Workshop on the Implementation of the Affordable Care Act in Sacramento County

Brad Hudson, County Executive
Britt Ferguson, Chief Financial Officer
Sherri Z. Heller, Ed.D., Director, Health & Human Services
Paul Lake, Director, Human Assistance

August 27, 2013

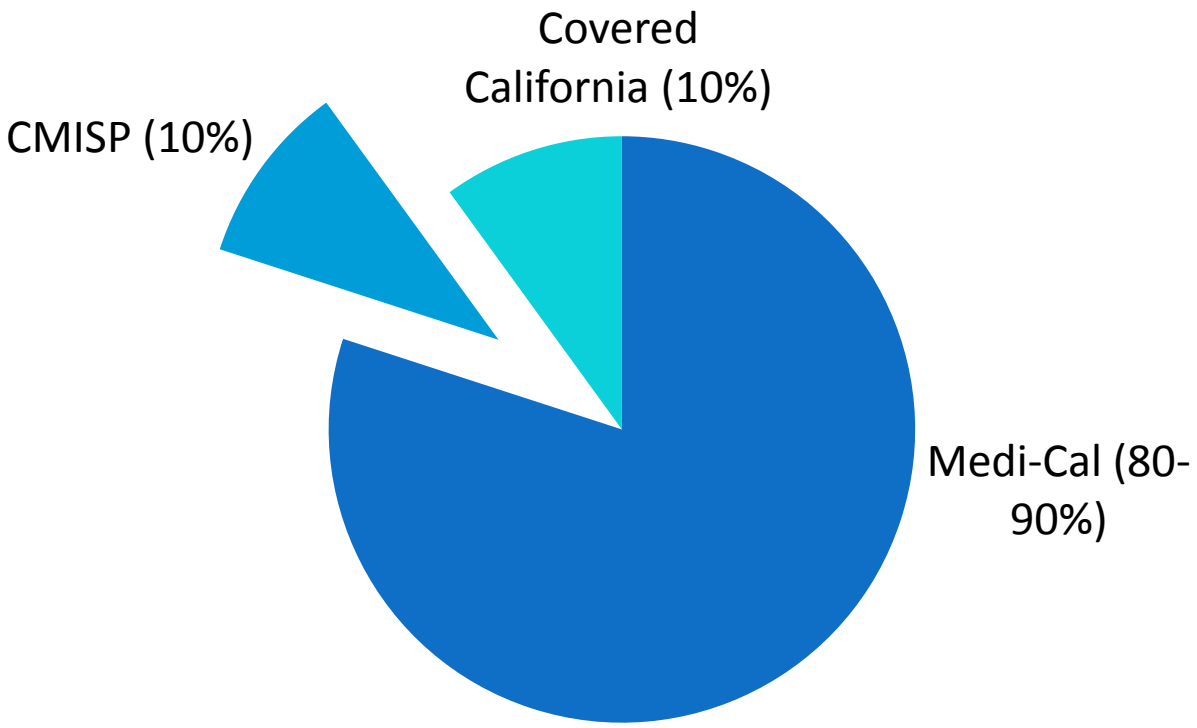
SACRAMENTO COUNTY

Key Points

- Affordable Care Act (ACA) significantly alters the role counties fill in providing healthcare services to indigent adults
- Expansion of Medi-Cal and formation of Health Benefit Exchanges (Covered California)
- 1991 Public Health Realignment revenue reallocated and substantially reduced

Transition into New Healthcare Coverage Programs

Eventual Expected Breakdown of Indigent Care Coverage Under ACA



Residual CMISP Population

- Majority of current CMISP enrollees will qualify for Medi-Cal
- Retroactive Medi-Cal (3 months) and presumptive eligibility
- Set eligibility policies to move as many eligible individuals as possible into Medi-Cal or Covered California

Transition from CMISP to Medi-Cal/Covered California

LIHP (14,000 projected)

- Automatically move to Medi-Cal January 1

Remaining CMISP (12,500 projected)

- Notification through Open Enrollment (3/31/14)
- ***PROPOSED*** ***– Active CMISP must apply for Insurance Affordability Programs or be discontinued 4/1/14, after 9/30/14 new CMISP applicants who did not apply for other coverage during open enrollments will be denied eligibility for CMISP***

Formula Options: Reallocation of 1991 Public Health Realignment Revenue

- Assembly Bill 85 outlines the reallocation of 1991 Public Health realignment and two formula options
- Two choices: cost-based formula or “60/40”
- ***Staff recommends the “60/40” formula***
- County estimated to retain $12M plus General Fund MOE (approximately $7M) for indigent health and public health programs

Behavioral Health

- Medi-Cal expansion budget implications for County Mental Health Plan:
  1. Potential new revenue from outpatient services
  2. Potential increased costs for inpatient hospitalization
- Revenues expected to offset costs in FY 13-14

FY 13-14 Budgetary Impact

- Regardless of formula chosen, $9.2M loss of realignment revenue this year
- DHHS may need an additional $3.2 to $9.2M General Fund to cover costs of CMISP and LIHP in FY 13-14
- Loss of $1.3M as in-kind medical services no longer offset against General Assistance grants

Action Implications

- Take actions in September to:
  1. Adopt CMISP eligibility policy changes, consistent with goal of maximizing enrollment in new programs
  2. Adopt 1991 Public Health Realignment reallocation formula
  3. Address related budgetary issues
- Closely monitor actual "take-up" to assess needs for policy changes and budget adjustments
- Keep community focused on the goal of maximizing enrollment

DHA Staffing for ACA

- DHA will have up to 80 workers to handle calls, intakes, and enrollment at any one and has leased additional space to accommodate the increase in eligibility processing workload

- DHA and DPS has and will continue to meet and confer with applicable unions on issues relevant to ACA staffing