Each year, Insure the Uninsured Project (ITUP) hosts regional workgroups throughout California that bring together health care stakeholders, policy makers and advocates. The purpose of these workgroups is to encourage regional collaboration in terms of local, state, and federal health reform efforts. It is both an opportunity for ITUP to share details of reform efforts and for participants to educate ITUP and each other on local health care needs.

ITUP's 2009 regional workgroups were held between April and December in nine regions of California, including North Central, Inland Empire, Orange County, San Diego, Central Coast, Bay Area, Central Valley, Los Angeles, and North Rural. Workgroup participants included local health experts, local government officials, providers, hospital representatives, businesses, advocates, academics, researchers, consultants, community organizers, and health plans.

This particular round of workgroups were held at a time when federal health reform legislation was soaring forward, Governor Arnold Schwarzenegger proposed and executed back-to-back budget cuts to crucial health programs, and the state's §1115 waiver neared expiration. In light of the California budget revisions, another popular topic was the possibility of revising the state's tax and spending systems.

Summaries and meeting materials can be accessed at: http://www.itup.org/regional-workgroups.html

FEDERAL REFORM

Adam Dougherty, ITUP's federal correspondent, was stationed in Washington, DC from June through November to track the federal reform process. He participated in regional workgroups via teleconference to provide real-time updates and answer questions. The federal reform discussions were also an opportunity for participants to address local health care reform needs and implications of federal reform. Adam's blog detailing the can be accessed at www.itup.org/blog.

Workgroup participants dissected the House and Senate bills and debated legislation that they felt would best benefit the nation while making the most sense economically. Below are some of the recommendations and concerns that were presented.

National vs. State-Based Exchanges

Participants support the implementation of a State Exchange due to its ability to account for local level variations in health care needs, such as economic, demographic, and geographic discrepancies. While it is understood that a National Exchange would be administratively simpler with nationally standardized enrollment, workgroup participants believe that a State Exchange would be much more effective at meeting local needs.

Rural areas especially support a statewide exchange that will effectively increase coverage options to their sparsely populated areas. Because rural areas generally have much smaller populations, there tend to be only one to two insurance companies providing coverage for the area. This leads to a severe lack of competition and therefore much higher-than-average premiums.

Some participants viewed a State Exchange as problematic, due to California's long term budget situation and the opt out provision that states receive under the Senate bill. These participants argue that a National Exchange would be more effective and more likely to result in better and more quickly expanded coverage for the uninsured.

Participants also support coverage of mental health services under plans in the Exchange.

Immigrant Health Care: Provide Health Coverage to Immigrants
A big concern in the Central Valley, a region with a large farming industry, is the lack of access to affordable coverage for the region's large number of immigrant farm workers, both documented and undocumented. While low-wage industries rely heavily on immigrants, those jobs are much less likely to offer health insurance. Stakeholders in this region support eliminating the five-year restriction on legal immigrant subsidies and allowing undocumented immigrants to buy into the insurance pool at market price. Participants also suggested bi-national insurance for farm worker populations.

The biggest challenge in health care delivery for immigrant children is the current disjointedness the system, in which children are spread throughout many different plans and programs with different benefits and cost sharing levels. Workgroup participants expressed the strong need to combine all the pieces into a single coherent unit.

Provider Shortages: Bolster Primary Care Workforce & Create Incentives
A challenge faced by various regions in California is an overall lack of primary care providers and a severe shortage of primary care providers and specialists in underserved/remote areas. Participants support federal reform efforts to bolster the primary care workforce by enhancing graduate medical education for non-physician health care providers, increasing primary care residency slots for non-traditional residency locations, increasing reimbursement rates for Medicare and Medicaid primary care, and providing incentives for physicians to practice in underserved areas.

Medicaid: Expand Eligibility and Eliminate Categorical Eligibility
Because there will be a 100% federal match for newly eligibles under the House's Medicaid eligibility expansion to 150% of FPL for the first several years of transition and a 90/10 match thereafter, there will be inadequate incentives to go through the disability process or manage costs effectively for the MIAs. While Medicaid expansion would improve care for the uninsured and provider reimbursements, concerns were expressed that it could also lead to a net loss of patients in Los Angeles' county system.

Reform Financing: Concerns
Some participants worry that insurance excise taxes on high cost plans (under the Senate Bill) will be passed onto the consumer and that reduced Medicare Advantage plan reimbursements would cause a reduction in benefits for seniors.

THE CALIFORNIA BUDGET CRISIS

The tragic and very dramatic California budget revisions left many health programs underfunded or eliminated. Clinic staff and operating hours were drastically reduced, reserve funds were depleted, and the numbers of uninsured increased while resources decreased. Participants felt that the budget cuts were short term and recommended that budget solutions have long-term viability rather than be passed as piece-meal, interim approaches. Many representatives mentioned heavy reliance on the passage of national reform to salvage their programs.

