



THE AFFORDABLE CARE ACT AND CALIFORNIA'S SAN JOAQUIN VALLEY: A CAUSE PERSPECTIVE

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Affordable Care Act and the SJV: Project Goals



The CAUSE goals for US health care were endorsed by diverse regional stakeholders in September, 2009.

This project

- Develops specific criteria for assessing ACA using the CAUSE goals
- Assesses potential ACA impacts on the SJV
- Identifies ACA implementation challenges for the SJV
- Identifies areas for potential improvements in ACA using the CAUSE goals

AFFORDABLE CARE ACT

Key Components 2010

- Persons 23-26 remain on parents' plan
- Federally funded high risk
- Tax credit for small employers to purchase coverage
- Private insurance reforms
- New requirements on non-profit hospitals
- Federal support to states for exchange, Medicaid changes, insurance regulation changes
- New investments in safety net infrastructure, public health and health workforce

AFFORDABLE CARE ACT

Key Components 2014 and Beyond

Uninsured/Low Income

- **Medicaid** expanded to 133% of FPL with 100% match
- **Subsidized coverage** for 133-400% of FPL
- **State exchange** for legal residents, 133-400% of FPL and others
- **Safety net improvements**

Medicare

- **Reduced subsidy** for Medicare Advantage plans
- **Phased in elimination** of the Part D “donut hole”
- **Benefit improvements**
- **Reimbursement reform demonstrations**
- **Comparative effectiveness, payment , and quality initiatives**

Privately Insured

- **States implement individual mandate** to hold qualifying insurance.
- **Employer mandate** to provide qualifying insurance or pay tax
- **Insurance improvements implemented by states**

ACA and the San Joaquin Valley

Projected Program Eligibility in 2014

Assuming improvement in economy to 2007 levels:

Without ACA:

- 982,171 or 25% of all residents will be uninsured

With ACA:

- At least 628,684 will be newly insured (including 194,247 new on Medi-Cal)
- 353,487 or 9% will be excluded from new coverage or unable to afford (including 303,487 undocumented, and 50,000 who can't afford even with subsidies)

The CAUSE Principles

C \Rightarrow Continuous

A \Rightarrow Affordable

U \Rightarrow Universal

S \Rightarrow Sustainable

E \Rightarrow Effective

Grading ACA Using the CAUSE Principles

Principle	GRADE
Continuous	B
Affordable	C
Universal	C
Sustainable	D
Effective	C

Assessing ACA Using the CAUSE Principles-----Continuous



1. Reduces risk of private insurance denials of coverage or service
2. Reduces risk of lost coverage during transitions
3. More states/delivery systems may offer medical home
4. Prevention benefit improvements
5. Only demonstrations of payment reform
6. Workforce investments could be better targeted to regions like the SJV

Assessing ACA Using the CAUSE Principles-----Affordable



1. Makes health care affordable for under 200% FPL
2. Does not ensure affordability for 200-400% FPL
3. Does not limit growth of private premiums for 400+ of FPL

Assessing ACA Using the CAUSE Principles----- Universal




1. Reduces demographic and need barriers to coverage
2. Unaffordable coverage may reduce enrollment below 95% estimate
3. Rural initiatives/safety net expansions/disparity initiatives may not improve access

Assessing ACA Using the CAUSE Principles-----Sustainable



1. Extends Medicare solvency by 6 years
2. Helps states expand Medicaid
3. Efforts to “bend cost curve” but not enough
4. No budget discipline for health care
5. No Financial Transaction Tax to finance Medicare solvency

Assessing ACA Using the CAUSE Principles----- Effective



1. Initiative commissions and demonstrations to improve effectiveness
2. Better consumer information
3. Health disparity initiatives
4. Public health/healthy community initiatives

ACA Implementation: San Joaquin Valley Concerns

- ❖ **Finance care for undocumented**
- ❖ **Address SJV needs in Medi-Cal expansion**
- ❖ **Develop Patient-Center Medical Homes and network care coordination programs**
- ❖ **Expand health care work force---specialty care, self-care supports**
- ❖ **Insurance regulation/exchange operations**
- ❖ **Behavioral health integrated with safety net primary care**

Can We Do Better? Towards an Excellent Equal opportunity US Health Policy



- ❑ **Break the link between employment and health care**
- ❑ **Eliminate the concept of shopping for insurance**
- ❑ **Bend the Curve: Reduce the rate of health care cost increases**
- ❑ **Provide economic incentives to promote health**
- ❑ **Consolidate overlapping health coverage**
- ❑ **Medical Malpractice reform**