



**LHPC**  
Local Health Plans *of California*

Alameda Alliance for Health  
CalOptima  
CalViva Health  
CenCal Health  
Central CA Alliance for Health  
Community Health Group  
Contra Costa Health Plan  
Gold Coast Health Plan  
Health Plan of San Joaquin  
Health Plan of San Mateo  
Inland Empire Health Plan  
Kern Health Systems  
L.A. Care Health Plan  
Partnership HealthPlan of CA  
San Francisco Health Plan  
Santa Clara Family Health Plan

## California's Local Health Plans: A Panoramic View

## Welcome & Introductions

**Amber McEwen**

Director, Programs & Strategic Projects  
Local Health Plans of California

## Faculty



**Brianna Lierman** is chief executive officer of Local Health Plans of California and has more than a decade of experience in health care. Previously, she was a founding executive and vice president of government affairs, and compliance officer for a Medi-Cal Managed Care plan, where she was responsible for county and state government affairs, and advocacy with the executive and legislative branch. Prior to that, Brianna was in private practice as a lobbyist and advising clients in the areas of Knox-Keene and Medi-Cal managed care. Brianna is a member of the State Bar of California.

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## Faculty



**Bobbie Wunsch** is a partner with the Pacific Health Consulting Group. Ms. Wunsch has more than 30 years of experience in the health care industry and specializes in the restructuring and financing of health care delivery organizations. She provides strategic planning services to community clinics, county health and local Medicaid managed care organizations, and various other health care organizations. She focuses on a variety of issues, including restructuring through mergers or affiliations, program development, redesigns for improved effectiveness and efficiency, and cooperative business ventures.

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## Faculty



**Christopher Perrone** is director of the California Health Care Foundation's Improving Access team, which works to improve access to coverage and care for low-income Californians. He was previously director of the foundation's Health Reform and Public Programs initiative, where he led efforts to improve the policies and practices that shape Medi-Cal and other publicly funded health care programs, and to promote greater transparency and accountability within these programs.

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## Agenda

- Overview and Context
- History of the Local Plan Model
- Role of Local Plans in Managed Care
- Current and Future Challenges for Local Health Plans

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Brianna Lierman

## Overview & Context

### California's Medicaid Program

	Medi-Cal
<b>Mission</b>	Free or low-cost health coverage for adults and children with limited income and resources
<b>Population</b>	<ul style="list-style-type: none"><li>• Low-income families, adults and children</li><li>• People with disabilities</li><li>• Pregnant women</li><li>• Seniors (65+)</li></ul>
<b>Enrollment</b>	13.3 million
<b>Services covered</b>	Primary care, specialty, acute/hospital, mental health, substance use disorders, dental, vision, long-term care, pharmacy
<b>Cost-sharing</b>	No premiums or co-pays for lowest income beneficiaries
<b>Financing</b>	Federal and California governments
<b>Administration</b>	State government with federal oversight by CMS State – California Health & Human Services Agency and Department of Health Care Services

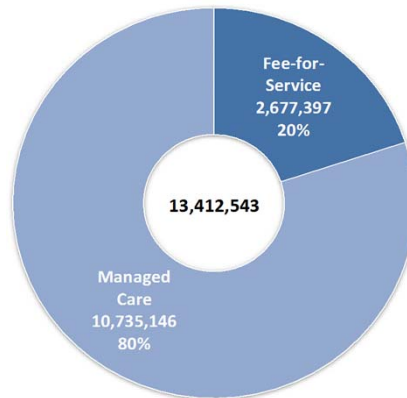
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## Understanding Local Plans' Role

### Medi-Cal Program

- ✓ Nearly **1 in 3** Californians are covered by Medi-Cal.
- ✓ **83%** (10.6M) beneficiaries are enrolled in Medi-Cal Managed Care.
- ✓ **25** health plans contract with CA Department of Health Care Services for the Medi-Cal Managed Care program.
  - **16** plans are local plans.

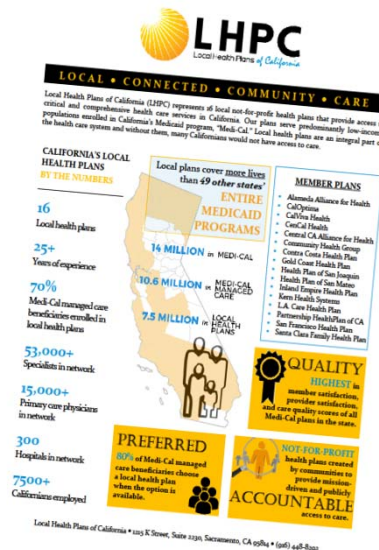
### Medi-Cal Enrollment



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## More Perspectives on Local Plans

