



Visión y Compromiso



June 24, 2015

Elliott Smart, Chair
County Medical Services Program (CMSP) Governing Board
1451 River Park Drive, Suite 213
Sacramento, CA 95815

Re: Comments on CMSP Strategic Planning

Dear CMSP Governing Board:

The undersigned consumer and community organizations appreciate the opportunity to provide input to the County Medical Services Program (CMSP) Governing Board as the Governing Board evaluates how to best re-orient the CMSP program to better serve the remaining uninsured.

We strongly support all five of the proposed eligibility changes and the proposal to establish a new limited scope benefit coverage for CMSP members and the remaining uninsured. All these policy changes fulfill the core purpose of CMSP, and together are projected to cost at most \$8 million annually, which is significantly less than the annual revenue available to CMSP under the AB85 calculations, and thus allows for other investments as well. We provide the following recommendations to help inform your strategic planning discussion.

Support for Eligibility Concepts

1. Asset Test

To maximize and streamline eligibility, we strongly support the full elimination of the asset test for determining eligibility.

- Eliminating the asset test is in accordance with the principals of aligning CMSP with Covered California, and in accordance with the new MAGI-Medi-Cal rules that look only at income, not assets.
- An asset test has detrimental impacts on low income families by discouraging savings, thus sending a mixed message to applicants. We encourage low-income families to develop assets, from having at least three month's rent money in the bank to incentives for first-time homeownership – we shouldn't undercut these efforts by continuing with an asset test that other health programs have now abandoned.
- Studies suggest this policy change would have minimal to no cost to CMSP, since the vast majority of applicants have little or no assets.
- Beyond it being burdensome to require people to document assets that they mostly do not have, it is not the most efficient and effective use of county workers' time to verify assets (or the absence thereof).

2. Maintenance Need Standard and Determination of Share of Cost (SOC)

We support the recommendation to eliminate share of costs for CMSP beneficiaries with net non-exempt incomes of 138%FPL or below and recommend that the Governing Board both re-establish CMSP's maintenance of need to equal 138%FPL, and to apply a discount to SOC amounts above that income. The combination can be adjusted to get close to what Covered California premiums would be, so as to still preserve affordable access to needed care, while set at a level that would encourage individuals to sign up for comprehensive coverage at Covered California once open enrollment rolls around.

- Eliminating share of cost for under 138% FPL should have minimal cost to CMSP, since virtually all Californians with such incomes should be eligible for Medi-Cal.
- Share of cost requirements can create significant financial barriers to care as to render the coverage itself meaningless. As some counties have observed, a share of cost often discourages use of needed health care--there's ample evidence that even a \$50 SOC will prevent many low-income families from accessing primary care services.
- While we recognize and appreciate the need to avoid creating a disincentive for enrollment in Covered California, CMSP should serve as an important safety-net for those who missed open enrollment, or excluded from Covered California through the "family glitch" or other gaps in the ACA; or otherwise found coverage to be unaffordable. Adopting a discount to SOC amounts would ensure that CMSP coverage is a meaningful safety net and that a SOC does not serve as a barrier to care.

3. Federal Poverty Level Maximum for Enrollment

While we support raising the income eligibility level as proposed in section 3(a) on page 3 of the proposal before the Board, we urge the Board to go beyond the proposal and raise the limit to 400% FPL. Going to 400% follows the ACA's standard of what constitutes "low-income" for purposes of financial assistance in the Exchange, and would be in keeping with the other policy areas where CMSP is looking to align its policies with other health programs, such as offering no-cost care to those at 138% FPL or below and removing the asset test. In the alternative, at the very least CMSP should raise the income level to 350% FPL, so that CMSP policies align with other state laws that assist low-income persons with medical costs, *i.e.*, the state's Hospital Fair Pricing law requires hospitals to offer charity and discount care to persons who are uninsured or underinsured and are below 350% FPL (Health and Safety Code Section 127400(g)).

