

CALIFORNIA HEALTH CARE ALMANAC



California's Health Care Safety Net: A Sector in Transition

JANUARY 2016

Introduction

The health care safety net is a patchwork of programs and providers that serve low-income Californians without private health insurance. Changes in the economy, government budgets, and health care policy can influence how the safety-net population gets medical care.

California's Health Care Safety Net: A Sector in Transition covers a period of transition with the 2014 implementation of the federal Patient Protection and Affordable Care Act (ACA), which expanded Medi-Cal eligibility to most adults with incomes up to 138% of the federal poverty level and established state exchanges where individuals can purchase health insurance, often with federal subsidies.

KEY FINDINGS INCLUDE:

- In 2014, 3 in 10 Californians could be counted in the safety-net population because they were low-income and enrolled in public programs or were uninsured.
- While public and private nonprofit hospitals provide the most care to the safety-net population, public hospitals are much more reliant on safety-net funding sources to finance their operations. In 2014, 70% of public hospital net patient revenue came from Medi-Cal and county indigent programs, while only 19% of private nonprofit hospitals' revenue did.
- The safety-net population accounted for 83% of community clinic visits. Most of the funding for this care came from Medi-Cal, which funded 68% of community clinic visits, but provided 79% of the clinics' net patient revenue.
- While insurance coverage of the safety-net population increased from 21% to 24% from 2013 to 2014, access to care may continue to be a problem. The safety-net population reported more difficulty in finding health care providers who accepted new patients or their insurance relative to the non-safety-net population.
- Californians in the safety-net were less likely than those outside the safety net to have a usual source of care, less likely to access preventive care, and more likely to delay care.
- The safety-net population spent more money out-of-pocket for health care as a percentage of income (3.1%) than the non-safety-net population (1.6%). In addition, third-party payer spending for the safety-net population was one-third of the amount spent on the non-safety-net population.

CONTENTS

Definitions..... 3

Safety-Net Programs..... 5

Safety-Net Population 6

Safety-Net Hospitals 14

Safety-Net Clinics..... 20

Access and Quality of Care..... 23

Financials..... 33

Data Sources 37

Defining the Population

The term “safety net” is often used to describe the patient population, as well as the programs for which they are eligible and the providers who participate in the defined programs. For the purposes of this report, the population is defined as:

Safety-Net Population

- Enrolled in a public program and earning less than 300%* of the federal poverty level (FPL)
- OR
- Uninsured and earning less than 300% FPL

Non-Safety-Net Population

- Privately insured and earning less than 300% FPL[†]
- OR
- Income of at least 300% FPL (insured and uninsured)

Not everyone in the safety-net population used safety-net services, just as not everyone in the non-safety-net population has used health care services.

The phrase “safety-net population” is often used to refer to different groups of people, so it is important to be precise in delineating who falls into this category for this report.

*In 2014, 300% of the FPL was \$71,550 for a family of four, or \$35,010 for an individual.

†Includes those who purchased private insurance with a federal subsidy through Covered California.

Defining Safety-Net Programs and Providers

The Programs

Safety-net programs, which typically use income to determine eligibility, include the following:

- **State:** Medi-Cal and Restricted-Scope Medi-Cal
- **County:** county indigent programs, known as the Medically Indigent Adult (MIA) programs
- **Episodic:** Breast and Cervical Cancer Treatment Program; Child Health and Disability Prevention Program; Expanded Access to Primary Care; Family Planning, Access, Care and Treatment (PACT); and California Children's Services
- **Low-income, nongovernment insurance:** CaliforniaKids, Kaiser Permanente Child Health Program, and Healthy Kids

The Providers

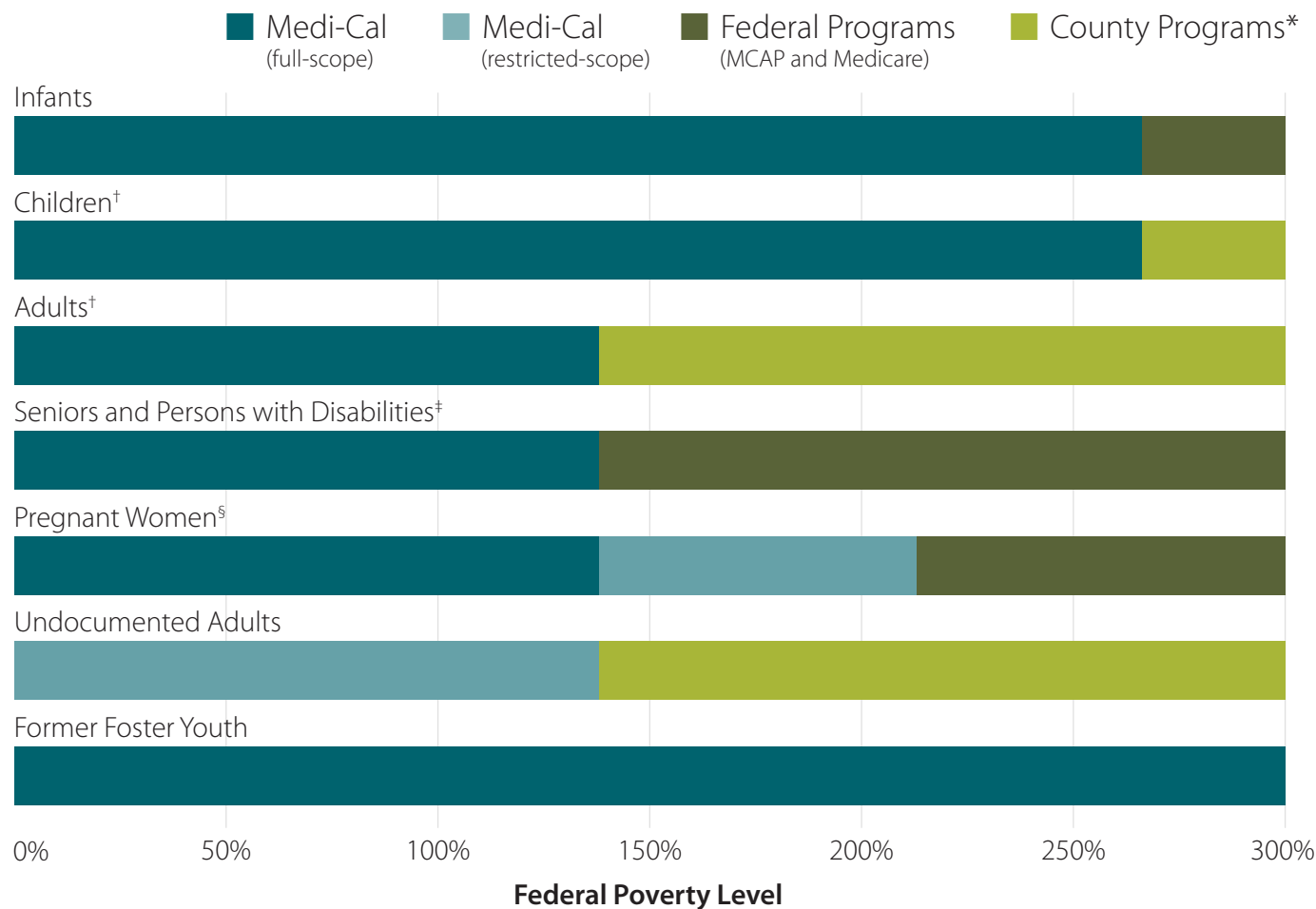
The safety net includes health care providers that by legal mandate or explicit mission provide care for a proportionately greater share of poor and uninsured patients:

- **Hospitals:** city/county, nonprofit, investor, and district hospitals with county or Medi-Cal contracts and/or designated as critical access or disproportionate share (DSH) as well as hospital emergency departments
- **Clinics:** Federally Qualified Health Centers (FQHCs and FQHC Look-Alikes), community, county-run, and free clinics
- **Private doctors:** contracted care and charity care

The safety-net population is served by diverse health care programs and providers.

Public Program Eligibility, by Federal Poverty Level

California, 2014



*County medically indigent programs cover those who do not qualify for Medi-Cal or Covered California, up to an income limit set by the counties. These limits vary by county.

[†]Federal subsidies may be available for children with family incomes over 266% FPL, adults with incomes over 138% FPL, and households with incomes up to 400% FPL.

[‡]Californians age 65 and older and disabled adults who qualify will also have Medicare coverage.

[§]Medi-Cal provides coverage for pregnancy-related services for all women including the undocumented up to 213% FPL. The Medi-Cal Access Program (MCAP), formerly Access for Infants and Mothers (AIM), provides comprehensive coverage for middle-income eligible mothers of infants and for pregnant women with income up to 322% FPL.

Note: In 2014, 100% of the FPL was \$11,670 for an individual and \$23,850 for a family of four.

Sources: "Services," DHCS, www.dhcs.ca.gov; *Pregnant Women Fact Sheet*, DHCS, www.dhcs.ca.gov (PDF); medicaid.gov; Covered California, www.coveredca.com; "County Children's Health Initiative Program (C-CHIP)," MRMIB, www.mrmib.ca.gov; multiple county websites.

Medi-Cal is the largest safety-net program, providing coverage for a diverse array of Californians, though benefits may vary by immigration status and income. Undocumented individuals are only eligible for restricted-scope (emergency and pregnancy-related) benefits from Medi-Cal. County programs for the uninsured vary in benefits and income eligibility.

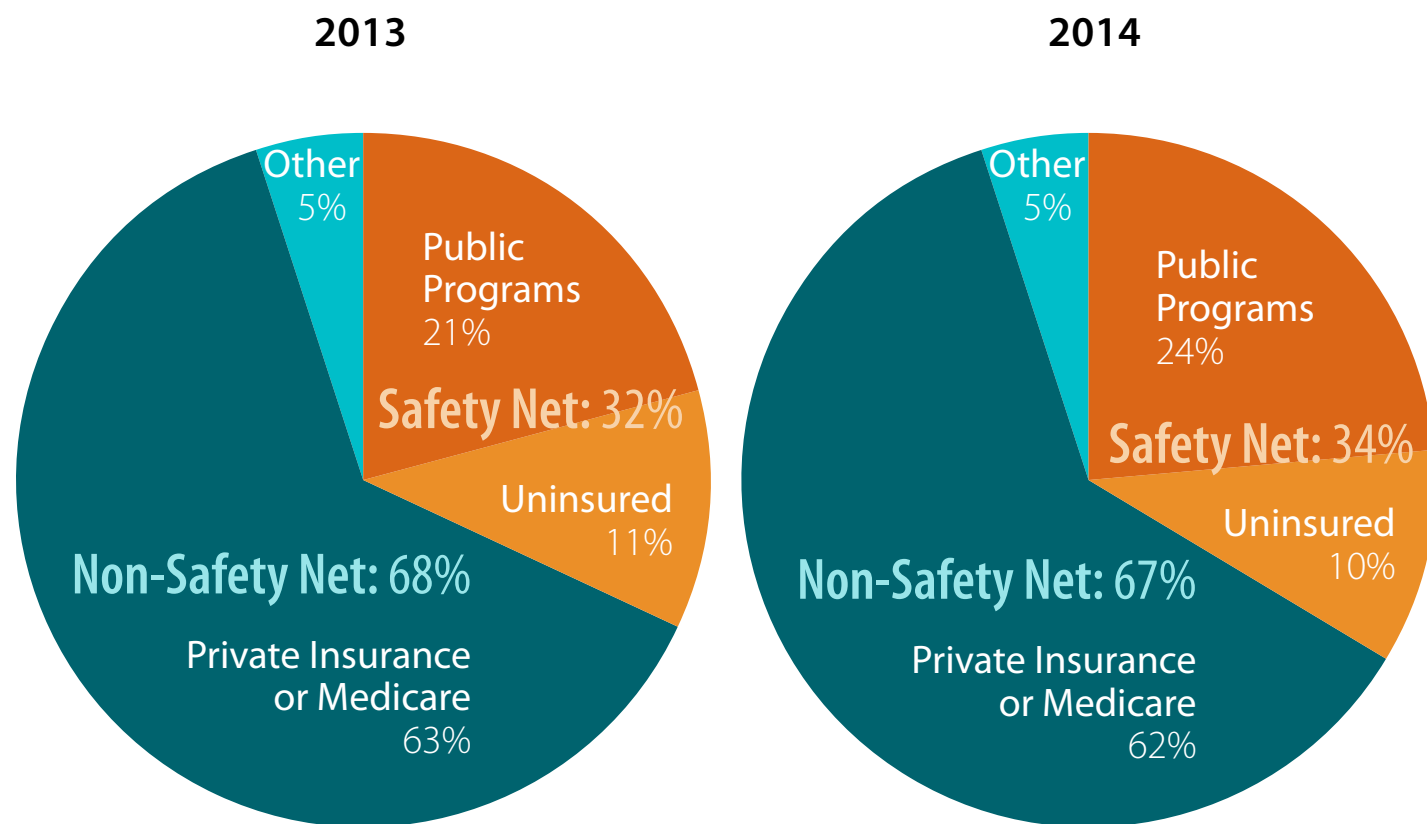
Safety-Net vs. Non-Safety-Net Population

by Insurance Status, California, 2013 and 2014

California's Health Care Safety Net

Safety-Net Population

In 2014, 3 out of every 10 Californians earned under 300% of the federal poverty level and were uninsured or enrolled in Medi-Cal or another safety-net program. Slightly more Californians were enrolled in safety-net programs in 2014 than in 2013.

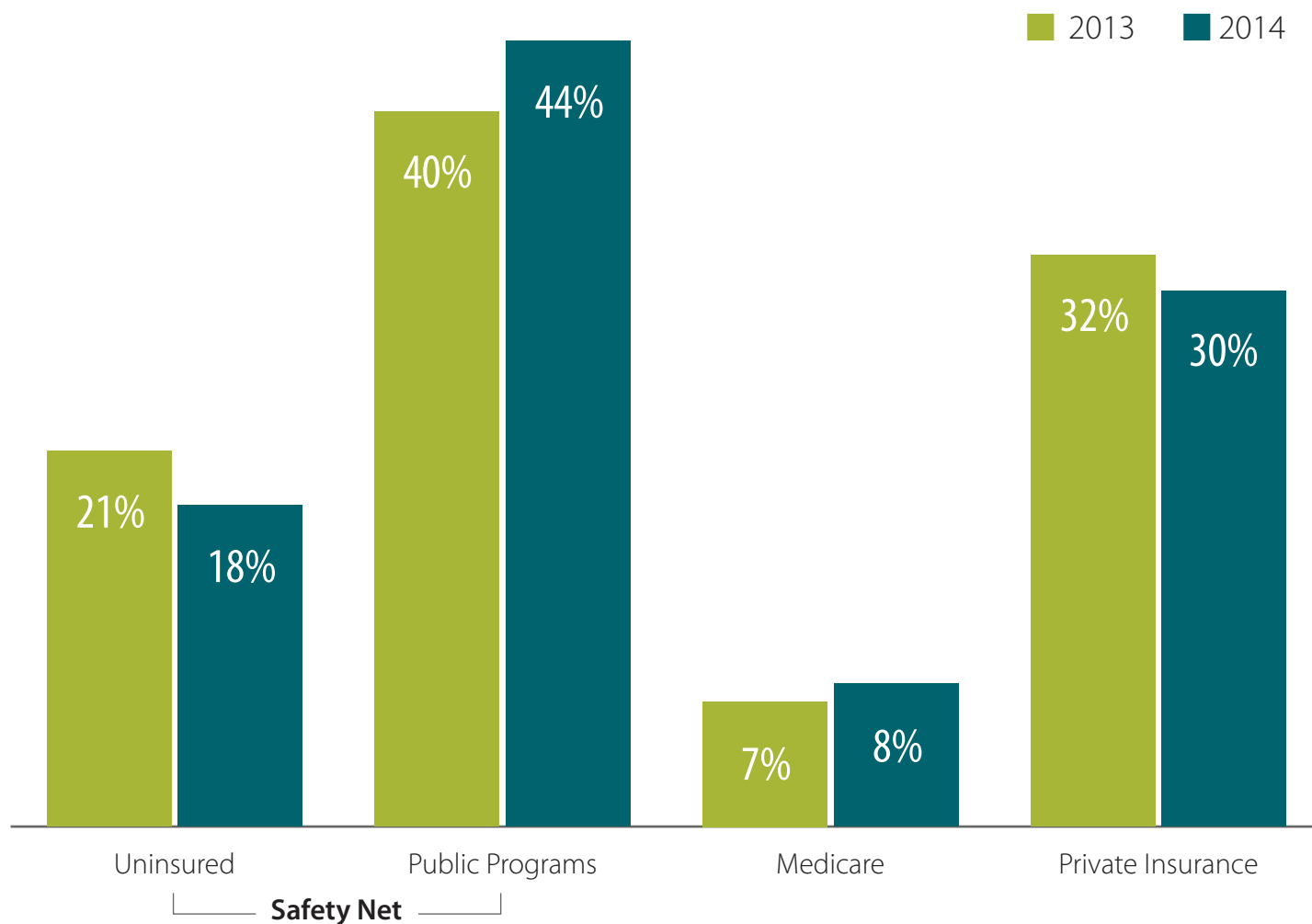


Notes: *Public programs* includes Medi-Cal, Healthy Families (phased out by 2014), Medicare & Medi-Cal dual eligibles, and "other" public programs. Medicare-only enrollees are included in the non-safety-net population. *Other* includes individuals who were uninsured or enrolled in public programs and earned $\geq 300\%$ FPL. (In 2014, 300% of the FPL was \$35,010 for an individual.) Segments may not add to 100% due to rounding.

