

Medi-Cal Redesign

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Medi-Cal – Entitlement Program

- Federal-state health insurance program for low-income individuals.
- Plays a major role in reducing the number of uninsured.
- Nearly 1 out of 5 Californians enrolled in Medi-Cal.
- Almost half (47%) of the Medi-Cal beneficiaries is Latino.
- Insures about 1 out of 4 children.
- Federal government matches every dollar the state spends on Medi-Cal.

Governor's Reform Principles

- Maintain essential services to those most in need,
- Recognize children as a priority investment,
- Promote personal responsibility,
- Better align services and benefits with those of other large states, and
- Support structural reform of major programs

Medi-Cal Reform Proposal

- Proposed Restructuring and Reform of Medi-Cal:
 - Managed Care Expansion for some Medi-Cal Beneficiaries
 - Changing the Refinancing of California's Safety Net Hospitals
 - Impose Premiums to Certain Beneficiaries
 - Dental Cap for Adults
 - Single Point of Entry for Children

Premiums

- 460,000 families and children in households with incomes above 100% of FPL (\$1,306 for a family of three), and
- 90,000 seniors and persons with disabilities with incomes above the SSI/SSP level (\$812 for an individual and \$1,437 for a couple).
- Premiums will be \$4 per month for each child under the age of 21 and \$10 per month for adults with the maximum of \$27 per month per family.

Impact on Latinos

- Research has shown that 200% of the FPL is NOT sufficient to meet basic necessities.
- Families with children enrolled in HFP have difficulties paying premiums.
- Premiums used to control costs and utilization.
- Uninsured rate will increase, higher costs will result in other program services, and everyone's health will be impacted.

Dental Cap for Adults

- \$1,000 dental cap only for Medi-Cal Adults
- It is estimated that 3 million adult beneficiaries will be affected and approximately 124,000 individuals a year.

Impact on Latinos

- Low-income Latino households are four times more likely to have severely decayed teeth than non-Latino whites.
- Oral health is critical to overall health since untreated dental disease causes other health problems.
- Limiting dental benefits will make an existing epidemic still more dramatic.

General Concerns Medi-Cal Redesign

- Latinos highest uninsured group.
- 47% or 2.9 million Medi-Cal enrollees Latino.
- The Latino community already faces barriers in seeking care because of linguistic and cultural isolation.
- Access to health care and quality of care affected.
 - Worsened health conditions
 - Increased health care costs
 - Increased funding pressures on counties
 - Problems obtaining needed medication
 - Delayed medical or dental care
 - Financial difficulties.

Recommendations

- Oppose premium proposal.
- Increase dental caps to \$2000 with a sunset date.
- Remove asset testing.
- Streamline application process.
- Lobby Federal Legislation to bring in more federal moneys.
- Raise taxes on high income bracket.

Social Service Programs Under Attack

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Background

- Jan. 10th Gov. Schwarzenegger released his budget proposal.
- May 13th the Governor releases his May Revision to the Budget.

Approximately **\$1 billion dollars** is being taken away from working families, immigrants, seniors and the disabled.

Critical Services Slashed

- The Governor's budget targets the state's most vulnerable residents.
- 1. Overhaul of CalWORKs program
- 2. Grant cuts for SSI/SSP recipients

CalWORKs

Background:

The CalWORKs program was created in 1997 in response to welfare reform and replaced the AFDC program. CalWORKs provides time limited cash grants and welfare to work services for families whose incomes are inadequate to meet their basic needs.

CalWORKs

- **Reduce the CalWORK grant by 6.5 %**
- **A family of three's current grant of \$723 grant would be reduced to \$676 per month.**

CalWORKs

- **Unintended Consequences or telling half the story?**
- **7,000 families** will no longer be eligible for the CalWORKs program.