- The current CMSP income threshold of 200% FPL (around \$23,500 for an individual and \$48,500 for a family of four) is too low for a high cost-of-living state, including for the additional expenses faced by people who live in many of CMSP's more rural counties.
- While those above the 250% FPL are eligible for subsidies, many have to pay more than 8% of their income in premiums for a Silver plan, thus meaning they have an exemption based on affordability from the ACA's individual mandate. A recent Kaiser Family Foundation survey showed that while newly insured Californians under the ACA experienced improved access and decreased financial insecurity, 41% of even those with Covered California subsidies reported difficulty affording premiums. Beyond folks finding Covered California unaffordable, CMSP should serve as an important safety-net for those who missed open enrollment, or excluded from Covered California through the "family glitch" or other gaps in the ACA. There are real affordability and other issues among families between 138-400% FPL that can cause California families to lose coverage, and that CMSP can serve as a safety-net, at least until the next open enrollment period.
- By raising the income level to 400% FPL, eliminating the asset test, and re-establishing a maintenance of need level equal to 138% FPL, CMSP would convey a coherent post-ACA eligibility schematic that keeps CMSP in-step with Covered California and post-ACA Medi-Cal criteria.
- At minimum, we urge the Board to raise the income level to 350% FPL. CMSP would then be on-par with the state's Hospital Fair Pricing law, which requires hospitals to provide charity or discount care to uninsured and the underinsured who are at or below 350% FPL.

4. Pre-Enrollment and Retroactive Eligibility

We support re-instating a one-month retroactive eligibility period. Returning to this policy comes with a minor cost, to the benefit of both patients and providers.

5. Revise All Aid Code Designations to 3-Month Enrollment Term

We support aligning all aid codes to 3-month enrollment. This policy will provide additional access to follow-up emergency care for Californians in aid code 50, at a minor cost to CMSP.

Support for Benefit, Provider, and Systems Concepts

1. New Limited Scope Benefit Coverage

We enthusiastically support making a new limited scope Basic Primary Care benefit available for all Share of Cost members and undocumented with income at or above 139% FPL and support providing a new limited scope Basic Primary Care benefit for Aid Code 50 (undocumented) members in the same manner and under the same conditions as for SOC members.

- Our healthcare system is stronger, more efficient, and effective when everyone, regardless of immigration status or income, has access to primary and preventive care. Other counties are adopting this effort at providing a smarter safety-net, from Los Angeles to Sacramento.
- In addition to the existing proposal, which includes extending the same primary care benefit to undocumented persons with incomes above 138% FPL, we would ask that the CMSP board consider extending help to undocumented immigrants with incomes from 0-138% FPL as well. With all of these proposals adopted, the remaining uninsured gap to fill will be undocumented individuals with income levels between 0-138% FPL. CMSP could offer this benefit as a wrap-around to those enrolled in limited scope emergency Medi-Cal funded by the state.
- Undocumented individuals are currently served by CCHCs, hospitals and other open-door providers, but without the care coordination, access to primary and preventative services, and health and wellness opportunities that come with full coverage offered to other California residents. CMSP has the opportunity to continue to serve its true purpose of providing health coverage for uninsured low-income, indigent adults that are not otherwise eligible for other publicly funded health programs.
- Our organizations have been active at a statewide solution, and were pleased by the recent state budget that commits to cover in Medi-Cal all children up to 266% FPL regardless of immigration status. While we are pursuing a further expansion for undocumented adults through pending legislation, SB4 (Lara), even under the best scenario it would not start in the budget year. CMSP has the opportunity to serve this population, and be a bridge to a statewide solution, just as the Low-Income Health Programs were a “bridge to health reform.”

We value CMSP as the safety-net of last resort for the remaining uninsured in the 35 CMSP counties throughout the state, and support these recommendations to adapt itself to serve those who remain uninsured after the ACA. If the remaining uninsured cannot access quality affordable primary care services through CMSP, they will show up for care—sometimes too

late—in the emergency rooms, and this in turn drives up costs and makes the health care delivery system less efficient and effective for everyone else.

Thank you for your consideration of these comments and recommendations. Please do not hesitate to contact any of our organizations if you have any questions or if you require any clarification on the comments outlined.

Sincerely,

California Pan-Ethnic Health Network
California Primary Care Association
Health Access California
Vision y Compromiso
Western Center on Law & Poverty