



CALIFORNIA HEALTHCARE FOUNDATION

Overview of Medi-Cal

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Deputy Director,
Health Reform and Public Programs

February 15, 2013



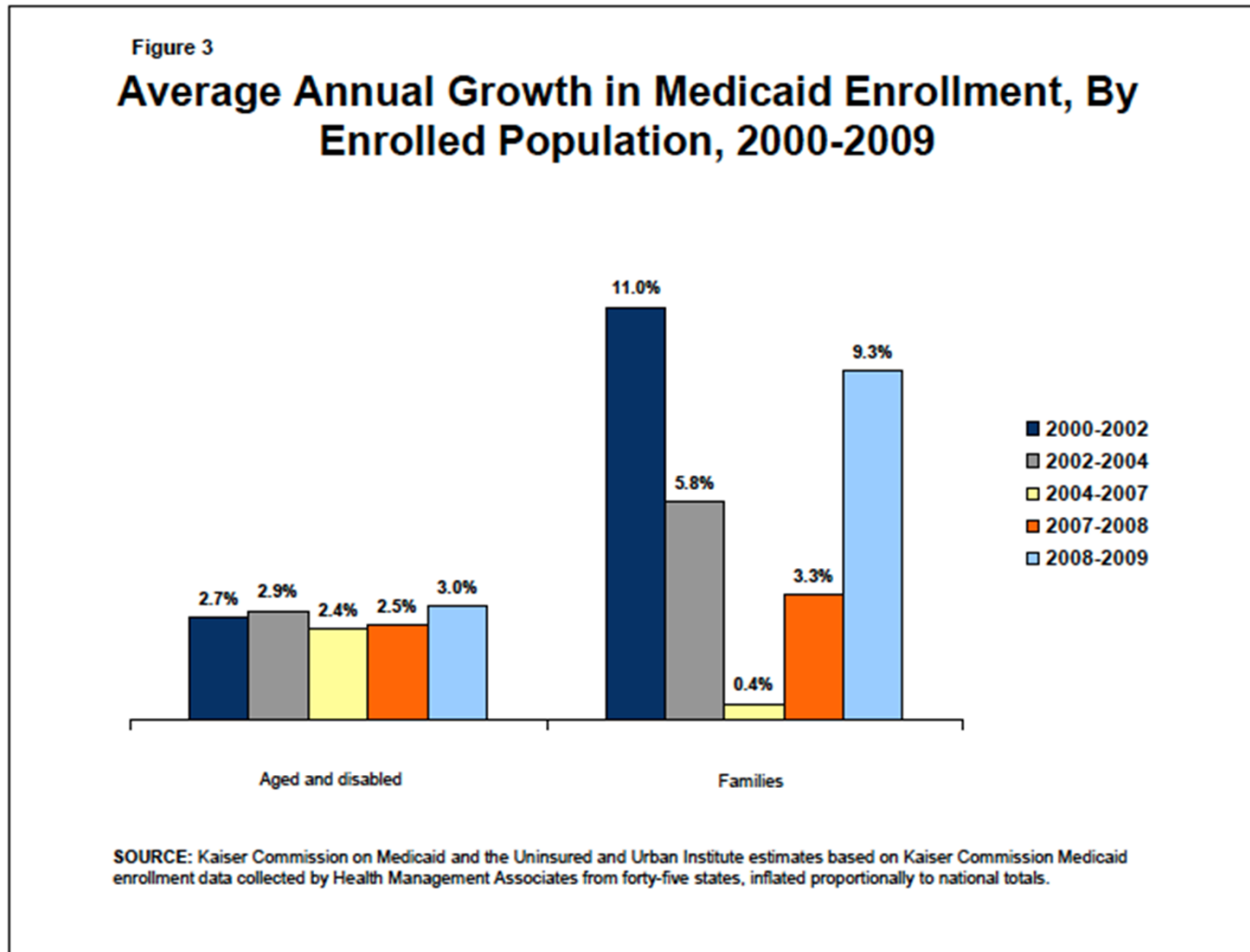
Agenda

- Medi-Cal's Role
- Eligibility and Enrollment
- Benefits and Spending
- Spending Trends and Comparison
- Policy Levers and Program Initiatives
- Enrollee Experience
- Discussion

Medi-Cal's Role in Health Care System

- Provides affordable coverage to **low-income children, pregnant women and parents**
- Pays for a broad array of services that are not available through the commercial market for **people with disabilities**
- Fills gaps in coverage for low-income **Medicare beneficiaries**
- Pulls in federal financial support for safety-net providers and state coverage initiatives for the **uninsured**
- Helps keep commercial premiums affordable for **Californians with private coverage** by insuring certain high-cost populations and keeping them out of the risk pool

A Countercyclical Program



Source: Kaiser Commission on the Medicaid and Uninsured, "Medicaid Spending Growth over the Last Decade and the Great Recession, 2000-2009", February 2011.

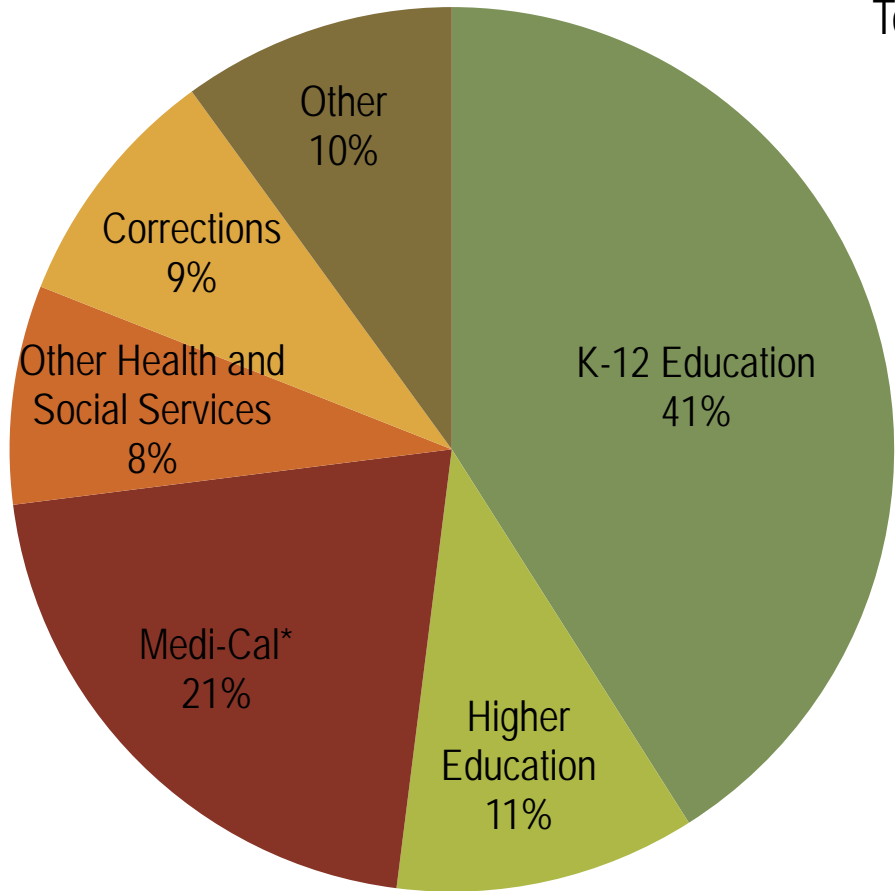
Comparison to Medicare

	MEDI-CAL	MEDICARE
Population	Low-income families and children, people with disabilities and seniors (65+)	Seniors (65+) or permanently disabled
Services Covered	Primary, acute, and long term care	Primary and acute care plus pharmacy under Medicare Part D
Cost Sharing	No premiums or copayments for lowest-income beneficiaries	Beneficiaries must pay premiums and deductibles
Funded by	Federal and California governments	Federal government and beneficiaries
Administered by	California with oversight by CMS	Federal government through CMS