CalWORKs

- **Eliminate the Statutory Requirement to provide a Cost of Living Adjustment, COLA-**
- **A family of three would have had their grant increase from \$723 to \$757 per month. Average loss for a family of three = \$33 per month.**

CalWORKs

- **Unintended Consequences or telling half the story?**
- **By lowering the income disregard, approximately 8,900 families will now become income ineligible for CalWORKs.**

CalWORKs

- **What does the Governor's budget proposals mean in real numbers?**
- **The total loss for the average family of three on CalWORKs will be \$80.00 per month.**
- **Approximately 15,900 currently eligible families will lose their eligibility.**

CalWORKs

- Impact on Latino Community in CA
- **36.2 % of all Adults** on CalWORKs are Latino.
- **49.3 % of all children** on CalWORKs are Latino.
- **46.3 % of the entire CalWORKS caseload** are Latino.

SSI/SSP

- **Background-**
- The State Supplemental Security Income and State Supplementary Program provide cash assistance to qualified California residents who are aged, blind and disabled. Some SSI/SSP recipients are eligible for Medi-Cal but not food stamps.

SSI/SSP

- **SSI/SSP**-The proposed budget would suspend the January 2006 **state COLA (4.6 %)** and the **federal pass-through (2.3 %)** for 1.2 million recipients.
- Seniors will be denied an **average \$37 per month**.

SSI/SSP

- **Unintended consequences or telling half the story?**
- By reducing the two COLAs, it is estimated that **1,200 individuals may lose eligibility for the SSI/SSP program.**
- Losing eligibility for SSI/SSP will render these individuals and couples “***share of costs***” recipients under the Medi-Cal program.

SSI/SSP

- Impact on Latino Community
- **14%** of SSI/SSP are Latinos.
- **9%** of the disabled caseload are Latinos.

Office of Binational Border Health

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What is the Office of Binational Border Health (OBBH)?

- Responsible for developing strategic plans, health policy and programs for those communities along the California-Mexico border
- OBBH staff represent California with other regional border state's, Baja California and Mexico health officials

Governor Schwarzenegger's FY 2006 Budget Proposal

- Elimination of \$600,000 from the State General Fund
- Federal government will continue to provide \$500,000 to California for the office operations
 - However, these resources MUST be used to address bio-terrorism concerns along the California-Mexico border

The Governor's Proposal and its Impact on the Latino Community

- OBBH works closely with border communities to address its unique health challenges that include:
 - Communicable diseases
 - High mortality rates, low birth weight, HIV/AIDS
 - Lack of hospitals and Primary Care physicians
 - High uninsurance rates
 - Inadequate transportation
 - Limited distribution of basic health care information

The Governor's Proposal and its Impact on the Latino Community

- Eliminating funding for OBBH will:
 - Reduce California's ability to assist with Binational health policy and program development
 - Reduce California's ability to collect and distribute data on border/Binational programs.
 - Restrict the continued relationship development between California officials and statewide/international health officials

Medicare Modernization Act (MMA)

Medicare Part D Drug Benefit Program

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What is the Medicare Modernization Act (MMA)?

- In 2003, Congress enacted Title 1 of the MMA, establishing a new voluntary outpatient prescription drug benefit under Part D of title XVIII of the Social Security Act.
- This prescription drug benefit, referred to as Medicare Part D, will take effect on January 1, 2006.
- Medicare Part D program will terminate federally-funded Medicaid prescription drug coverage for all beneficiaries, including those enrolled in both Medicare and Medicaid (i.e. also known as “dual eligibles”).
 - There are about 1.1 million Medi-Cal/Medicare enrollees “dual eligibles” in California.

Governor Schwarzenegger's FY 2006 Budget Proposal

■ Outreach Services

➤ The Governor's May Revision proposes Funding to assist the transition of 1 million Californians into the Medicare Part D Program that includes:

- Outreach
- Training
- Support

■ Drug Coverage

➤ The Governor has included resources to extend coverage for certain medications needed by the "dual eligible" population

Outreach Services for Medicare Part D Program

■ ***For Enrollees:***

- \$2.2 million (\$1.1 million General Fund) in Medi-Cal to print and mail flyers to “dual eligibles”.
 - Will be coordinated with the federal mailings sent by the Center for Medicare and Medicaid Services (CMS) and include information on transitioning into the Medicare Part D program.

