

# The §1115 Waiver and Federal Reform

Insure the Uninsured Project

([www.itup.org](http://www.itup.org))

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# Introduction

## Using the §1115 Waiver

Using a new §1115 Waiver, California's counties could prepare for swift implementation of federal reform.



# Federal Reform

## Timeline

- **April, 2010:** FMAP available for MIAs up to 133% FPL
- **August 2010:** Target for new §1115 Waiver
- **2014-2016:** Federal government will pay 100% of the cost of covering MIAs for three years, 95% in **2017**, 94% in **2018**, 93% in **2019** and 90% thereafter
- **2014:** Exchange opens for MIAs above 133% of FPL (100% FFP)



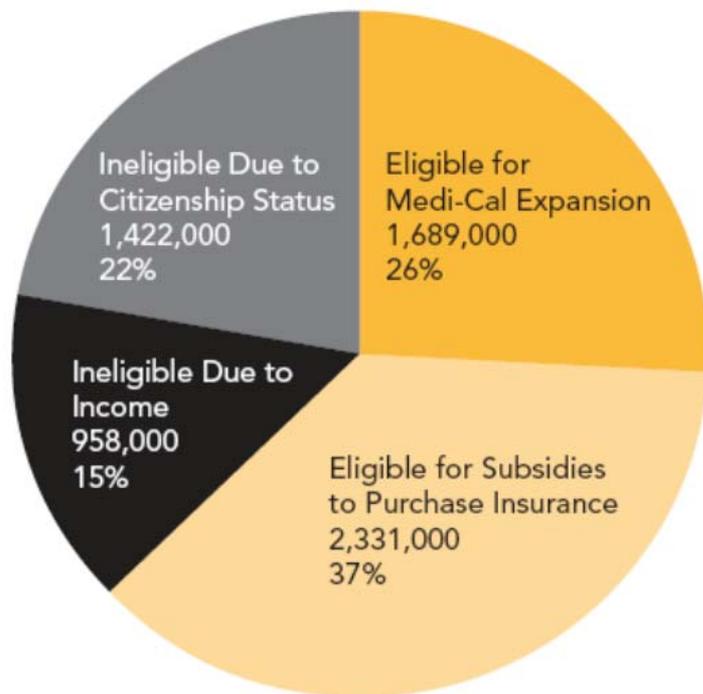
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# The Uninsured in California

## Populations

- **2007:** 6.5M (8.2M) uninsured in CA
- **2019:** 1.7M projected to be uninsured in CA



Eligibility for health insurance expansions under national reform for California's 6.5M uninsured (Ages 0-64), 2007

Source: Health Policy Fact Sheet, UCLA Center for Health Policy Research, Oct 2009