In California:

- Nearly 7 million Medi-Cal-only
- About 4 million Medicare-only
- About 1 million with both (“dual eligibles”)

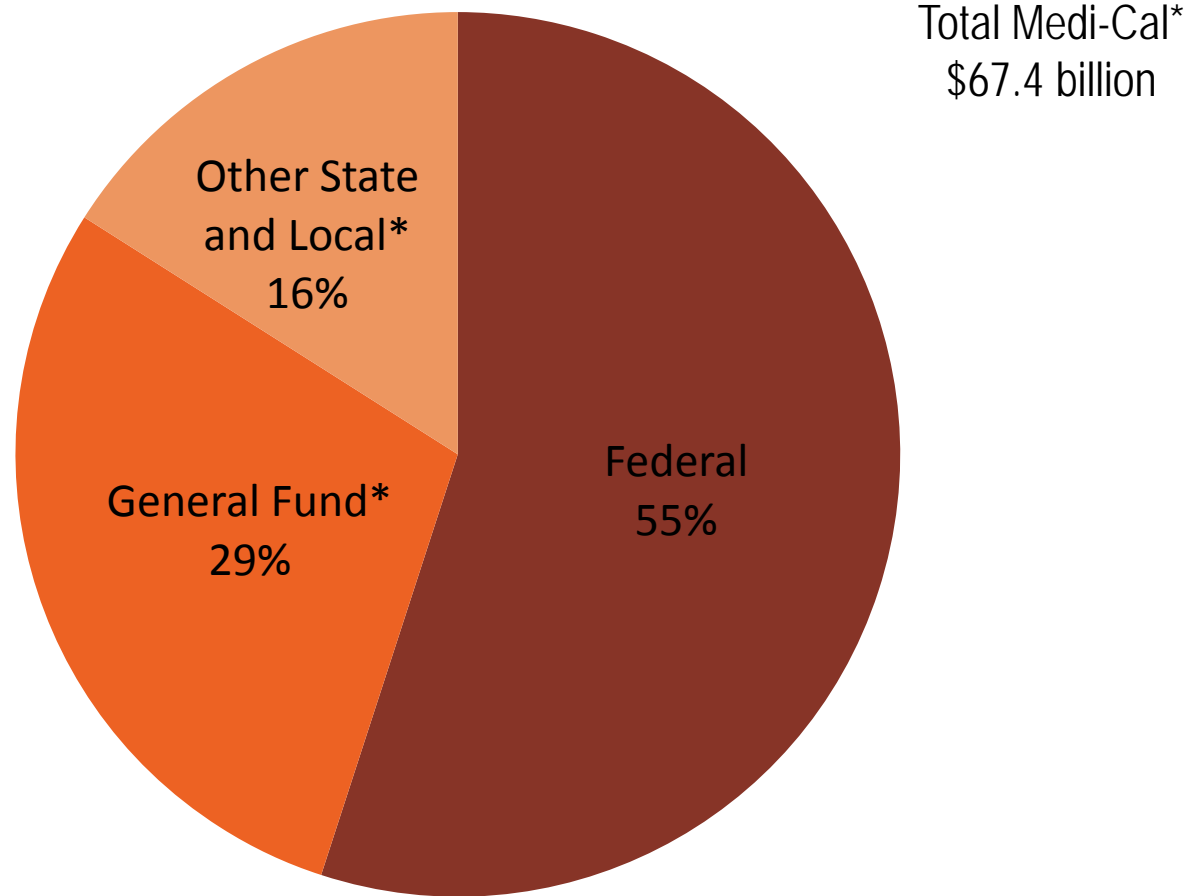
State Budget Distribution, FY2012-13



Total General Fund
\$93 billion

*Includes GF spending for Medi-Cal included in department budgets other than DHCS

