ACA Implementation in California

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Framework of ACA

Near Universal Coverage
  Public Program Expansion
  Health Benefit Exchange

Market Rule Reforms

Shared Responsibility
  Government
  Individuals
  Health Plans
  Clinicians
ACA provides national framework for reform: 

**States have responsibility for implementation**

The **success of federal reform** – its ability to deliver the promise of **expanded coverage, health care system improvement and affordability and improved health outcomes** – **rests with the states** in collaboration with community partners, stakeholders and the Legislature.

And, success of reform rests with states at a time of **continued fiscal distress and considerable political uncertainty**.
Opportunities Created by the ACA

1. A 21st Century Enrollment Experience: Simplification and streamlining of eligibility & enrollment systems

2. Eliminate “Categorical” Eligibility in Medi-Cal in favor of Income Based Eligibility

3. A New Marketplace for Insurance: Establishment of a Health Benefit Exchange

4. Delivery System Reform: Increase collaboration of health care purchasers to improve the delivery system, improve health outcomes, and lower costs

5. Rethinking the Care Delivery Process: Expansion of the health care work force

6. Leveling the Playing Field for Health Plans: Greater uniformity of the health insurance regulation
A 21st Century Enrollment Experience: 
Simplification and streamlining of enrollment systems

Utilize a single, streamlined application for Medi-Cal, Healthy Families, the Health Benefit Exchange, and other State programs.

Establish a website that permits individuals to apply, enroll, and renew enrollment in Medi-Cal, and to use an electronic signature for enrollment or re-enrollment.

Establish outreach mechanisms for enrollment of vulnerable populations.
Eliminate “Categorical “ Eligibility in Medi-Cal: Adopt Income Based Eligibility
A New Marketplace for Insurance:
Purchasing Exchange to improve the affordability of coverage

Federal financial support through 2014.
Federal tax credit to support the purchase of coverage.

The ACA provides a broad outline regarding Exchange requirements leaving important discretion to the states.

• How to approach purchasing:
  • plans, contractual terms
  • linkage to other programs/goals
  • Relationship between plans and their providers networks
  • Standardization of benefits

• Distribution & marketing
Delivery System Reform:
Improve care processes & health outcomes, lower costs

• Move from volume based reimbursement to outcome based reimbursement.

• Opportunities to think delivery system and care models for dual eligibles (1.1+ million in CA)

• Purchaser collaboration to drive toward common goals: purchasing standards, metrics, incentives
  • Exchange, Large Employers, CalPERS, Medi-Cal
Rethinking the Care Delivery Process: Expansion of the health care work force

- 4+ million newly insured
- Adequacy = number, type, distribution, cultural competence of work force
- Innovative approaches are required to meet demand:
  - training
  - licensure
  - increased use of technology
Leveling the Playing Field for Health Plans: Greater uniformity of health insurance regulation

New federal standards phased in between 2010 -2014

Consumer protections, premium review, risk adjustment, product design, essential benefits, and provider network development.

Many of the new federal standards will require conforming changes to state law and new administrative processes

New/expanded functions for federal and state government

MLR, Risk Adjustment, Rate Review
What Does the ACA mean for Physicians?

- Increased financial security for physician practices
  - Less uncompensated care; fewer payment denials
  - Less insurance company paperwork
  - Coverage options for staff
- Fewer breaks in coverage for patients; increased clinician-patient relationships
- Efforts by federal & state payers to change HOW care is delivered
  - Focus on team care and service integration
  - Payments based on outcomes; not volume
  - Coverage based on evidence based medicine
We are continually faced with a series of great opportunities brilliantly disguised as insoluble problems.

John W. Gardner