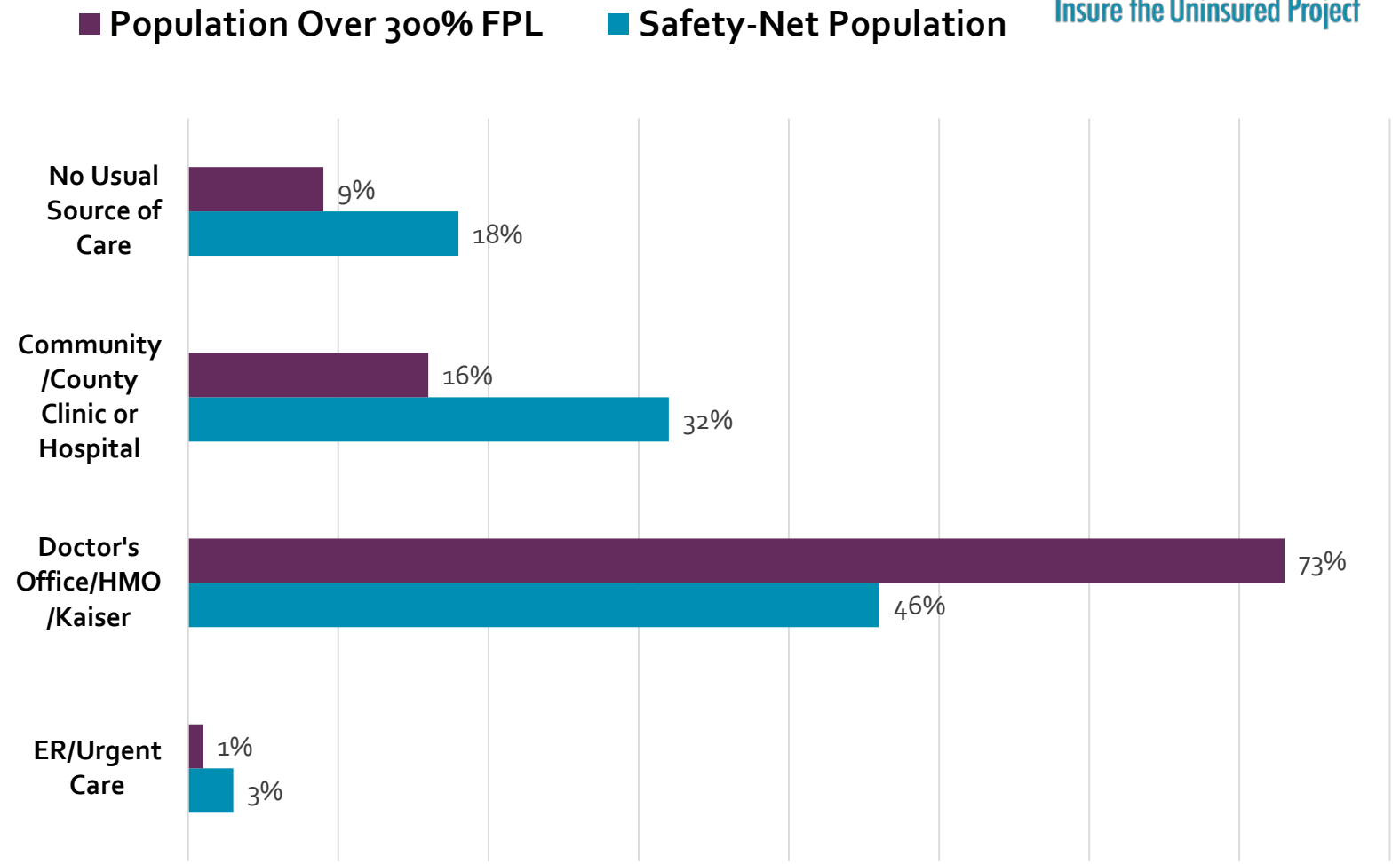
- Safety-Net Population
- Population Over 300% FPL



Source: Insure the Uninsured Project; California Health Interview Survey 2015 Data

# Usual Source of Care

Californians <300% FPL compared to those over 300% FPL



Source: Insure the Uninsured Project; California Health Interview Survey 2015 Data