Source: Blue Sky Consulting Group analysis of the 2013-14 California Health Interview Survey, UCLA Center for Health Policy Research.

Insurance Status of Population with Incomes <300% FPL

California, 2013 and 2014



California's Health Care Safety Net

Safety-Net Population

Six out of 10 Californians with incomes below 300% of the federal poverty level were in the safety-net population (with the remaining Californians receiving Medicare or private insurance).

From 2013 to 2014, the percentage of low-income Californians insured through public programs increased from 40% to 44%. This shift was likely due to implementation of the Affordable Care Act. Likewise, the percentage of uninsured low-income Californians decreased from 21% to 18%.

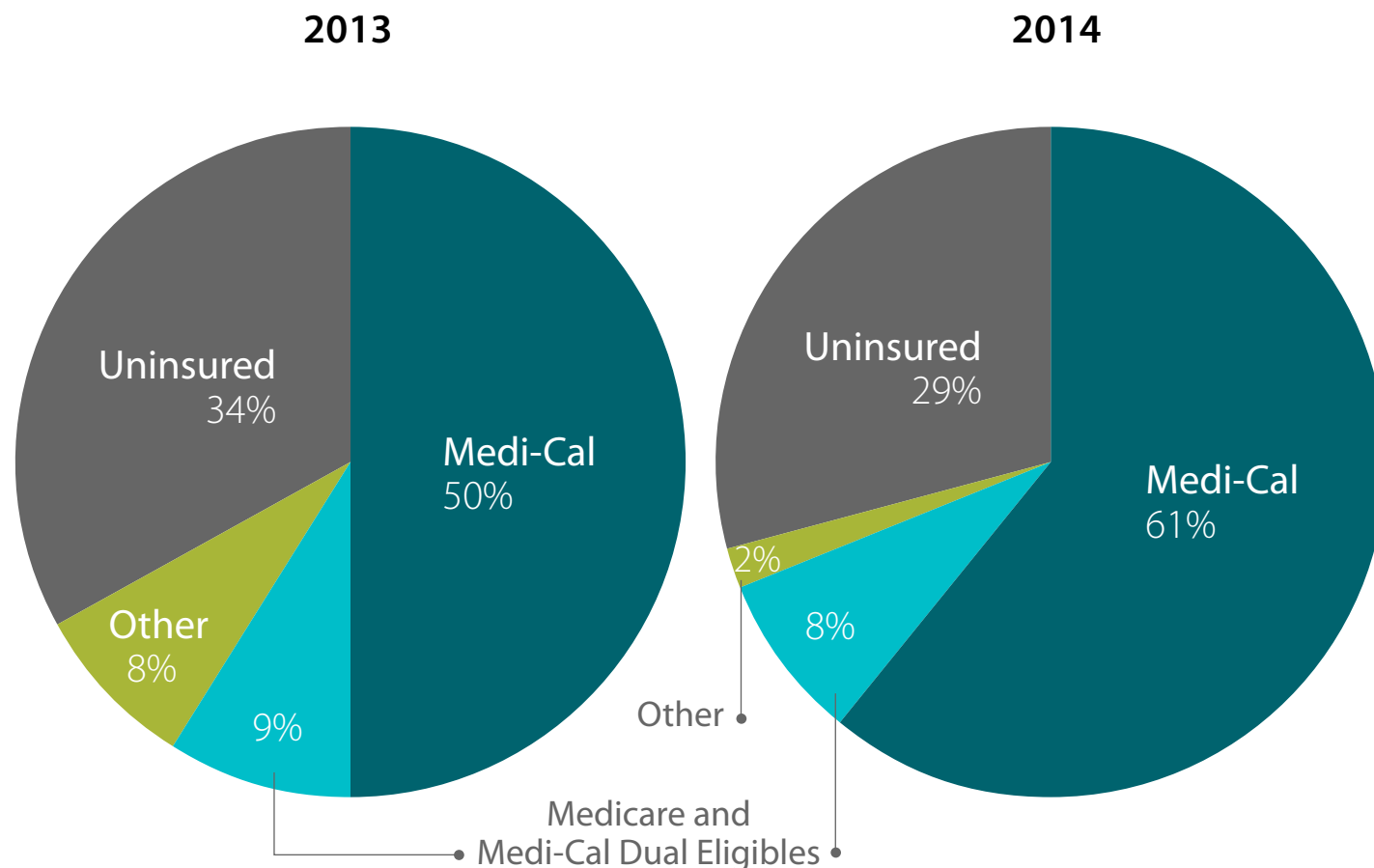
Notes: *FPL* is federal poverty level. In 2014, 300% of the FPL was \$71,550 for a family of four, or \$35,010 for an individual. Medicare recipients were excluded from *public programs* unless they were also eligible for Medi-Cal. Residents being served by county MIA programs were included in the *uninsured* or *public programs* categories in these data.

Source: Blue Sky Consulting Group analysis of the 2013-2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Safety-Net Population Enrolled in Public Programs

California, 2013 and 2014

The percentage of the safety-net population enrolled in Medi-Cal increased from 50% in 2013 to 61% in 2014, largely as a result of Medi-Cal expansion due to the Affordable Care Act. Those receiving coverage through other public programs declined from 8% in 2013 to 2% in 2014 due to the transition of enrollees from the Low Income Health Program and Healthy Families program to Medi-Cal.



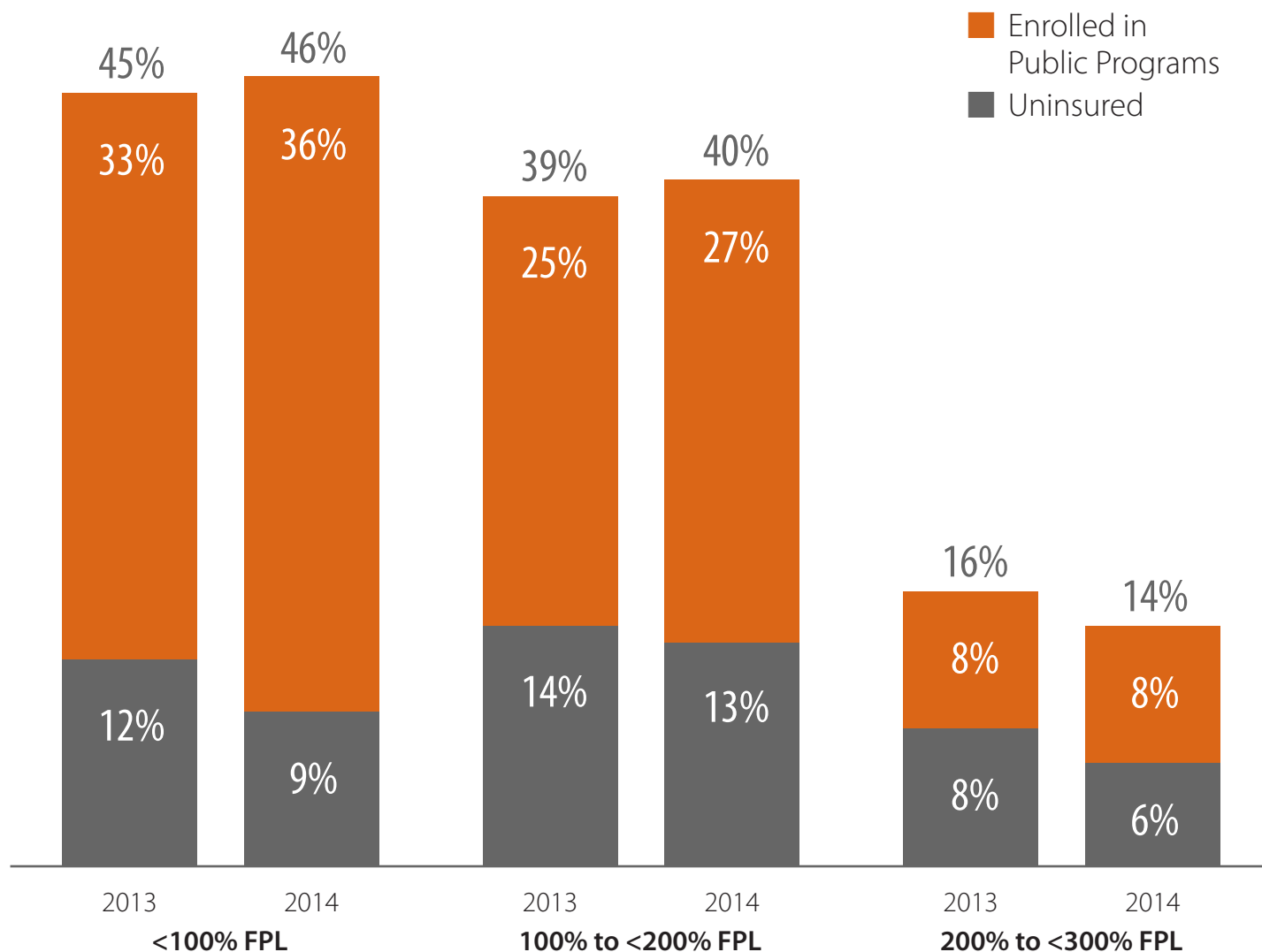
Notes: Medicare recipients were excluded unless they were also eligible for Medi-Cal. Those covered by Healthy Families in 2013 were included in the *other* category. Residents being served by county MIA programs were included in the *uninsured* or *other* categories in these data. *Other* is other public programs. Segments may not add to 100% due to rounding.

Source: Blue Sky Consulting Group analysis of the 2013-2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Poverty Level and Insurance Status, Safety-Net Population

California, 2013 and 2014

California's Health Care Safety Net
Safety-Net Population

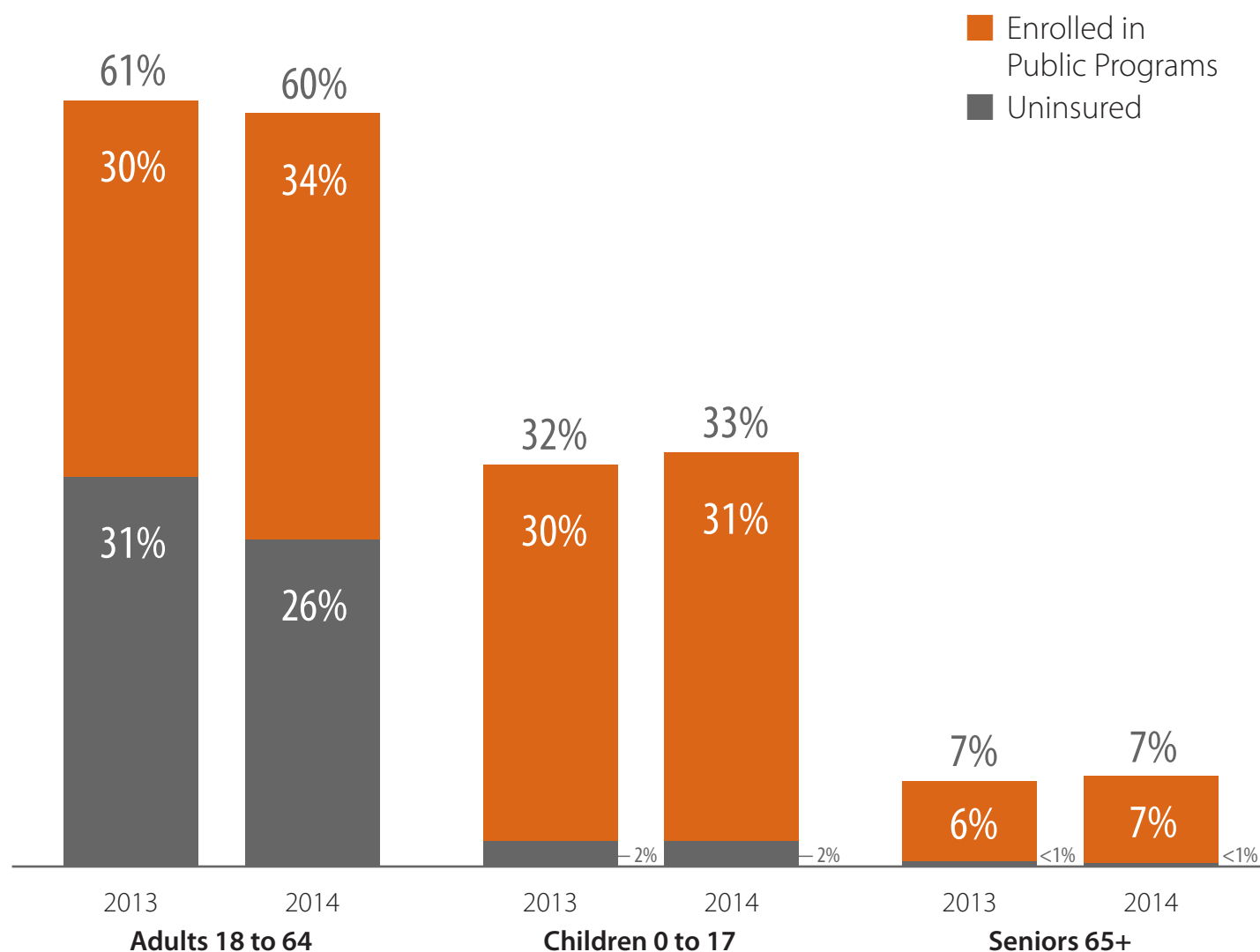


Almost half of the safety-net population earned less than 100% of the federal poverty level. From 2013 to 2014, the proportion of the safety-net population insured by public programs increased slightly for those making less than 200% FPL, while the proportion of uninsured decreased slightly across all income groups.

Notes: In 2014, 100% of the FPL was \$11,670 for an individual and \$23,850 for a family of 4; 200% of the FPL was \$23,340, for an individual and \$47,700 for a family of 4; and 300% of the FPL was \$35,010 for an individual and \$71,550 for a family of 4. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2013-2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Age Group and Insurance Status, Safety-Net Population California, 2013 and 2014



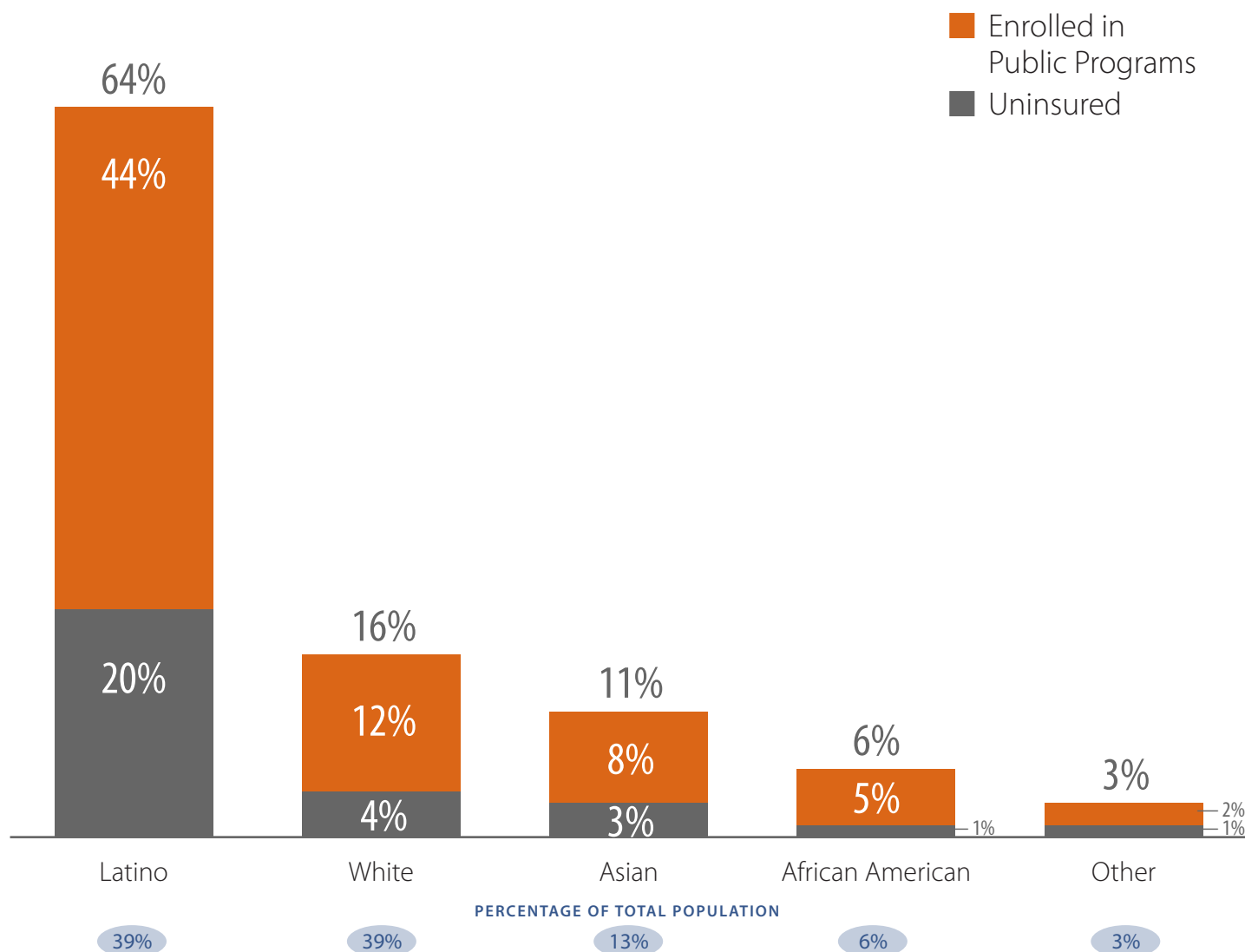
California's Health Care Safety Net Safety-Net Population

Sixty percent of the safety-net population were adults under 65, 33% were children, and 7% were seniors in 2014. Non-senior adults were much more likely to be uninsured compared to the other age groups. Nevertheless, adult enrollment in public programs increased from 30% in 2013 to 34% in 2014, largely due to the expansion of Medi-Cal eligibility.

