



## OVERVIEW: County-Level Health Plans

Newly available federal funds can help California counties provide health coverage to up to 500,000 low-income Californians, depending on decisions and actions taken at the county level.

Two major developments in health policy have opened a transformational window of opportunity to dramatically expand coverage and improve health care in California communities. The first is the passage of the federal Patient Protection and Affordable Care Act; the second is the agreement of California's "Bridge to Reform" Medicaid waiver, which will help California prepare for and implement new federal law.

The Affordable Care Act would expand Medicaid in 2014, to 2 million Californians, largely those who are below the poverty level but don't qualify now. The ACA also allows states to start these expansions early, with federal funds matched 50/50. Aware that the state has no funds to pursue expansion, the Medicaid waiver allows California counties to use resources that already go to indigent care to draw down these federal funds.

These county-based Low-Income Health Programs (LIHPs) are to offer comprehensive benefits to low-income adults currently ineligible for Medi-Cal coverage, and DHCS estimates that as many as 500,000 adults aged 19 to 64 could enroll. While not full-scope Medicaid, coverage would include minimum Medicaid benchmark benefits, due process for eligibility and benefit access, and network adequacy standards, including the need to contract with at least one federally qualified health clinic, and coverage of out-of-network hospital emergency care. Mental health and substance abuse parity rules will apply as well.

Under the new waiver, counties participating in the initiative will immediately begin phasing in coverage for these childless adults. In 2014, these enrollees will transition into full Medi-Cal coverage or into the new California Health Benefit Exchange.

Right now, the Medi-Cal program provides coverage for children, parents, seniors and people with disabilities under the poverty level—but it leaves out adults without kids at home, even if they are penniless. The responsibility of safety-net care for "medical indigent adults" is at the county level, and mostly done in emergency rooms.

The new federal law and the waiver now provide a new option of counties to get federal funds for "health care county initiatives," of which the benefits are:

- **Counties get new federal dollars** to match some of the dollars they already spend on indigent care, for their health system and their economy;
- **Individual Californians get coverage** prior to expansion in 2014, getting a medical home providing primary and preventative care, not just care at the emergency room;
- Since this coverage is grounded in county-based systems of care, these new dollars go to **shore up safety-net institutions**, including public hospitals, community clinics, and other providers;
  - this **new money** can help the safety-net get ready for reform,
  - and the initiative helps **build relationships** with their new clientele, helping safety-net providers retain these patients after 2014;
- This serves as a **bridge to health reform**, ensuring these patients are getting treated and in systems of care before 2014, and ready to get full Medi-Cal (or exchange-based) coverage on day one, maximizing enrollment and federal funds for California.
- The more people are enrolled in these programs, and thus quickly shifted to Medi-Cal in 2014 with 100% funding by the federal government, the **more county resources can be refocused to better serve the medically indigent who remain uninsured** after 2014.