■ ***For Providers:***

- \$1.7 million (\$463,000 General Fund) to support provider relations activities
 - Outreach efforts for providers will be coordinated through the state’s Medi-Cal fiscal intermediary and will be used to supply information on the implementation of this new program.

Drug Coverage for Dual Eligibles

- \$94 million (\$47 million General Fund, federally matched) for continued provision of drugs not covered under Medicare's Part D Program that include:

<u>Drug Category</u>	<u>Total Fund Amount</u>
Barbiturates/Benzodiazepines	\$9.241 M
Over-the-Counter, Cough & Cold	\$44.3 M
Weight Loss Drugs	\$180,000
Biologicals	\$5.2 M
Potassium Chloride	\$2.3 M
Part B Medi-Cal (Drugs covered by under Part B Medicare& Medi-Cal)	\$17 M
Medical Supplies (incontinence/intravenous and other)	\$23 M

The Governor's Proposal & Gaps in Coverage for "Dual Eligibles"

■ Transition Period

- The governor's budget does not include any resources to extend coverage of medications beyond January 1, 2006 if not covered under patient's PDP

■ Co-payments and Premiums

- The Governor's budget does not include any assistance for those individuals who must pay higher co-payments or premiums for their medications and/or PDPs

“Dual Eligibles” and the Latino Community in California

- According the Center for Budget and Policy Priorities, some 14 percent of dual eligibles are Latinos.
 - But Latinos constitute only 6 percent of all Medicare beneficiaries.
 - Medicare beneficiaries who are Latino thus are more than twice as likely to be dual eligibles as other Medicare beneficiaries.

A Healthy Future for All California's Children

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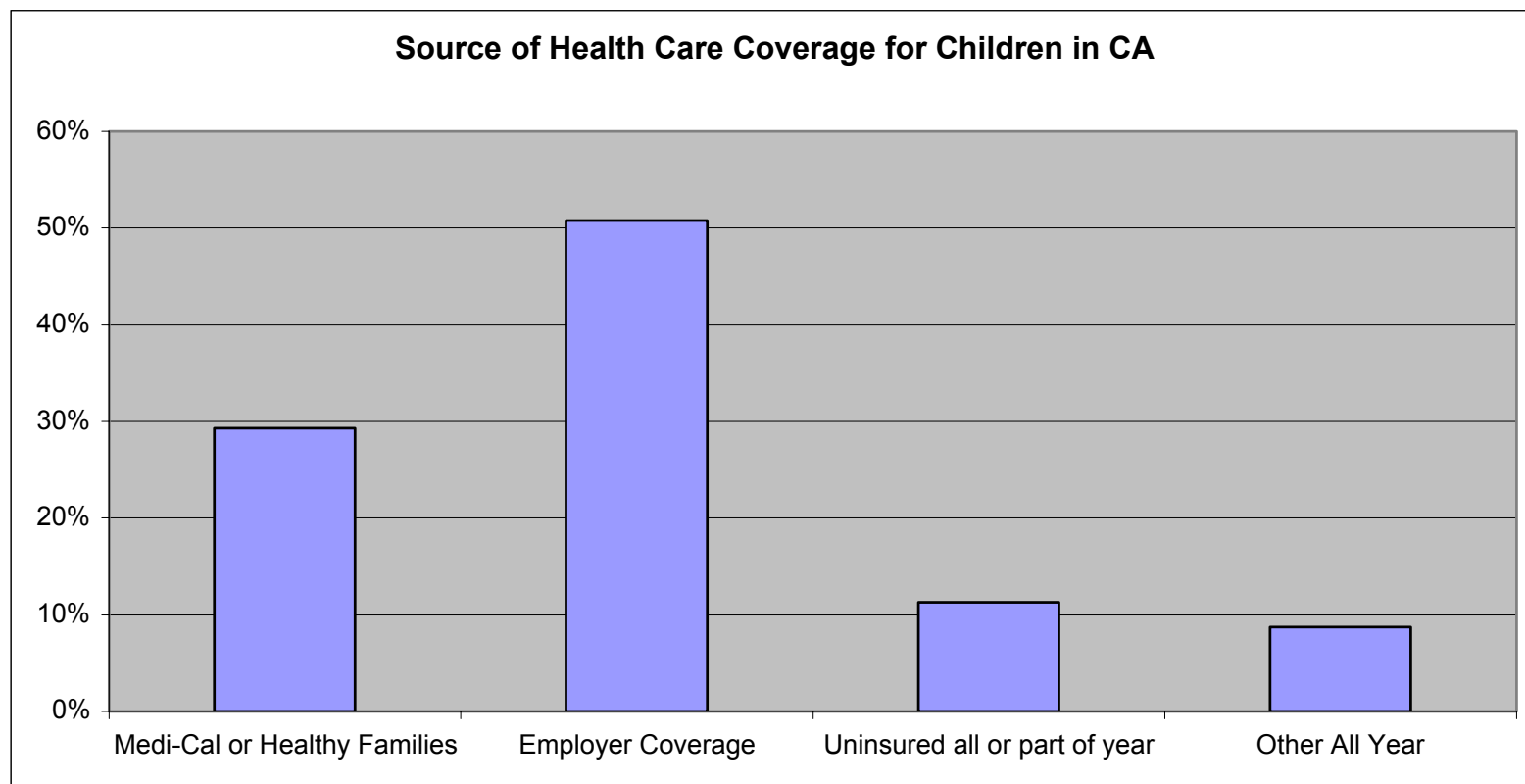
How Do Children Get Insurance Now?

