# THE AFFORDABLE CARE ACT AND THE IMPACT IN SAN FRANCISCO

PRESENTED TO COMMUNITY CORRECTIONS PARTNERSHIP, AUGUST 29, 2013

### AGENDA

- Health Reform 101: Coverage Expansion
- Impact of Health Reform on the Uninsured
- Impact of Health Reform on the Criminal Justice System

# HEALTH REFORM 101: COVERAGE EXPANSION

## OVERVIEW

- Signed into law in March 2010
- Major provisions become effective January 1, 2014
- Nationwide, by 2016:
  - Uninsured in the US will be cut by more than half
  - 92% of US residents will be insured
- In San Francisco:
  - ~56,000 currently uninsured San Franciscans will have access to health insurance

### HEALTH INSURANCE REQUIREMENT AND EXPANSION

### Mandate to Have Insurance

- Individual mandate
- Some exceptions:
  - undocumented immigrants
  - hardship
  - very low income
  - incarcerated
  - religious exemptions
  - members of Indian tribes
- Penalty for noncompliance:
  - \$95 in 2014
  - \$325 in 2015
  - \$695 in 2016

### **More Affordable Options**

- Meeting the mandate
  - Expanded Medicaid eligibility
  - On-line insurance
    marketplace
  - Employer-sponsored coverage
  - Market reforms

### MEDI-CAL EXPANSION AND COVERED CALIFORNIA



- Childless adults with incomes ≤ 138% of Federal Poverty Level (FPL)
- Two health plans in SF
- Year-round enrollment



- CA's Health Insurance Exchange
- Five health plans in SF
- Low-income subsidies for incomes 138%-400% FPL
- Initial enrollment Oct 2013-March 2014
- Open enrollment October-December annually

### EMPLOYER PROVISIONS

- Small employers (<50 FTE) may purchase affordable coverage on Covered CA
- Large employers (>50 FTE) may be subject to penalties for
  - No coverage:
  - Unaffordable coverage
- Implementation of employer provisions delayed to 2015

### MARKET REFORMS

- Guarantee issue and renewal
- No pre-existing condition exclusions
- Coverage of essential benefits for small group and individual plans
- Coverage for dependents up to age 26
- Elimination of cost-sharing for prevention

### IMPACT OF HEALTH REFORM ON SAN FRANCISCO'S UNINSURED

### SAN FRANCISCO'S UNINSURED

- 84,000 uninsured San Francisco adults, ages 18-64
- 60,000 (71%) enrolled in DPH programs



- 95% of San Franciscans ages 18-64 either
  - Have health insurance OR
  - Are enrolled in a DPH program for the uninsured

### SAN FRANCISCO'S UNINSURED

HSA "touch points" with the uninsured:

- ~ 24,000 CalFresh clients age 18-64
  - 30% already in SF PATH or HSF
  - remainder already on MC (~35%) or likely to become eligible to MC (~38%)

Homeless clients and CAAP clients are other target populations for HSA outreach

### BECAUSE OF OUR PROGRAMS, SAN FRANCISCO IS AHEAD OF THE CURVE



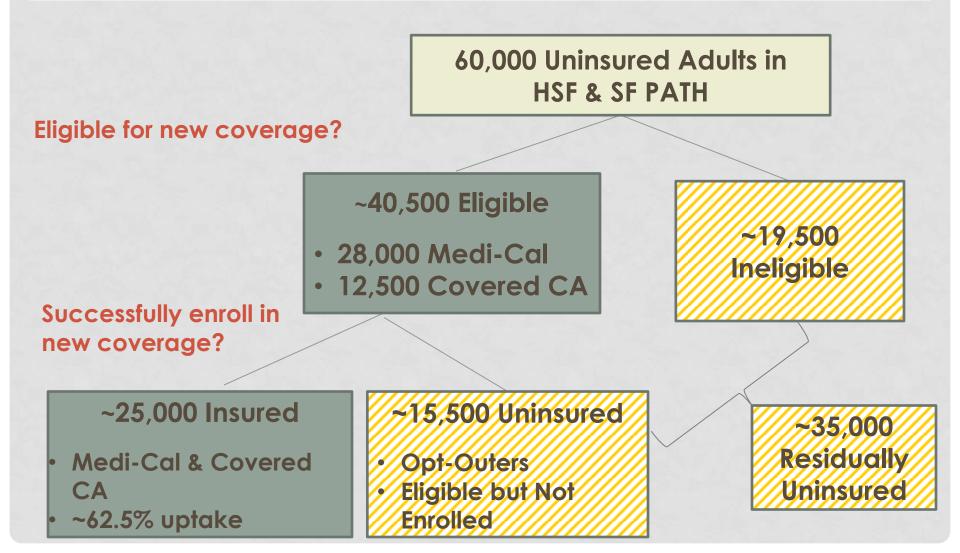
- Addressed "pent-up" demand

- Promoted medical homes and preventive services
- Increased providers serving the uninsured
- Identified our uninsured