Medi-Cal Funding Sources, FY2012-13

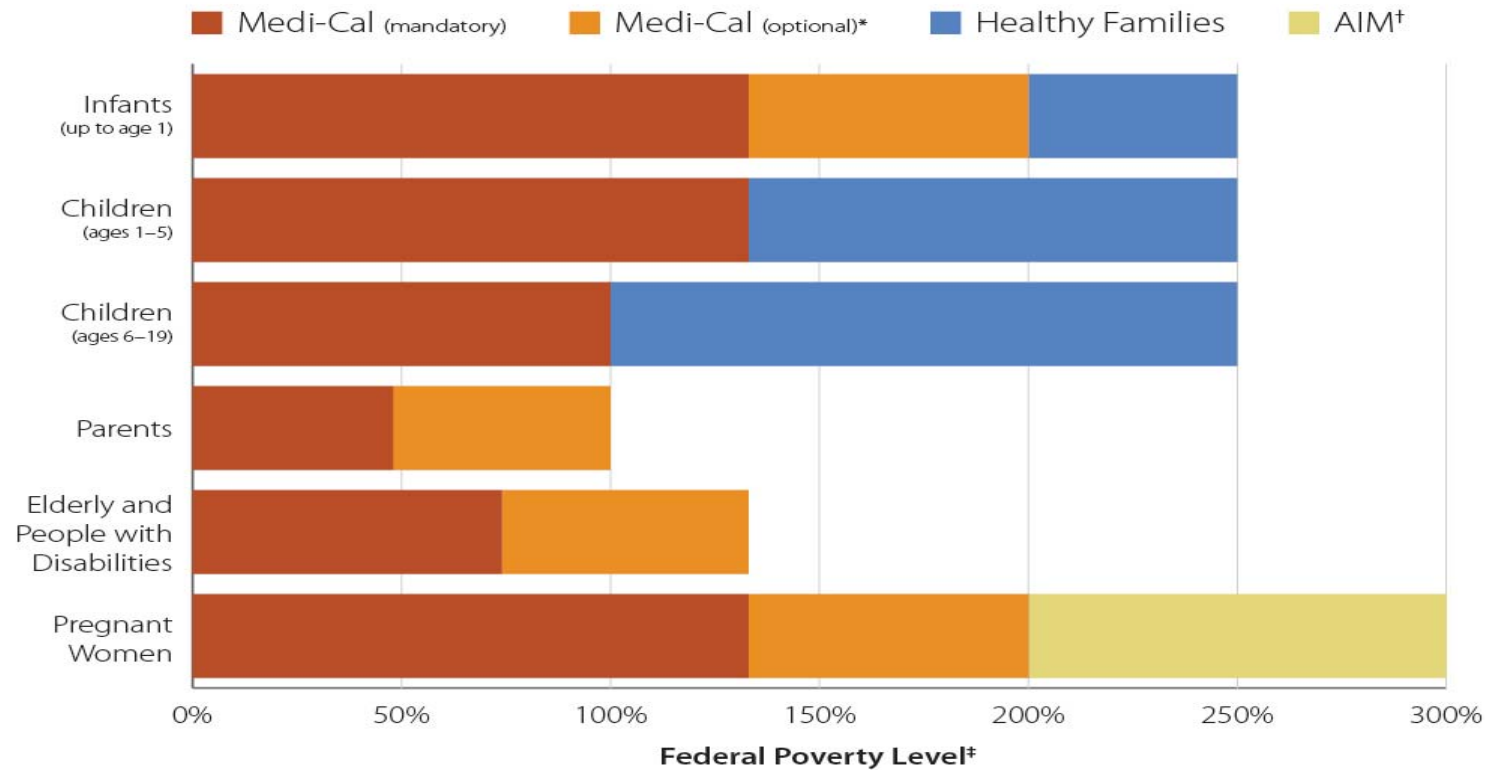


*Preliminary estimate. Includes spending for Medi-Cal included in department budgets other than DHCS

Eligibility Factors

- California Residency
- Eligibility for Other Public Assistance Programs
- Family Income
- Family Assets
- Deprivation
- U.S. Citizenship
- Institutional Status

Income Limits



*Medi-Cal must provide coverage for parents and families with incomes below the state's July 1996 AFDC need standard, which was \$730 per month for a family of three.

†Pregnant women not more than 30 weeks pregnant and their newborns up to age two with a total family income of 200 to 300 percent are eligible for Access for Infants and Mothers (AIM). Babies born to moms enrolled in AIM are eligible for enrollment in Healthy Families (CHIP).

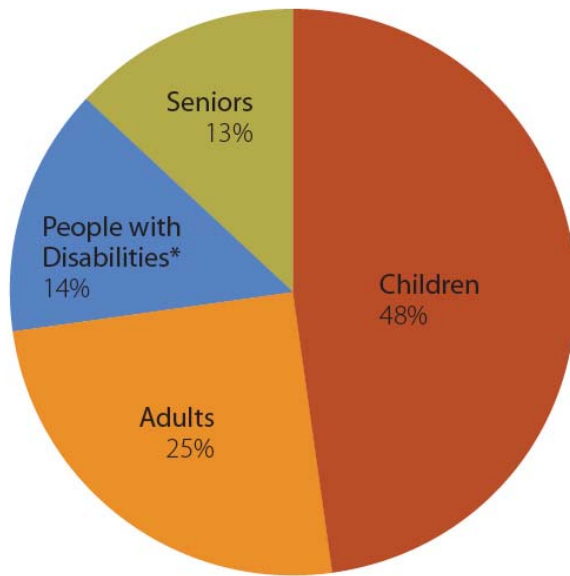
‡Set at \$18,310 for a family of three for the period beginning April 1, 2009 and ending March 31, 2010.

Sources: CMS Mandatory Eligibility Groups, www.cms.hhs.gov. KFF State Health Facts, *Thresholds for Jobless and Working Parents Applying for Medicaid by Annual Income as a Percent of Federal Poverty Level (FPL)*, 2009, www.statehealthfacts.org. *Access for Infants and Mothers Application & Handbook*, February 2009, www.aim.ca.gov. DHCS Letter 09-08, *New Limits and Disregards for the Aged and Disabled — Federal Poverty Level Program for 2009*, February 24, 2009, www.dhcs.ca.gov. NASMD, *Aged, Blind, and Disabled Medicaid Eligibility Survey*, www.nasmd.org. HHS Office of the Assistant Secretary for Planning and Evaluation, *Aid to Families with Dependent Children: The Baseline*, June 1998, aspe.hhs.gov.

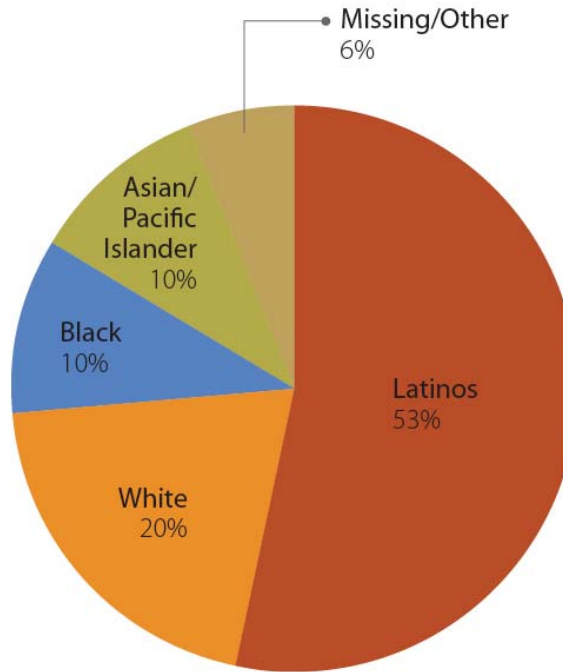
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Beneficiary Profile

AGE/DISABILITY



ETHNICITY



*Includes children and adults under age 65.

Note: Figures may not total 100 percent due to rounding.

Source: Lewin/Ingenix analysis of MIS/DSS for the 12 month period ending June 30, 2008.

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Medi-Cal Benefits*

REQUIRED SERVICES	OPTIONAL SERVICES
<ul style="list-style-type: none"> • In/outpatient hospital • Physician visits • Lab tests and x-rays • Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 • Family planning and supplies • Federally Qualified Health Centers (FQHC) • Certified midwife • Certified nurse practitioner • Nursing home care for adults over 21 • Home health services[†] • Nurse midwife services • Pregnancy-related services, including 60-days postpartum care 	<ul style="list-style-type: none"> • Prescription drugs • Medical equipment and supplies • Targeted case management • Adult day health • Personal care services • Physical therapy • Intermediate Care Facilities for Mentally Retarded (ICF/MR) • Inpatient psychiatric for children under 21 • Rehabilitation for mental health and substance abuse • Home health care therapies • Hospice • Occupational therapy • Vision services and eyeglasses[‡] • Dental care and dentures[‡] • Audiology and speech therapy[‡] • Chiropractic[‡] • Psychology services[‡] • Acupuncture[‡]

*Partial list; effective July 1, 2009.

†For people who meet the criteria for nursing facility level of care.

‡These benefits will only be covered for Medi-Cal beneficiaries who are under 21 years of age or who reside in a nursing facility.