- ✓ All 16 community-based and not-for-profit
  - *First and largest of our kind in the nation*
- ✓ Publicly operated and governed
  - *Largest publicly accountable delivery system in nation*
- ✓ Cover 70% of the 10.6M beneficiaries in Medi-Cal Managed Care
- ✓ 80% of Medi-Cal beneficiaries select the local plan when option available



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Bobbie Wunsch

## History of the Local Plan Model

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### Overview

- Who and where are the local health plans?
- Origins of the plans
  - Models and phases of Medi-Cal managed care
  - Definitions of local health plans
  - Origins: COHS
  - Origins: Local Initiatives
  - Origins: Community Health Group (CHG)
  - Authorizing Legislation
- Providing coverage beyond Medi-Cal
- Differences from commercial plans

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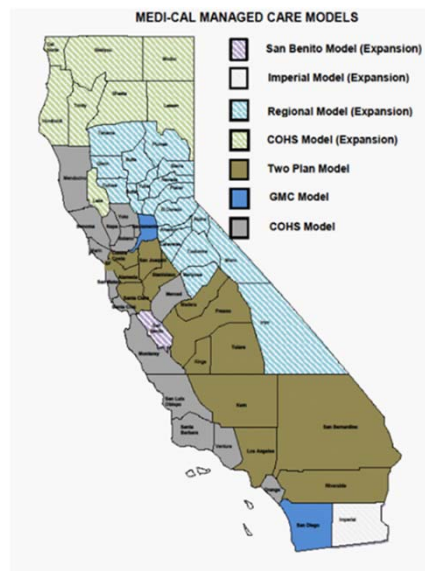
## Where are the Local Plans?



*Local* — Headquartered in communities  
... *and Statewide* — But cover nearly entire state

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## Six Models of Medi-Cal Managed Care



1. County Organized Health System (COHS)
2. Two-Plan Model
  - a. One Local Initiative (LI) Plan
  - b. One Commercial Plan
3. Geographic Managed Care (GMC)
4. Rural Managed Care/ Regional Model
5. Imperial Model
6. San Benito

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## Phases of Medi-Cal Managed Care

- Prepaid Health Plans (PHPs)
- Primary Care Case Management (PCCM)
- COHS
- State Plan for Two-Plan Model and GMC
- Rural Expansion — Phase 1
- Rural Expansion/Regional Model — Phase 2
- Imperial Model
- San Benito Approach

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## California's Local Health Plans and When They Began

### COHS

- CalOptima (1995)
- CenCal (1983)
- Central California Alliance for Health (1996)
- Gold Coast Health Plan (2011)
- Health Plan of San Mateo (1987)
- Partnership HealthPlan of California (1994)

### Local Initiatives

- Alameda Alliance for Health (1996)
- CalViva Health (2009)
- Community Health Group (1985)
- Contra Costa Health Plan (1973)
- Health Plan of San Joaquin (1996)
- Inland Empire Health Plan (1996)
- Kern Health Systems (1996)
- L.A. Care Health Plan (1997)
- San Francisco Health Plan (1996)
- Santa Clara Family Health Plan (1997)

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## Who Are Local Health Plans: Definition

[6 County Organized Health Systems \(COHS\)](#), [9 Local Initiatives \(LIs\)](#) and [1 community-based non-profit\\* plan](#) are recognized as California's local health plans.\*

### What makes local plans “local?”

- Established by its community to serve the health care needs of underserved populations
- Formed pursuant to state or federal statute as a public agency, independent of the County (exception Contra Costa Health Plan)
- Formed through local ordinance(s) (or joint powers agreements) of one or more Board(s) of Supervisors
- Governed by a commission whose membership is prescribed in the ordinance(s) (or statute)
- Subject to California's Fair Political Practices Law and Ralph M. Brown Open Meeting Law (“Brown Act”)
- Operate a health plan that contracts principally with public payors

\* Community Health Group (CHG) is also a local health plan, but is not a public COHS or LI. It is a community-based, nonprofit plan started by a community health center that shares the same mission as other local plans.

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## Plan Origins: COHS & Local Community Control

- Publicly sponsored health plans came to life in the early 1980s.
- County executives in Monterey and Santa Barbara suggested a novel, local, public and private partnership to reform Medi-Cal. San Mateo followed.
- The next wave was the addition of Solano, Orange and Santa Cruz counties in the 1990s.
- In the years that followed, several of the COHS expanded into nearby counties.

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## COHS: Local Control to Address Local Issues

- Strategy: Take control of Medi-Cal from state and federal bureaucracies and run it like a health plan, but one that was publicly accountable.
- Santa Barbara, Monterey, Santa Cruz and Ventura had **access** problems they wanted to address.
- San Mateo wanted to improve access, but also bring care back into their county that was leaking out to neighboring counties.
- Solano and Orange counties' COHS evolved from community projects to address indigent populations and the uninsured.
- Merced County got COHS designation, but instead joined Central California Alliance for Health.

