



**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 Healthy Systems  
L.A. Care Health Plan  
Partnership Health Plan of CA  
San Francisco Health Plan  
Santa Clara Family Health Plan

**Local Health Plan Community Investments**  
*Presentation to Financial Solvency Standards*  
*Board (FSSB), June 15, 2016*

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# Today

- **About Local Health Plans**
- **Medi-Cal Program Rates, Process**
- **Local Plan Community Investment Programs**
- **Tangible Net Equity**

# About Local Health Plans

- Created by their communities, many over 20 years ago, to serve the Medi-Cal program, and many vested in state or federal statute and/or local ordinance.
  - All local health plans are community-based, not-for-profit
  - 15 of 16 are quasi-public entities governed by Brown Act.
- **16** local health plans cover **36** counties and **7.2 million** (70%) Medi-Cal managed care enrollees.
- **9** Local Initiatives, **6** COHS, **1** GMC plan.

# California's Local Health Plans

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# Medi-Cal Rates

## **Overview**

- Medi-Cal program enrollment and rates are primary drivers of local plans' financial health.
- Plans are paid a monthly capitated rate, comprised of individual per member per month (PMPM) amounts based upon aid codes (eg., adult family, seniors/persons with disabilities, dual eligible, etc.,).
- Plans' rates are based on two years' prior actual utilization, with allowances for trend and other factors.
  - *Examples: When current year experience or benefits do not match the rate.*

## **What do we anticipate in the coming years?**

- With the new federal “mega” Medicaid regulation, rate development, network adequacy requirements, monitoring, and quality requirements - are anticipated to change in the next two years.
- Additional corrections to ACA rates.
- Need for more staff.
- Additional pilot programs.

# Local Plan Community Investments

## Types of Local Plan Community Investments

- FQHC designation readiness grants.
- Incentive pool to increase access to autism screenings
- Transportation for members (eg., shuttle service).
- Program for intensive home visits.
- Clinic learning collaboratives.
- Grants to support clinic expansion, addition of services.
- Support for individual and small group practice providers to adopt EHR.
- Incentives to recruit primary care, specialty, behavioral health providers to serve Medi-Cal.
- Development of community resource centers (dance classes, exercise, art, member education).
- Recuperative care for homeless.
- Pilot for enhanced access through telemedicine.
- Equipment purchase grants for small/individual practices.
- Staffing, coaching for behavioral health, assisted living, clinic providers.
- IT infrastructure/upgrade grants.
- Grants to support supplemental vision services, dental services, and mobile services.
- Expansion, construction, renovation, acquisition of facilities to serve Medi-Cal members.
- Grants to community organizations to hold community health fairs
- Physician recruitment grants

# Local Plan Community Investments

*Examples...*

# Local Plan Community Investments

## L.A. Care

### Local Initiative | Los Angeles | 1.9 Million Members

- Established by the Board of Governors, LA Care's award-winning **Community Health Investment Fund** ("CHIF") supports initiatives that strengthen the community.
- Total community investments of over **\$150 million** in CHIF, CHI health coverage, sponsorships and other community programs, places L.A. Care **in the top 1%** of funders to the health safety net in Los Angeles County.
  - Over **\$51 million** to support more than **410 projects**, including clinical infrastructure development, planning/support of health IT, implementation of medical homes, purchase of adaptable exam equipment, development of clinics, to name a few.
  - A **\$96 million** investment in the Children's Health Initiative to expand coverage to over 45,000 children ages 6-18.
- CHIF grants have ranged from \$5,000 for accessible exam equipment via the Seniors and Persons with Disabilities Initiative to over \$1.5 million to build an eConsult infrastructure to increase the capacity and efficiency of specialty referrals for the community-based and public safety net

# Local Plan Community Investments

## Central California Alliance for Health

COHS | Santa Cruz, Monterey, Merced | 345,000 Members



### **Capital Program** *New program launched in April 2016.*

Planning and/or implementation grants for the expansion, construction, renovation, and/or acquisition of health care facilities that will serve the growing Medi-Cal population in the Alliance service area. Capital grants are also available for projects that expand access to Medi-Cal services through transitional or permanent supportive housing for the Alliance's most medically fragile Medi-Cal members.