Source: Centers for Medicare and Medicaid Services (CMS), Medicaid at a Glance, 2005, *Change in California State Law for Medi-Cal Benefits*, www.dhcs.ca.gov.

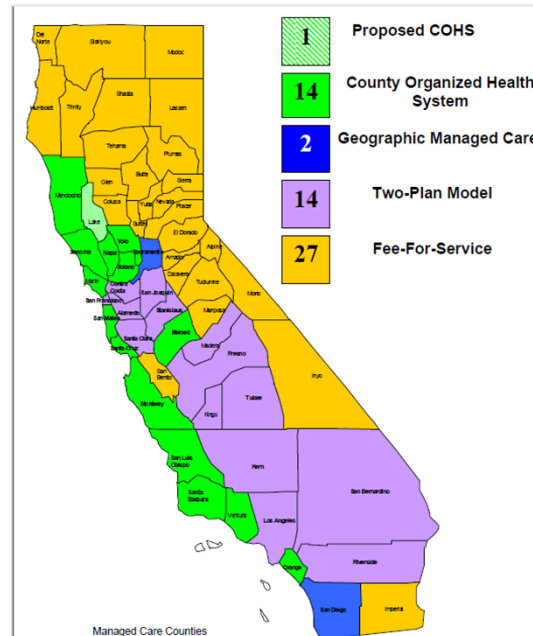
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Managed Care and Fee-for-Service

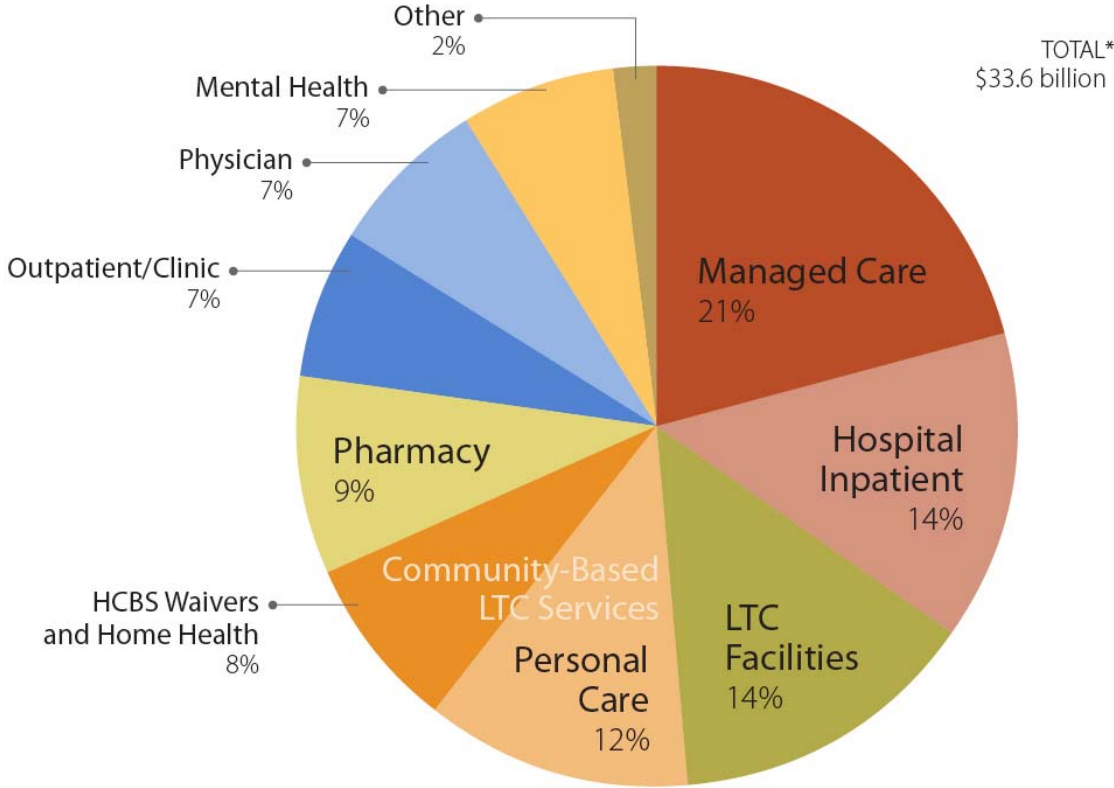
- In Medi-Cal Fee-for-Service:
 - Enrollees may see any provider that accepts Medi-Cal
 - Providers are paid for each service provided
- Under Medi-Cal Managed Care:
 - Enrollees obtain care through a designated network of providers
 - Health plans are reimbursed on a capitated basis to provide a defined set of Medi-Cal covered services

Models of Medi-Cal Managed Care

- Counties with only 1 health plan
 - County Organized Health System
 - 14 counties; 500,000 enrollees
- Counties with 2 plans
 - Local Initiative and Commercial
 - 14 counties; 3.3 million enrollees
- Counties with 4-5 plans
 - Geographic Managed Care
 - 2 counties; 1 million enrollees