# Safety-Net Providers

Community/County Clinics and Health Centers (CCHCs)

CCHCs serve 1 out of 7 Californians

| 2013         | CCHCs  | 2015        |
|--------------|--|-------------|
| 1,136        | Sites  | 1,276       |
| 17.8 million | Encounters                                   | 20 million  |
| 5.7 million  | Consumers/Patients                           | 6.3 million |
| 77%          | Patients <200% FPL                           | 74%         |
| 41%          | Percent Uninsured                            | 25.4%       |
| 38%          | Percent Medi-Cal                             | 56%         |
| 53%          | Medi-Cal Revenue as a % of Total Net Revenue | 66%         |

Source: Insure the Uninsured Project analysis of 2013 and 2015 Primary Care and Specialty Clinics Annual Utilization Data, Office of Statewide Planning and Development (OSHPD) [www.oshpd.gov](http://www.oshpd.gov)

# Safety-Net Providers



## California Public Hospitals and Health Systems (PHs)

21 public hospitals – 16 county-owned and operated systems and five University of California medical centers account for **6%** of CA hospitals

- Serve more than 2.9 million patients annually and provide 10.5 million outpatient visits at more than 200 clinic facilities
- Provide **35%** of all hospital care to Medi-Cal beneficiaries
- Provide **34%** of all hospital care to the remaining uninsured
- Located in 15 counties where **80%** of the state's population reside
  - (Private hospitals are the Safety-Net in many communities, especially rural and remote areas)