Public Programs: Medi-Cal, Healthy Families, Emergency Medi-Cal, Child Health & Disability Prevention.

Private Health Coverage: Kaiser Healthy Kids, employer sponsored coverage.

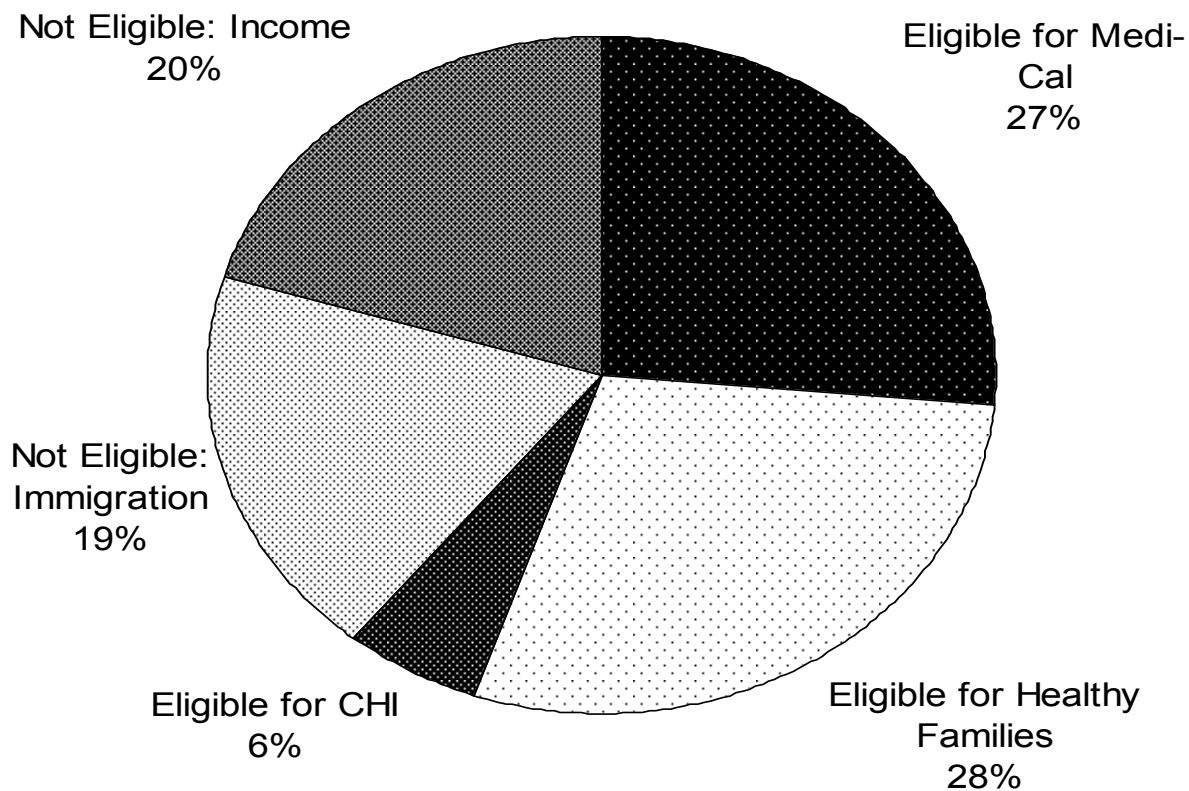
Public County Programs: 10 County Health Initiatives - Santa Clara, San Francisco, Alameda, Los Angeles, San Mateo, Santa Cruz, San Bernardino, Riverside, Kern, San Joaquin. 17 Scheduled for implementation.