- Entry into managing care - Superhighway to Medi-Cal



### ESTIMATES OF COVERAGE TRANSITIONS UNDER HEALTH REFORM



# ACA IMPLEMENTATION AT DPH

## TWO-FOLD FOCUS

- DPH health care delivery system readiness
  - Better integrating our delivery system
  - Improving quality
  - Increasing access to care
  - Enhancing the patient experience
- Transitioning uninsured to health insurance
  - Supporting a culture of coverage
  - Outreach and education

### KEY FACTORS TO SUCCESSFUL IMPLEMENTATION

#### Individual Responsibility

• Beyond the individual mandate

#### Successful transitions

- Enrollee communication
- Provider
  communication
- Enrollment assistance
- Behind the scenes

### Outreach to key populations

- 18-35 year olds key
- Asian and Latino adults
- Residents of the southeast corridor
- Sole proprietors and small businesses

#### Messaging

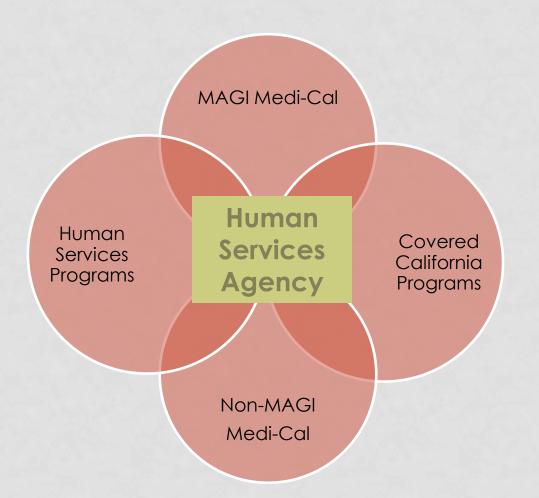
- New opportunities for health insurance coverage are coming and we can help you enroll
- Health insurance is better than Healthy San Francisco if you qualify
- Healthy San Francisco will be here for those who do not qualify

# ACA IMPLEMENTATION AT HSA

### HSA'S ROLE

- Conduct eligibility and enrollment of applicants into Medi-Cal and Covered California coverage plans
  - Work with DPH to seamlessly enroll SF Path and Healthy SF clients into Medi-Cal or Covered CA
  - Coordinate with Mayor's Office, DPH and other stakeholders on outreach and education for community partners and special target populations
  - Provide ongoing case maintenance support and eligibility renewals for Medi-Cal clients

# HSA'S ROLE



 Enroll clients into other supportive services programs for which they are eligible (beyond health coverage)

### TIMING OF TRANSITIONS

#### <u>June 2013</u>

Covered CA Health Plans identified

#### October 2013

Covered CA and Medi-Cal Pre-Enrollment Begins

January 2014

• SF PATH Ends (10K Uninsured to Medi-Cal)

#### January 2014-December 2014

• ~25K-40K HSF participants transition to insurance

# HEALTH REFORM AND THE CRIMINAL JUSTICE SYSTEM

### IMPORTANCE OF ENROLLMENT

- 70% of statewide jail population is uninsured
- High rates of substance abuse, mental illness, and other chronic conditions
- Only ~15% of SF jail population is sentenced, and the average jail stay is 4 months

Cost savings

### COVERAGE OPTIONS IN 2014 MEDI-CAL

- A large majority of the jail population will be newly eligible for Medi-Cal
- Current provisions remain:
  - Benefits are suspended or terminated if the county learns that the recipient has been incarcerated
  - Medi-Cal will not pay for services provided to incarcerated persons
    - Exception: MCIEP pays for hospital care

### COVERAGE OPTIONS IN 2014 COVERED CA

- Pre-adjudicated, in jail or in community:
  - Eligible for a qualified health plan (QHP) on Covered CA
  - Eligible for premium and cost-sharing subsidies
  - Subject to Individual Mandate while pending disposition
- Incarcerated persons:
  - Ineligible for QHP coverage
  - Exempt from the Individual Mandate
  - May continue to qualify for tax credits if their family members are enrolled in a QHP
- Released persons:
  - Eligible to enroll in QHP with a 60-day special enrollment period

## ENROLLMENT OPPORTUNITIES

- In the criminal justice system
  - Intake
  - Courts
  - Release
  - Adult Probation
- SF PATH Anyone enrolled before October 15th will be transferred automatically to Medi-Cal in 2014
- Partner with
  - Certified Enrollment Entities
  - In-Person Assisters
  - Navigators
  - SF Human Services Agency
  - Healthy San Francisco

### CONSIDERATIONS

- Trained eligibility workers
- Documentation of eligibility
- Termination of benefits

### STATE LEGISLATION

- **AB 720** pending in the State Senate; would require:
  - counties to assist inmates to apply for health care coverage prior to release
  - that Medi-Cal enrollees NOT be terminated from the program due to incarceration in county jail
- **SB 283** pending in the State Assembly; would make drug felons eligible for CalFresh (i.e., Food Stamps) benefits if they comply with the terms of probation, parole or other supervised release