

# Healthcare Reform: Implications for California and Latinos

Irma Cota, MPH  
President/Chief Executive Officer  
North County Health Services  
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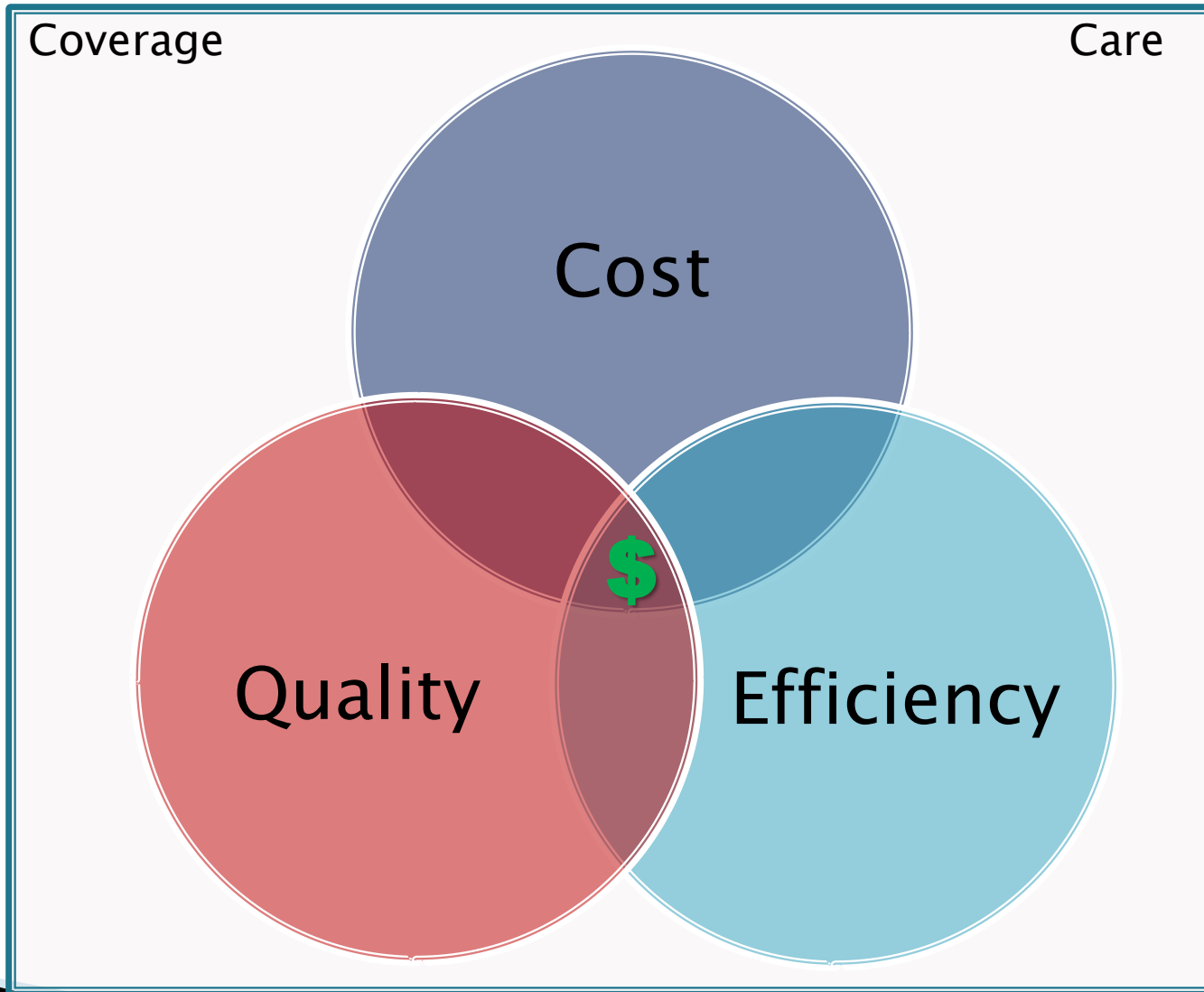
# Without Health Reform

- **The uninsured:** 50 million+ nationally, 6.6 million in CA, 500,000 in San Diego and growing
- **The underinsured:** Recently estimated at 25 million nationally and growing
- **The costs:** Unsustainable increases in the cost of health insurance and the cost of care – 17.3% of the GDP
- **The deaths:** 45,000 preventable deaths each year for the uninsured (Harvard)
- **The lack of access to care:** Disproportionate rates of skipped treatments and late treatment for serious illness
- **The healthcare system:** Diminishing investment and capacity