### **Infrastructure Program** *New program launched in April 2016.*

Planning and/or implementation grants for information technology and equipment systems that expand Medi-Cal capacity in the Alliance service area.



### **Practice Coaching/Technical Assistance Program** *\$465K awarded since July 2015 for 17 engagements.*

Practice Coaching grants for practices committed to adoption of the Patient Centered Medical Home (PCMH) model of care, and Technical Assistance grants for other types of training or consulting engagements that directly result in increased access, coordination of care and integration of services.



### **Provider Recruitment Program** *\$10M awarded since July 2015 to bring 87 new providers into the service area.*

Grants to subsidize recruitment expenses for new primary care, specialty care, and behavioral health professionals to serve the growing Medi-Cal population.



### **Equipment Program** *\$540K awarded since July 2015 for 32 equipment grants.*

Grants to subsidize equipment purchases **that will expand health care providers' capacity to serve the growing Medi-Cal population in the Alliance service area and impact direct patient care.**

# Local Plan Community Investments

## Inland Empire Health Plan

Local Initiative | Riverside/San Bernardino | 1.1M Members

### ***Provider Capital Fund***

Given their geography (22,000 square miles) and members' access needs, the Inland Empire needs more clinical space. IEHP's Governing Board created a \$30M Provider Capital Fund to fund renovation, expansion and new construction of medical facilities to help improve access and quality of care.

### ***Network Expansion Fund***

Through this fund (launched in 2014) IEHP invested \$16M to help medical groups, hospitals and counties successfully bring 130 new providers to the Inland Empire.

### ***Community Resource Centers***

IEHP has opened and is in the process of opening another Community Resource Center, which will offer activities for members such as Zumba classes, line dancing, member education.

### ***Behavioral Health Initiative***

IEHP has allocated \$25M for staffing and coaching at 29 sites – such as county behavioral health, clinics, CBAS centers – to fully integrate physical and behavioral health.

# Local Plan Community Investments

## Health Plan of San Mateo COHS | San Mateo | 140,000 Members

HPSM's goal in its community investments is "to develop a community of practice to coordinate and integrate services and supports for members in the most appropriate setting by the most appropriate people."

To date, ***\$49 million*** in investments and set-asides.

HPSM's community investments focus on:

1. Specialty Referral Increase
2. Clinical Partnerships
3. Member Access Program
4. Community Partnerships (***next slide***)
5. Home Visiting Program

# Local Plan Community Investments

## Health Plan of San Mateo *Community Care Settings Pilot*

### ***The Pilot***

- Partnership with two non-profits, Institute on Aging (intensive, transitional case management) and Brilliant Corners (housing agency, transitional services).
- Designed to avoid institutionalization of eh dually eligible members.
- Relies on other community partners, such as housing providers, counties, hospital and nursing facilities.

### ***How does it work?***

- Identifies members in Long Term Care.
- Selected based on a set of community developed criteria.
- Services are phased in based on participant's status, including connection to community services, visits by case manager, medication stabilization, nutrition services, and transportation assistance.

### ***Outcomes***

- Transitioned 70 people to community settings.
- Goal to connect more than 800 members with housing and care coordination services over the five years.

# Local Plan Tangible Net Equity (TNE)

After *many challenging years*, local plans now have adequate TNE.

**Table 1: Local Plan Reserves – Median TNE Multiple**

3/2016	12/2015	12/2014	12/2013
5.9	5.5	3.6	3.8

TNE is a *minimum reserve* amount. All local plans seek to establish reserves in excess of the minimum level. Local plans do not send money to shareholders; but, they must be profitable enough to develop sufficient reserves to meet their operational needs.

A *TNE multiple* may still only be equivalent to a month or two of expenses. For some plans, TNE is equivalent only to several days or weeks of expenses.

Local plan community investment programs are at various stages of development, but all have similar objectives: increase access, improve member care, improve the community and support the safety net.

# Thank you