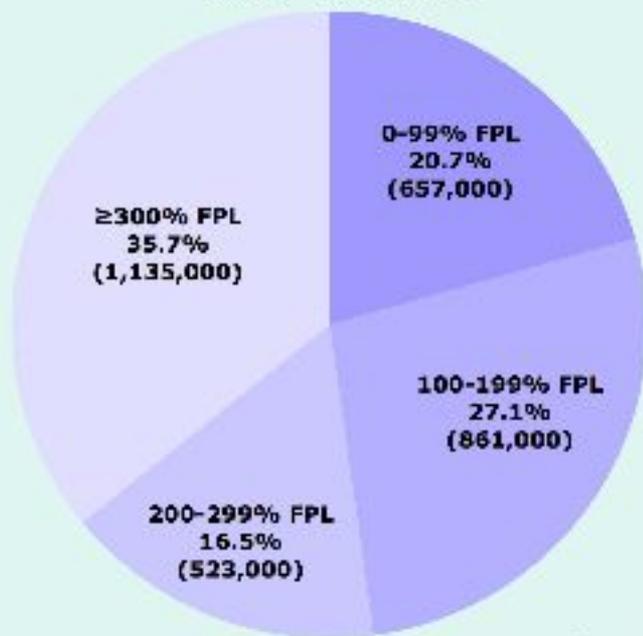


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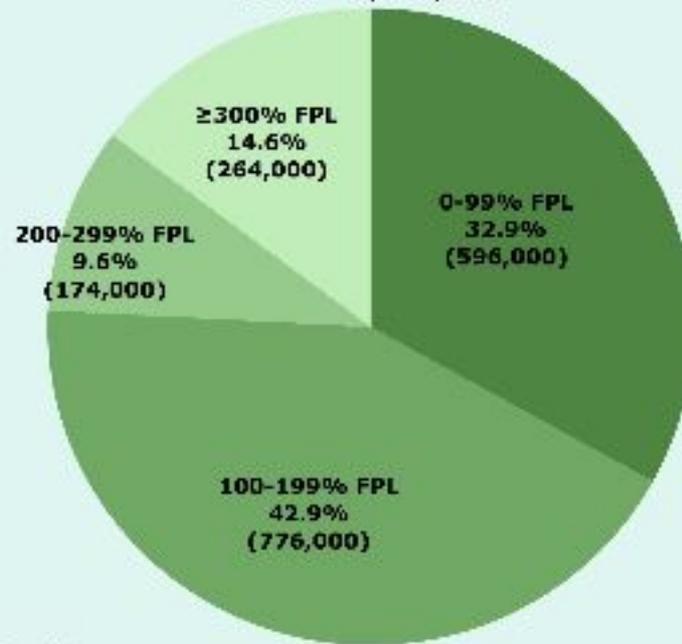
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# The Uninsured in California Populations

**Uninsured adults without minor children living at home  
by Income, 2005**  
Total = 3,176,000



**Uninsured Married Adults with Children by Income,  
2005**  
Total = 1,810,000



Source: CHIS 2005

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# The Uninsured in California

## County Funding

- \$3B in annual funding for county health in 2007, does not include SNCP
  - Of \$3B, \$1.8B was spent on uninsured
    - Most county programs limited to MIAs
  - \$512 avg. funding per uninsured county resident

### Breakdown of Funding Sources for Money Spent on Uninsured, 2007

<b>FUNDING SOURCE</b>	<b>CA TOTAL</b>
Realignment	\$ 1,492,186,884
County Match	\$ 339,771,970
Proposition 99	\$ 49,240,132
Tobacco Settlement (05)	\$ 332,327,450
Net County DSH	\$ 890,117,083
Funding Total:	\$ 3,103,643,519



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# County Spending

## 2006 Data on the Uninsured

- 1.2 million uninsured unduplicated patients
- \$1.8 billion in reported spending
- Possibility of switching from CPEs to IGTs
- Potential for using CPEs/IGTs to expand CIs:
  - CMSP Counties -- \$175 million (\$285 million -- 2009)
  - Public Hospital Counties -- \$1.377 billion
  - Payor Counties -- \$232 million