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## Six COHS Plans Serving 22 Counties

COHS	County(ies)
CalOptima	Orange
CenCal Health	San Luis Obispo, Santa Barbara
Central California Alliance for Health	Merced, Monterey, Santa Cruz
Gold Coast Health Plan	Ventura
Health Plan of San Mateo	San Mateo
Partnership HealthPlan of California	Del Norte, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Shasta, Siskiyou, Solano, Sonoma, Trinity, Yolo

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## **Plan Origins: Local Initiatives Protect the Safety Net**

### **State Plan for Medi-Cal Managed Care developed under Director Molly Coye in 1992-93:**

- Political and legislative challenges of creating more COHS plans required DHCS to develop an additional model if the state was to move toward greater managed care enrollment.
- DHCS' decision to move to mandatory enrollment in managed care in some counties piqued the interest of commercial plans, which recognized that they would have reduced marketing costs in a mandatory environment.

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## **Plan Origins: Local Initiatives Protect the Safety Net**

### **State Plan for Medi-Cal Managed Care developed under Director Molly Coye in 1992-93 (*cont.*):**

- At the same time, county health and hospital systems, and other safety-net providers feared that to the extent commercial plans participated in Medi-Cal, they would seek to enroll only the healthier beneficiaries, putting the safety net at risk.
- County hospitals pressured DHCS to address these concerns with a radical new plan that attempted to both protect the safety net and spread the cost savings anticipated from managed care more widely by incorporating a local community plan based on the COHS model, and having it compete with a commercial plan. This became known as the Two-Plan Model.

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## Local Initiative Creation ...

- All counties who are LIs have county hospitals, except Stanislaus, Tulare and Fresno.
  - They initially had two commercial plans.
  - Fresno transitioned later to LI – CalViva.
  - Stanislaus contracts with Health Plan of San Joaquin.
- Alameda and San Joaquin were first two LIs to go live.
- Later transitions to managed care suggested that Fresno, Merced, Madera and Kings become GMC instead.
  - Merced became COHS; eventually joined Central California Alliance for Health.
  - Fresno, Kings and Madera became CalViva and contracted for some administrative services with Health Net.

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## Nine Local Initiatives Serving 13 Counties

County	Health Plans (Local Plan, Commercial Plan)
Alameda	Alameda Alliance for Health, Anthem Blue Cross
Contra Costa	Contra Costa Health Plan, Anthem Blue Cross
Fresno	CalViva Health, Anthem Blue Cross
Kings	CalViva Health, Anthem Blue Cross
Kern	Kern Health Systems, Health Net
Los Angeles	L.A. Care Health Plan, Health Net
Madera	CalViva Health, Anthem Blue Cross
Riverside	Inland Empire Health Plan, Molina Healthcare of California
San Bernardino	Inland Empire Health Plan, Molina Healthcare of California
San Francisco	San Francisco Health Plan, Anthem Blue Cross
San Joaquin	Health Plan of San Joaquin, Health Net
Santa Clara	Santa Clara Family Health Plan, Anthem Blue Cross
Stanislaus	Health Plan of San Joaquin, Health Net

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## Origin of Community Health Group (CHG)

- **1982:** CHG was created by San Ysidro Health Center – one of three community health centers in California to create a separate health plan
- **1983:** Obtained first contract with state as Primary Care Case Management (PCCM)
- **1984:** Obtained contract with San Diego County for indigent care
- **1985:** Knox-Keene license
- **1993:** Separated from San Ysidro Health Center as GMC began
- Only non-public local health plan

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## Authorizing Legislation

### Federal Legislation and Limits for COHS

- Federal statutes limit the number of COHS in California and place a ceiling on the percentage of Medi-Cal beneficiaries in the state that can be enrolled in COHS plans. Section 9517(c)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (42 U.S.C. 1396 b note) and as amended.

### State Legislation and Local Ordinances for LIs

- Welfare and Institutions Code Section 14087.38 allows counties to create a Local Initiative. The section is generic for use by any county. Some counties created their own unique section.
- To activate the LI, the County Board of Supervisors must pass a county ordinance.