Children's Health Coverage



Other all year includes private insurance, other government programs and any combinations of insurance over 12 months during which the person was not uninsured. Latino Health Alliance, May 26, 2005 Briefing

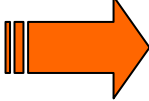
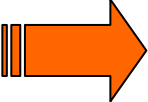
Uninsured But Eligible



California's Uninsured Latino Children

- Over half of school age children are Latino.
- In 2002 over half of Latino households with a child under 18 had incomes below 200% of Federal Poverty Level.
- Latinos are 1/3 of CA's workforce but least likely to have health insurance, particularly job-based insurance.
- Latino Children make up 3/4 of uninsured children who are also eligible for Medi-Cal and 2/3 of those eligible for Healthy Families.

Why is Health Insurance Important?

- Studies show the demonstrated benefits of health insurance for children.
- More likely to have better health outcomes.
- Improved educational outcomes  Higher wages
 Improved economic well-being
- Ensure children have regular source of care for preventative services.
- Children are our future and shouldn't be seen as a burden, not matter their income, immigration, health status.

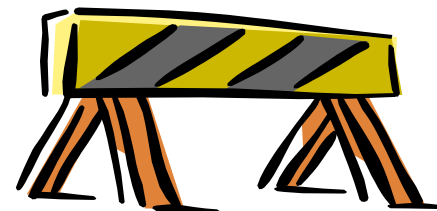
Negative Impacts of Being Uninsured

Without a regular source of care and access to preventative services, children are more likely:

- To use emergency services
- Have unmet needs for prescription drugs, dental care and medical care
- To have developmental vulnerabilities
- Miss school and face more challenges

Why are children uninsured?

- Difficult enrollment process and cumbersome renewal.
- Lack of information.
- Perceptions of program and treatment of their children.
- Barriers for immigrant families.
- Do not believe they need health coverage.



AB 772 (Chan) and SB 437 (Escutia)

- Health care for all children from birth to age 21.
- Easy enrollment and continuous coverage.
- Build upon successes of and coordinate with public programs.
- Shared and secure financing.
- Do no harm – phase in implementation and keep safety net secure.

AB 772 (Chan) and SB 437 (Escutia)

- Establishes the California Healthy Kids Insurance Program (CHKIP).
- Joins Healthy Families and Medi-Cal program to ensure seamless coverage for children.
- Coordinates with all other public programs, including County Health Initiatives, and works with employers to encourage coverage of employees dependents.
- Provides subsidies for families or counties to purchase health insurance for families over 300% FPL.

AB 772 (Chan) and SB 437 (Escutia)

- Intent to do the following:
 - Fold in County Health Initiatives
 - Coordinate with other state programs
 - Encourage employers to provide coverage to employees children
 - Provide options to cover 19 and 20 year old young adults not covered by current public programs.