Notes: Residents being served by county MIA programs were likely captured as uninsured in these data. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2013-2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Race/Ethnicity and Insurance Status, Safety-Net Population California, 2014



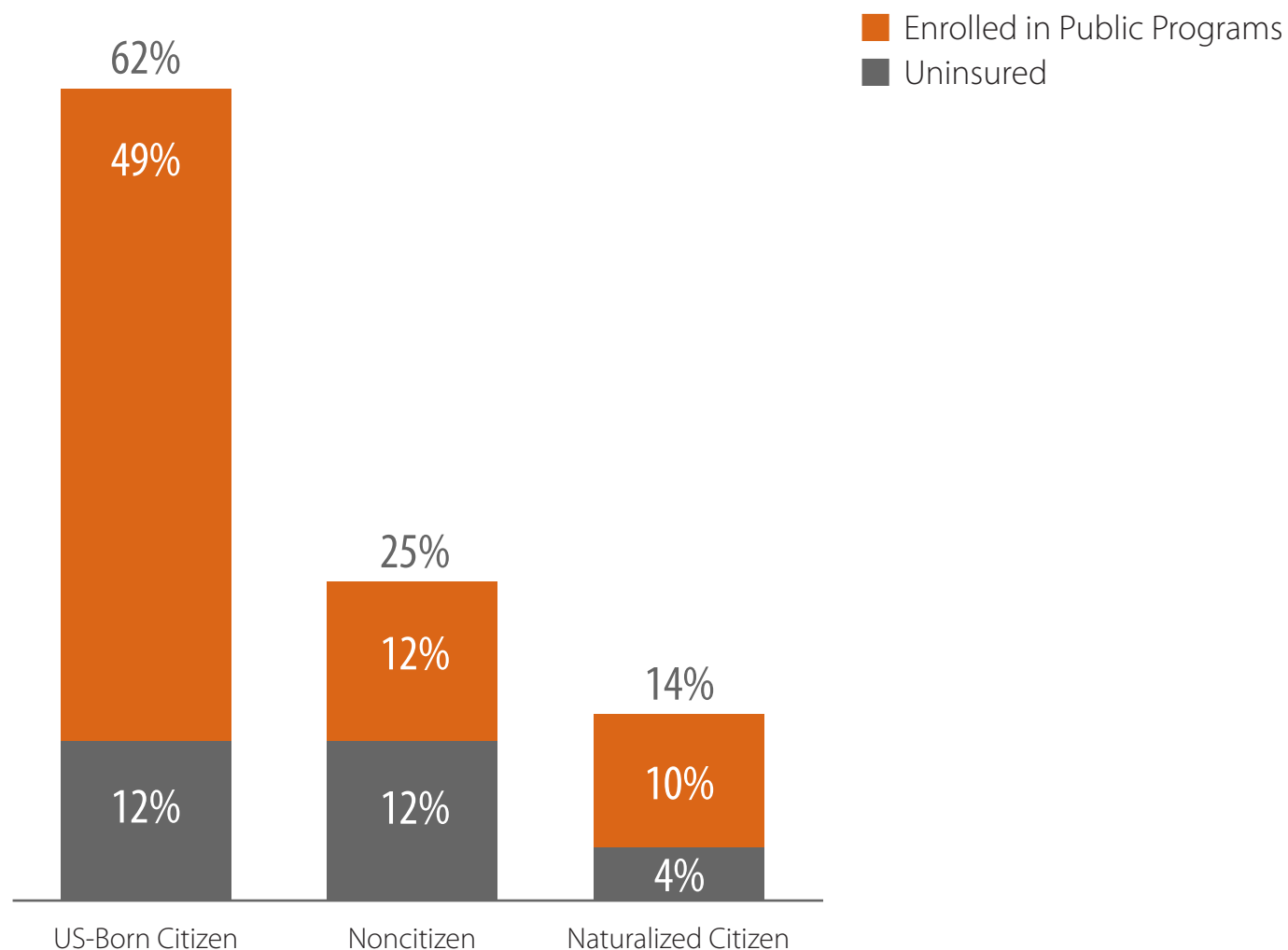
California's Health Care Safety Net Safety-Net Population

Latinos made up 39% of California's total population in 2014, but represented 64% of the safety-net population and were more likely to be uninsured compared to other groups. Meanwhile, whites also represented 39% of the state's total population but accounted for only 16% of the safety-net population.

Note: Residents being served by county MIA programs were likely captured as uninsured in these data.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Citizenship and Insurance Status, Safety-Net Population California, 2014



California's Health Care Safety Net Safety-Net Population

Noncitizens were much more likely to be uninsured than US-born citizens in 2014. Half of noncitizens were uninsured compared to nearly one-fifth of US-born citizens. This may be due in part to the lack of public programs available to this group.

Notes: Residents served by county MIA programs were likely captured as uninsured in these data. *Noncitizens* are those who responded "no" to the question: "Are you a citizen of the United States?" A noncitizen is not necessarily undocumented. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2013-2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Safety-Net Population, by County, 2014

	Total	Uninsured	Public Programs
Marin	10%	4%	6%
Nevada	12%	3%	9%
Yolo	16%	7%	9%
San Mateo	16%	2%	14%
San Luis Obispo	18%	9%	9%
Placer	19%	7%	12%
San Francisco	23%	5%	18%
Napa	23%	1%	21%
Sonoma	23%	6%	17%
Contra Costa	24%	13%	11%
El Dorado	25%	9%	16%
Alameda	25%	6%	19%
Tuolumne, Calaveras, Amador, Inyo, Mariposa, Mono, Alpine	26%	3%	23%
Santa Clara	26%	5%	21%
Ventura	27%	12%	14%
Solano	27%	1%	26%
Santa Barbara	29%	12%	17%
Humboldt	29%	12%	17%
San Diego	29%	8%	20%
Butte	30%	5%	25%
Orange	31%	10%	20%
Del Norte, Siskiyou, Lassen, Trinity, Modoc, Plumas, Sierra	31%	6%	25%

	Total	Uninsured	Public Programs
Sacramento	33%	9%	24%
Mendocino	34%	8%	26%
Santa Cruz	34%	8%	25%
Shasta	35%	10%	24%
Stanislaus	37%	10%	27%
Los Angeles	38%	11%	27%
San Bernardino	40%	10%	30%
Kern	42%	9%	33%
Sutter	42%	7%	35%
Tulare	42%	2%	40%
Monterey	42%	22%	20%
Yuba	43%	6%	38%
San Benito	43%	3%	40%
Riverside	43%	16%	27%
Madera	47%	10%	37%
Imperial	47%	6%	41%
Tehama, Glenn, Colusa	48%	16%	32%
Fresno	48%	9%	38%
Kings	52%	5%	47%
Merced	53%	17%	36%
San Joaquin	54%	14%	39%
Lake	54%	16%	38%

California's Health Care Safety Net Safety-Net Population

The proportion of residents in the safety-net population varied widely by county, from 10% in Marin to 54% in San Joaquin and Lake Counties. The percentage of county residents who were low-income and uninsured ranged from 1% to 22%, and public program enrollment ranged from 6% to 47%.

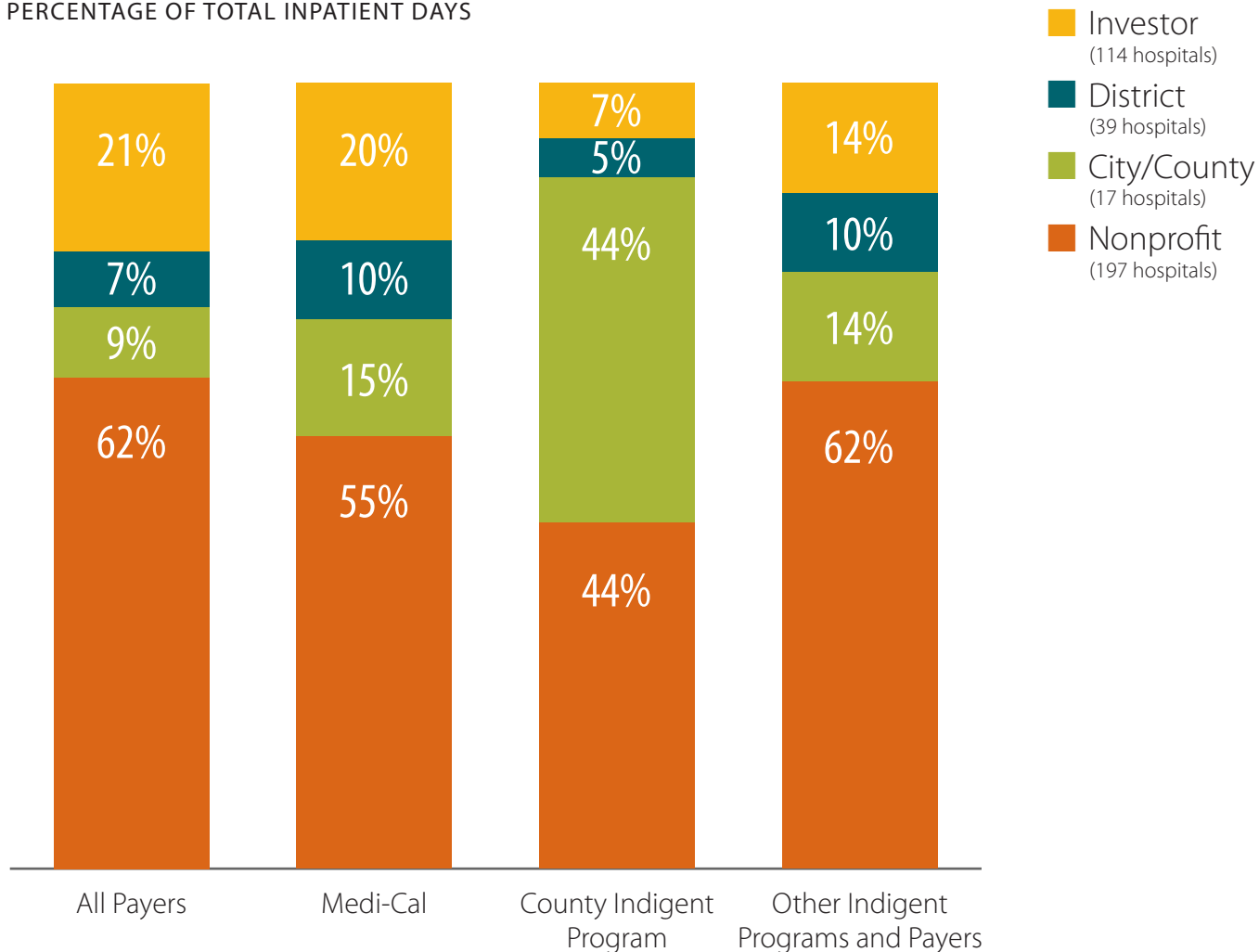
Notes: *Public programs* includes Medi-Cal, Medicare and Medi-Cal dual eligibles, and other public programs. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Inpatient Hospital Days

by Hospital Ownership Type and Payer, 2014

PERCENTAGE OF TOTAL INPATIENT DAYS



Notes: Data are only for hospitals classified as comparable and thus do not include state-run and Kaiser hospitals or facilities classified as psychiatric or long term care. *Other indigent programs and payers* includes hospital-provided charity care, University of California Support for Clinical Teaching funds, self-pay, and all other payers not included elsewhere. *Investor* hospitals are operated by an investor-individual, investor-partnership, or investor-corporation. Segments may not total 100% due to rounding.

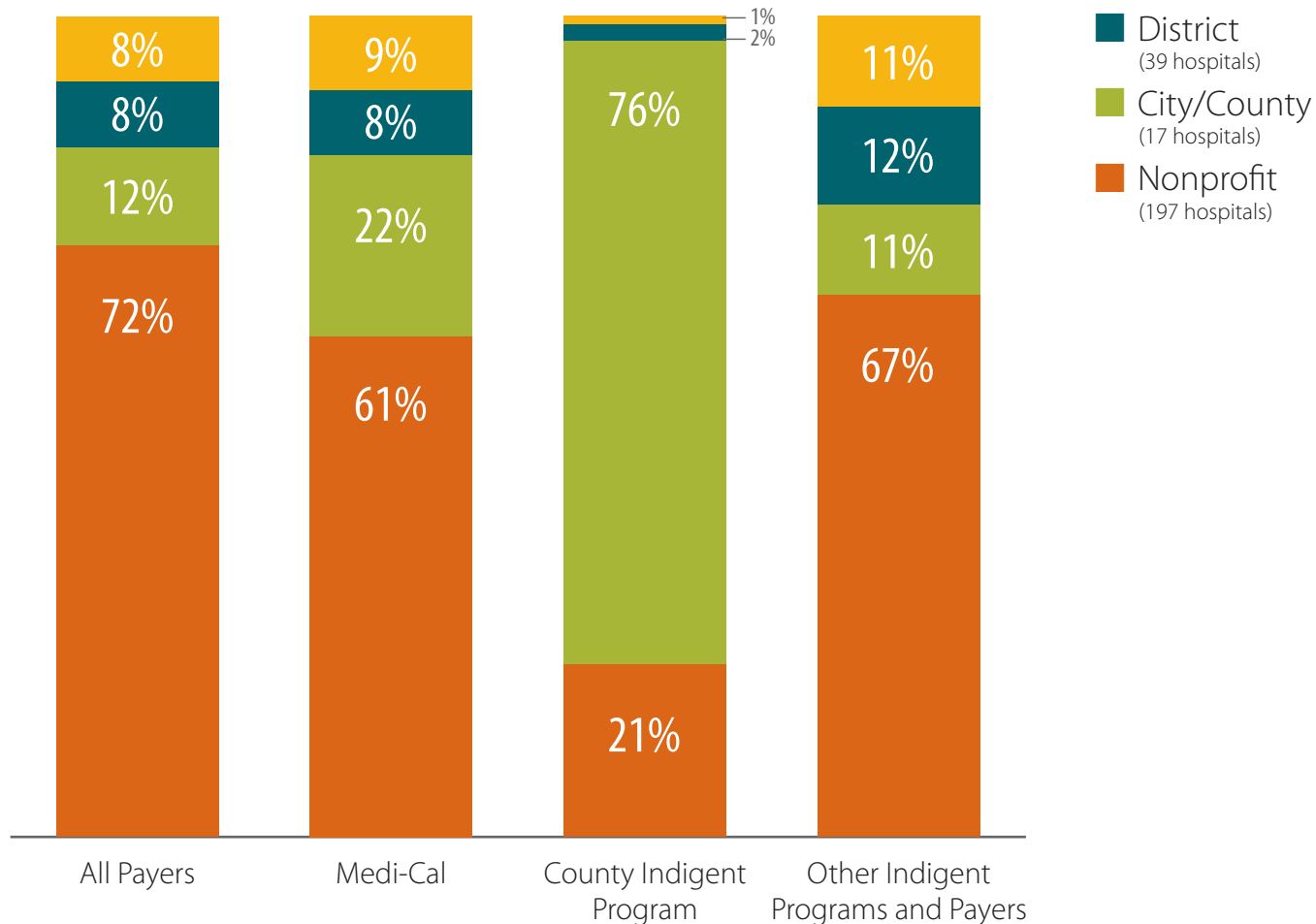
Source: Blue Sky Consulting Group analysis of 2014 OSHPD hospital annual financial data, www.oshpd.ca.gov.

Nonprofit hospitals were the main source of inpatient care for all patients. The state's 17 city/county public hospitals, which accounted for 9% of all inpatient days, provided care for a disproportionate share of the population enrolled in a public program. These hospitals provided 15% of Medi-Cal inpatient days and 44% of county indigent program inpatient days in 2014.

Outpatient Hospital Visits

by Hospital Ownership Type and Payer, 2014

PERCENTAGE OF TOTAL OUTPATIENT VISITS



Notes: Data are only on hospitals classified as comparable and thus do not include state-run and Kaiser hospitals or facilities classified as psychiatric or long term care. *Other indigent programs and payers* includes hospital-provided charity care, University of California Support for Clinical Teaching funds, self-pay, and all other payers not included elsewhere. *Investor* hospitals are operated by an investor-individual, investor-partnership, or investor-corporation. Segments may not total 100% due to rounding.

Source: Blue Sky Consulting Group analysis of 2014 OSHPD hospital annual financial data, www.oshpd.ca.gov.