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## Providing Coverage Beyond Medi-Cal

LHPC plans have provided a wide variety of insurance products and health programs to meet the needs of their communities beyond Medi-Cal:

- Healthy Families
- In-Home Supportive Services Workers (IHSS)
- Healthy Kids
- AIM (Access for Infants and Mothers)
- County employees
- County indigents and/or Coverage Initiative
- Medicare Special Needs Plan
- Duals Demonstration (Cal MediConnect)
- Covered California

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## Key Differences From Commercial Plans

- Mission emphasis on safety net
- Public, nonprofit agencies
- Local, easy to access
- County ordinance enables plan creation/continuation
- Community-based governance
- Vast majority of work focused on low-income populations with Medi-Cal and health disparities
- Community asset

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Chris Perrone

## How Are California's Local Plans Unique?

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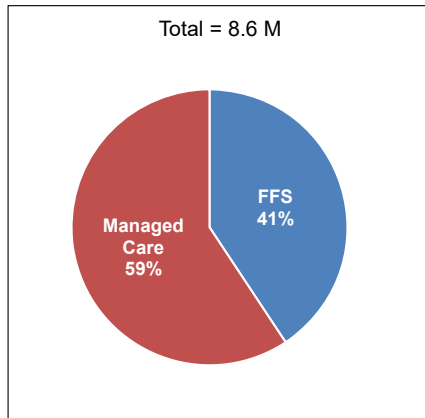
### Overview

- Role of Local Plans in Medi-Cal Market
- Medi-Cal Enrollee Experiences: Access and Quality
- Local Plan Investments in the Safety Net and in Their Communities
- A Few Challenges Facing Medi-Cal and Managed Care

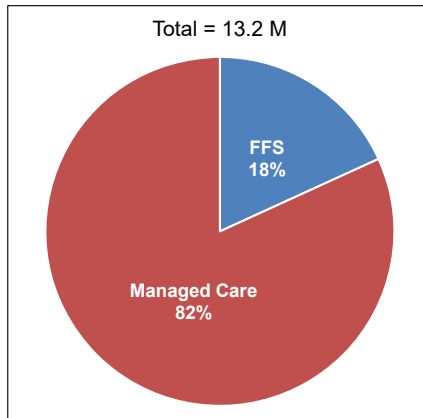
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## Most Medi-Cal Enrollees Get Care Through Managed Care

2013



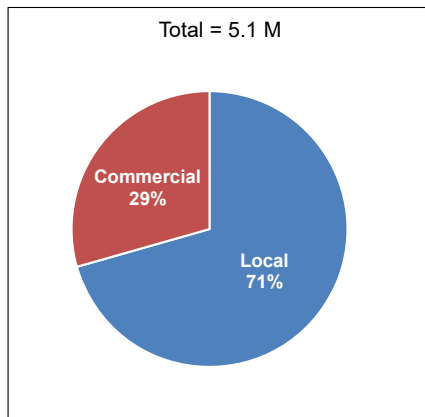
2018



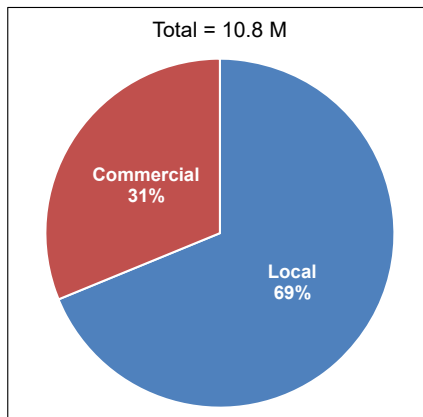
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## Most Managed Care Enrollees Get Care From a Local Plan

2013



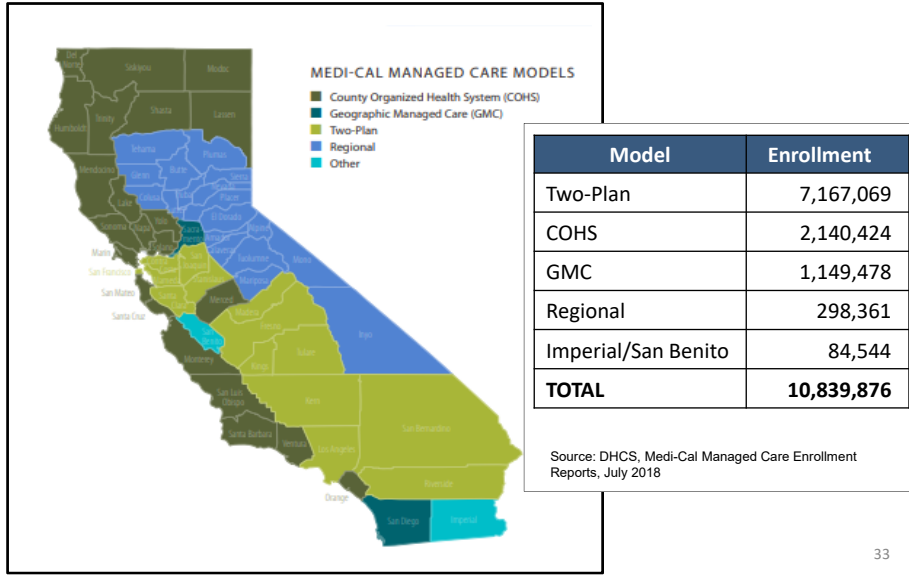
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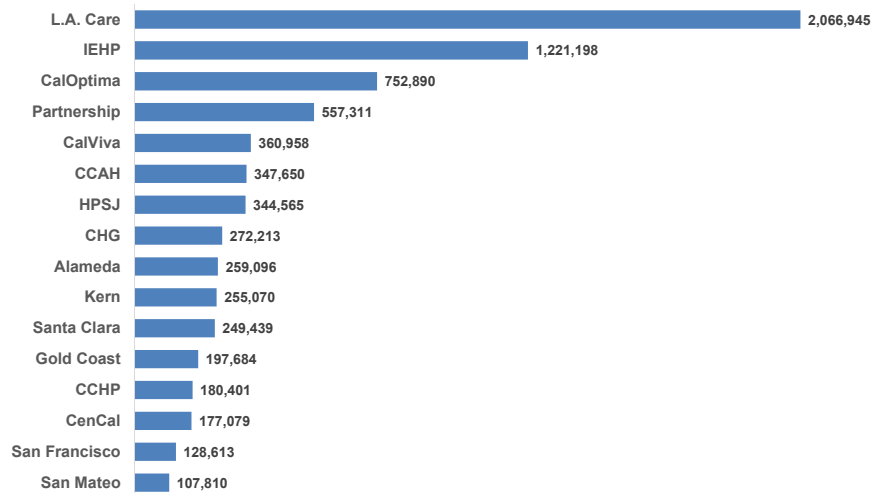


