



# 2016-2018

# BUDGET WORKSHOP

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**Special Issue: Update on Affordable  
Care Act (ACA) Local Impacts**

# Introduction

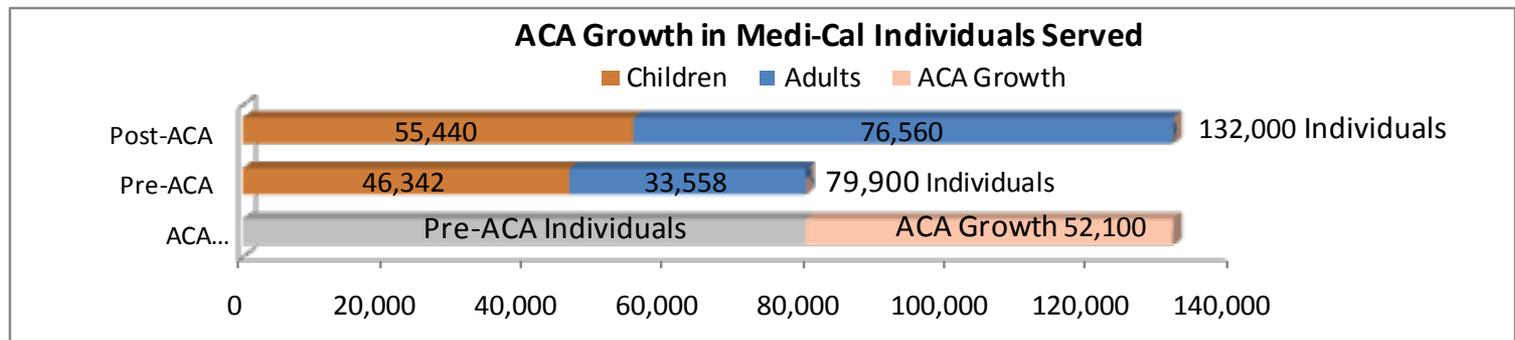
- The Affordable Care Act – large program expansion
- Over 100 positions added to address workload
- Three primary departments affected:
  - Behavioral Wellness – expanded services to newly eligible consumers
  - Public Health – expanded services to newly eligible patients and assisted individuals with enrollments
  - Social Services – provided eligibility determination services to enroll residents into Medi-Cal
- This presentation provides an update on local impacts and discussion of future impacts to our services and finances

# Goals of Affordable Care Act (ACA)

- Expand access to health coverage
  - Expanded Medi-Cal eligibility for those with income levels up to 138% of Federal Poverty Level (FPL) (\$33,534/Family of 4)
  - Subsidized health insurance for those with income levels up to 400% of FPL (\$97,200/Family of 4)
- Improve health care quality
  - All plans must provide essential health benefits
  - No cost preventative care services
- Tax changes to finance ACA
  - Cadillac Tax

# Community Impact

- Pre-ACA implementation 79,900 individuals were served in Medi-Cal
- Post-ACA implementation over 132,000 individuals are now served in Medi-Cal (65% growth)



- 62% decrease in uninsured in PHD's Health Care for the Homeless Program from 2,859 in 2013 to 1,069 in 2015
- Additionally, 15,400 County individuals have been enrolled in health plans through Covered California

