

County Statement Regarding the County Share of Cost Proposal

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Counties support the concept of health care coverage for all Californians. Toward that end, counties urge the state to enact a system of health care coverage and medical care delivery that builds upon and preserves the strengths of our current systems, including the unique qualities of our county-operated systems that specialize in serving vulnerable populations. Any transfer of county responsibilities and funding to the state would be a very complex process, and must be approached in a thoughtful, gradual manner. Also, any health care reform process must take into account historical, current and future county costs for treating those who are, and those who may remain, uninsured. To this end, counties should not suffer fiscal shortfalls from any of the following:

- Any share of cost that exceeds county savings resulting from health care reform
- Costs resulting from increased demand for county health care services that exceed county savings resulting from health care reform.
- Collapse of county health care infrastructure resulting from lost revenues due to patient shifts resulting from health care reform.

The following eight points, developed via a collaborative process between counties and county affiliated organizations, are designed to protect counties from the above scenarios and to preserve the health care safety net in California:

1. Counties to pay up to a ____ percent share of the cost of providing coverage for adult enrollees commonly known as Medically Indigent Adults under Section 14005.332 of the Welfare and Institutions Code and adult enrollees with an income at or below ____ percent of the FPL who receive coverage under the purchasing pool.
2. County payments must be based on the number of persons who move from the county indigent health system to the referenced programs, and the initial county payments to the state shall be computed not less than one year after the implementation of the program, and remitted on a quarterly basis going forward.
3. A statutory cap shall be established that assures that in no instance will the amount remitted by counties pursuant to #1 be greater than the sum of the indigent health care portion (based on the historical percentage of MISP/CMSP at the time of the 1991 Realignment) of the county's health Realignment account and required county maintenance of effort less all of the following:

- a. All actual uncompensated care costs incurred by the county during the fiscal year for services paid for or provided to any Medi-Cal and uninsured patients and individuals enrolled in the purchasing pool program;
 - b. County costs associated with any employer-mandated cost attached to counties for health coverage provided to IHSS providers.
4. Counties shall pay no share of cost for any mental health or drug and alcohol program services for the newly enrolled population.
5. Counties are no longer responsible under Section 17000 of the Welfare and Institutions Code for individuals who are enrolled or otherwise eligible for the new Medi-Cal, purchasing pool, or Medi-Cal Benchmark programs.
6. Sufficient retroactive coverage must be granted for providers to be reimbursed for services to persons who become eligible for the above referenced programs.
7. There will be no county share of cost for the new Medi-Cal and purchasing pool programs unless:
 - A local coverage option provides counties the option to serve persons enrolled for the new Medi-Cal, purchasing pool, or Medi-Cal Benchmark programs exclusively for a period of five years;
 - Full-cost reimbursement for Medi-Cal is provided to public hospitals and health systems and county clinics;
 - Federal matching funds are obtained for the new Medi-Cal program.
8. All of the provisions creating the county obligation to make payments to the state as a result of expansion of health care coverage must be placed in both a measure enacted by the Legislature and a measure to be voted on by the electorate. This would include each and every component of the program; the calculation mechanisms, the payment mechanisms, the populations that are subject to the program, and any enforcement mechanisms. This is necessary in order to prevent subsequent legislatures from changing the obligations of counties in a way that is adverse to counties' needs in caring for this population. The ballot measure would authorize the Legislature to change the language in a fashion consistent with its purpose, by a four-fifths vote of the Legislature.

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