Expenditure Distribution

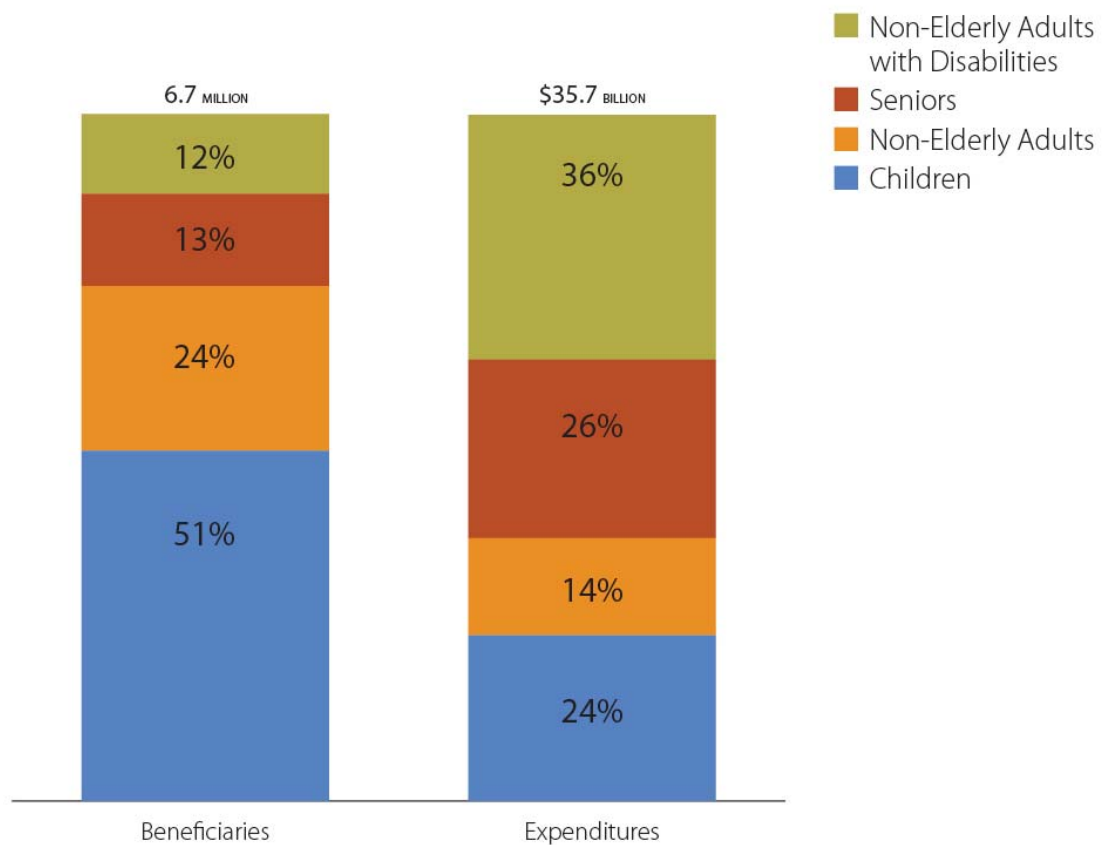


*Does not include Medi-Cal payments for county administration, disproportionate share hospital (DSH) and supplemental hospital payments, Safety Net Care Pool payments, payments to Medicare for the buy-in program or the Part D "clawback," recoveries, and certain other payments. Also excludes payments for services to people awaiting final Medi-Cal eligibility determination (presumptive eligibles). Altogether, these payments accounted for nearly \$12 billion in Medi-Cal spending in the 12-month period ending June 30, 2008. Expenditures for clinics include Federally Qualified Health Centers (FQHCs), hospital outpatient clinics, rural clinics, and other clinics.

Category Notes: "LTC Facilities" includes nursing facilities and intermediate care facilities serving people with developmental disabilities and mental retardation. "Managed Care" reflects capitated payments to physical health plans. "Other" includes rehabilitation services, ancillary, and other services.

Source: Lewin/Engenix analysis of Medi-Cal MIS/DSS for the 12-month period ending June 30, 2008. Expenditures include only paid claims for Medi-Cal beneficiaries. California Department of Health Care Services (DHCS), Management Summary *Medi-Cal May 2008 Local Assistance Estimate for Fiscal Years 2007-08 and 2008-09*, www.dhcs.ca.gov.

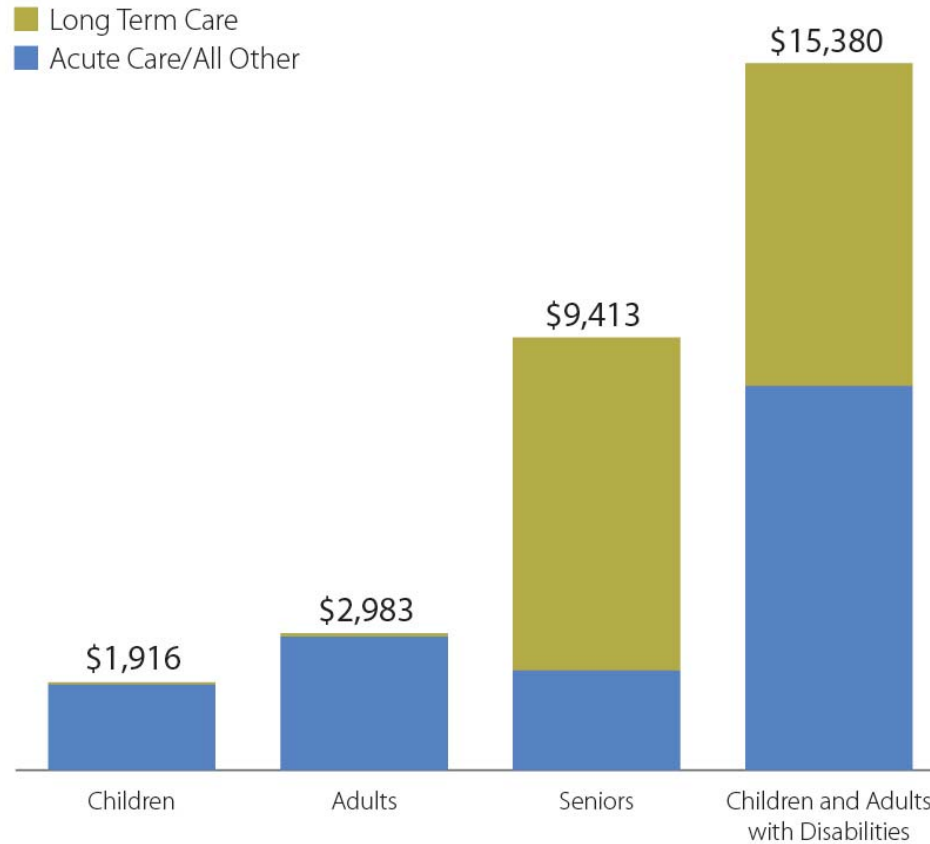
Beneficiaries and Cost



Notes: Number of beneficiaries is the January 2007 eligibility count and expenditures are for the 12-month period ending September 30, 2007.
 Excludes 1.65 million Family PACT beneficiaries.
 Source: Lewin analysis of FFY2007 MSIS data.

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Annual Cost per Beneficiary



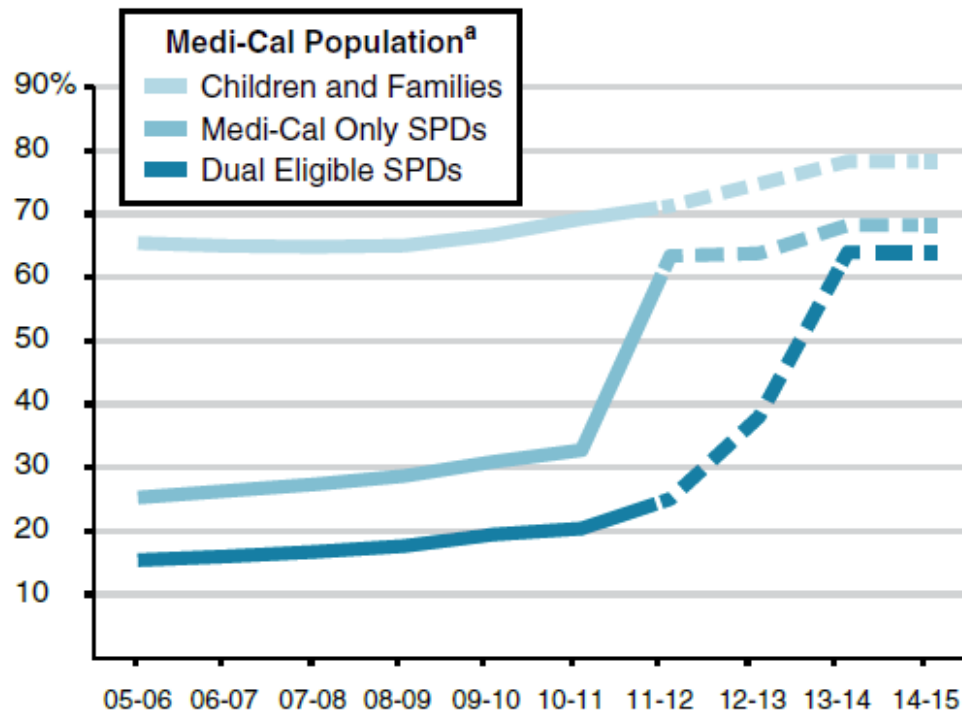
Notes: FFS payments for FFS beneficiaries. Long Term Care category includes expenditures for long term care facilities, community-based LTC (HCBS waiver services) and personal care services.

