

Medical Services Initiative



Low Income Health Program

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David Riley

Health Care Agency Director

History of MSI & The 1115 Waiver

1983 – State transferred Indigent Medical program to Counties

- \$23 million

2006 – Board added additional \$10 million in General Funds

- \$61 million & 16,000 patients

2007 – Board approves 1115 Waiver (Coverage Initiative)

- \$86 million (includes \$21 million federal) & 35,000 patients



2007 Coverage Initiative Program

Significant Delivery of Care Improvements

- Medical Homes Implemented - added preventive care, patient education, 24/7 Nurse Line
- 48% decrease in emergency department utilization rate
- 47% decrease in inpatient day utilization rate



Robust clinical communication system created



The New Waiver

“Low Income Health Program”

Opportunity for new federal funding

- Potential for \$48 Million / year in new Federal funding—Total program of \$141 M
- Opportunity to serve more low-income uninsured citizens
- Increasing from 40,000 to an estimated 55,000-60,000 patients
- Adds Mental Health coverage



Benefit To The Medical Community

- \$40 million **new** funding invested in the local medical system of care
- For every person enrolled, the program offers medical providers:
 - Reimbursement that they would not otherwise get for that patient
- Better managed, more cost efficient care



New Waiver Challenges

- Patient Volume
- Provider Reimbursement
- Compliance with Waiver requirements



Summary



- \$40 Million in **new** Federal funding to the MSI program
- \$8 Million in new Federal funding for Mental Health services already being provided
- Help stabilize and augment funding to health care providers

The Future

- The future of Health Care Reform is uncertain
- In 2014 HCA may transition MSI patients to CalOPTIMA and other insurance providers
- As changes occur to the health care landscape – Continue the Waiver through the 5-year period as appropriate



Next Steps

- Today's Board consideration of non-binding application for new Waiver
- Return to your Board in early summer 2011 with a new Waiver agreement
- Return to your Board with new provider contracts for FY 2011-12



Questions



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