



A New Publication from the CENTRAL VALLEY HEALTH POLICY INSTITUTE

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Medi-Cal Redesign: Implications for the San Joaquin Valley

The Schwarzenegger administration has proposed a set of policy initiatives intended to slow Medi-Cal expenditure growth without cutting services. As 26% of the population of the San Joaquin Valley rely on the Medi-Cal program for health services, the redesign is particularly important to the Valley. The **Central Valley Health Policy Institute** developed this policy brief to assist stakeholders as they enter this complex policy and program debate.

The Governor's proposal seeks to constrain expenditure growth without decreasing the range of eligible persons or covered services, but the San Joaquin Valley has higher Medi-Cal participation, higher need for indigent care, and lower per capita spending compared to rest of the state. California's demographically diverse, rural heartland is growing and already faces remarkable unmet health care needs. Solutions that work elsewhere may not work in this region.

This policy brief includes several recommendations based on the comments from forum participants and analyses by CVHPI staff.

Ensure San Joaquin Valley Civic Participation In Implementation Planning: Due to the technical complexity of the Medi-Cal program, it has been extremely difficult to engage meaningful civic participation in much of the debate that has occurred to date. The ultimate impact of the redesign will be determined during the implementation planning phase. The region's representatives must insist on an active role in shaping the implementation of the changes to the Medi-Cal program.

Ensure Improved Funding for Safety Net Providers: Although the San Joaquin Valley has a higher rate of Medi-Cal participation than other regions in California, many safety net and rural providers face financial crises. The region has the lowest per enrollee expenditure on these services in a state with among the lowest per person payments in the nation. San Joaquin Valley providers require sustained state and federal support to improve access to care.

Develop Managed Care Expansion Models for Children and Families That Improve Healthcare Access: The Medi-Cal redesign includes bringing several counties under a single managed care model. As this approach may cause disruption in access and provider networks, successful implementation will require input from the region's public health systems, managed care organizations and safety net providers.

Develop Adequate Infrastructure before Mandatory Managed Care Enrollment for Aged, Blind and Disabled Beneficiaries: The redesign plan calls for the inclusion of the aged, blind and disabled categorically eligible beneficiaries in the regional managed care model. Given the challenges in building needed care systems, managed care enrollment for these groups should be phased-in over a longer transition period than proposed by the administration.

Reject Imposition of Premiums for Children and Families: Forum participants and other analysts expressed a strong consensus rejecting the implementation of the premium proposal.

Develop and Share Data on Potential Impacts on Safety Net Providers: Forum participants were concerned that adequate information was not available, accessible, and timely on the status of negotiations with the Federal government regarding hospital financing. This information would allow the region's providers and communities to evaluate the unintended consequences from restructuring the present fragile hospital financing system.

Explore Medicare/Medi-Cal Dual Eligible Managed Care Plans for the San Joaquin Valley: The Administration's proposals do not address Medicare/Medi-Cal dual eligibles in the San Joaquin Valley, yet care for these persons is a major factor in the increasing overall costs for the Medi-Cal program. Community care expansion along with medical/long-term care service integration should be explored in the region.

A copy of the full policy brief can be downloaded at <http://www.csufresno.edu/ccchhs/>

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