California's Health Care Safety Net

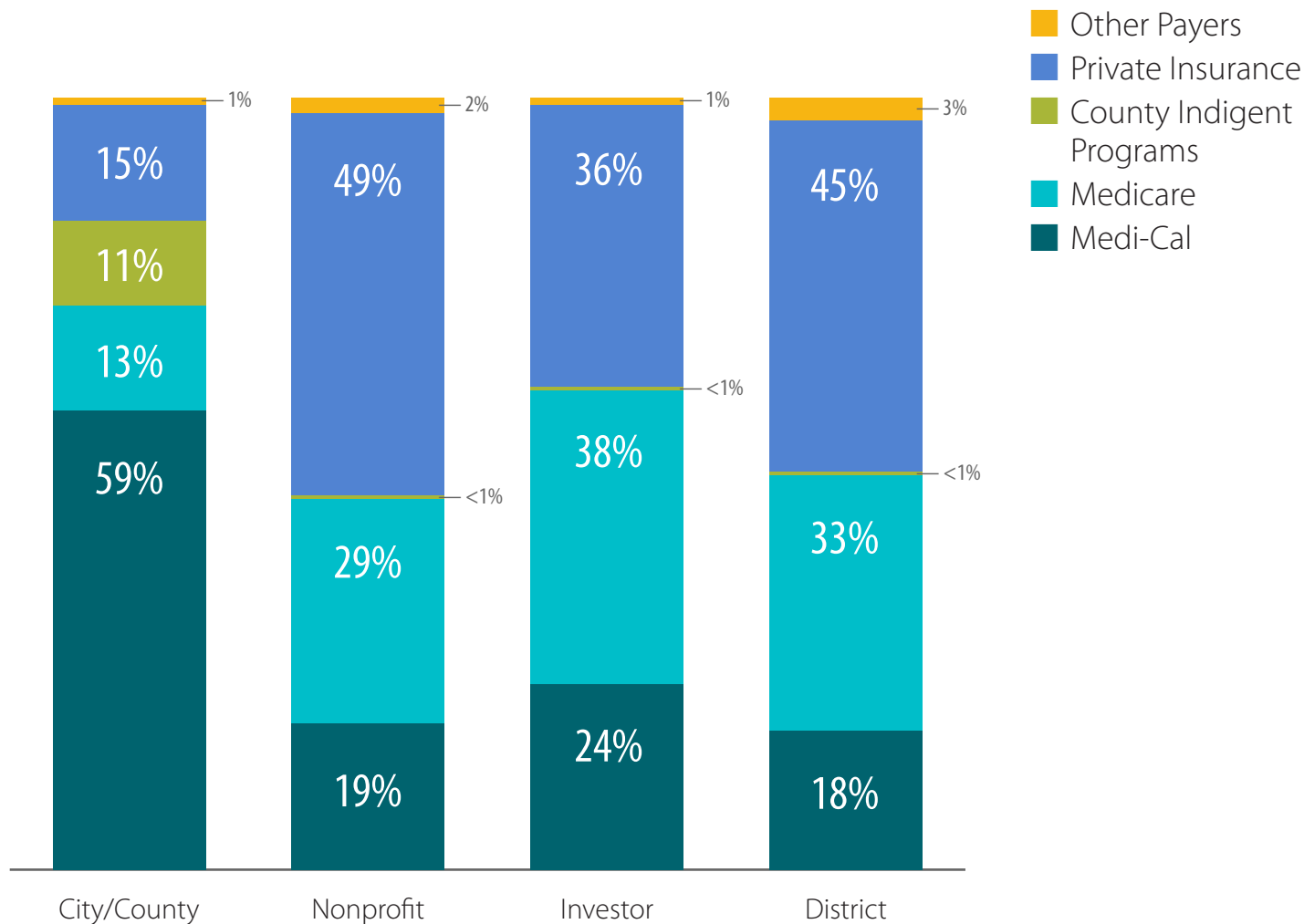
Safety-Net Hospitals

The majority of outpatient hospital visits* by enrollees in Medi-Cal and other indigent programs and payers occurred at a nonprofit hospital (61% and 67% of visits, respectively). City/county hospitals provided the bulk of outpatient care for county indigent program patients (76% of visits).

*Outpatient hospital visits include outpatient emergency room visits, outpatient clinic visits, referred (ancillary service) visits, home health care visits, and day care days, where the outpatient is treated and released the same day. Also included are outpatient chemical dependency visits, hospice outpatient visits, and adult day health care visits.

Net Patient Revenue

by Hospital Ownership Type and Payer, 2014



California's Health Care Safety Net Safety-Net Hospitals

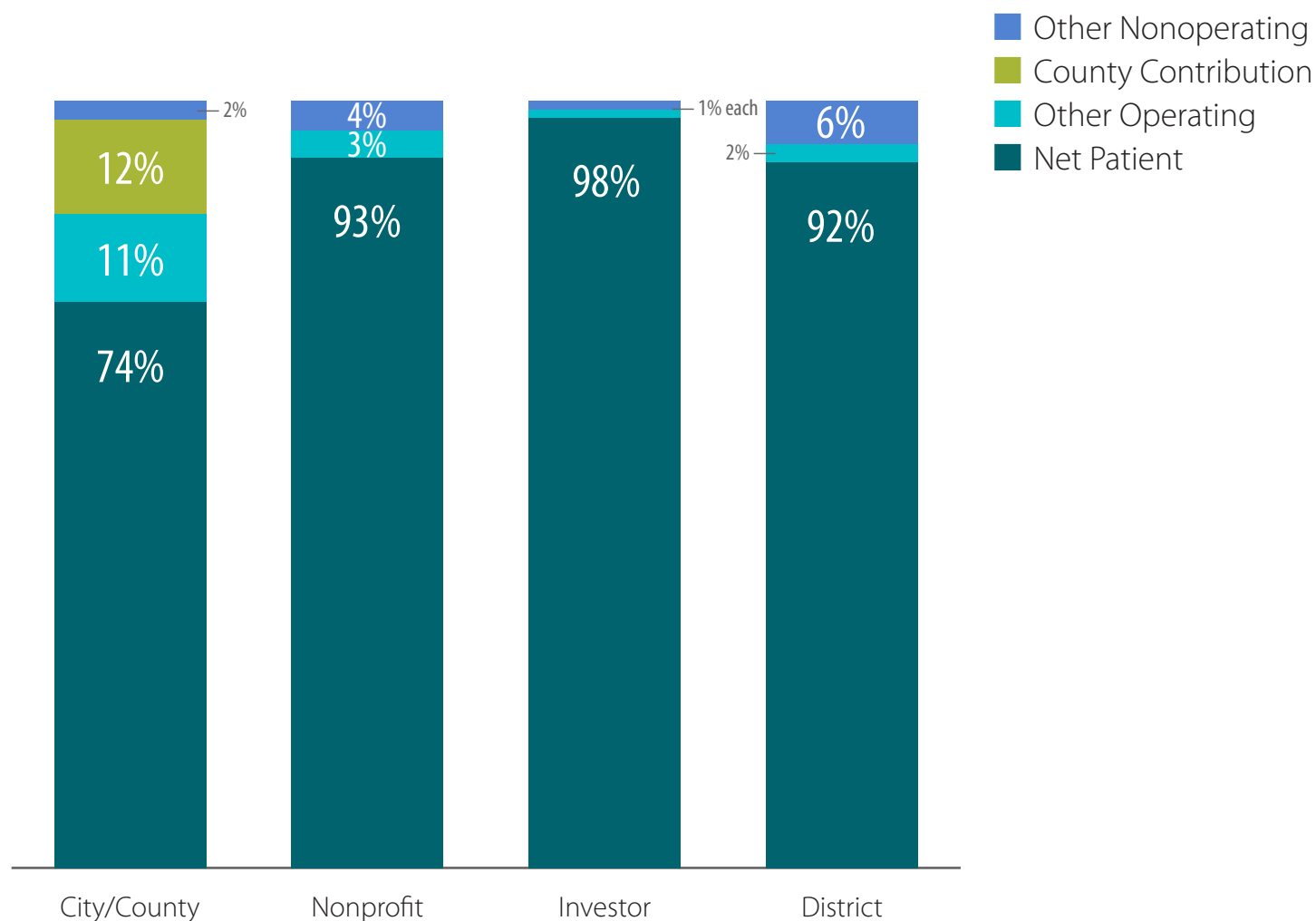
City/county hospitals received 70% of their net patient revenue from Medi-Cal and county indigent programs in 2014. The bulk of this revenue came from Medi-Cal. Other hospitals relied much more extensively on Medicare and private insurance.

Notes: Data are only on hospitals classified as comparable by OSHPD and thus do not include state-run and Kaiser hospitals or facilities classified as psychiatric or long term care. Segments may not total 100% due to rounding.

Source: Blue Sky Consulting Group analysis of 2014 OSHPD hospital annual financial data, www.oshpd.ca.gov.

Total Revenue Sources

by Hospital Ownership Type, 2014



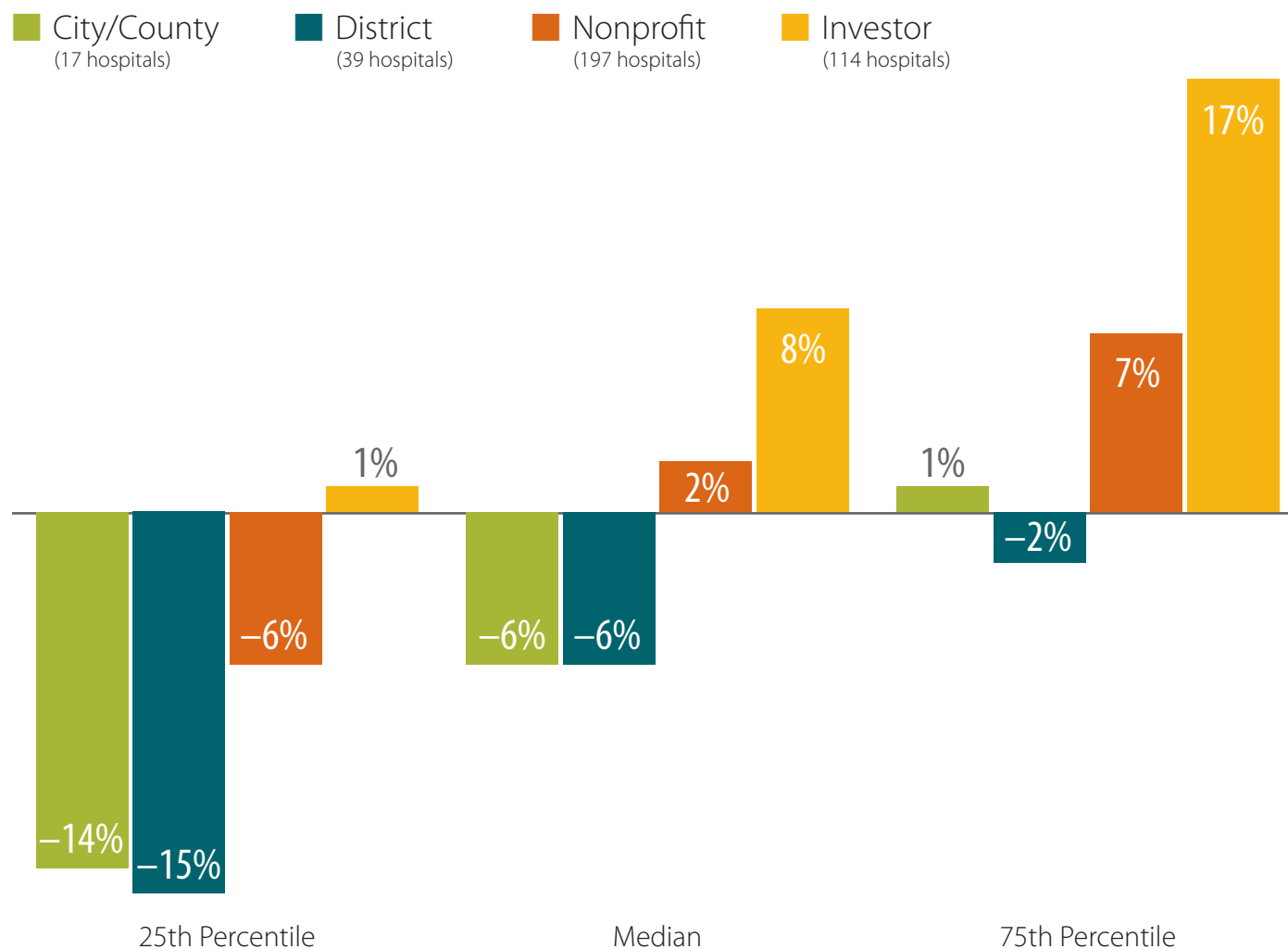
County funds were an important source of revenue for city and county hospitals, accounting for 12% of their total revenue. Other hospital types did not have this source of revenue.

Notes: *Other nonoperating* revenue includes investment income and unrestricted contributions. *Other operating* includes revenue generated by health care operations from nonpatient care services, such as cafeteria and supplies sold to nonpatients. *Net patient* revenue includes disproportionate share hospital funds and excluded county indigent programs.

Source: Blue Sky Consulting Group analysis of 2014 OSHPD hospital annual financial data, www.oshpd.ca.gov.

Hospital Operating Margin

by Quartile and Hospital Ownership Type, 2014



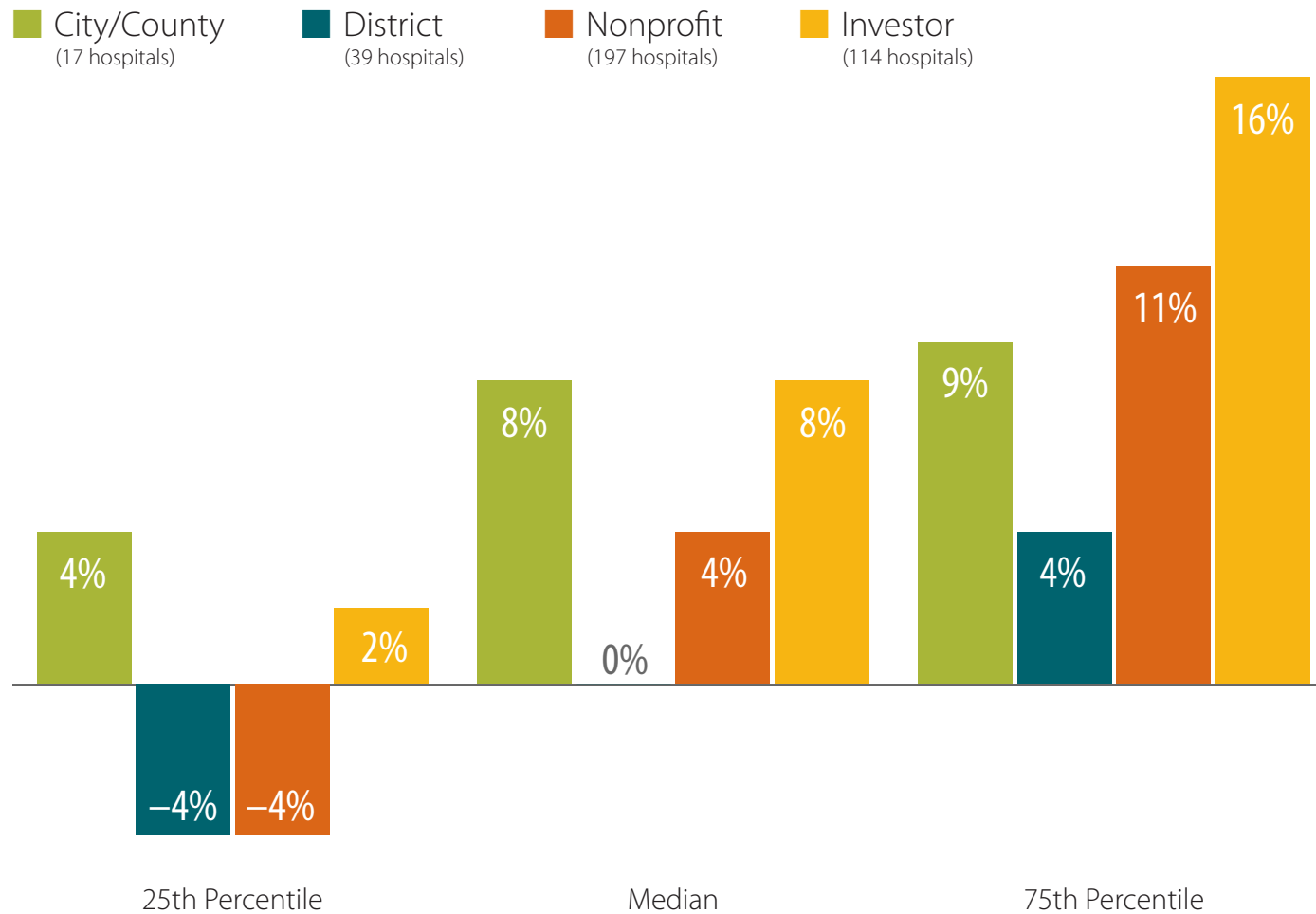
Notes: *Operating margin* = net income from operations ÷ operating revenue (net patient revenue plus other operating revenue). The operating margin does not take into account revenue from other sources, such as government funds. Margin calculations include disproportionate share hospital funds. Hospital data are only on hospitals classified as comparable and thus do not include state-run and Kaiser hospitals, or facilities classified as psychiatric or long term care.

Source: Blue Sky Consulting Group analysis of 2014 OSHPD hospital annual financial data, www.oshpd.ca.gov.

City/county and district hospitals struggled to make a profit in 2014 based on operating revenue alone. More than half of these hospitals operated at a net loss; the median operating margin was negative 6%.