Source: Lewin/Ingenix analysis of Medi-Cal MIS/DSS data for July 1, 2007 through June 30, 2008.

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Seniors and Persons With Disabilities (SPDs) Are Shifting Into Medi-Cal Managed Care

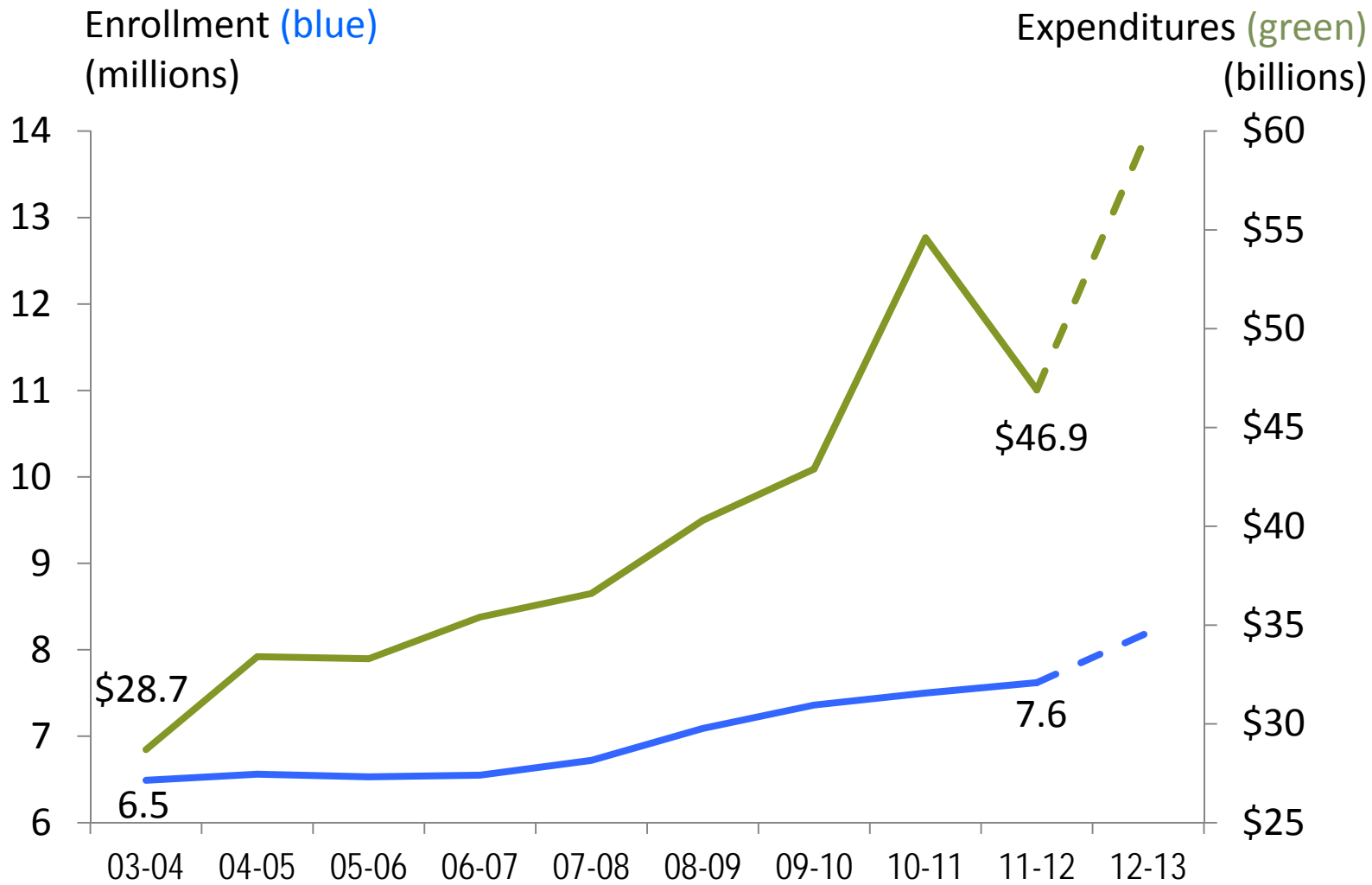
Percent Enrolled in Medi-Cal Managed Care



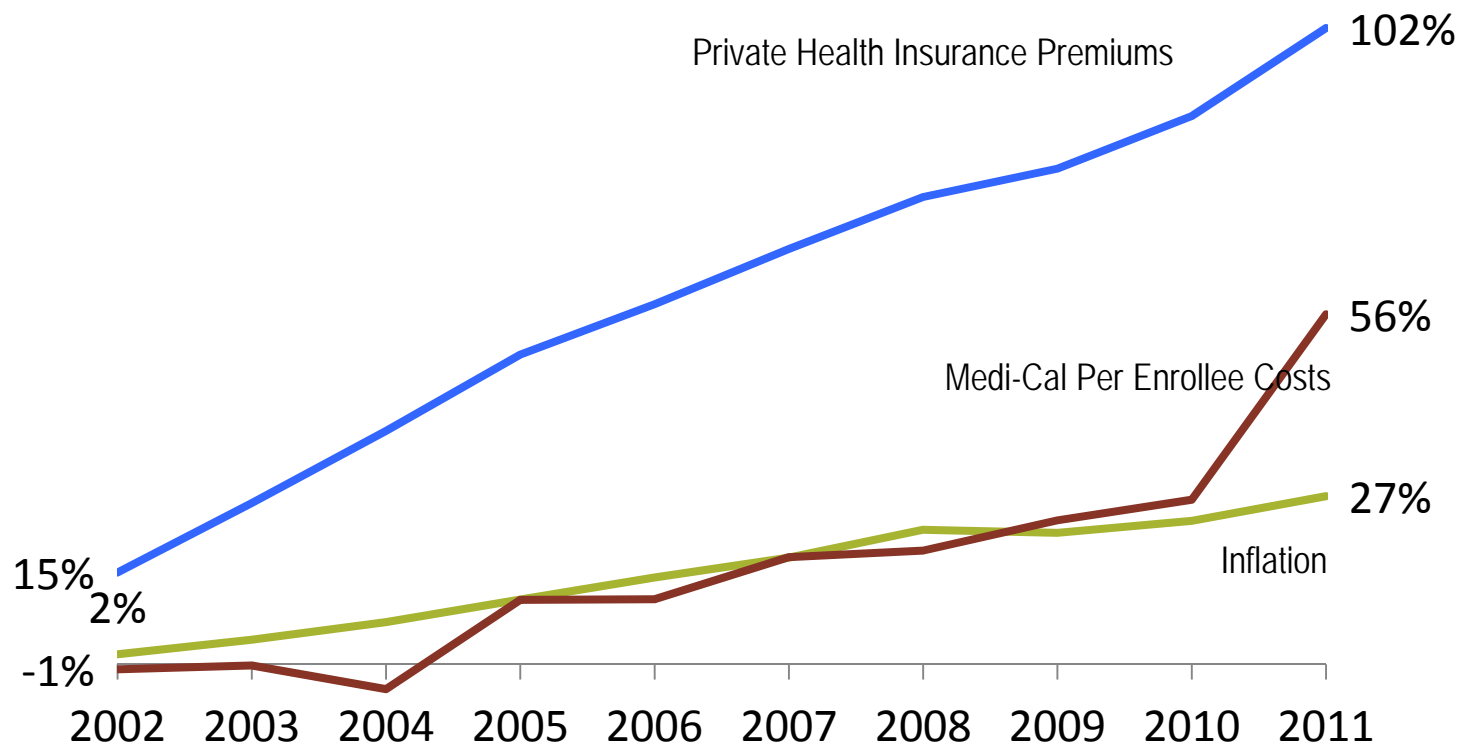
^a Projections (shown by dotted lines) do not account for expansion of Medi-Cal enrollment beginning in January 2014 as a result of the Affordable Care Act.

