



Agenda

Date: _____

Board Briefing Report

DATE: May 21, 2024

TO: Board of Supervisors

FROM: Sanja Bugay, Director, Department of Social Services

SUBJECT: Update on Medi-Cal Expansion

EXECUTIVE SUMMARY

The purpose of this Briefing is to provide your Board with information regarding expansions to the Medi-Cal and Affordable Care Act changes through Covered California.

HISTORY

Medi-Cal was created in 1965 by the California Medical Assistance Program after national legislation was passed. When passed, Medi-Cal provided health coverage only for families with children, children, pregnant individuals and individuals who were aged, blind or disabled and met several stringent requirements. The requirements included falling into one of the specific category groups listed above, having an income that was below the federal poverty level, the individuals were required to be citizens or have satisfactory immigration status, and the property they owned could not be over a value limit of \$2000 per an individual or \$3000 for a couple, also known as property limits, for all Medi-Cal programs. If an individual was approved for Medi-Cal, the medical services received were paid utilizing a fee-for service (FFS) health care delivery system. An FFS health care delivery system is a contract between Department of Health Care Services (DHCS) and service providers (doctors, hospitals) which included negotiated payment price for specific services whereas DHCS paid the providers directly. As a result, Medi-Cal recipients had limited choices from whom they could seek services.

Since the implementation of Medi-Cal, California has expanded Medi-Cal to create access to comprehensive coverage for millions of individuals through a number of passed legislative bills that reduced or removed some of the stringent requirements for an eligibility qualification and which enhanced the delivery of medical services.

MEDI-CAL ENHANCEMENT

To enhance delivery of medical services, California moved the Medi-Cal delivery payment system from a fee-for-service system to Managed Care Health Plan delivery system. Fresno has three Managed Care Health plans available for Medi-Cal individuals to choose from which are Anthem Blue Cross, CalMIVA Health, and Kaiser Permanente. As of February 2024, the Medi-Cal covered individuals are under the following managed care plans:

- Kaiser – 3,998
- Anthem – 155,843
- CalVIVA – 347,888

In March 2010, the Affordable Care Act (ACA) was signed into law with an implementation date of January 1, 2014, in California. ACA was a huge move to provide health care opportunities to millions of individuals who previously were unable to be covered under the Medi-Cal requirements. ACA added populations such as childless adults and increased the income threshold along with removing property limits for some of the Medi-Cal programs.

Medi-Cal has continued to expand its coverage. Beginning in 2016, legislation was enacted to allow individuals receiving Emergency Services only Medi-Cal to receive Full-Scope Medi-Cal, regardless of their immigration status.

- May 1, 2016, expansion included individuals 0-19 years of age
- Jan. 1, 2020, expansion included individuals 19-26 years of age
- May 1, 2022, expansion included individuals 50 + years of age
- Jan. 1, 2024, expansion included individuals 26-49 years of age

Additionally, the Medi-Cal requirement regarding property value limits increased. Prior to July 1, 2022, for certain Medi-Cal programs, an individual's property values could be no more than \$2000 per individual or \$3000 for a couple in order to be eligible for Medi-Cal. Property including bank accounts, 401k and retirements are examples. On July 1, 2022, the property limits increased to \$130,000 per individual or \$195,000 per couple. On January 1, 2024, the property limits were removed for all Medi-Cal programs. If someone was previously denied Medi-Cal due to being over property value limits, they may want to consider reapplying.

MEDI-CAL TODAY

The Medi-Cal application process was simplified and expanded to various methods. An individual may apply for Medi-Cal online or mail as follows:

- Online: on BenefitsCal at <https://benefitscal.com> or on Covered California at www.coveredca.com
- Mail: An applicant can obtain a paper application from the internet, a doctor's office, Community Based Organizations (CBOs), or any DSS lobby. Attachment A includes a list of Neighborhood Resource Centers and CBOs funded through the County that assist individuals with Medi-Cal applications and renewals.

To qualify for Medi-Cal, an individual no longer needs to be a U.S. citizen or meet satisfactory immigration status, report non-income producing property, or have a child. An individual is only required to be a resident of California and be within the income limits which are based on the Federal Poverty Levels and household size. Below is a monthly income limit threshold chart.

Monthly Income Limits		
Household Size	Adults 19 and Older 138% of the FPL	Children under 19 years 266% of the FPL
1	\$ 1732	\$ 3339
2	\$ 2352	\$ 4533

3	\$ 2970	\$ 5725
4	\$ 3588	\$ 6916

Medi-Cal managed care plans provide services that are equivalent to plans that are purchased individually or through an employer sponsored plan. With CalAIM, the Medi-Cal Managed Care plans provide enhanced services which were not available under old Medi-Cal. The following are the enhanced services:

- Enhanced case management provides a whole person approach to individuals needing comprehensive care management.
- Community Health Workers services are enhanced for preventive care.
- Community Supports provides a wide array of various services such as housing transition, transportation, respite care, and home modifications among other care services.

For the future, Medi-Cal legislation is in process that will lower a share of cost for those who are ineligible to free full scope Medi-Cal. If implemented, many more individuals will see lower cost for Medi-Cal services.

For individuals who don't qualify for Medi-Cal, an automatic referral will be sent to California's established insurance marketplace, known as Covered California (Covered CA).

COVERED CA

California became the first state in the nation to enact legislation to establish its own marketplace under ACA, Covered CA. This program began offering coverage in 2014 by creating a competitive marketplace where consumers have benefited from plans with lower premiums and a broad range of plans from which to choose. Covered CA also has Advanced Premium Tax Credits (APTC) and Cost Sharing Reductions (CSRs) which help reduce the cost of insurance and out of pocket costs.

APTC are advanced tax credits that help reduce the insurance premium costs for individuals and families when purchasing insurance through Covered CA. Eligibility for the credit is determined based on the information provided by the consumer. The tax credit advance premium is available for people whose income is between 138% and 400% of the Federal Poverty Level.

CSR are subsidies that help to reduce the out-of-pocket expenses an individual would have to pay for medical services such as deductibles, coinsurance and copayments, or similar charges. It does not assist with premium payments.

To be eligible for a Covered CA plan and/or APTC and CSR, an individual must be a California resident and meet citizenship or Satisfactory Immigration Status. For income limits on financial assistance for the purchase of a plan, individuals can access the Covered CA website and utilize the quick quote tool.

To access the Covered CA marketplace to purchase an insurance plan with APTC and/or CSR, for those who were automatically referred by DSS to Covered CA due to the Medi-Cal denial, Covered CA will reach out to the individual by mail. For individuals who did not apply for Medi-Cal and maybe interested in applying directly to Covered CA they can do so by phone at 1-800-300-1506 or online at www.coveredca.com.

ATTACHMENTS

- Attachment A- Neighborhood Resource Centers and Community Based Organizations locations funded through the County that assist individuals with Medi-Cal applications and renewals.

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