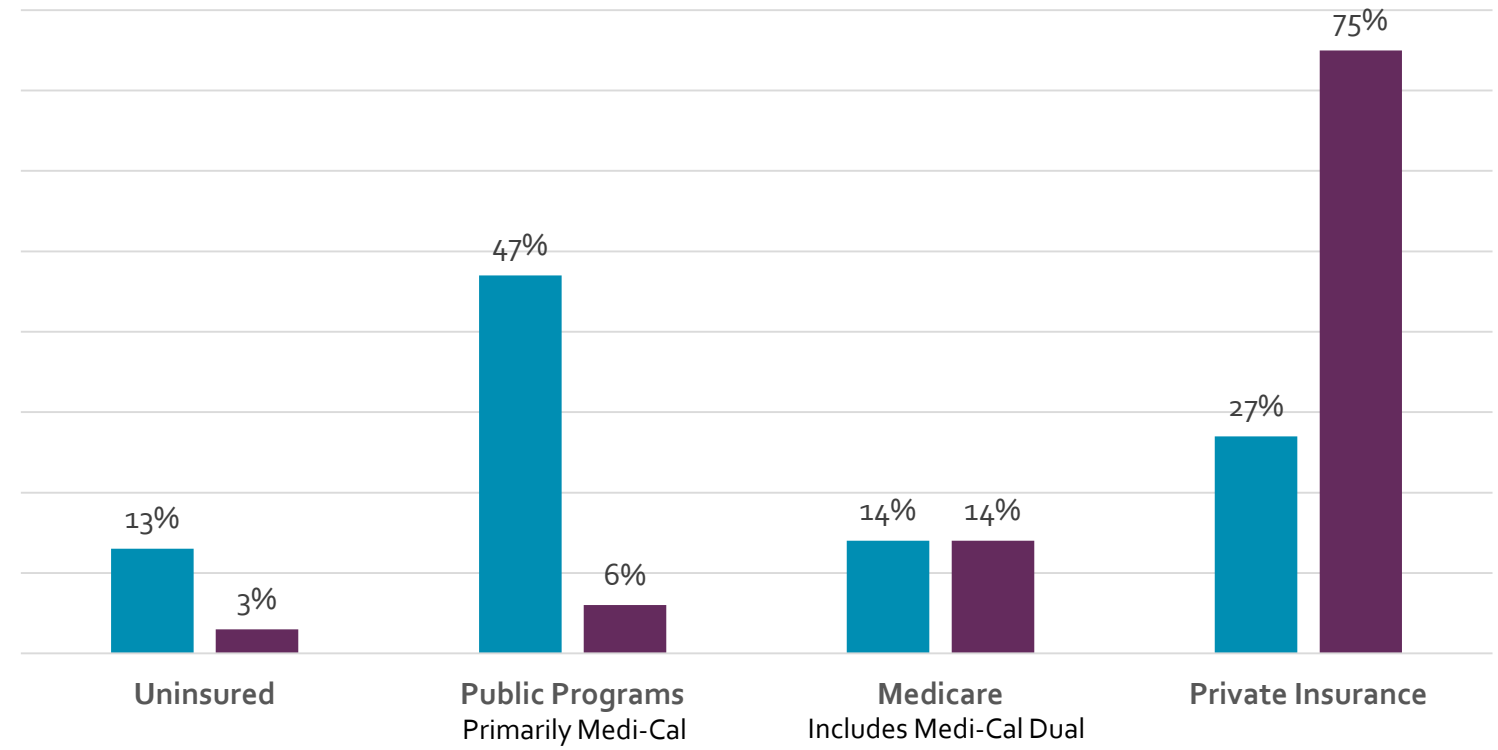


# Coverage Programs for Safety-Net Populations

Insurance Status for Californians <300% FPL compared to those over 300% FPL

California, 2015

- 2015 Safety-Net Population
- 2015 >300% FPL



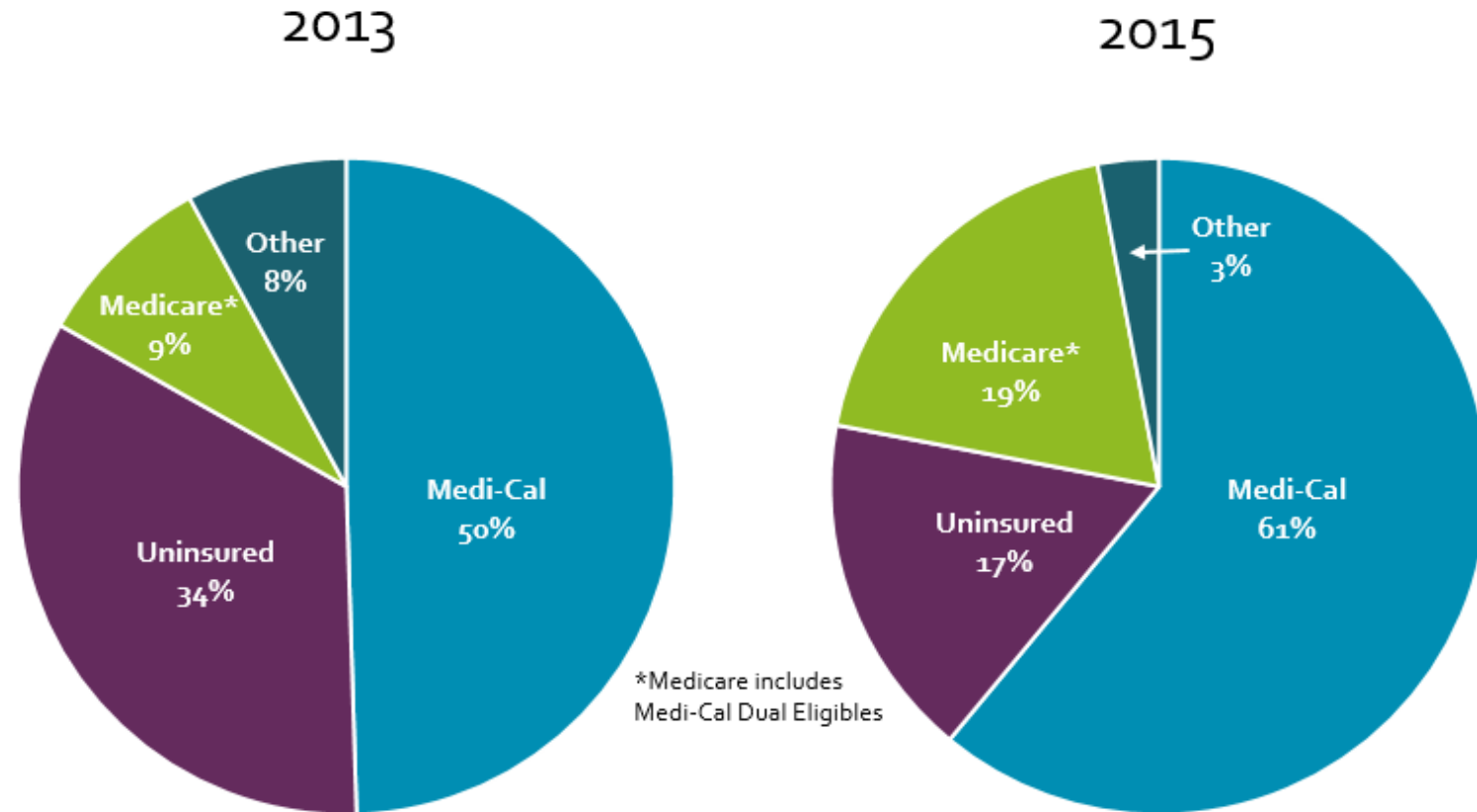
Source: Insure the Uninsured Project; California Health Interview Survey 2015 Data