Hospital Net Income Margin

by Quartile and Hospital Ownership Type, 2014

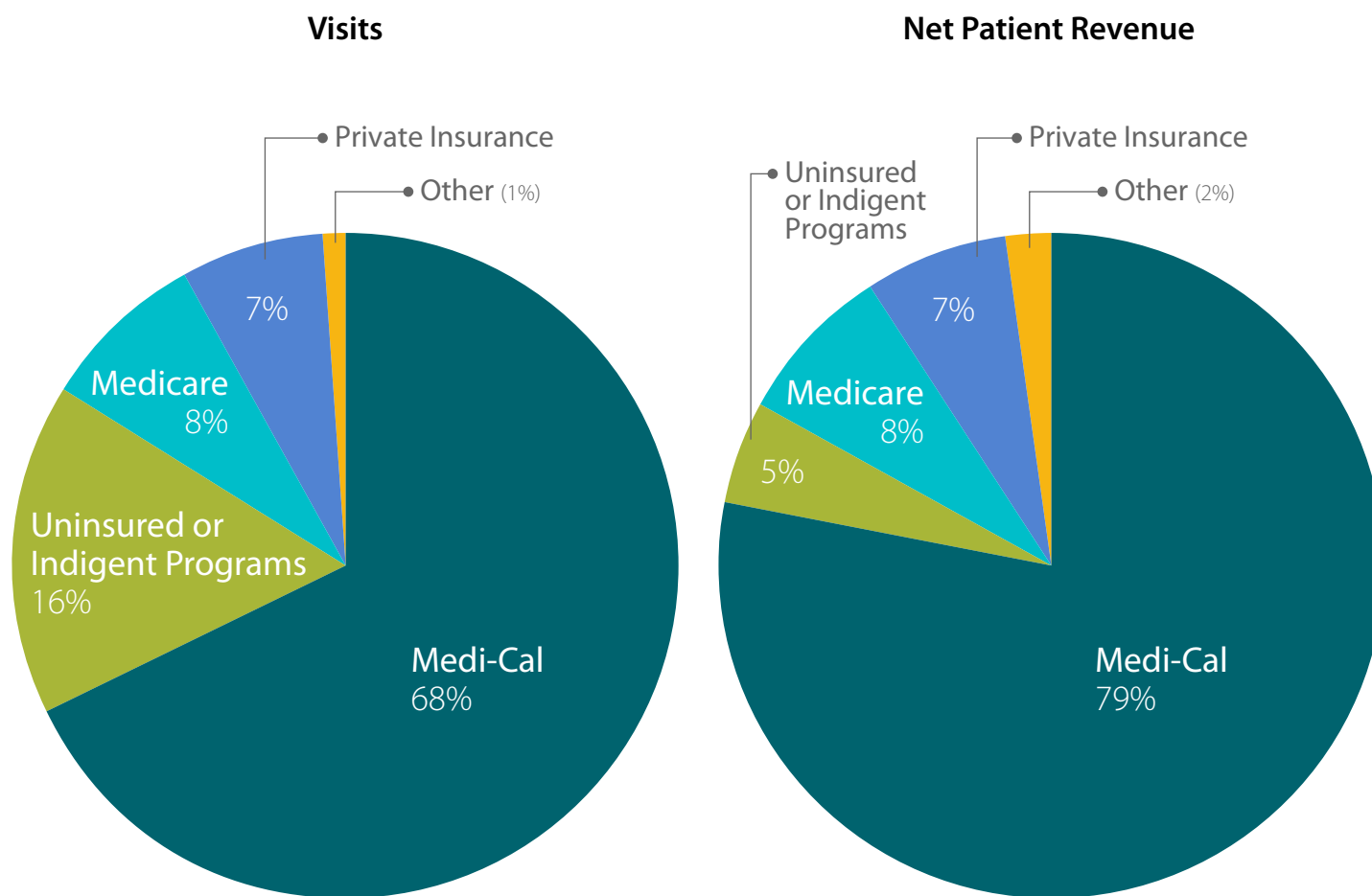


While additional revenues, such as funds from government sources, improved the financial picture for many hospitals, district and nonprofit hospitals in the bottom quartile (25th percentile) still reported losses.

Notes: *Net income margin* = total net income ÷ total revenue (operating revenue plus other revenue including government funds). Margin calculations include disproportionate share hospital funds. Hospital data are only on hospitals classified as comparable and thus do not include state-run and Kaiser hospitals, or facilities classified as psychiatric or long term care. Source: Blue Sky Consulting Group analysis of 2014 OSHPD hospital annual financial data, www.oshpd.ca.gov.

Primary Care Community Clinic Visits and Patient Revenue by Payer, 2014

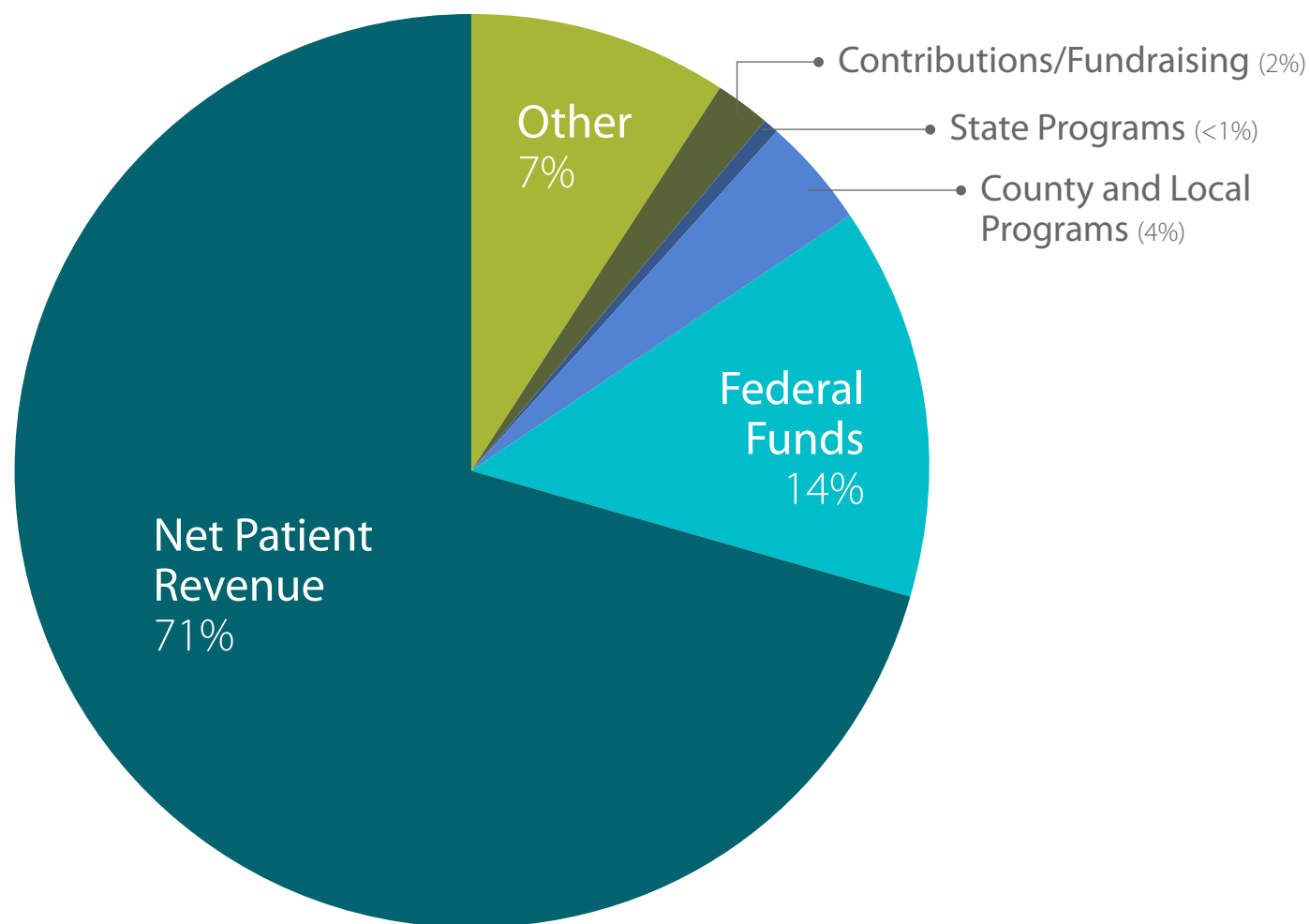
Community clinics were heavily reliant on Medi-Cal funding. Medi-Cal enrollees made up 68% of the community clinic visits but provided 79% of the net patient revenue. Conversely, uninsured and county indigent program patients provided 5% of the revenue but accounted for 16% of visits.



Notes: Medi-Cal episodic care programs — BCCCP, CHDP, and Family PACT — are included in the *Medi-Cal* total. *Uninsured* and *indigent* coverage are combined due to data-reporting inconsistencies, and include self-pay/sliding scale, free, and county indigent program patients. *Other* includes Alameda Alliance for Health, EAPC, other county, and all other payers. Excludes county-run clinics. Segments may not total 100% due to rounding.

Source: Blue Sky Consulting Group analysis of 2014 OSHPD "Primary Care and Specialty Clinics Annual Utilization Data," www.oshpd.ca.gov.

Primary Care Community Clinic Total Revenue by Source, 2014



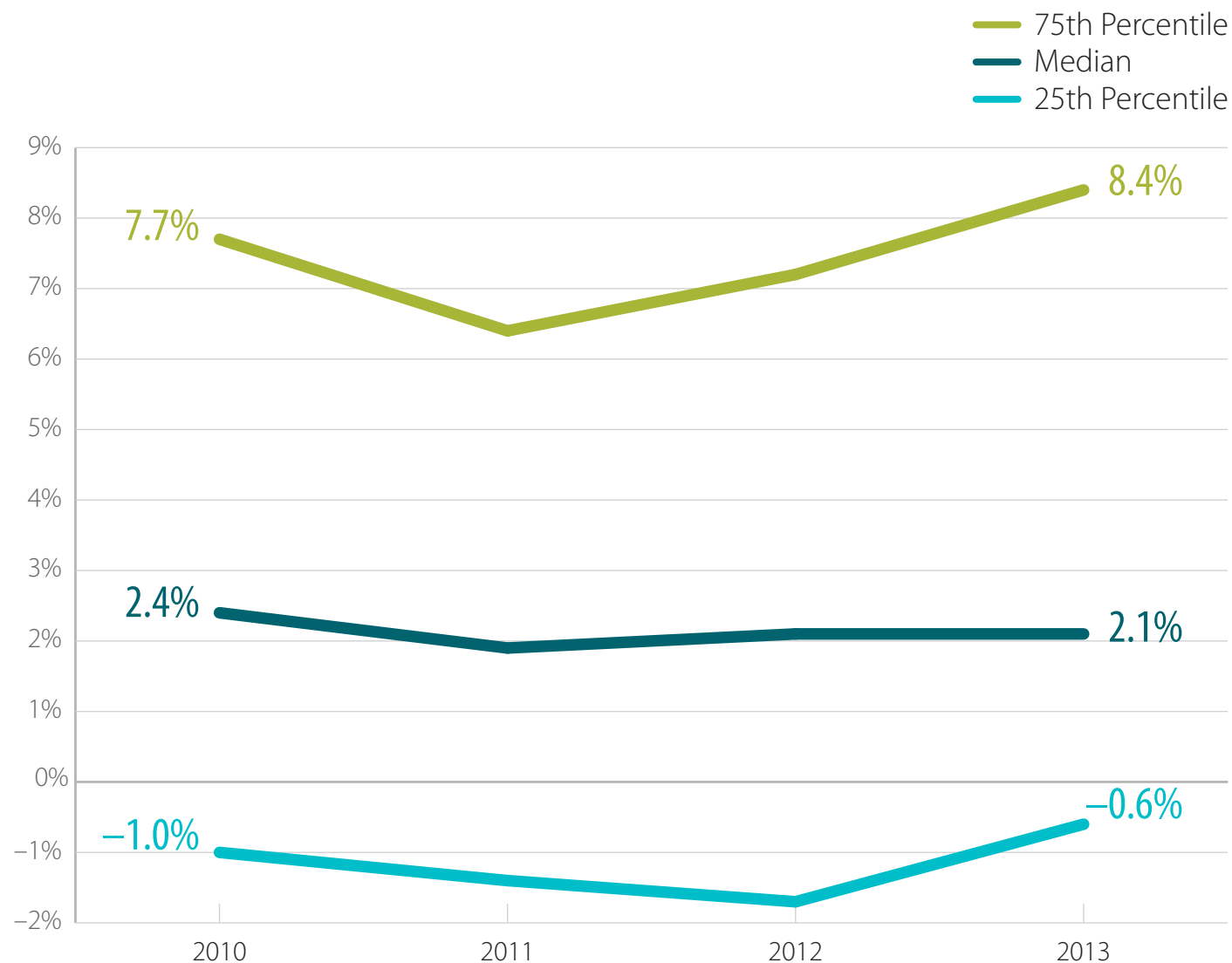
Notes: Excludes county-run clinics. Segments don't total 100% due to rounding.

Source: Blue Sky Consulting Group analysis of 2014 OSHPD "Primary Care and Specialty Clinics Annual Utilization Data," www.oshpd.ca.gov.

Community clinics supplemented net patient revenue with significant contributions from other government sources; almost 19% of total revenue for these clinics came from federal, state, county, and local governments.

Primary Care Community Clinic Operating Margins

by Quartile, 2010 to 2013



Most community clinics were profitable in 2013, though a quarter of clinics operated at a loss. Those clinics in the highest and lowest quartiles (in terms of operating margin) improved their performance from 2012 to 2013.

Note: Data are presented for 73 California Federally Qualified Health Centers (FQHCs) and FQHC Look-Alike clinics.

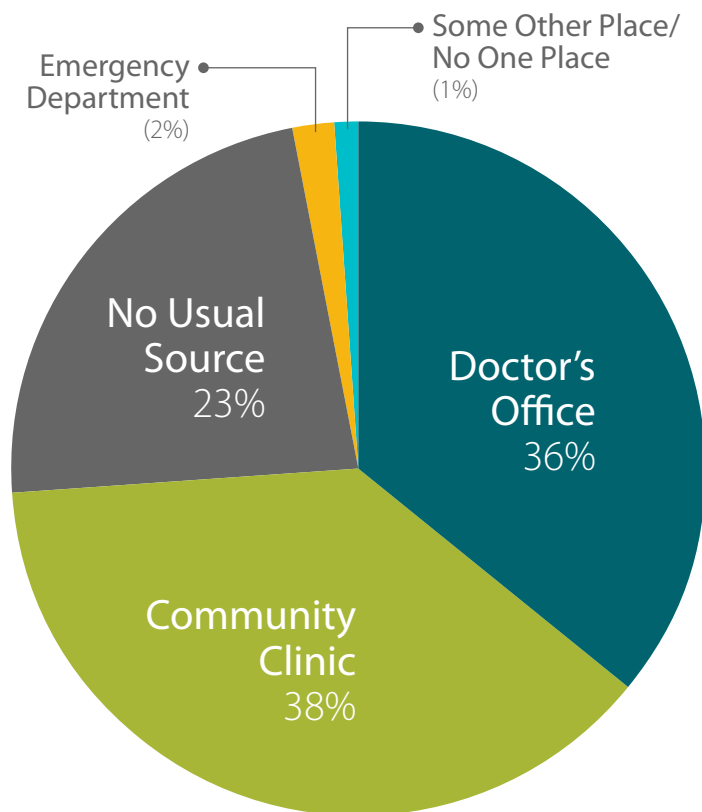
Source: *California Community Health Centers: Financial and Operational Performance Analysis, 2010-2013*, Capital Link, www.caplink.org (PDF).

Usual Source of Care

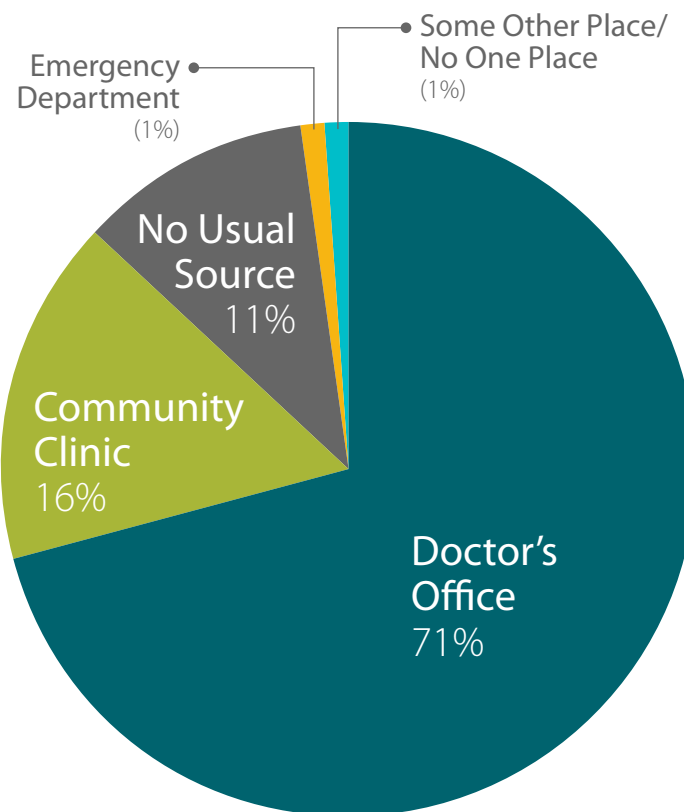
Safety-Net vs. Non-Safety-Net Population, 2014

It was much more common for those in the safety net to report not having a usual source of care — nearly 1 in 4 — compared to just 1 in 10 among the non-safety-net population.