Possible Savings: Healthy Families-Like Structure
In order to generate savings, some participants recommend moving the administration of eligibility away from the labor-intensive county welfare structure and move it towards a less costly, Healthy Families-like structure. However, a major concern is that centralized enrollment would not have the capacity to assist eligibles on a local level. Counties who have made tremendous progress in reducing the number of uninsured children have utilized local collaboration to increase enrollment. These participants support the unification of state and federal support for technologies such as One-e-App that will simplify enrollment processes.

FMAP: Focus on Extension
Stakeholders are focused on an extension of the current FMAP, especially with unused stimulus funds. Expanded matching rates should also be considered as the Governor recently proposed.

Taxes: Reform the California System
Participants expressed great concern about current and predicted future cuts to programs and the issue of tax cut irreversibility. Tax cut irreversibility refers to the paradoxical tax voting structure in which a majority vote is needed to cut taxes and a much more difficult to obtain two-thirds vote is needed to increase taxes.

California's current economy depends on relatively high-income individuals, whose capital gains suffer greatly during a bad economy, as does the state budget. Participants discussed possible tax reform as a key part of budget reform in which the taxes on goods are reduced and taxes on services are raised. They also mentioned a possible "fee" on bad health promoters. Fees must be linked to a programmatic nexus and only require a majority vote.

PUBLIC PROGRAMS

Kids' coverage & Medi-Cal were hot topics this year as a result of both the state budget revisions' effect on funding and the potential reforms at the federal level.

Healthy Families/Healthy Kids/Medi-Cal: Merge Programs & Enroll Eligibles
Due to California's budget crisis, Healthy Families took the largest monetary cut in history, resulting in a freeze in enrollment, the prospect of disenrollment of previously eligible children, and risks of the program being completely eliminated. This severely disrupted local efforts to enroll the eligible but uninsured children.

Local programs struggled to find ways to fill the gaps in funding for their Healthy Kids programs.

There were also concerns about on-the-ground implementation of the budget "solutions," including the impacts of increased premiums on program participation, the increased hassle factor and implementation costs.

Los Angeles stakeholders are looking into ways to merge emergency Medi-Cal with Healthy Kids so that they no longer pay for services at the local level for which the state and federal governments are obligated to pay.

Children Now and the 100% Campaign recommend centralizing Medi-Cal enrollment in order to improve retention.

The state still faces the vast lack of enrollment among eligible children. There are approximately 360,000 individuals who are eligible but not currently enrolled. Suggestions for increasing enrollment include focusing on employers with low-paid workers, small businesses and non-profits, school-based enrollment (starting with schools where 75% of kids qualify for reduced lunch program), using One-e-App to increase simplicity, and using CAAs in community clinics.

CHIP: Do Not Switch to Exchange Wraparound
Participants support payment reform for Healthy Families under CHIP expansion, which include cost-based reimbursement for clinics. Participants feel that transitioning children from CHIP into the Exchange under the House's federal reform bill could be problematic in that coverage through the Exchange would cost more than CHIP but provide fewer services to children. Therefore, they supported the Senate health reform bill's extension of CHIP eligibility with an FMAP increase. Participants also feel that the fragmented Medi-Cal/CHIP eligibility system should be bridged/consolidated in order to prevent loss of coverage or transfers to a waiting list for children shifting coverage between age brackets.

AB 1422: Saving Healthy Families
The Governor signed AB 1422, a bill aimed at salvaging California's Healthy Families Program, in late September. AB 1422 included a three part funding solution to make up for the $194M in General Fund cuts made earlier in the year. The bill implemented a 2.35% tax on Medi-Cal managed care plans total revenue, increased family premium contributions on a sliding scale basis and a one-time contribution of $81.4 million from First Five California.

AB1422 was passed with areas of concern. Although the new revenue has not solved all of the Healthy Families' problems, it has certainly helped. The main concern discussed in the workgroups was implementation of the changes in the dental program. Community health centers and safety net providers are concerned that they will not be able to participate in the dental HMOs.

Seek Non-Traditional Funding

Various workgroup participants addressed the notion of applying for funding from non-traditional sources that have a public health perspective, such as the Department of Justice for violence prevention and the Department of Labor for workforce development. They also mentioned the possibility of requesting economic stimulus funding to increase and maintain workforce for health centers.

Improving Quality: North Rural Model

In Humboldt County, Aligning Forces for Quality (AF4Q) received the only West Coast Robert Wood Johnson grant to improve quality that brings together patients, primary care doctors and the local hospital. AF4Q focuses on improving self-management of chronic diseases and provider practices. The local school of nursing trains patients in self-management techniques and manageable and incremental behavior changes, as well as using peer counseling among patients with comparable conditions. The Open Door clinic acts as a hub for local practitioners to see Medi-Cal and CMSP patients and with its telemedicine terminals accesses vital specialists across the state.

The conclusion of this pilot is that quality improvement can be done and should be augmented by payment reforms that reward quality and encourage collaboration. The goal is not to create centers of excellence, but rather a *community* of excellence with learnings shared widely with local practitioners and patients.

§1115 WAIVER

For a comprehensive summary of 2009 regional recommendations for a renewed §1115 waiver, visit: http://itup.org/Reports/Health Reform/Openletter1115.pdf