The Great Possibility:

- Builds upon current systems.
- Continues to draw down Federal funding.
- Previous successes in expansions and outreach: CHDP Gateway, uninterrupted care, simplified care.
- Programs are successful – continue to grow.

Why Now?

- Current movement – political will.
- Bipartisan support.
- Community support – communities expressing concerns over education AND health care.
- Unhealthy condition of children – especially Latinos children.
- Consistent attacks on public programs, especially during bad budget times.

Sources

Brown, E. Richard and Shana Alex Lavarreda. Job-based Coverage Drops for Adults and Children but Public Programs Boost Children's Coverage. UCLA Health Policy Research Brief. February 2005.

California Budget Project. "Lasting Returns: Investing in Health Coverage for California's Children." February 2005.

California Budget Project. "Boom, Bust, and Beyond: The State of Working California. Moving Ahead or Falling Behind? California's Fast-Growing Latino Workforce." September 2004.

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Pico California and 100 Percent Campaign. Outline of Healthy Kids Legislation SB 437 (Escutia)/AB 772 (Chan).

The Supersizing of California's Latino Children

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Overweight – Malnutrition and Space

- Latino adolescents are the most likely to be overweight and are also more likely to be “at risk” for overweight than Asian or Non-Latino white adolescents (CHIS 2003)
- Those with mild and moderate levels of food insecurity are at greater risk of obesity.
- Those with no access to a healthy diet and/or space for physical activity are at risk of being overweight.

Prevalence of Overweight among Latino Children and Adolescents

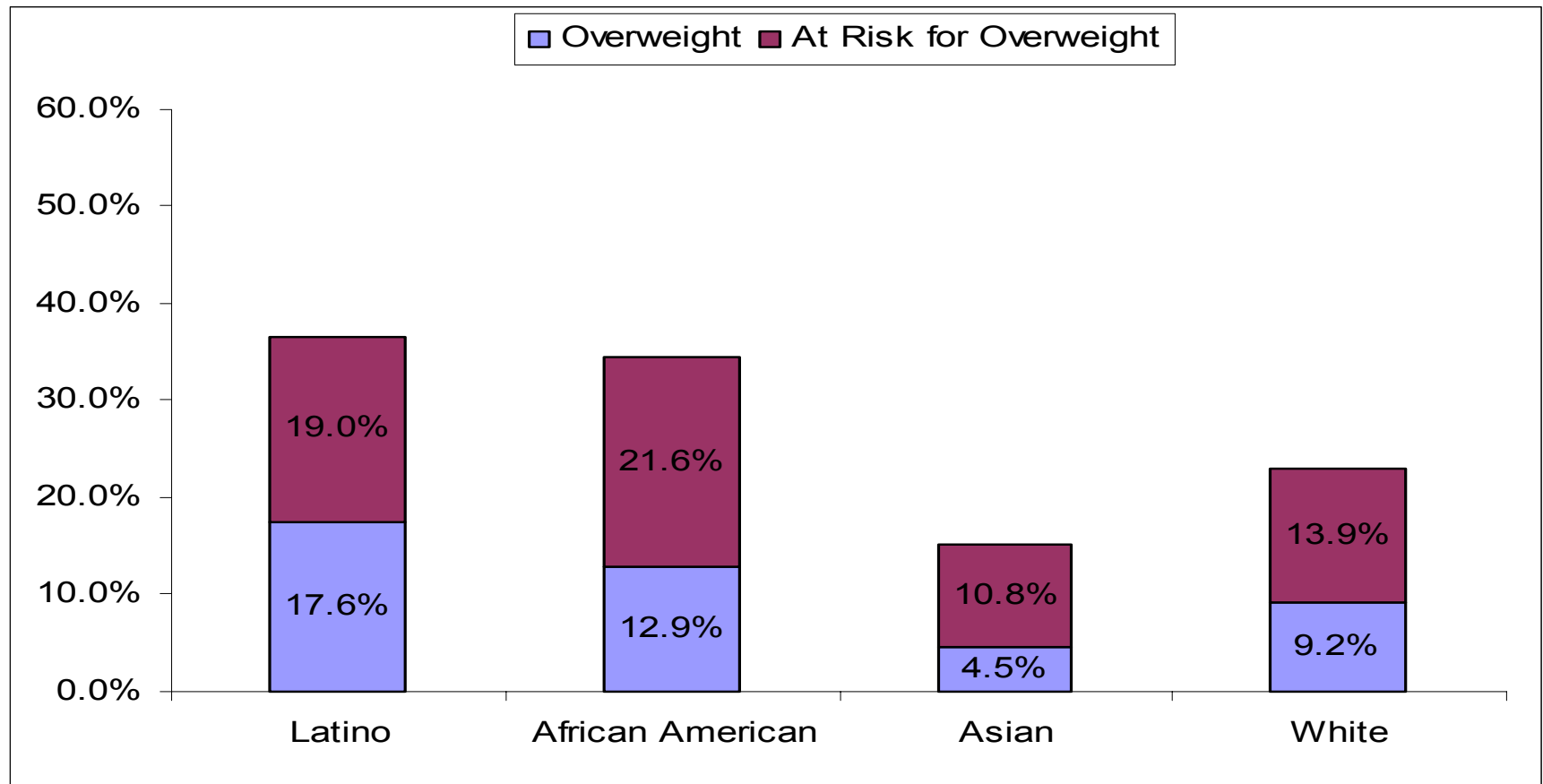
- More than 1 out of 3 Latino adolescents in California is overweight or at risk for overweight (CHIS 2003)
- More black and Latino female students (23 and 18%, respectively) were overweight than white female students (12%) (US Food and Drug Administration. 2004. Obesity Working Group: Calories Count)