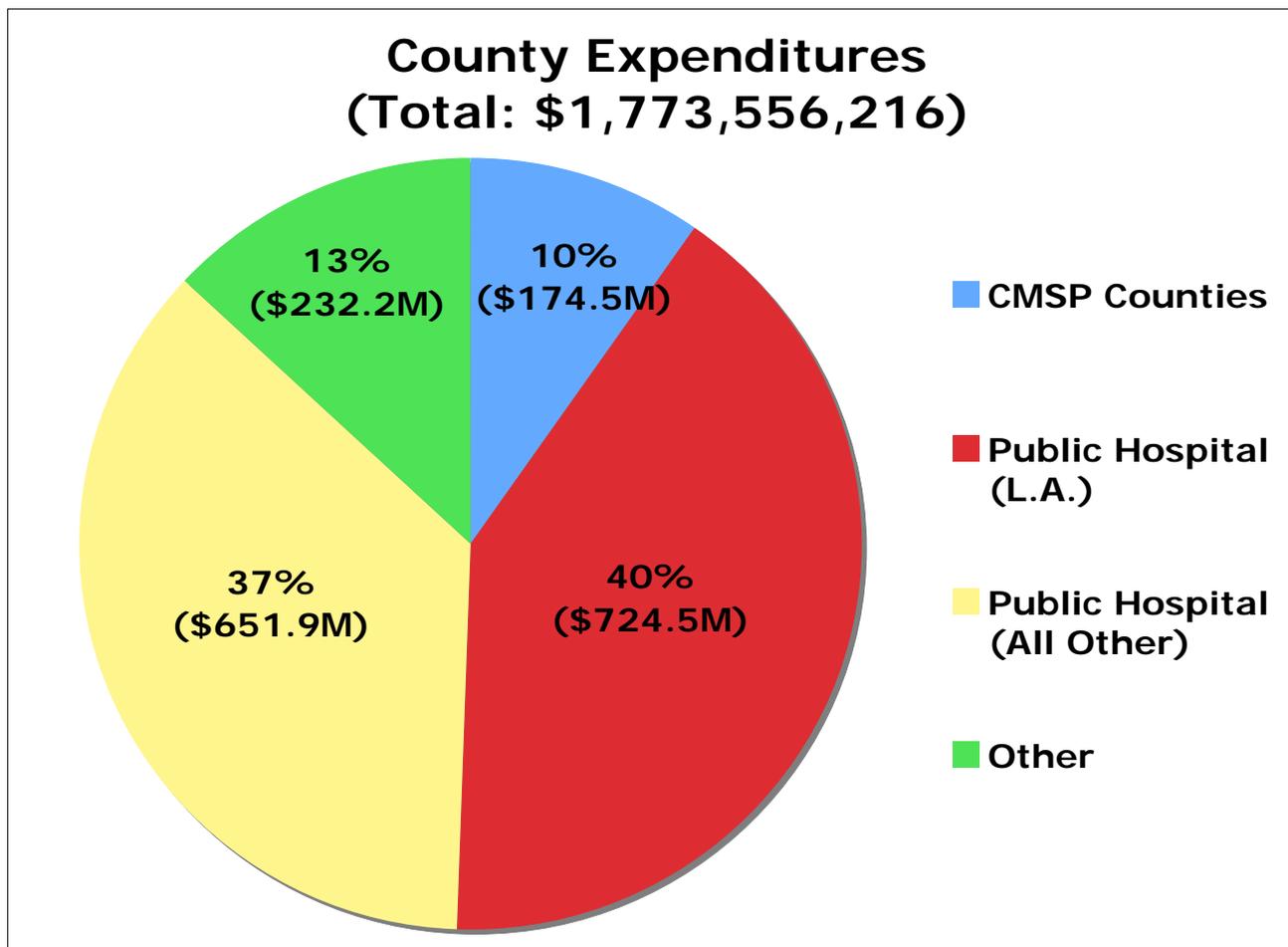


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# County CPEs by County Type

2006 Data





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# Coverage Initiatives

## Transition to Federal Reform

- Building blocks already in place for swift implementation of federal reform:
  - Coordinated care and case management
  - Inclusion of community clinics
  - Upgrade towards medical homes
  - Development and dissemination of HIT
  - Improved communication/coordination between county and clinics, clinics and hospitals
  - Use of local managed care organizations in four CI counties
  - Identification of MIAs eligible for federal match



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# New Waiver

## Options

- **No more budget neutrality caps for coverage of MIAs**
- Lift funding cap on 10 CI counties for all enrollees up to 133% FPL so that match is based on all available CPE or IGT for MIAs
- Add in 48 missing counties
  - 34 CMSP Counties: \$285M federally matchable funds under waiver





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# Preparing for Federal Reform

## Things to Consider

- IGTs or CPE?
- Integrate mental and physical health?
- Move newly eligible Medicaid populations towards/into managed care in preparation for 2014?
- Integrate care between clinics and hospitals?
- Broaden networks?
- Interim enrollment cap – limited to available county match?
- Invest in, disseminate and deploy Health Information Technology?





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For resources and additional information  
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