



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: July 8, 2014
Placement: Departmental
Estimated Tme: 20
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Director and Health Officer, Public Health Department, (805) 681-5105
Director(s) Health Department, (805) 681-5105
Contact Info: Dan Reid, Interim Deputy Director, Public Health Department, (805) 681-5173
SUBJECT: Resolution to Implement the Indigent Care Program and Terminate the Medically Indigent Adult Services Program

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider recommendations as follows:

- a) Adopt a Resolution to implement a new Indigent Care Program and terminate the existing Medically Indigent Adult Services Program.
- b) Approve and Adopt the County's eligibility regulations for the new Indigent Care Program
- c) Approve and authorize the Public Health Department Director or designee to update and/or revise the Indigent Care Program Eligibility Regulations as needed to ensure compliance with federal, state and local legislation and to ensure the continued access to health care services for eligible individuals with a medical need.
- d) Determine that these activities are exempt from California Environmental Quality Act (CEQA) review per CEQA Guideline Section 15378(b)(5), as organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Summary Text:

This item is on the Board agenda to adopt a Resolution to implement a new Indigent Care Program and approve eligibility regulations for the new program, while terminating the existing Medically Indigent Adult Services Program as a result of the Affordable Care Act's effect on the County's obligations to provide access to necessary medical care for those legally resident in Santa Barbara County. Approval of these actions will also delegate authority to the Public Health Director or designee to update and/or

revise the Indigent Care Program eligibility regulations to ensure compliance with changing legislation or changes in conditions that warrant modifications.

Background:

The Medically Indigent Adult (MIA) Services Program was adopted by resolution by the Board of Supervisors more than 25 years ago, after responsibility for this program was transferred from the State to the counties. This program provided access to medical services for those qualifying uninsured adults in Santa Barbara County with a medical need and was paid for by an allocation of 1991 Health Realignment funding. With the expansion of Medi-Cal coverage and the inception of Covered California access to health care coverage under the Affordable Care Act starting on January 1, 2014, most of the existing and qualifying MIA patients became eligible for Medi-Cal or private health insurance. Therefore, the State has “taken back” 60 percent of 1991 Health Realignment funding because these individuals will now have health care coverage and a funding source for their care. However, the County of Santa Barbara, under Welfare and Institutions Code sections 17000 *et seq.*, retains its obligation to provide access to medical services for those qualifying residents with incomes between 138% and 200% of the federal poverty level.

Starting in the Fall of 2013, the Public Health Department (PHD) notified all medical services providers seeing MIASP patients that the program was sunseting on December 31, 2013. Since January 1, 2014, the PHD has used the “working title” of the Indigent Care Program (ICP) but retained the existing MIA eligibility regulations because, under state law, medical service providers have up to 6 months to submit claims for eligible MIA medical services to PHD. This 6 month period ended on June 30, 2014 and PHD has received all eligible claims for the MIASP. These Board Actions will close out the MIA program permanently and implement the new eligibility regulations for the Indigent Care Program which complements the Affordable Care Act and establishes new criteria for eligibility and ongoing indigent patient care. By authorizing the PHD Department Director to implement any necessary changes to the eligibility regulations, the Program can be kept current with changing regulatory and legislative changes as well as adjust to other changes in the environment to ensure that there is necessary access to medical services for this vulnerable population.

Eligibility for the ICP is based upon income levels, assets, and in a few instances upon verification of exemptions from the individual mandate to obtain coverage under the Health Benefit Exchange. These exemptions must be obtained from the Internal Revenue Service or other regulatory agencies. At this point in time it is difficult to predict this process and ability of eligible individuals to acquire this verification in a timely manner. Therefore, PHD plans to allow self-attestation of an eligible exemption for a transition year (January 1, 2014 through December 31, 2014). After this point in time, exemptions will not be granted without written verification of an exemption from accessing private or public health insurance.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis: With the “takeback” of 60% of 1991 Health Realignment dollars, the funding source for the MIA program has been greatly reduced and redirected to other State needs. In addition, because the benefit expansion programs and process under the ACA were still relatively new and the PHD has very little experience in this new environment, it was anticipated at the submission of the FY 14-15 Adopted Budget that approximately \$600,000 of remaining Realignment funding would be spent on the inpatient and outpatient referral needs of ICP patients. This is a reduction of almost \$3 million dollars from an approximate \$3.6 million spent for the same services for MIA patients in FY 2012-13.

Staffing Impacts:

There are no staffing impacts associated with adopting the Resolution to implement the Indigent Care Program and terminate the Medically Indigent Adult services program and approving the Indigent Care Program eligibility regulation manual.

Special Instructions:

After Board action, please distribute as follows:

1. Copy of the executed Resolution to PHD
2. Copy of Minute Order to PHD

Please email phdcu@sbcphd.org when documents are available for pickup.

Attachments: *

1. Implementation of ICP and termination of MIA Program Resolution
2. Indigent Care Program Eligibility Regulations

Authored by:

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