## Medi-Cal Managed Care Enrollment by Plan Model



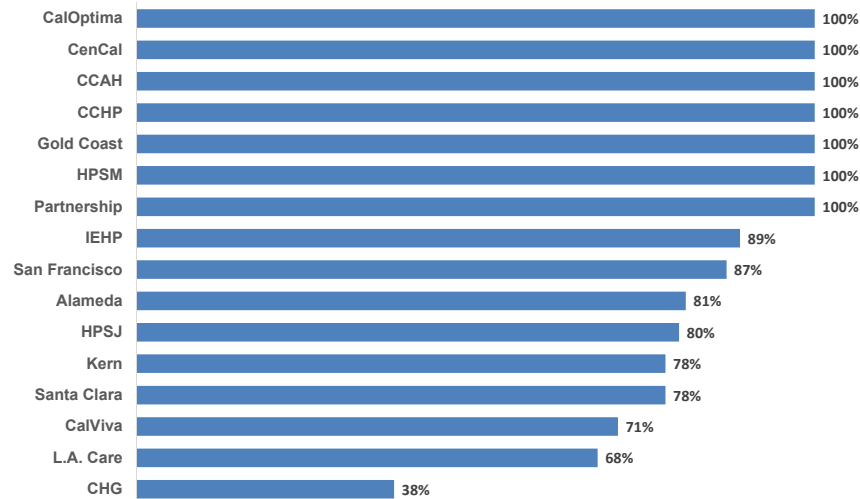
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## Local Plan Enrollment — 2018



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## Local Plan Market Share — 2018

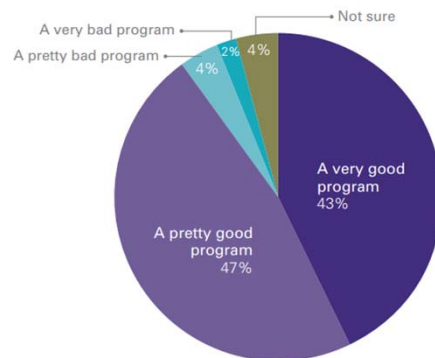


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## Most Medi-Cal Enrollees, Public Have Positive View of Medi-Cal

### Beneficiary Perceptions of Medi-Cal

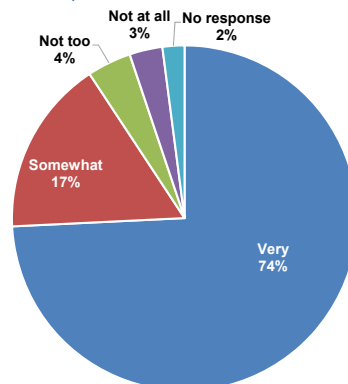
BASE: MEDI-CAL ENROLLEES/PARENTS OF ENROLLEES (N=1,063)  
In your opinion, is Medi-Cal...



Source: Medi-Cal Enrollee Survey, conducted by Lake Research Partners, 2011-2012.

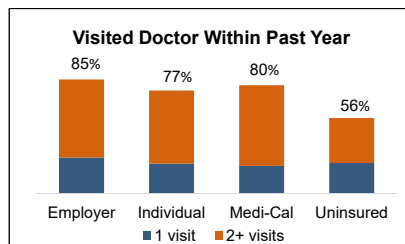
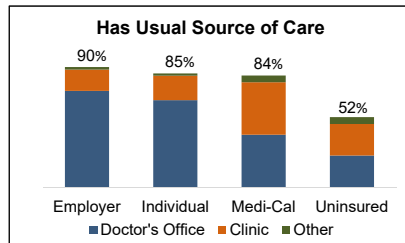
### Public Perceptions of Medi-Cal

How important is Medi-Cal to the state?