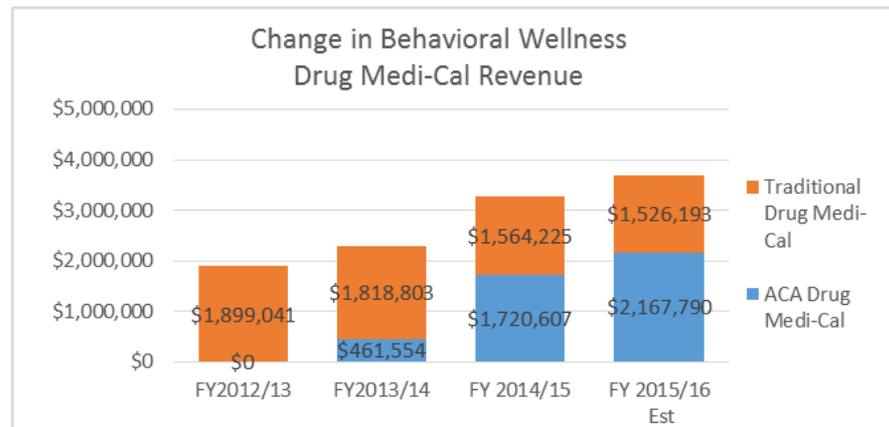
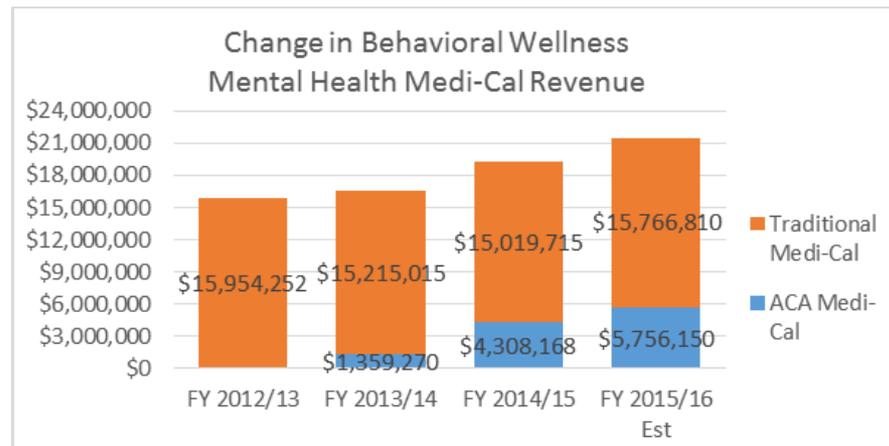
# Workload/Staff Impact Since 2014

- Over 100 positions have been added in preparation for ACA
  - BW added 50 positions serving 3,233 new unique Consumers enrolled with expanded services
    - 2,088 New Mental Health Programs Consumers\*
    - 1,595 New Alcohol Drug Programs Consumers\*
  - PHD added 8.75 FTEs and has trained 70 of their staff to be Certified Application Counselors
    - 9,200 new CenCal Health members have been assigned to and are served by PHD Health Care Centers (67% increase)
    - Over 15,000 assists with Covered California applications and almost 7,000 enrollments
  - DSS added 47 new positions serving 52,100 new Medi-Cal recipients

*\*Some clients are served under both systems of care*

# Impact on Departmental Finances

- Behavioral Wellness \$15.7M Estimated ACA revenues (through FY 2015/16)
- Mental Health Programs:
  - ACA Revenue Est \$11.4M
- Alcohol Drug Programs:
  - ACA Revenue Est \$4.3M

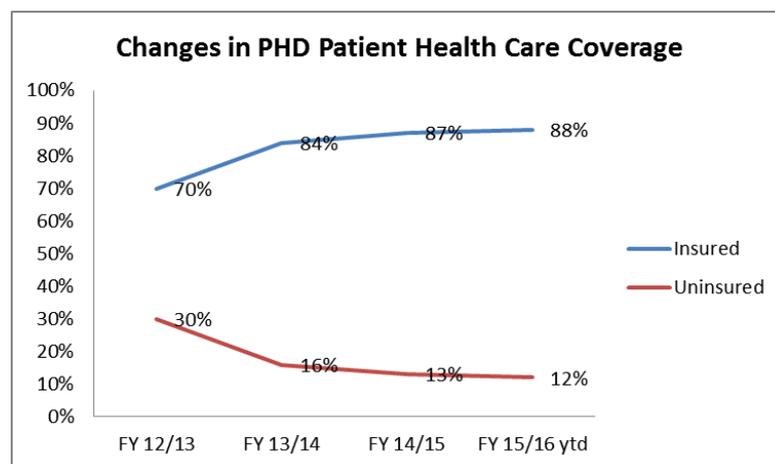


## Percentage of Behavioral Wellness consumers insured:

- FY 2012/13 – 71.7% Actual
- FY 2013/14 – 77.2% Actual
- FY 2014/15 – 81.8% Actual
- FY 2015/16 – 83.2% Estimated