Source: Legislative Analyst's Office CalFacts 2013

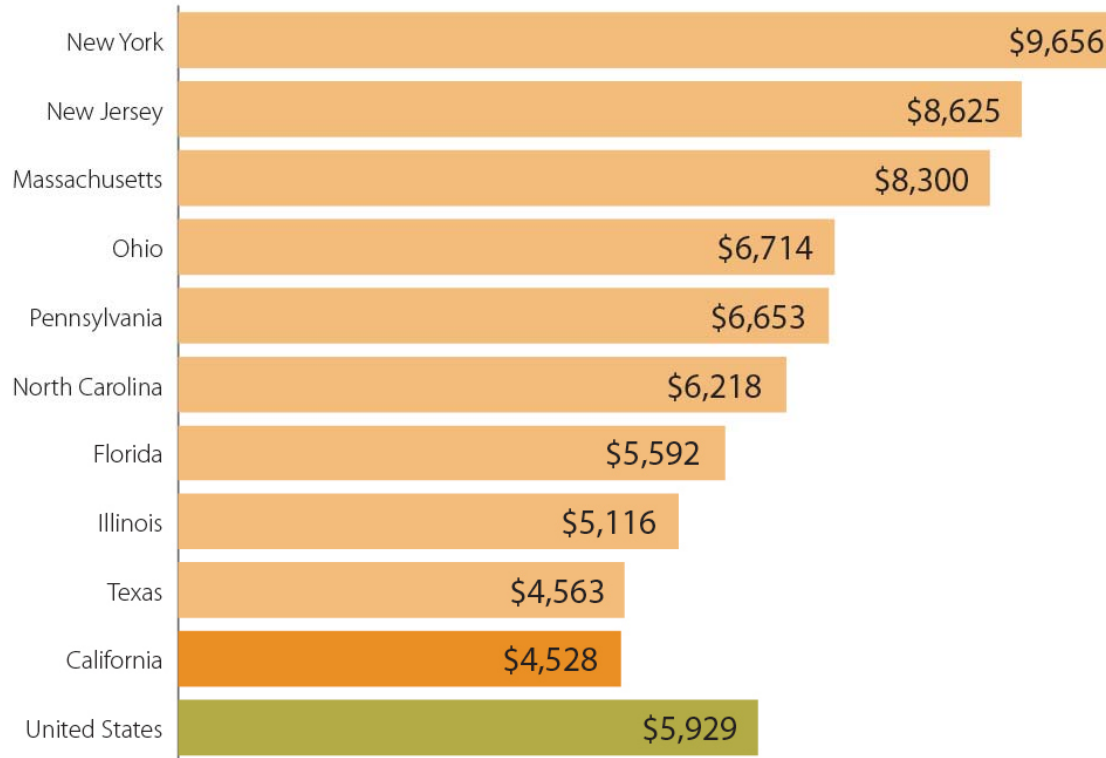
Enrollment and Spending Trends



Health Care Cost Trends



Annual State Spending per Beneficiary



Notes: The states with the ten largest Medicaid programs (in terms of expenditures from October 1, 2005 through September 30, 2006) are represented along with the national average. The national average excludes ME and NV, for which MSIS data is not yet available from October 1, 2005 through September 30, 2006. Per-beneficiary calculations are based on MSIS January 2006 data for unique eligibles count and data for the 12-month period ending September 30, 2006 for total Medicaid payments made, excluding payments that are not allocated to any particular beneficiary group ("Unknown").

Source: Lewin analysis of MSIS data for 12-month period ending September 30, 2006.

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Medi-Cal Spending Levers

- Eligibility and Enrollment
- Benefits and Cost Sharing
- Payment Amount
- Payment Structure and Incentives

A Few Major Medi-Cal Initiatives

- Expand Medi-Cal Coverage
 - Transition of children from Healthy Families
 - Low Income Health Program / Affordable Care Act
- Shift Enrollees to Managed Care
 - “Coordinated Care Initiative” for dual eligibles
 - Geographic expansion of managed care
- Incentives to Reform Delivery System
 - Delivery System Reform Incentive Pool
 - Electronic Health Record Incentive Program

Enrollee Perceptions and Experiences

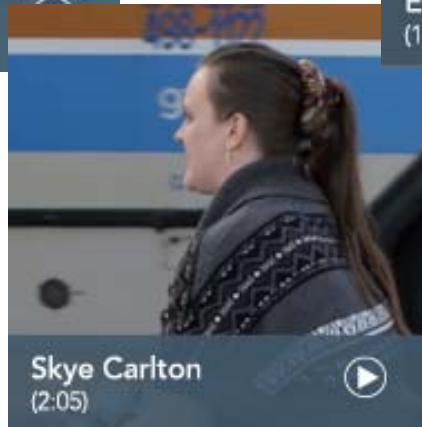
Medi-Cal enrollee survey
Micro-documentary videos



Theron Brown
(2:08)



Elizabeth Madrid
(1:50)



Skye Carlton
(2:05)