Source: Berkeley IGS Poll, 2017

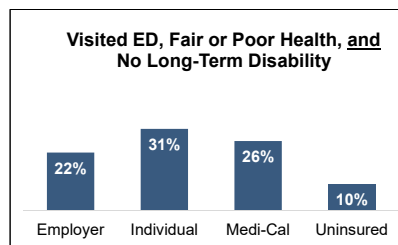
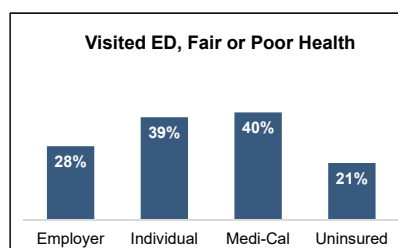
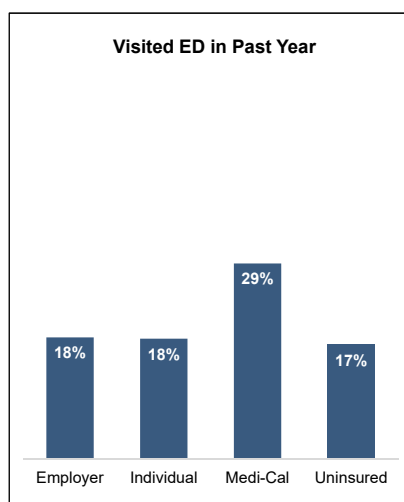
## Access to Care For Adult Medi-Cal Enrollees is Generally Comparable to Individual Market, Better Than Uninsured



- Adults with Medi-Cal are 40% more likely to receive routine check-ups than uninsured.
- Children with Medi-Cal are twice as likely to receive routine preventive and dental care than uninsured children.
- Women with Medi-Cal are 24% more likely to receive a mammogram than uninsured.
- 1 in 3 Californians struggling with mental health or substance abuse have Medi-Cal.

Source: California Health Interview Survey (CHIS), 2016.

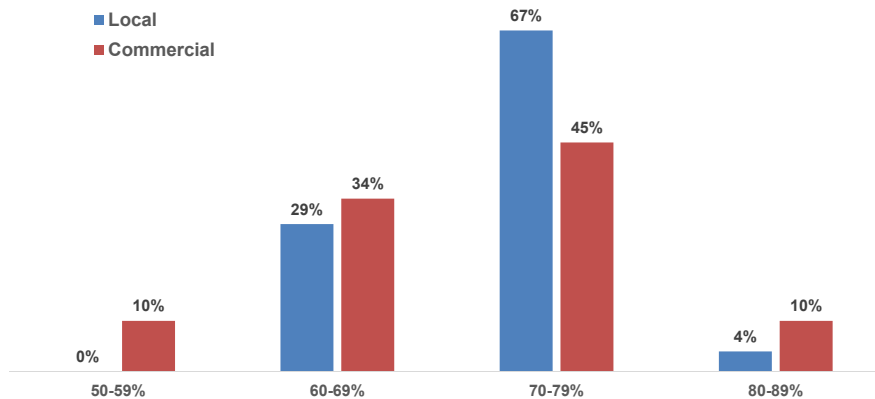
## Higher ED Use Among Adult Medi-Cal Enrollees Reflects Population Differences



Source: California Health Interview Survey (CHIS). Pooled 2015 and 2016 data for non-elderly adults.

## Large Majorities of Most Local Plan Members Say They Get Care Quickly

Getting Care Quickly – Percent of Plans by Member Rating



Source: DHCS, Medi-Cal Managed Care External Quality Review Technical Report, July 1, 2016-June 30, 2017 (April 2018).

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## Health Plan Total Quality Score

In two-plan counties, which plan performs better?

Local



Commercial

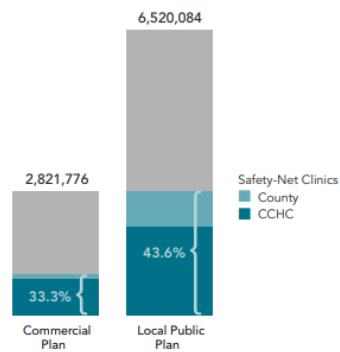


Source: DHCS Medi-Cal Managed Care Performance Dashboard, June 27, 2018 release.