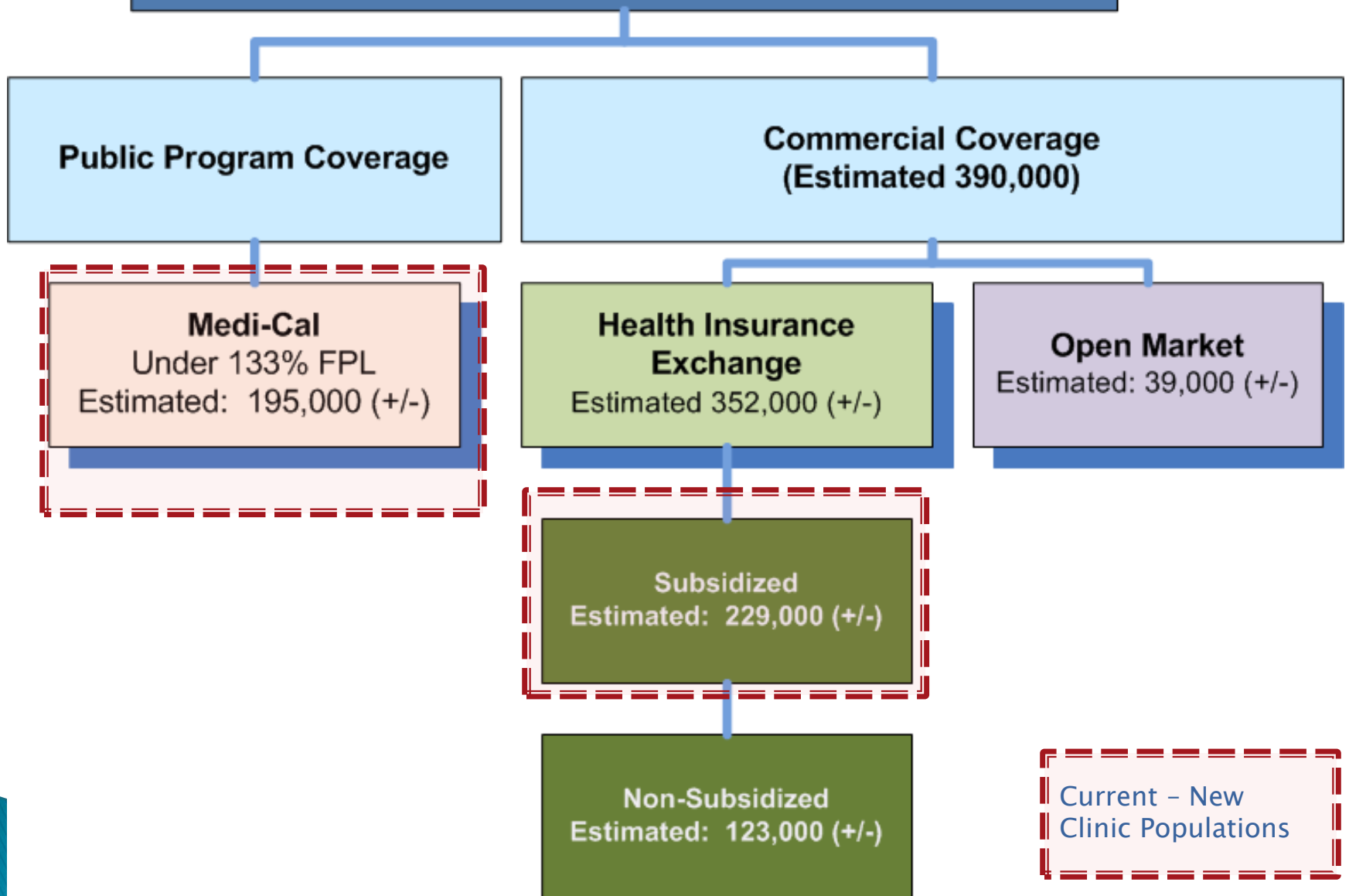
# With Health Reform

- ▶ Mandate that everyone have coverage (w/ opt-out)
- ▶ Insurance Reforms
  - No rescission or preexisting conditions exclusions
  - Coverage of prevention (no deductibles/copays)
  - Children on parents plan up to age 26
  - Limits on administrative overhead (85% MLR)
- ▶ Expansion of Medicaid to all citizens and legal residents (> 5 years) under 133% FPL
- ▶ State Health Insurance Exchange
  - Large Risk Pool – Uniform Benefit Plans and Info
  - Subsidized Plans <400% FPL (citizens/legal residents)
- ▶ Employer Requirements (>50 employees)
- ▶ Tax credits for small business (25 FTE)
- ▶ No coverage for undocumented

