

California Health Programs: Finance and Policy Overview

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Opening Points

- California's health programs are complicated
- The State-County relationship is complicated
- High degree of variability in local programs
- This presentation will illuminate some major elements, but will be incomplete
- Health care reform will reshape what exists today



Major Public Programs

- Medi-Cal
 - Federal-State matching 50:50; with most state share funded by State General Funds
 - 6.5M persons; entitlement
 - Eligibility at local level; various forms of delivery systems (Fee-for-Service, County Organized Health System, Geographic Managed Care, Two-Plan Models)
 - Many special components – i.e., In-Home Supportive Services (IHSS), Disproportionate Share Hospital (DSH), Drug Medi-Cal
 - Waivers – many in CA; used for cost containment and program expansions (“costs not otherwise matchable”)
 - Current waiver focuses on hospital payments, SPD population, and early adoption of health care reform (childless adults)



Major Public Programs (cont)

- Healthy Families
 - Federal-State matching 65:35; with state share funded by State General Funds
 - About 1M children; no entitlement
 - Eligibility at State level; uniform delivery systems (HMOs)



County Health Programs

2004 CHCF Report – The Crucial Role of Counties by Debra Kelch

Table 1. Funding Streams for County Health Programs and Services

Indigent Health Care*	Public Health	Mental Health	Substance Abuse Treatment
<ul style="list-style-type: none"> • Realignment <ul style="list-style-type: none"> • Sales tax • Vehicle license fees • Proposition 99 revenues • County match and overmatch (county general fund) • <i>Some counties:</i> Federal Disproportionate Share Hospital (DSH) funding for counties operating their own hospitals 	<ul style="list-style-type: none"> • Realignment • State Public Health Subvention (\$1 million statewide) • State and federal categorical programs <ul style="list-style-type: none"> • Proposition 99 revenues • Maternal and Child Health • TB Control • HIV/AIDs • Federal bioterrorism • County general fund 	<ul style="list-style-type: none"> • Realignment • Medi-Cal (state and federal funds) • State general fund • Federal Mental Health • Block grant (Substance Abuse and Mental Health Services Administration, SAMHSA) • State and federal grants and categorical programs • Other revenues Patient fees, insurance • CalWORKs • County general fund 	<ul style="list-style-type: none"> • State general fund • Drug Medi-Cal (state and federal funds) • Substance Abuse Treatment Trust Fund (Proposition 36 set aside \$120 million state general fund) • Federal Substance Abuse Block Grant (SAMHSA) • State and federal categorical programs • CalWORKs • Reimbursements <ul style="list-style-type: none"> • Corrections • California Youth Authority • County general fund

*Non Medi-Cal



County Indigent Programs

- Section 17000
 - Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions.
- Section 17001
 - The board of supervisors of each county, or the agency authorized by county charter, shall adopt standards of aid and care for the indigent and dependent poor of the county or city and county.



County Indigent Programs

- High degree of variability in eligibility and services. Core of program is General Relief population.
- No regulatory structure.
- Various court cases have limited county discretion and raised program floor.
- Various models – direct delivery, contracted, mixed, and CMSP (23 counties).



Health Care Reform

- Medicaid Expansion – childless adults under 133% FPL
 - Major implications for county indigent systems
 - California hospital waiver
 - DSH Cuts
- Exchanges – over 133% FPL
- What happens to safety net programs?
- What happens to residual populations?



Health Care Reform (cont)

- Public health programs potentially affected by possible changes in program funding and/or changes in client status:
 - Clinical Public Health (TB, STD)
 - HIV Care Systems (Ryan White)
 - Substance Abuse
 - CCS and CHDP
- Opportunities
 - Prevention and Public Health Fund; Community Transformation Grants
 - Home Visiting