# Public Program Enrollment

## Pre- and Post-ACA

Data Limited to Safety-Net Population <300% FPL that are not covered by Private Insurance

California, 2013 and 2015



Source: Insure the Uninsured Project; California Health Care Foundation, January 2016 and California Health Interview Survey, 2015, UCLA Center for Health Policy Research

# Safety Net Programs

## Medi-Cal

- Full Scope
  - Restricted (emergency, pregnancy-related services)
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## Covered California – State Exchange

- Tax credits and cost sharing reduction subsidies <400% FPL
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## Programs for Remaining Uninsured

- County Medically Indigent Adult Programs
- Federal Health Center 330 Grant Programs
- Medicaid Disproportionate Share Hospital payments and Global Payment Program
- State-only Programs:
  - Breast and Cervical Cancer Screening Program
  - Family Planning, Access, Care and Treatment Program
  - GHPP
  - Others

# Programs for Remaining Uninsured

## County Medically Indigent Adult Programs

### **CA Welfare and Institutions Section Code 17000 Obligation**

“Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions.” (Enacted in 1933)

### **Counties determine eligibility, benefits and services to meet the Section 17000 obligation (consistent with case law over decades)**

### **ITUP 2017 Chart: County Medically Indigent Care Programs**

- ACA has reduced use of county programs; some counties have adjusted eligibility as a result and increased income eligibility
- Eligibility between 0-500% of the federal poverty level
- Most counties impose share of cost (copayments, etc.) on a sliding scale
- County Medical Services Program (35) mostly smaller/ rural counties and 17 other counties provide some level of health services to undocumented residents

## Programs for Remaining Uninsured

### Federal Health Center 330 Grant Programs

## Federal 330 Grant Program for Underserved Populations

- Grants to health centers to defray the cost of uncompensated care
- Some 330 funds target special populations
  - Migrant and seasonal farmworkers
  - Healthcare for the Homeless Program
  - Residents of Public Housing

## 800 Federally Qualified Health Center sites in California

- \$430 million in 330 grant funds
- Current federal funding cliff is threatening 70% or \$300 million

# Existing Programs for Remaining Uninsured

Disproportionate Share Hospital (DSH) payments and Global Payment Program (GPP)

## Federal Medicaid DSH Payments

- Hospitals with large Medicaid and low-income uninsured patients receive supplemental federal payments
- DSH allotment to hospitals in FY 2016 was 12 billion nationwide
  - 1.2 billion in California
- ACA phases down DSH allotments

## GPP

- Component of California Medicaid Section 1115 Waiver (Medi-Cal 2020) which restructures federal funds, incl. DSH
- Financial incentives for PHs to support the provision of uninsured services that are more cost-effective in primary and preventive settings
- Reimburses PHs for previously uncompensated “non-traditional” services that have demonstrated value

# Health Care Safety-Net in California

## **Safety-Net Programs and Providers continue to be a critical component of the health care delivery system in California**

- Safety-Net providers are disproportionately the providers of care to those under 300% FPL, including the remaining uninsured
- Safety-Net programs ensure stability for safety-net providers to maintain their mission to serve everyone that reach their doors
- Without the safety-net as a usual source of care for the populations they serve, health disparities would worsen



**QUESTIONS?**