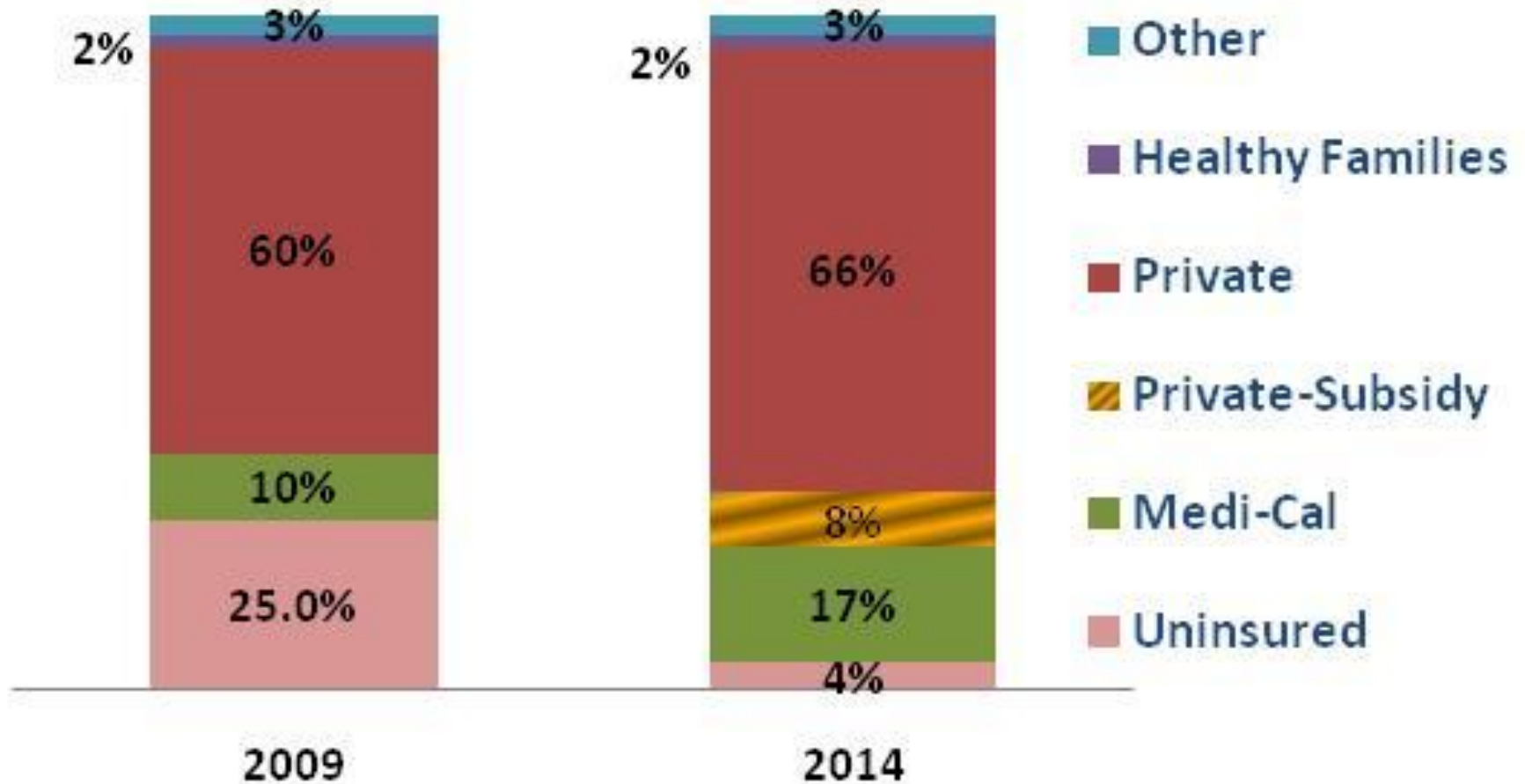
# Goals of Health Reform



# San Diego Coverage Expansion Under Health Reform Estimated Eligibility of Uninsured (Newly Eligible)



# San Diego: Estimated Eligibility Shift Under Health Reform (Nonelderly)



# State Health Insurance Exchange (Health Benefits Exchange)

- ▶ State-run insurance purchasing pool
  - Individuals
  - Business < 100 employees
- ▶ Subsidized commercial coverage for low to modest income individuals/families (traditional clinic populations)
- ▶ Health plan networks must include “essential community providers...that serve predominantly low-income, medically underserved individuals”