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## Safety Net Clinics Are Important Providers for Public Plans, Especially in the North

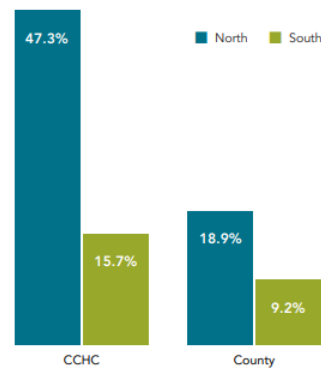
Figure 2. Total Medi-Cal Enrollment and Portion Attributed to Safety-Net Clinics, by Plan Type, 2015



Note: N = total enrollment.

Source: Data self-reported by plans; special data run provided by DHCS & Research Analytics Division; DHCS Year 9 & 10 Default Algorithm Reports.

Figure 6. Safety-Net Enrollment Market Share by Geography and Clinic Type, 2015



Source: Data self-reported by plans; special data run provided by DHCS & Research Analytics Division; DHCS Year 9 & 10 Default Algorithm Reports.

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## Growing Role of Safety Net Clinics in Local Plans

- Shared history
- Auto-assignment algorithm favors plans that rely more on safety net providers for primary care.
- Medi-Cal payment policies have driven greater dependence on Federally Qualified Health Centers (FQHCs) over time.

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## Public Plan Investments in the Safety Net

- Program grants for new services, improve chronic care, improve patient experience, improve timely access, reduce avoidable admissions
- Grants to purchase equipment, recruit and retain providers, support loan repayment
- Quality incentive payments targeted to meet HEDIS benchmarks in safety net

*"Public plans were far more likely than commercial plans to make investments in safety net clinics and were more likely to pair payments with technical assistance ... Public plans provided far larger levels of support targeted to expand access and implement practice improvements within safety net clinics."*

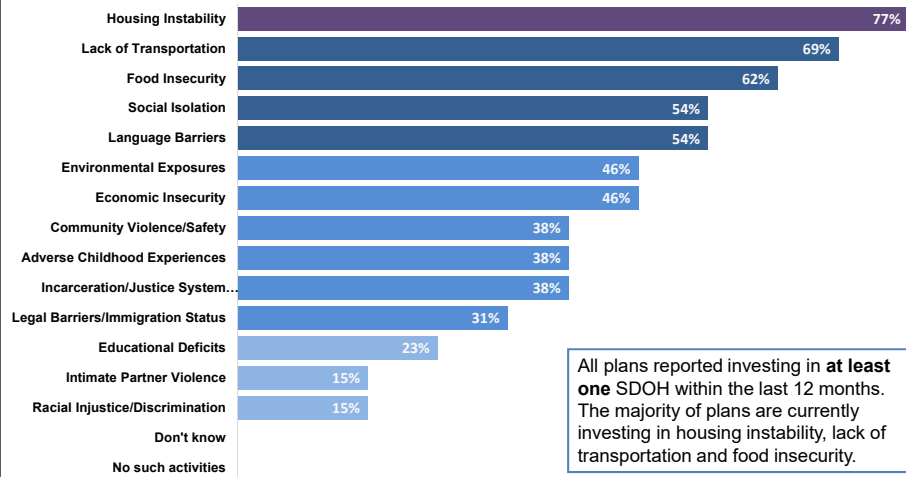
Source: Pacific Health Consulting Group, *Medi-Cal Managed Care Plans and Safety Net Clinics Under the ACA* (CHCF, 2015).

## Examples of Public Plan Investments

- Central California Alliance for Health's Provider Recruitment Program made \$20 million available to subsidize recruitment-related expenses for primary care, specialty care and behavioral health professionals.<sup>1</sup>
- Inland Empire Health Plan is investing in a \$20 million initiative to integrate behavioral health care at the point of care with 13 entities across 34 sites.<sup>1</sup>
- Partnership HealthPlan and L.A. Care are investing \$25 million and \$20 million, respectively, in grants to expand housing in their communities.

<sup>1</sup>Manatt Health, *Moving Medi-Cal Forward on the Path to Delivery System Transformation* (CHCF, 2016).

## Current Plan Investments in Social Determinants of Health (SDOH)

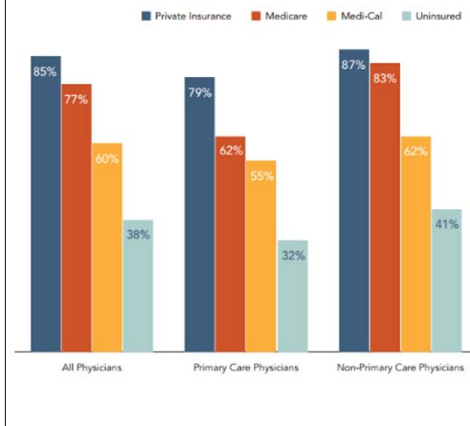


Prepared by JSI Research & Training Institute, Inc. with support from Blue Shield of California Foundation