Safety-Net Population



Non-Safety-Net Population

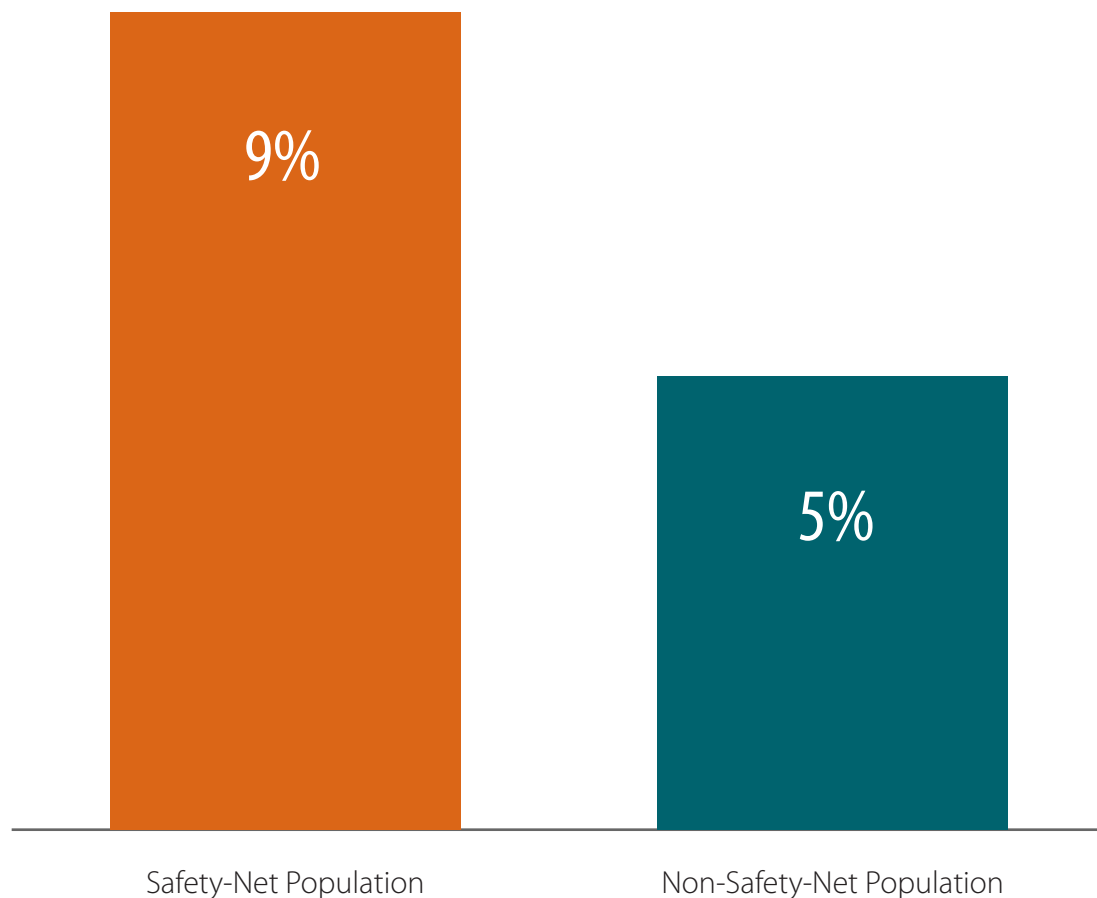


Note: Medicare recipients were excluded from both populations unless they were also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Delay of Needed Care Due to Cost or No Insurance

Safety-Net vs. Non-Safety-Net Population, 2014



California's Health Care Safety Net

Access and Quality of Care

In 2014, 9% of the safety-net population reported that they delayed care because they could not afford it or had no insurance, while 5% of the non-safety-net population did the same.

Note: Medicare recipients are excluded from both populations unless they were also eligible for Medi-Cal.

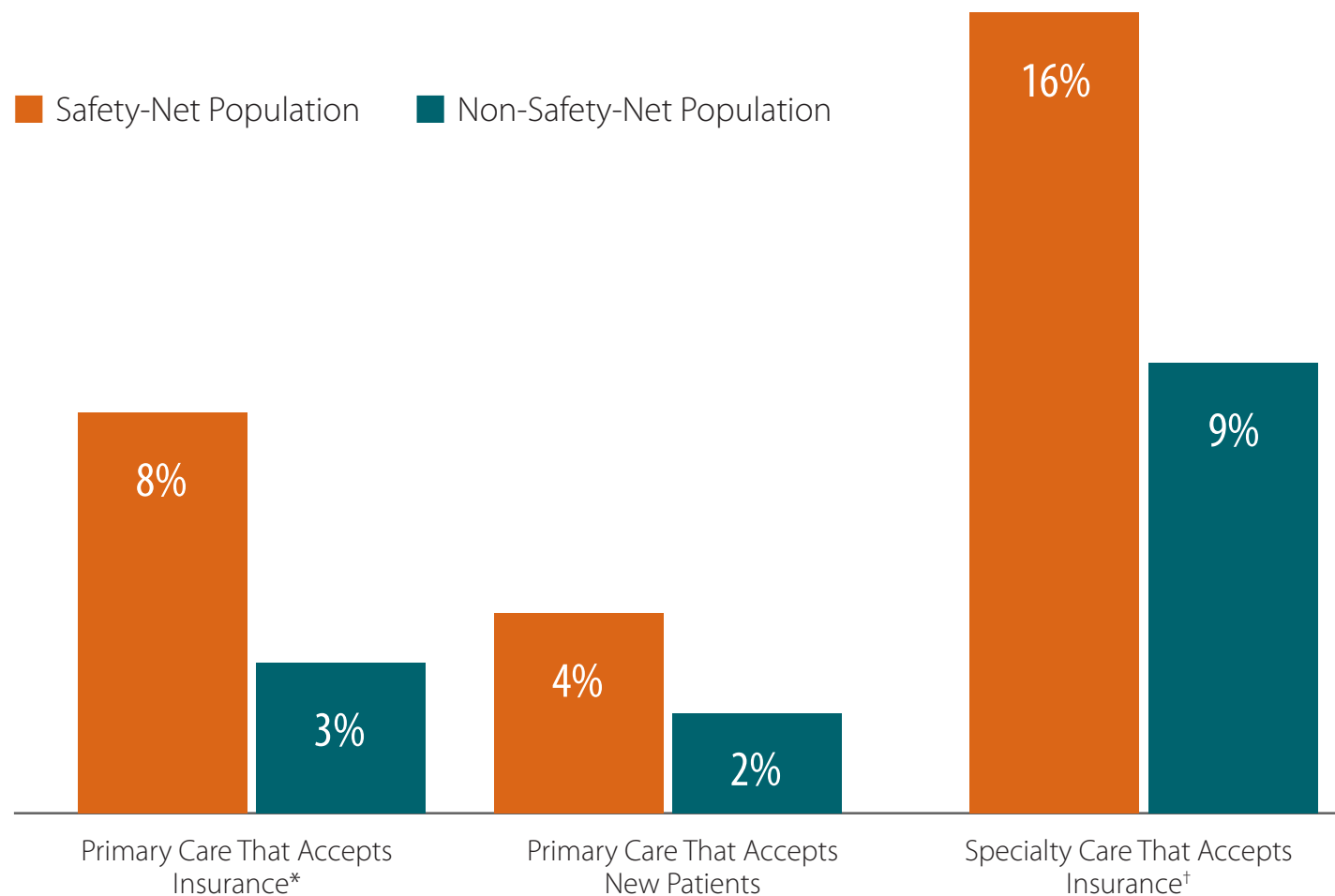
Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Difficulty Finding a Provider

Safety-Net vs. Non-Safety-Net Population, 2014

PERCENTAGE OF ADULT POPULATION REPORTING DIFFICULTY FINDING...

■ Safety-Net Population ■ Non-Safety-Net Population



*Currently insured

†Currently insured and needing specialty care

Note: Medicare recipients are excluded from both populations unless they were also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

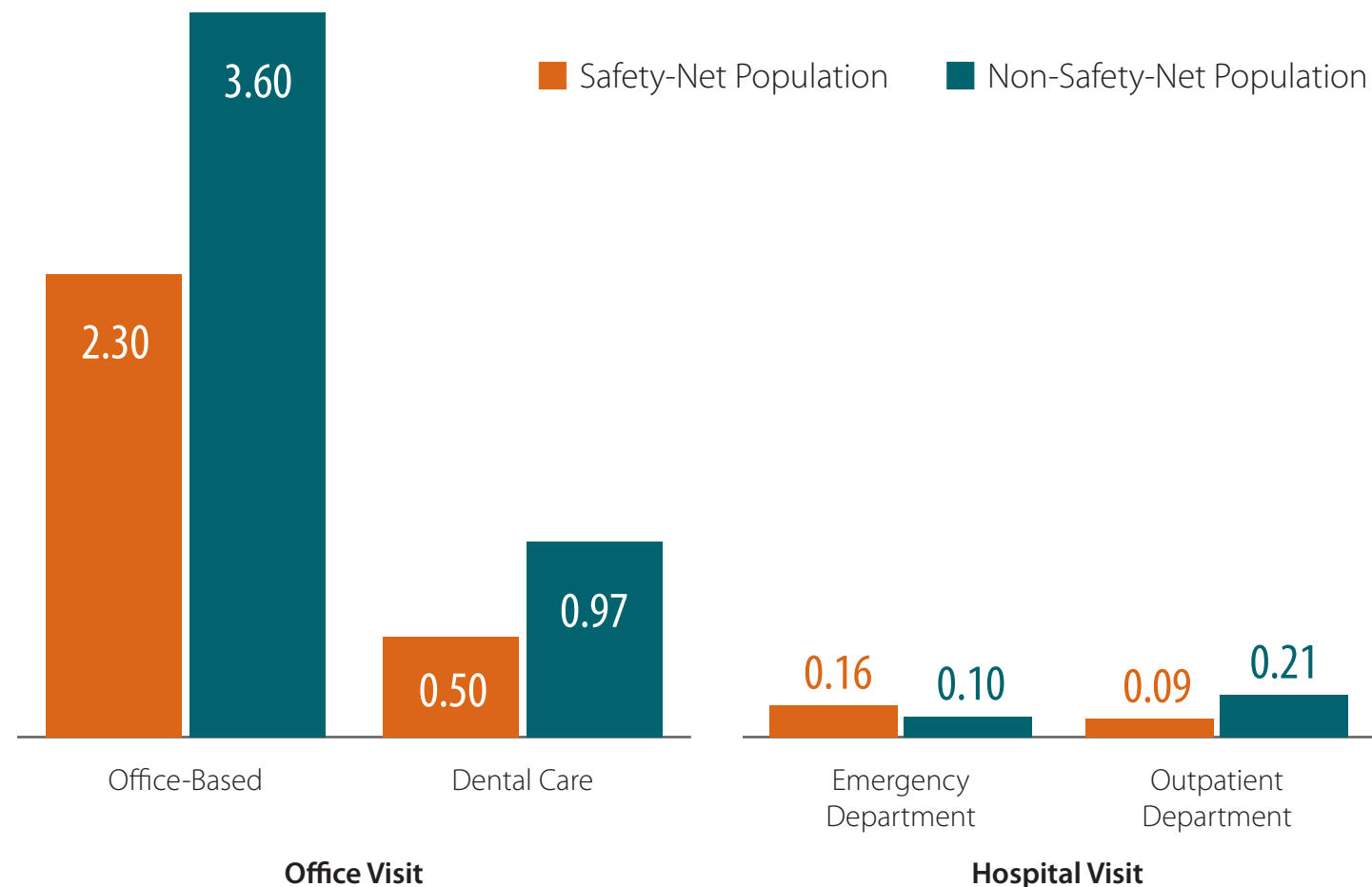
Access and Quality of Care

Despite an increase in insurance coverage for the safety-net population in 2014 (see pages 7 and 8), this population was more likely to report difficulties finding health care providers accepting new patients or their insurance, compared to the non-safety-net population.

Annual Office Visits and Hospital Visits per Person

Safety-Net vs. Non-Safety-Net Population, 2012

ANNUAL VISITS PER PERSON



Notes: *Dental care* includes general dentists, dental hygienists, dental technicians, dental surgeons, endodontists, orthodontists, and periodontists. The *safety-net population* includes those who were uninsured or enrolled in public programs for a whole year; the *non-safety-net population* includes people that had private insurance at any point during the year.

Source: Blue Sky Consulting Group analysis of the 2012 Medical Expenditure Panel Survey data, meps.ahrq.gov.

California's Health Care Safety Net

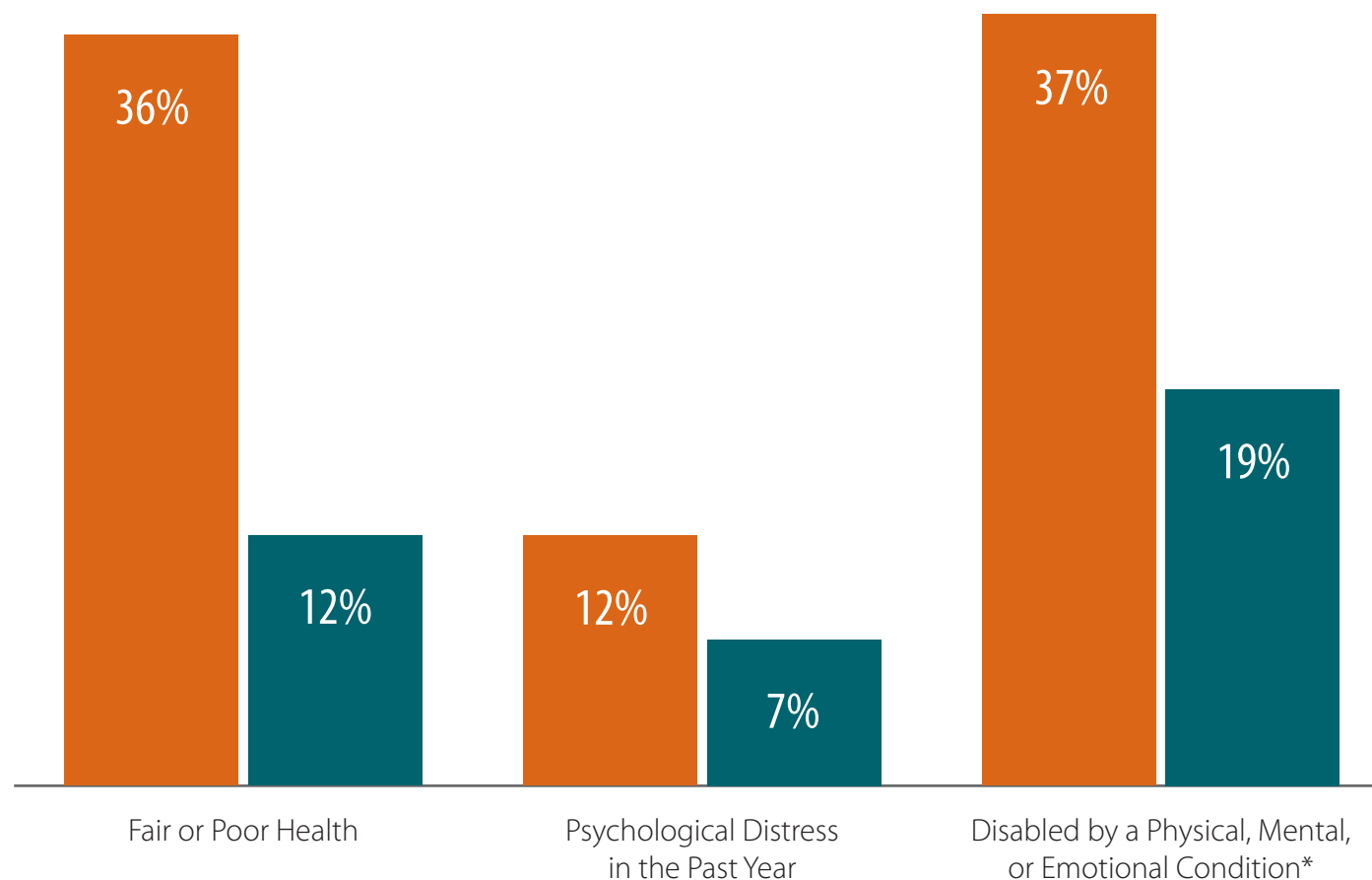
Access and Quality of Care

Compared to higher-income Californians, the safety-net population made more visits per person to the emergency department and fewer visits to office-based medical professionals, dental providers, and outpatient departments. Hospital inpatient use was relatively similar between the two groups (not shown).

Self-Reported Health Among Adults

Safety-Net vs. Non-Safety-Net Population, 2014

■ Safety-Net Population ■ Non-Safety-Net Population



*Disability status measures difficulty in daily life activities, not receipt of disability benefits.

Note: Medicare recipients were excluded from both populations unless they were also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

Access and Quality of Care

Individuals in the safety-net population were much more likely to report being in poor health and to be disabled by physical, mental, and emotional conditions compared to the non-safety-net population.