# Managing the Expansion

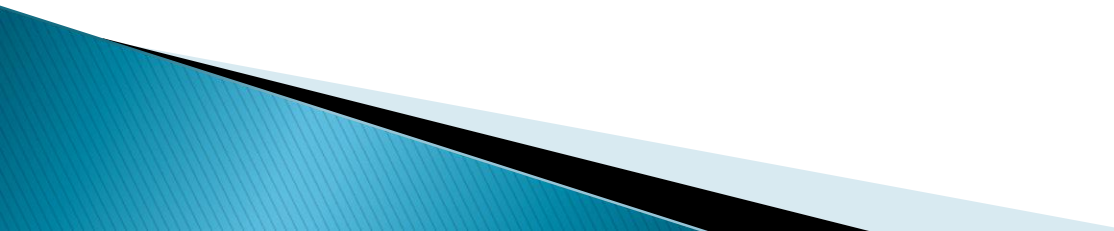
- ▶ **State Health Insurance Exchange**
  - Access to insurance coverage for individuals, small businesses, uninsurable
  - Subsidized commercial coverage <400% FPL
- ▶ **Accountable Care Organizations**
  - Integration of care across the continuum to improve cost, quality and value (outcomes)
- ▶ **Primary Care Medical Home**
  - Foundation of coordinated integrated care
  - Direct patients to Most cost effective care
  - Decrease ER utilization

# Health Insurance Exchange Tax Credit Subsidies

Income as a % FPL	Premium Cost as a % of income
<b>0-133%</b>	<b>2% (usually Medicaid-eligible)</b>
<b>133-150%</b>	<b>3-4%</b>
<b>150-200%</b>	<b>4-6.3%</b>
<b>200-250%</b>	<b>6.3-8.05%</b>
<b>250-300%</b>	<b>8.05-9.5%</b>
<b>300-400%</b>	<b>9.5%</b>

# Accountable Care Organizations

**Right care at the right time for the right cost**

- ▶ Integrated health system from primary to tertiary care with multiple system and payment models
  - ▶ Responsible for health of a specific population, as well as individual patients
  - ▶ Direct contracts between purchaser and ACO
  - ▶ Quality and efficiency
  - ▶ Reinvestment in improving care and outcomes (shared savings with providers)
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# Accountable Care Organization Proposed Payment

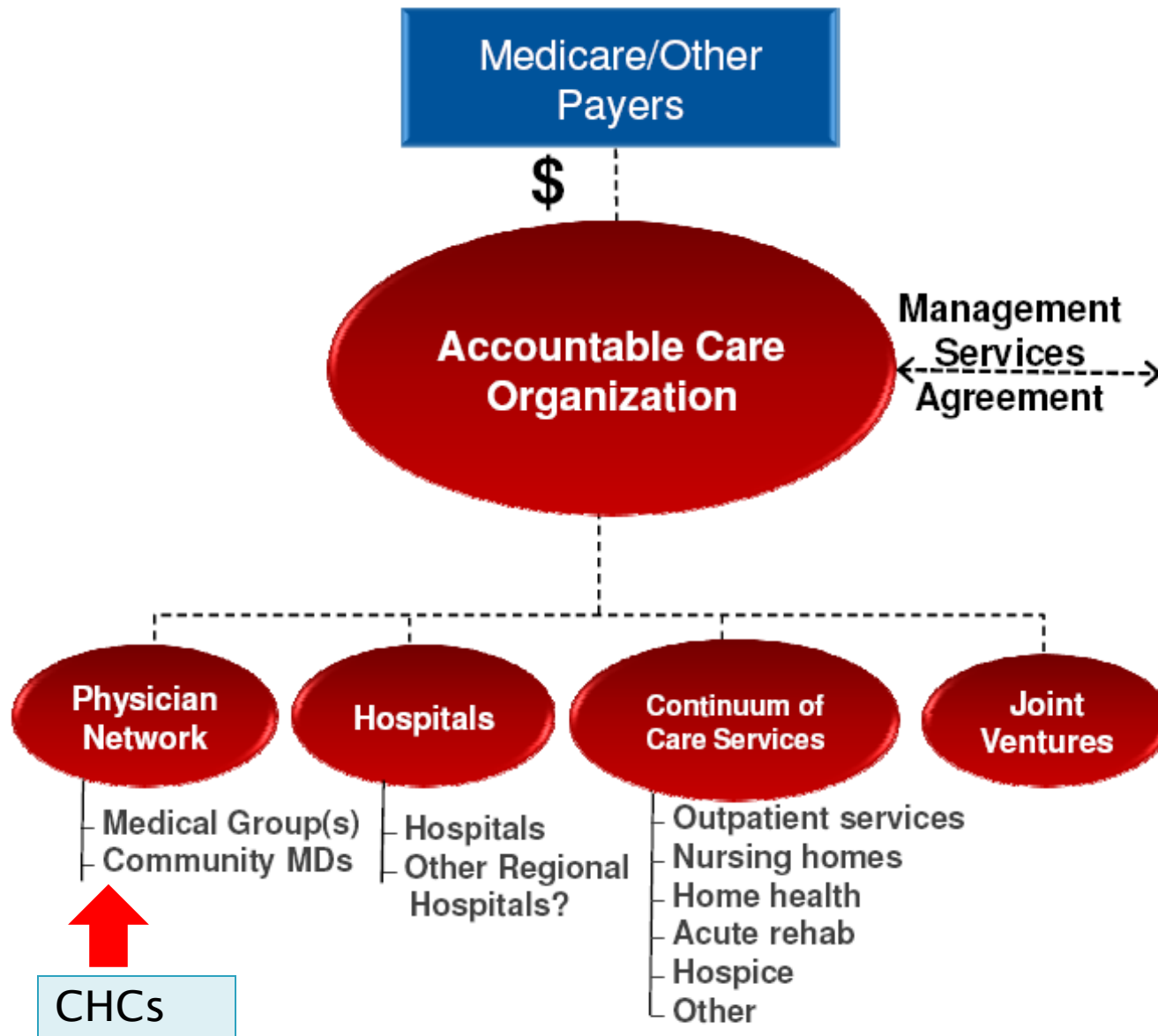
## Medicare FFS + bonus or capitation?