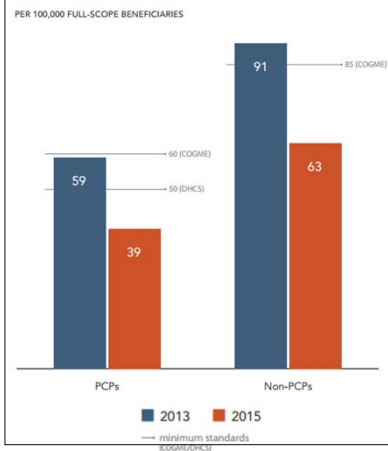
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## Physician Participation in Medi-Cal is Insufficient, Has Not Kept Pace with Enrollment Growth

Physicians Accepting New Patients by Payer, California, 2015

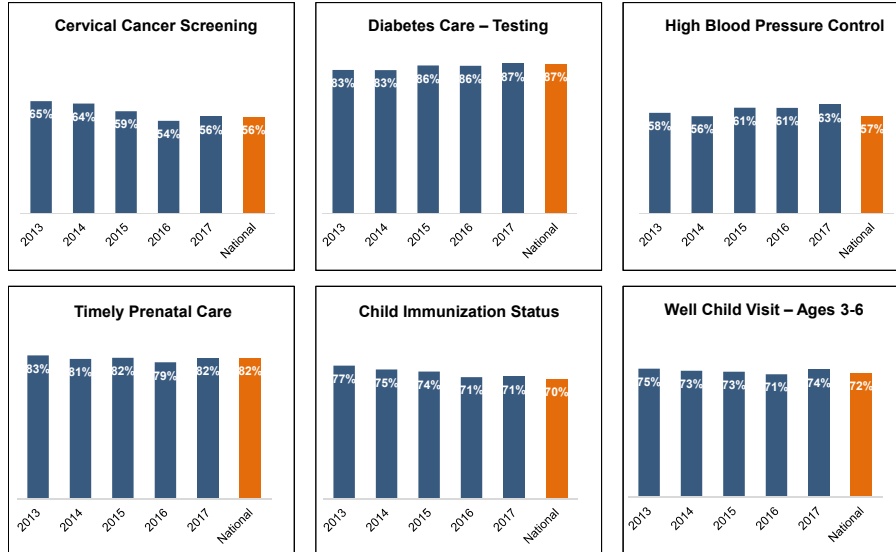


FTE Medi-Cal Physicians California, 2013 and 2015



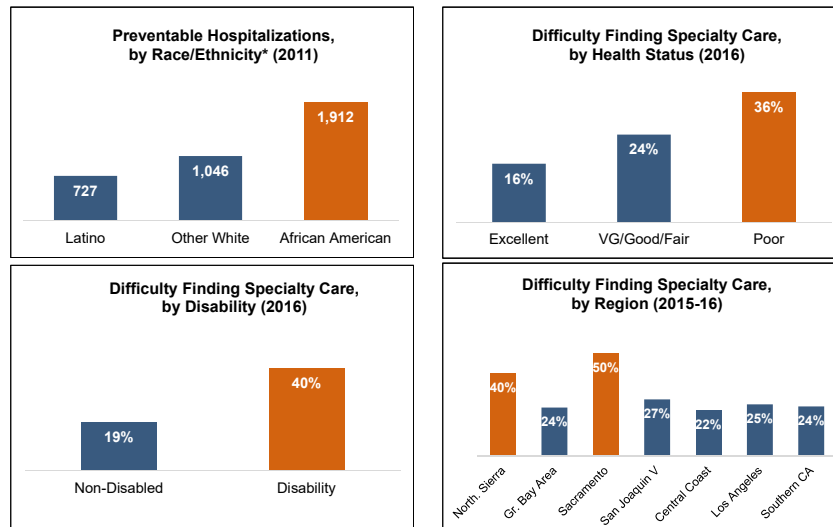
Source: J. Coffman and M. Fix, *Physician Participation in Medi-Cal: Is Supply Meeting Demand?* (CHCF, 2017).

## Quality of Care in Medi-Cal Managed Care is Similar to National Medicaid Average, But Has Not Consistently Improved Over Time



Source: Managed Care Quality and Monitoring Division, Medi-Cal data reflects reporting year (RY) 2016-17. National average reflects RY 2015-16.

## Significant Disparities in Care Remain Among Medi-Cal Enrollees



Sources: J. Watkins and J. Chen, *Preventable Hospitalizations in Medi-Cal: Rates of Hospitalization for Ambulatory Care Sensitive Conditions in 2011* (DHCS, 2015). Excludes children, seniors and persons with disabilities. California Health Interview Survey, 2016 and 2015-16 pooled. Non-elderly adults with Medi-Cal only.



## **Current & Future Challenges for Local Health Plans**

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***Thank You!***