



Board Report

File #: 17-0524, **Version:** 1

- a. Receive an update on Monterey County's Pilot Project for the Remaining Uninsured; and
- b. Receive a proposal for providing expanded full scope primary care and ambulatory specialty services which would provide services including laboratory, diagnostic imaging, and limited generic drugs for \$1.8 million for 2,500 individuals; and
- c. Provide direction to staff whether to seek funding from Natividad Medical Center or redirect financing from General Fund operations to implement this program. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive an update on Monterey County's Pilot Project for the Remaining Uninsured; and
- b. Receive a proposal for providing expanded full scope primary care and ambulatory specialty services which would provide services including laboratory, diagnostic imaging, and limited generic drugs for \$1.8 million for 2,500 individuals; and
- c. Provide direction to staff whether to seek funding from Natividad Medical Center or redirect financing from General Fund operations to implement this program.

SUMMARY/DISCUSSION:

The Affordable Care (ACA) was enacted to provide Medicaid (Medi-Cal) and other coverage options through the exchange to many low-income individuals with the goal of decreasing the number of uninsured individuals. However, many Monterey County residents remain uninsured and unable to pay for costly medical care, procedures and prescription medications. Of those uninsured, it is estimated that there are approximately 30,000 to 50,000 residents without any medical insurance living in Monterey County due to their documentation status. In order to address similar uninsured gaps state-wide, the Governor and the State Legislature agreed upon a budget that funds full scope Medi-Cal coverage for eligible undocumented California residents from age 0 - 19 which took effect May 2016. In Monterey County about 6,000 children were enrolled in managed Medi-Cal at that time still leaving many uninsured adult individuals in the County.

In response to this need, the Board of Supervisors approved an allocation of \$500,000 of General Fund dollars establishing the County's Pilot Project for the Remaining Uninsured to provide limited scope pharmaceuticals, laboratory tests, and radiology services as presented by staff in collaboration with COPA (Communities Organized for Relational Power and Action). These services are provided by Natividad Medical Center (NMC) and the Health Department's Federally Qualified look-alike health clinics which are mandated, by HRSA (Health Resources and Services Administration), to provide medical care to all patients regardless of ability to pay. The County's Pilot Project for the Remaining Uninsured was implemented in November 2015 and through March 2017 has served 2,005 individuals. The presentation will highlight client demographics, services provided, and costs to date.

At the Board of Supervisor's meeting on October 18, 2016, an Ad Hoc committee to further explore opportunities for the provision of healthcare services to the Remaining Uninsured was created. On March 14, 2017, the Ad Hoc Committee presented three recommendations to expand the Pilot Project to the Board of Supervisors for consideration:

- Option 1 - Full scope primary care which will provide a full array of County operated primary care services including laboratory, diagnostic imaging, and limited generic drugs. This array of services is estimated to be \$936,000 per year for 1,000 individuals.
- Option 2 - Full scope primary care and ambulatory specialty services which would provide services outlined for Option 1 plus NMC based outpatient specialty services. This array of services is estimated to be \$1.8 million for 1,000 individuals.
- Option 3 - ViaCare 2.0, Central California Alliance for Health (CCAH) administered Medi-Cal like plan. This array of services is estimated to be \$21 million for 5,000 individuals.

The Board directed staff to return with a proposal to: serve 2,500 individuals, explore options for administering the program including reaching out to Central California Alliance for Health and explore private and public funding sources. Staff will present Option 2, modified as follows for the Board's consideration - Full scope primary care and ambulatory specialty services which would provide services outlined for Option 1 plus NMC based outpatient specialty services for 2,500 individuals at a cost not to exceed \$2.0 million (\$1.8 million for direct services and \$200,000 for administration) for 2,500 individuals administered by a third-party administrator.

Although the Central California Alliance for Health was approached to explore feasibility to have them services as the administrator of the Project, the following factors would prevent a successful pairing of Alliance resources with the unique administrative requirements of the Pilot without a huge financial investment:

- Technical Issues: System Stabilization and Configuration - Since the Pilot differs significantly from Medi-Cal and Knox Keene benefits and business rules, it would require substantial and costly resources to uniquely configure their Health Solutions Plus enterprise-wide new system.
- Operational Issues: Non-Regulated Model - The Pilot's design to operate flexibly with unique benefits, provider network, and access standards which deviates significantly from the Alliance's regulated model of health care coverage and would require substantial alteration to its policies and procedures at a high cost.

Staff also approached Pacific Health Alliance to explore opportunity to having them serve as the Pilot administrator. Staff will include details in its presentation regarding services to be performed and costs for administering the Pilot.

Staff have been working to determine potential funding sources. At this time, there aren't any opportunities for private funds to help support implementation of the Pilot expansion and County funds would need to be secured for successful implementation of expansion in FY 2017-18. Accordingly, an augmentation request in the amount of \$1.8 million has been requested as part of the FY 2017-18 budget and will be considered at budget hearings along with other County needs. The Board could direct staff to finance the project from the County's General Fund. General Fund revenues have not kept pace with operating costs and recent events such as the fires and winter storms have exerted even more pressure on the County's finances, including its strategic reserve. Consequently, many General Fund departments are experiencing funding gaps related to staffing and other needs. In building the recommended budget for next year's General Fund operations, administrative office staff worked closely with departments to close funding gaps and resolve as many needs as possible. However, there is not enough new revenue to close all funding gaps, leaving some staffing and operational needs unmet. Funding the pilot project would require redirection from existing General Fund operations, further impacting General Fund operations. An alternative financing option is to finance the pilot from Natividad Medical Center's enterprise fund. The County invested millions from its General Fund to shore up the hospital's finances in earlier years. Since then, NMC's finances have significantly strengthened.

Staff's presentation to the Board will provide details of the proposal to include scope of services, provider network, enrollment and eligibility determination processes, claims processing, reporting capabilities. Staff seek approval from the Board of Supervisors for implementation for the Pilot expansion in FY 2017-18 for \$2 million to serve 2,500 individuals.

This work supports the Monterey County Health Department 2011-2015 strategic plan initiatives: 1) Empower the community to improve health through programs, policies, and activities; and 2) Enhance community health and safety by emphasizing prevention. It also supports one of the ten essential public health services, specifically: 9) Evaluate effectiveness, accessibility, and quality of personal and population-based health services.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office, Natividad Medical Center and the Health Department prepared this report. The Board of Supervisor's Ad Hoc Committee comprised of County staff, COPA, the Center for Community Advocacy, Community First Coalition and other community stakeholders were involved in the development of recommendations for continuation of coverage for remaining uninsured.

FINANCING:

As presented, the expansion of the Pilot Project is estimated to be \$2.0 million, including \$1.8 million for direct services and \$200,000 for administering the Project. The recommended budget to be presented to the Board on June 5th includes \$200,000 for the project, representing the estimated unused funding from the original \$500,000 authorization for the existing scope of services. Financing options for the expansion of the pilot include redirection from existing General Fund operations or funding the project from NMC's enterprise fund. Redirection from existing General Fund operations would likely add additional impacts to current County operations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by and Approved by: Elsa Jimenez, Director of Health, 4526
Gary Gray, DO, NMC CEO
Manny Gonzalez, Assistant CAO