### ■ ACO responsible for:

- ▶ Clinical care management (clinical integration)
- ▶ Capture data for continuum of care
- ▶ Measure, monitor costs and quality

# Sample ACO Configuration



## Infrastructure (Provided or Contracted ACO Operations)

- Information Technology
  - EMR, CPOE, PACS
  - Data warehouse
  - Reporting
- Care Management
  - Hospitalists and Intensivists
  - CMO
  - Disease management
  - Clinical protocols
  - Advanced analytics and modeling
  - Call center
  - Utilization management
  - Knowledge management
- Health Network
  - Delivery network
- Financial/Payment Systems

CHCs


# Accountable Care Organizations

## The Benefits



# Patient Centered Medical Home

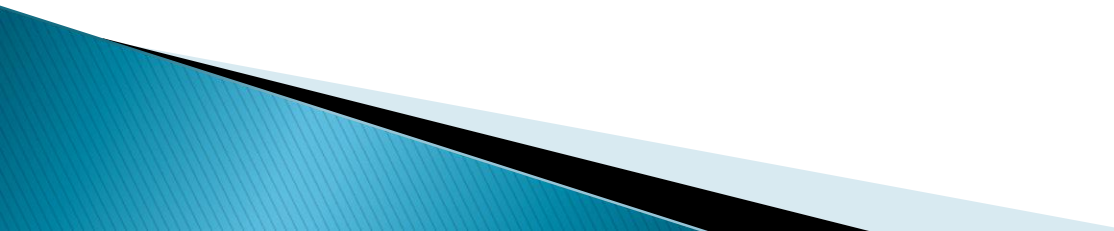
A medical home is a model of primary care that delivers care that is:

- Patient-centered
  - Personal Physician leading practice TEAM
  - Use non-physician staff to manage care
  - Coordination (services outside PCMH)
  - Partnership (MD, Patient, Providers)
  - Information Technology
  - Access (Timely - Appropriate)
  - Data Driven Continuous Improvement
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# Latinos in San Diego

- ▶ Latinos constitute 28% of San Diego population
- ▶ 50% of uninsured in San Diego are Latinos
- ▶ 67% of community clinic patients are Latino
- ▶ 97% of community clinic patients are under 150% of poverty
- ▶ New Medi-Cal eligibility if from 0–133% of poverty for adults under 65 without children – many clinic patients will qualify

# Latino Specific

- ▶ Cultural and Linguistic appropriate services
  - ▶ Through local Accountable Care Organizations you should be able to stay with your neighborhood clinic or a private medical group
  - ▶ Reduce the number of uninsured through either employer health insurance or receive tax credits to purchase low cost health insurance
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# Latinos who will not be covered

Undocumented will not qualify for Health Insurance under healthcare reform

Latinos who are legal but are unable to afford to purchase insurance

Solution for these two groups:

Community Clinics will continue to be the safety net for these individuals