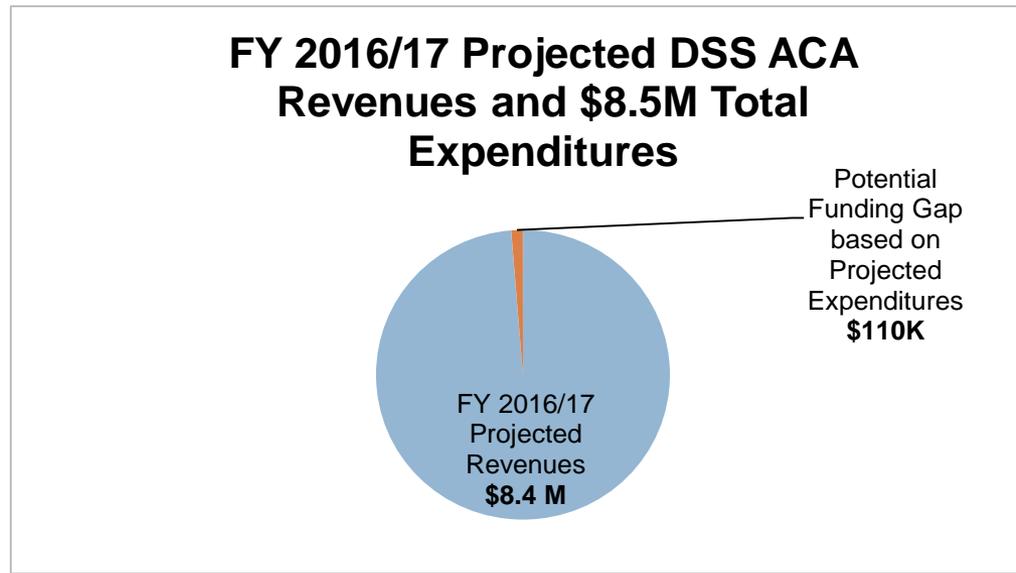
# Impact on Departmental Finances

- Public Health has made tremendous efforts to offset the redirection of \$8M annually of 1991 Realignment since the inception of the ACA
  - \$4 million in new revenues for insured patients combined with cost savings from closure of the Medically Indigent Adults (MIA) program
  - \$4 million in one time grant funds
- Percentage of Public Health patients insured:
  - FY2012/13 – 70% Actual
  - FY2013/14 – 84% Actual
  - FY2014/15 – 87% Actual
  - FY2015/16 – 88% YTD



# Impact on Departmental Finances

- Social Services \$8.4M – Increased ACA funding (FY 2015/16)
  - Anticipated funding gap of \$110,000 in FY 2016/17 likely offset as Governor's Budget proposes to add \$169M Statewide for ACA Medi-Cal Eligibility in FY 2016-17



# What the Future Holds

## Departmental Impacts

- Behavioral Wellness will continue to focus on serving newly eligible consumers while also implementing a Organized Delivery System (ODS) for Alcohol & Drug Services with access to new covered treatment services
- Public Health is poised to continue to play an essential role in the ACA, especially in regards to the emphasis on coordinated primary and preventive services as a Patient Centered Medical Home
- Social Services projects an additional 10,000 Medi-Cal enrollments by December 2016

# What the Future Holds

## Federal Participation in Expanded Medi-Cal Services

- In January 2017, the federal share for the optional Medi-Cal expansion population will decrease from 100% to 95%
  - The Governor's January Budget includes a proposal to assume the 5% state share of cost of \$14.1 billion (\$740.2 million SGF)
- Subsequent federal share decreases in January of:
  - FY 2017/18 – 95% to 94%
  - FY 2018/19 – 94% to 93%
  - FY 2019-20 – 93% to 90%

# What the Future Holds

## Federal Participation in Expanded Medi-Cal Services in FY 2020/21

- Department of Behavioral Wellness
  - Mental Health Programs increase in match of \$803K
  - Alcohol Drug Programs increase in match of \$352K
    - Organized Delivery System could result in \$0 overall impact for ADP if the system is in place for the entire FY 2017/18
- Public Health Department's 1991 Realignment pool at risk is approximately \$3.5M (estimate 0% - 100%)

# What the Future Holds

## **Federal Participation in Expanded Medi-Cal Eligibility Activities**

- Department of Social Services Medi-Cal eligibility activities have been and remain 100% Federal/State funded up to amounts in the State budget

## **Data and Outcome Measures to Improve Patient Care**

- Fundamental changes as health information technology and standards continue to evolve potentially affecting future reimbursement/funding models

# What the Future Holds

## Cadillac Tax for Employer Sponsored Health Plans

- The ACA imposes a 40% excise tax on employer-sponsored health insurance plans with annual premiums exceeding \$10,200 for individuals and \$27,500 for a family starting January 1, 2018
- Estimated mid-year impact to FY 2017-18 was projected at \$2.3 million
- Signing of the federal budget bill on December 18, 2015 delays implementation of the Cadillac Tax to January 1, 2020 eliminating the projected mid-year impact to FY 2017-18