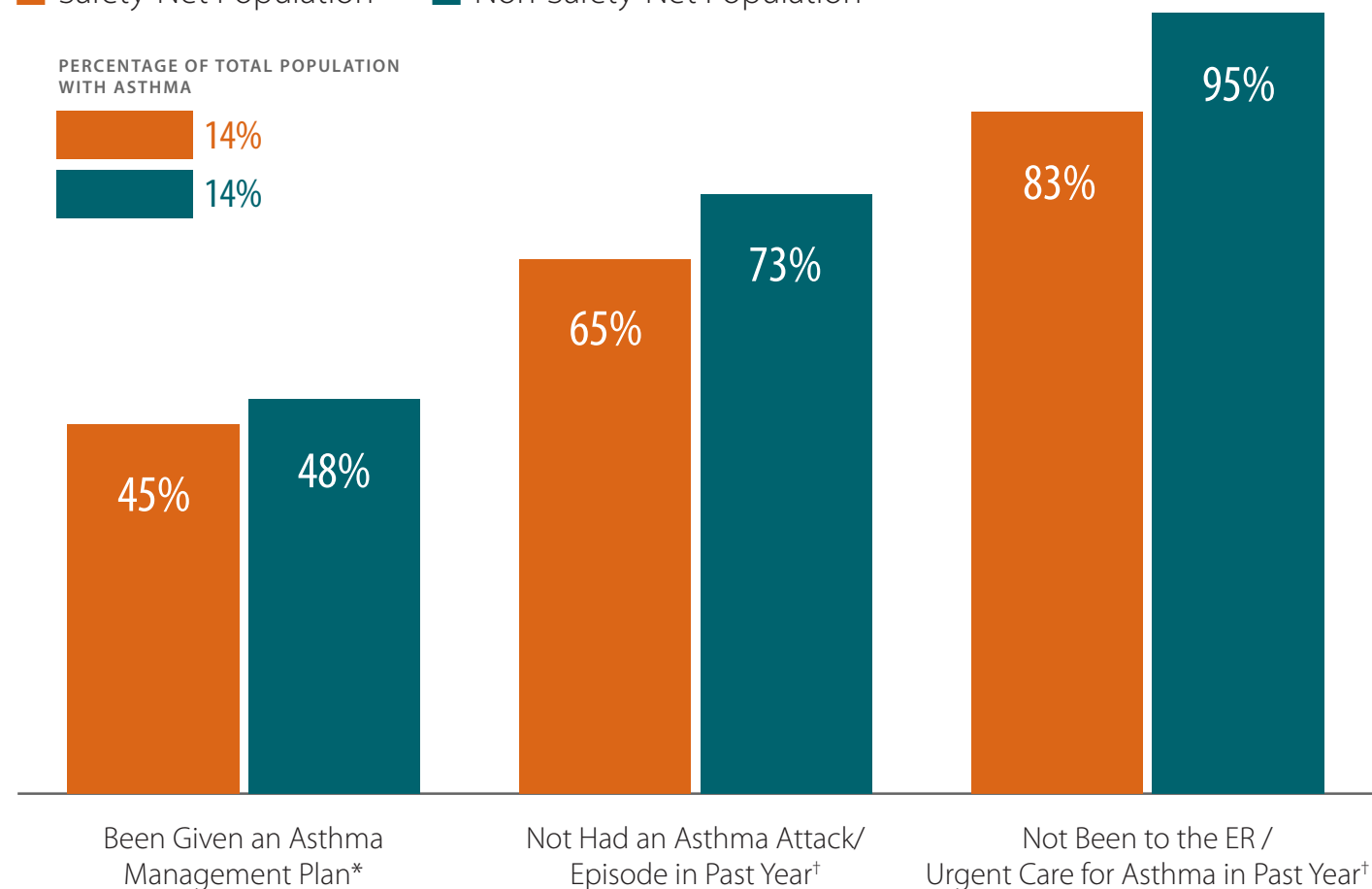
Asthma Care Measures

Safety-Net vs. Non-Safety-Net Population, 2014

PERCENTAGE OF POPULATION WITH ASTHMA THAT REPORTED HAVING...

■ Safety-Net Population ■ Non-Safety-Net Population

PERCENTAGE OF TOTAL POPULATION
WITH ASTHMA



*Adolescents and adults

†Children, adolescents, and adults.

Note: Medicare recipients are excluded from both populations unless they are also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

Access and Quality of Care

Though asthma was equally prevalent in both populations in 2014, the safety-net population fared worse than the non-safety-net population on three measures of asthma care. Those with asthma in the safety-net population were more likely to have had an ER / urgent care visit than those in the non-safety-net population. ER / urgent care visits for asthma may be avoided with proper care.

Diabetes Care Measures

Safety-Net vs. Non-Safety-Net Population, 2014

PERCENTAGE OF ADULT POPULATION WITH DIABETES THAT REPORTED HAVING...

Checked Glucose at Least Once a Day



Had a Dilated Eye Exam in Past Year



Had at Least One Foot Exam in Past Year



Had at Least One A1C Hemoglobin Test in Past Year

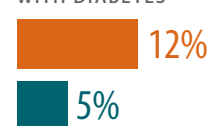


Taken Medication



■ Safety-Net Population
■ Non-Safety-Net Population

PERCENTAGE OF TOTAL POPULATION WITH DIABETES



California's Health Care Safety Net

Access and Quality of Care

Diabetes patients in the safety-net population fared worse than those not in the safety net on all five measures of diabetes care. A much smaller proportion of people with diabetes in the safety-net population had a foot exam or a A1C hemoglobin test in the past year than those in the non-safety-net population.

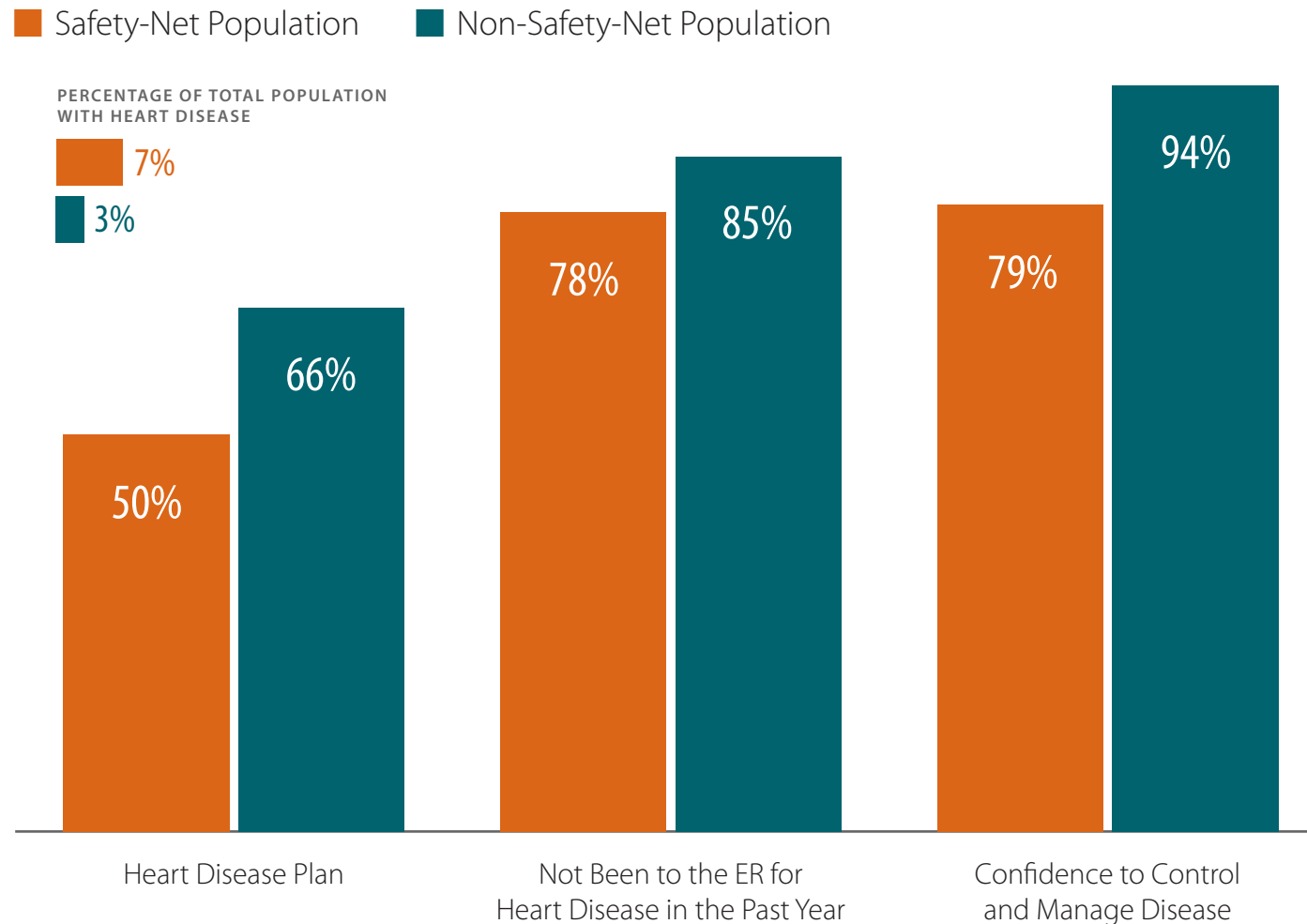
Note: Medicare recipients are excluded from both populations unless they are also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

Heart Disease Care Measures

Safety-Net vs. Non-Safety-Net Population, 2014

PERCENTAGE OF ADULT POPULATION WITH HEART DISEASE THAT REPORTED HAVING...



Note: Medicare recipients are excluded from both populations unless they are also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

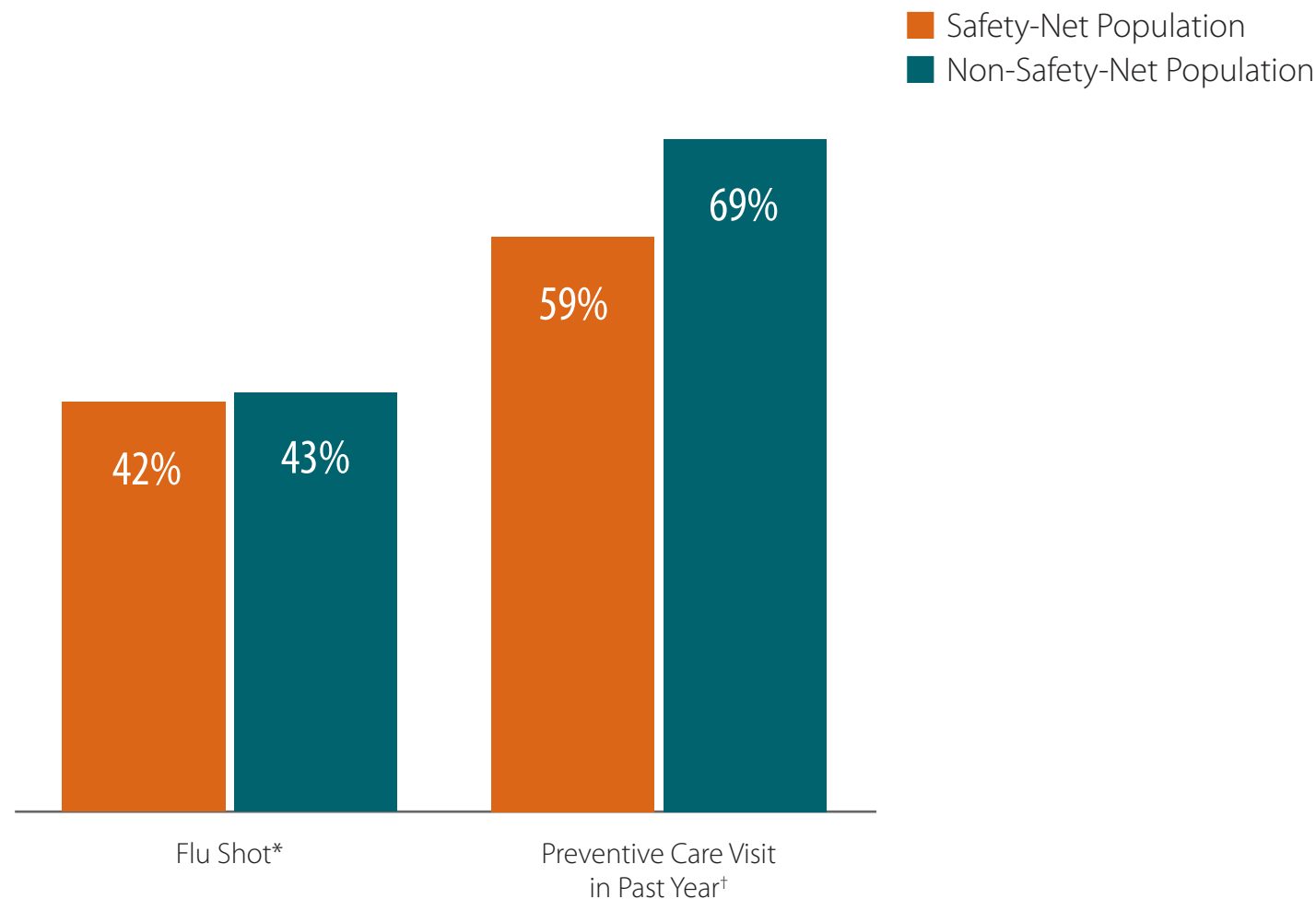
Access and Quality of Care

Compared to the non-safety-net population, adults in the safety-net population with heart disease were less likely to report that they had been given a care plan by their medical providers, were less likely to feel confident in their ability to manage the condition, and were more likely to have visited the emergency room in the past year because of their heart disease.

Preventive Care Measures

Safety-Net vs. Non-Safety-Net Population, 2014

PERCENTAGE OF POPULATION THAT REPORTED HAVING A...



*Adults, teens, and children

†Adults only

Note: Medicare recipients are excluded from both populations unless they were also eligible for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

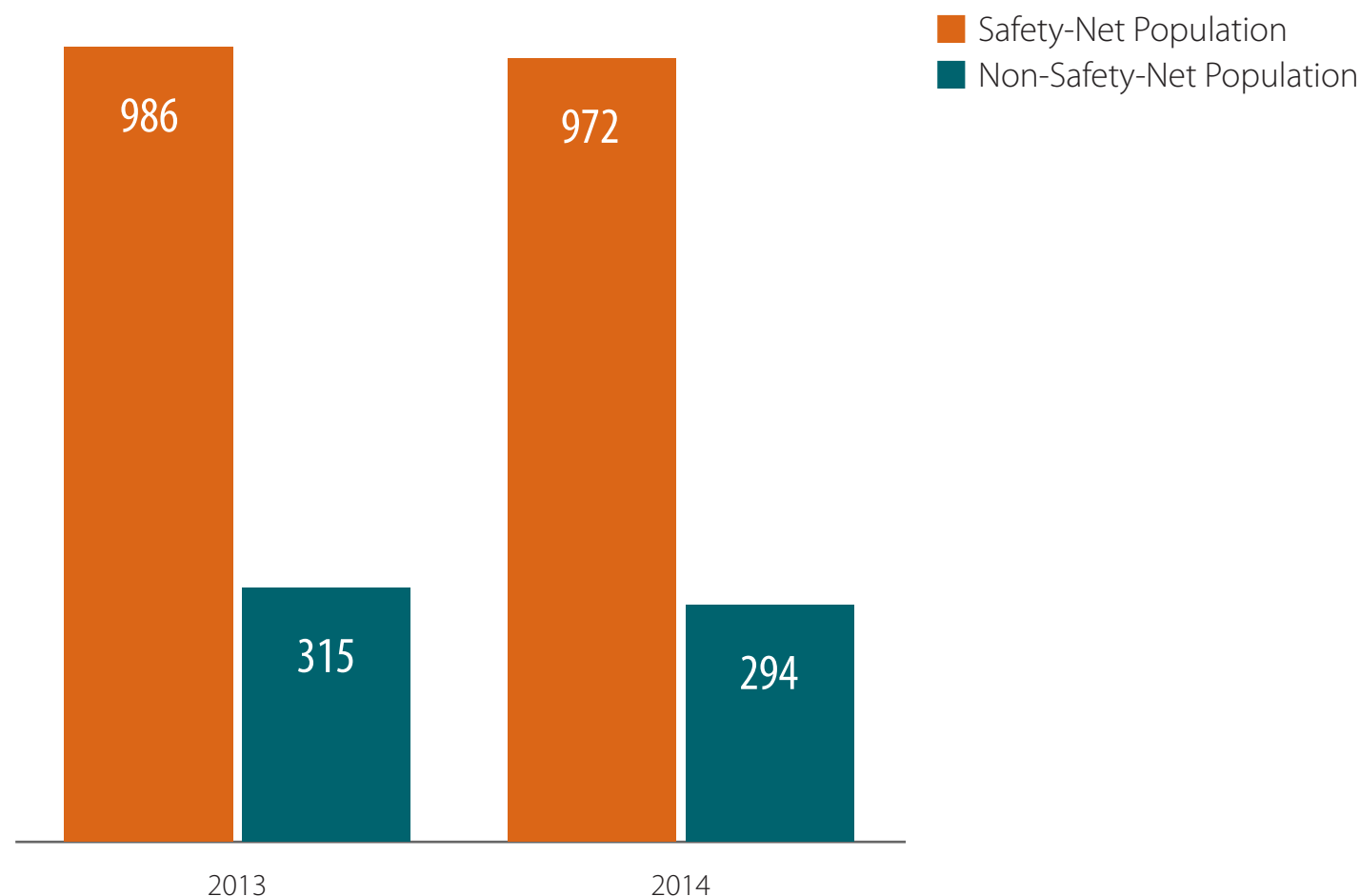
Access and Quality of Care

The safety-net population was less likely to report receiving preventive care compared to the non-safety-net population. The two populations were just as likely to report having received a flu shot.