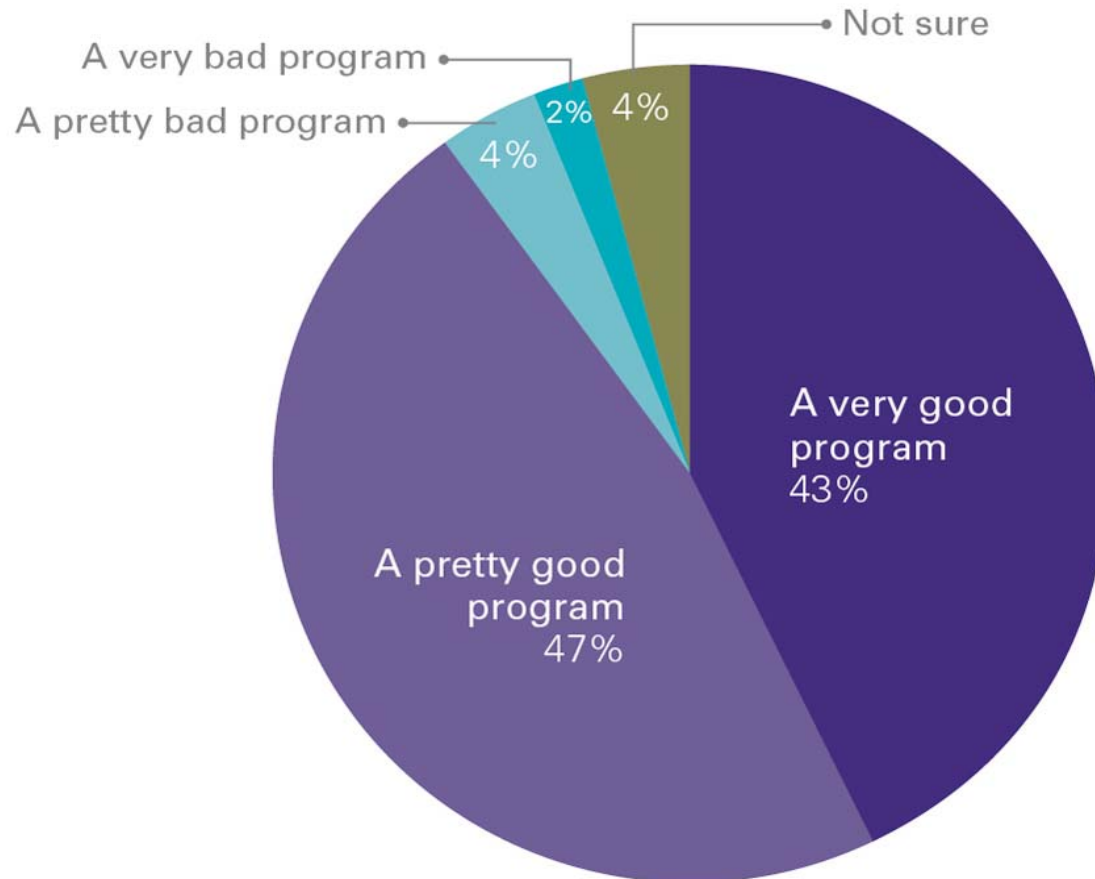


Jolina Barsanti
(2:15)

Overall Perceptions of Medi-Cal

BASE: MEDI-CAL ENROLLEES/PARENTS OF ENROLLEES (n=1,083)

In your opinion, is Medi-Cal...



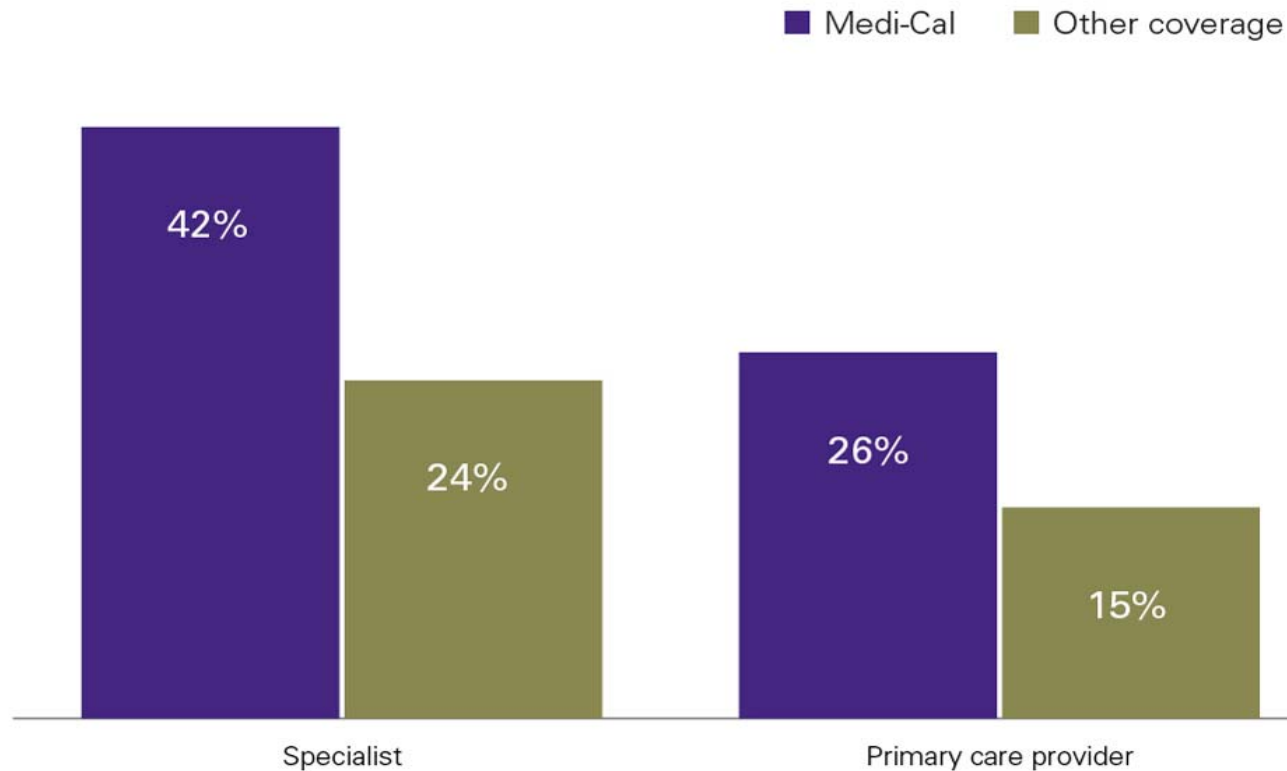
Source: Medi-Cal Enrollees Survey, conducted by Lake Research Partners, 2011–2012.

Access to Appointments with Providers

Medi-Cal vs. Other Coverage

BASE: ADULTS WHO NEEDED TO SEE A SPECIALIST (Medi-Cal, n = 201; other, n = 641) OR PCP (Medi-Cal, n = 301; other, n = 870)

Percentage of covered adults reporting difficulty getting an appointment with a...



Observations and Discussion: Medi-Cal

- Medi-Cal plays many important roles
- Growth of Medi-Cal spending is unsustainable
- Medi-Cal will play an important role in delivery system reform
- Enrollees appreciate the program, yet face challenges accessing care
- Period of big and rapid changes; essential to monitor impact



QUESTIONS?

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