Prevalence of Overweight among Latino Children and Adolescents

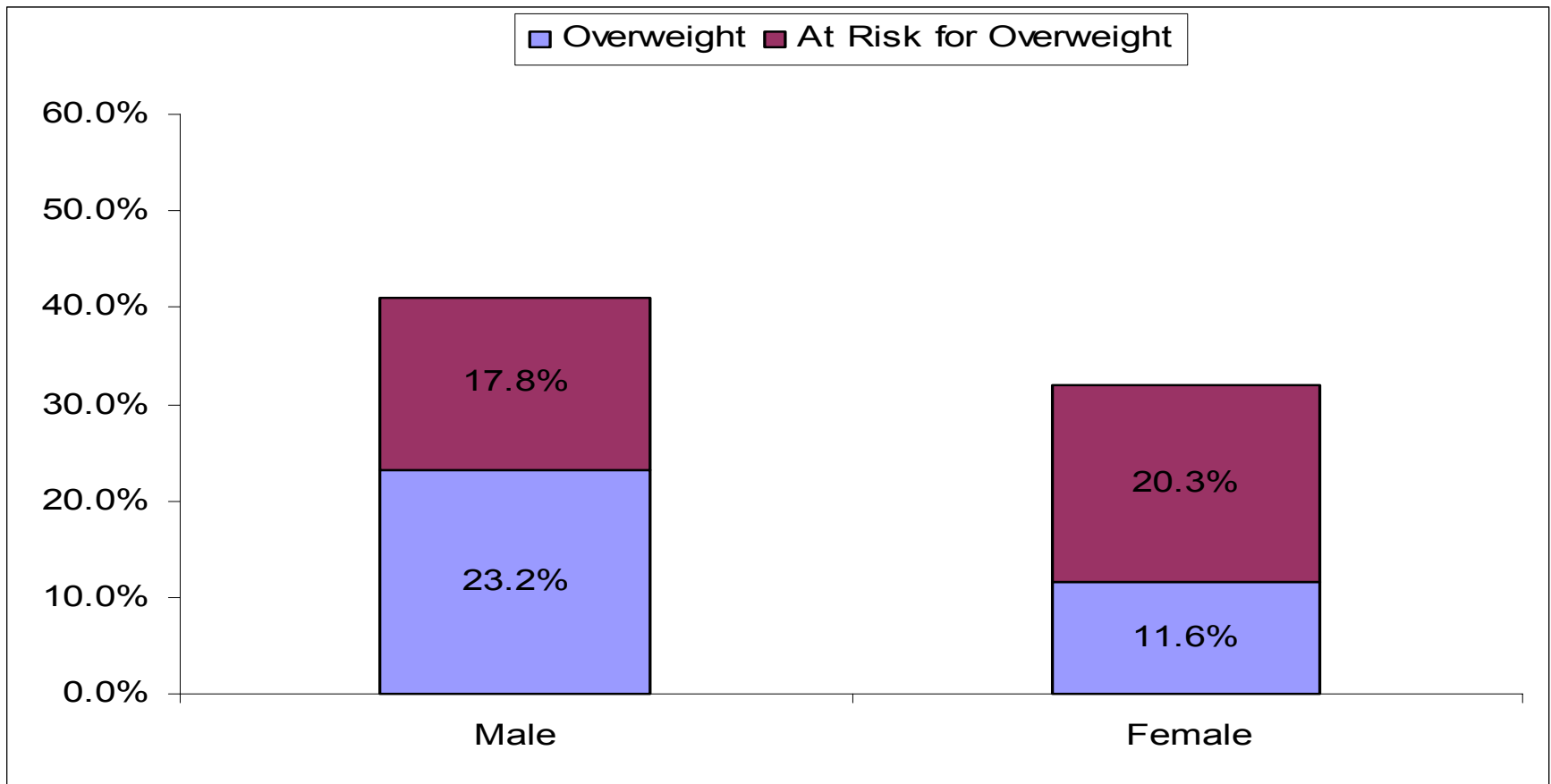
■ US Born vs. Foreign-Born

- Latino adolescents who are US-born (20%) was nearly twice as high as among non US-born Latino adolescents (11%) (CHIS 2003)
- Amongst U.S. immigrants the number of years in this country is associated with an increase in overweight (CHIS 2003)

Latino Adolescents are More Overweight or at Risk of Being Overweight



Latino Adolescents are More Overweight than Latina Adolescents



Many Risk Factors Contribute to Being Overweight and at Risk of Being Overweight

Consumption Per Day	Fast Food at Least 1	Fast Food 3 or More Times	1 or More Sodas	3 or More Sodas	None or Less Than 5 Servings Of Fruits, Vegetables
Male	47.8%	0.7%	84.9%	26.5%	67.0%
Female	66.6%	5.1%	78.1%	18.9%	79.5%

SB 12 (Escutia)

- Implements nutrient standards for competitive foods sold on all public school campuses. Specifically, SB 12 proposes that any food sold or served have no more than:
 - 35% of its calories from fat.
 - 10% of its calories from saturated fat.
 - 35% sugar by weight.
 - Food items in vending machines may not exceed 200 calories.
 - Portion size for a la carte sales in the cafeteria should not exceed the serving size of the food served in the National School Lunch Program or School Breakfast Program.

SB 965 (Escutia)

- Prohibits the sale of certain beverages on all school campuses. Specifically SB 965 would permit the following beverages to be sold on school campuses:
 - Fruit-based and vegetable-based drinks that are at least 50% fruit juice or vegetable juice w/o added sweeteners
 - Drinking water without added sweeteners
 - Milk products including 2%, 1%, nonfat, soy, rice and other similar non-dairy milk
 - An electrolyte replacement beverage that contains no more than 42 grams of added sweetener per 20-ounce serving

Impact on Latinos

- Helps fight childhood obesity
- Preventions of obesity-related health conditions
- Reductions in tooth decays
- Improvements academically
- Overall, healthy and prepared children will make major contributions to society as adults

Sources

- Susan H. Babey, Allison L. Diamant, E. Richard Brown, and Theresa Hastert. (2005) California Adolescents Increasingly Inactive. UCLA Center for Health Policy and Research.
- Michael Rodriguez, Marlena Kane, Lupe Alonzo-Diaz, and George R. Flores. (2005) One out of Three Latino Adolescents Overweight or At Risk. UCLA Center for Health Policy and Research.