Preventable Hospitalizations per 100,000 People

Safety-Net vs. Non-Safety-Net Population, 2013 and 2014

OVERALL PREVENTION QUALITY INDICATORS (PQI)



Notes: Number of avoidable hospitalizations was identified by payers of interest (private insurance, Medi-Cal, county indigent, other indigent, and self-pay). *Overall PQI* = the number of hospitalizations ÷ the 18-and-over population from insurance type in CHIS-identified safety-net and non-safety-net populations. Without income data, some non-safety-net patients in the safety-net population and all uninsured and public program enrolled were moved into the CHIS safety-net population to compensate. Without access to age, sex, and race indicators, the rates could not be adjusted according to demographics. For additional information about this measure, see www.oshpd.ca.gov.

Source: Blue Sky Consulting Group analysis of AHRQ PQI module (version 5.0) applied to OSHPD Hospital Inpatient Discharge data and the 2014 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

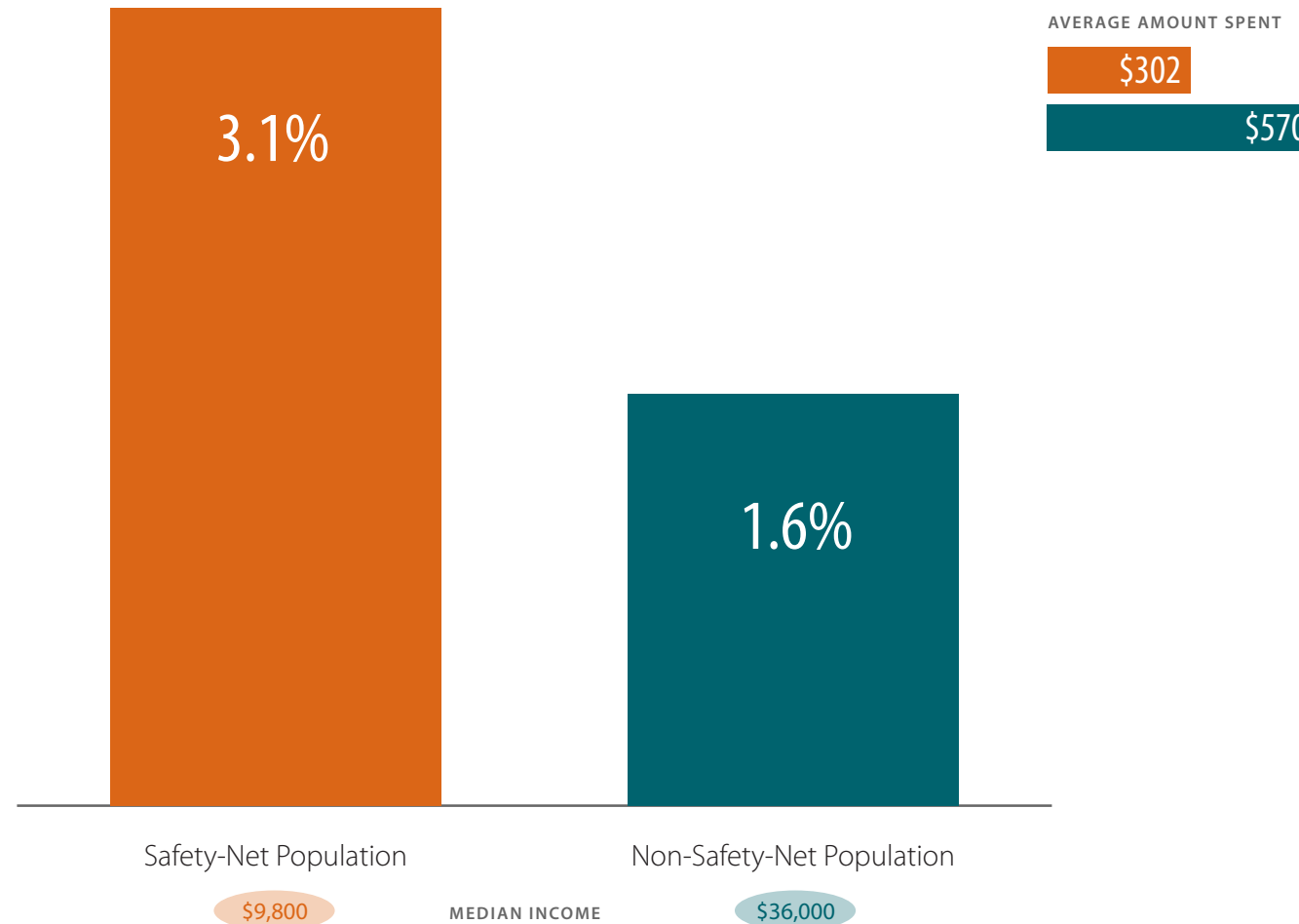
Access and Quality of Care

The safety-net population had three times as many avoidable hospitalizations per 100,000 people as the non-safety-net population for 12 ambulatory care sensitive conditions. Rates of avoidable hospitalizations for these conditions, which include diabetes complications, adult asthma, and hypertension, are widely used as a marker of access to good primary care.

Out-of-Pocket Expenses

Safety-Net vs. Non-Safety-Net Population, 2012

PERCENTAGE OF MEDIAN INCOME SPENT ON HEALTH CARE PER PATIENT



Notes: *Out-of-pocket expenses* includes payments made by the individual for medical care and prescriptions but excludes insurance premiums. The *average* includes only those respondents who had medical expenses in 2012. Medicare recipients were excluded from both populations unless they were also eligible for Medi-Cal. The *safety-net population* includes those who were uninsured or enrolled in public programs for a full year; the *non-safety-net population* includes people who had private insurance at any point during the past year.

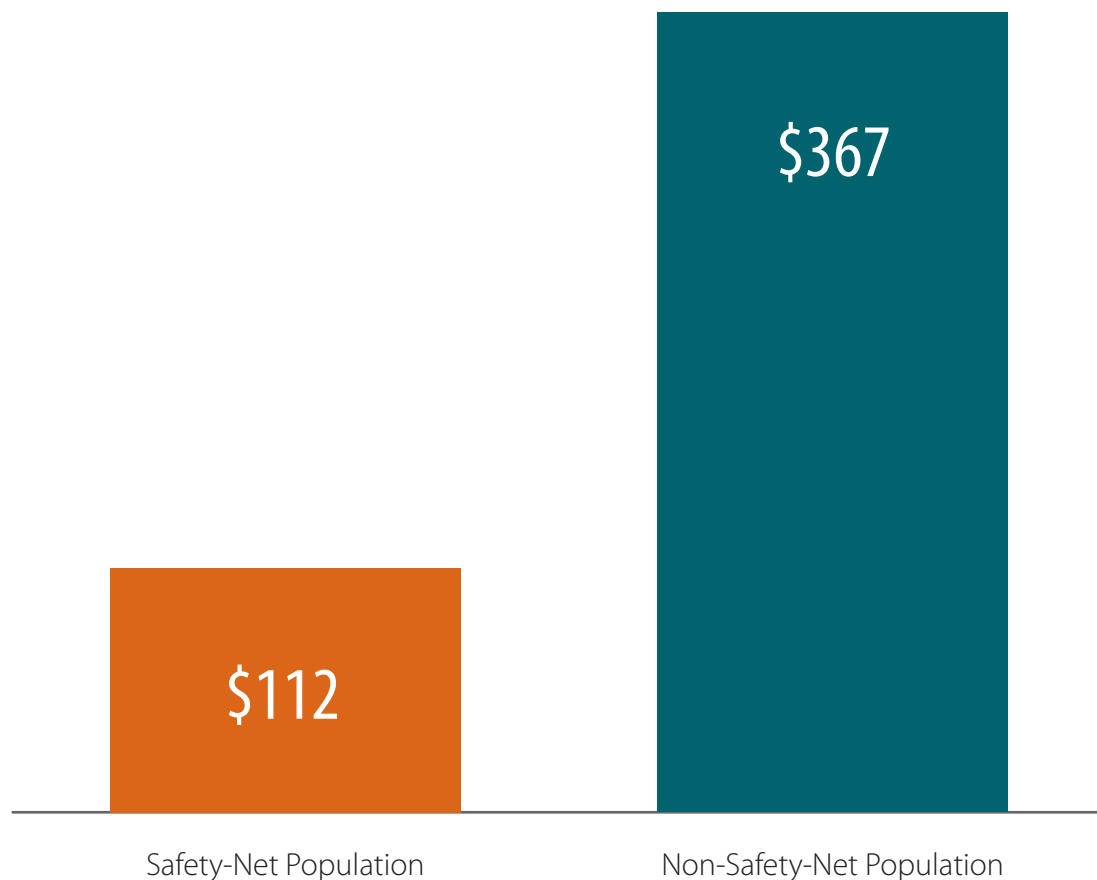
Source: Blue Sky Consulting Group analysis of the 2012 Medical Expenditure Panel Survey data.

In 2012, the safety-net population spent an average of \$302 of their own money on health care, while the non-safety-net population spent \$570. But as a percentage of income, the safety-net population spent almost twice as much as other Californians.

Third-Party Payer Spending

Safety-Net vs. Non-Safety-Net Population, 2012

TOTAL EXPENSES PER MEMBER PER MONTH



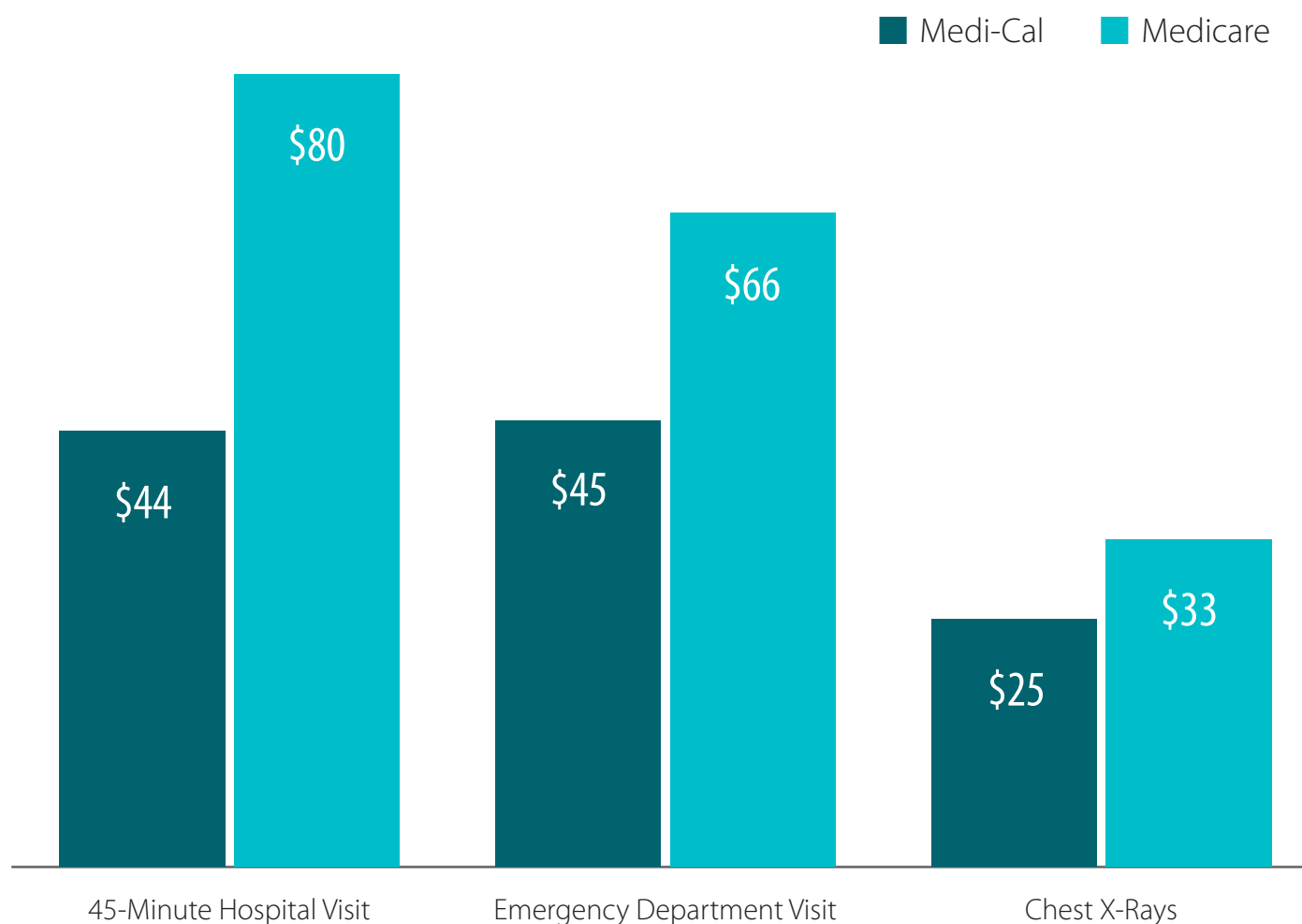
Notes: Since MEPS omits spending on long term care, over-the-counter medications, and all spending for institutionalized people, this chart does not capture all spending. Medicare recipients were excluded from both populations unless they were also eligible for Medi-Cal. The *safety-net population* includes those who were uninsured or enrolled in public programs for a full year; the *non-safety-net population* includes people who had private insurance at any point during the past year. Major third-party spenders include Medi-Cal, other public insurance, and private insurance.

Source: Blue Sky Consulting Group analysis of the 2012 Medical Expenditure Panel Survey data.

In 2012, per member spending by third-party payers, such as Medi-Cal, private insurers, and county indigent programs, for the safety-net population was nearly one-third that spent for the non-safety-net population.

Physician Reimbursement Rates, Medi-Cal vs. Medicare

Selected High-Frequency Services, 2014



Physician Medicare reimbursement rates were consistently much higher than Medi-Cal reimbursement rates for selected highly used services. For example, the Medicare reimbursement rate for a 45-minute hospital visit was nearly twice the Medi-Cal rate.

Notes: Author calculation of Medi-Cal rates based on the 2014 Urban Institute California Medicaid fee index. Procedures codes for services shown are 99213, 99214, 99283, 99232, and 71020.

Sources: Stephen Zuckerman, Laura Skopec, and Kristen McCormack, "Reversing the Medicaid Fee Bump: How Much Could Medicaid Physician Fees for Primary Care Fall in 2015?," Urban Institute, December 2014; "Medicare Physician Fee Schedules (MPFS): Medicare Part B Fee Schedule," American Medical Association, 2014.

Recent Legislation Impacting the Safety Net

Recent legislation, most importantly the passage and implementation of the Affordable Care Act (ACA), has had a significant impact on the safety net in California. The ACA and accompanying implementing legislation has increased public program participation and eligibility.

MARCH 2010

Patient Protection and Affordable Care Act

Federal legislation for comprehensive health care reform

- Expanded consumer protections
- Increased access to coverage through Medi-Cal expansions and marketplaces
- Included provisions for improving quality and lowering costs

JUNE 2014

2014-2015 State Budget

- Expanded full-scope Medi-Cal to pregnant women* with incomes up to 138% of the federal poverty level
- Continued providing state share funding for the Medi-Cal expansion and other health care reform implementation

JUNE 2015

2015-2016 State Budget

- Expands and funds full-scope Medi-Cal for undocumented children starting in May 2016
- Restores provider rates modestly after several previous reductions
- Continues providing state share funding for the Medi-Cal expansion and other health care reform implementation

JUNE 2013

2013-2014 State Budget

Provided the state share of funding for the Medi-Cal expansion and other health care reform implementation

Assembly Bill 85

Allowed the state to redirect realignment funds to county social services programs according to specific county formulas

Assembly Bill X1-1 and Senate Bill X1-1

- Provided the statutory foundation for implementing the Medicaid components of the ACA in California
- Implemented the optional expansion of Medi-Cal to childless adults
- Created new eligibility rules and essential health benefits including behavioral health services
- Provided for the transition of LIHP enrollees into Medi-Cal and eligibility coordination between Covered California and counties

*Excluding undocumented women

Sources: Legislative Counsel of California; Official California Legislative Information.

Data Sources

Administrative data on health care providers and programs, as well as survey data on patient experiences, are reported to paint a picture of the safety net in California. These data represent the best available, but they have their limitations: the provider data do not capture individual-level experiences nor do they assess all providers. The individual-level survey data sometimes present outcomes and experiences of Californians who do not actually access (and may not need to access) health care services from safety-net providers or programs. In addition, self-reported experience of services (such as eye exams, foot exams, and A1C tests) may not be reliable, due to lack of understanding during a visit, or memory inaccuracy. Nevertheless, the data presented in this report compose the most comprehensive look at the safety net to date.

ABOUT THIS SERIES

The California Health Care Almanac is an online clearinghouse for data and analysis examining the state's health care system. It focuses on issues of quality, affordability, insurance coverage and the uninsured, and the financial health of the system with the goal of supporting thoughtful planning and effective decisionmaking. Learn more at www.chcf.org/almanac.

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