



**HOSPITAL ASSOCIATION**  
of San Diego & Imperial Counties

# HFMA San Diego Spring Education Event

**May 9, 2019**  
**Health Policy Update**  
**State & Federal Landscape**



# Hospital Association of San Diego & Imperial Counties (HASD&IC)

- HASD&IC is a non-profit organization representing 38 hospitals and integrated health systems in the two-county region.
- HASD&IC's board of directors represents all member sectors and provides policy direction to ensure the interests of member hospitals and health systems are preserved and promoted.



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# HASD&IC 2019 Board of Directors



# Community Health Needs Assessment

2016 Community Health  
Needs Assessment

<https://hasdic.org/2016-chna/>

2019 Community Health  
Needs Assessment –  
expected June 2019



SAN DIEGO  
**2016**  
Community Health Needs  
Assessment





# Outline

- Update on Federal and State Health Policy Landscape
- Medi-Cal Policy Considerations



# Federal Update





# Federal Efforts to Dismantle ACA

- In December 2017, Congress passed the Tax Cuts and Jobs Act, which eliminated the financial penalty for not having health insurance effective January 1, 2019
- The Congressional Budget Office estimated that as a result of the elimination of the individual mandate:
  - 4 million fewer people would be covered in 2019
  - 12-13 million fewer people would be covered from 2021-2027
  - Premiums in the individual market would increase by about 10 percent most years between 2019-2027



# ACA in Court

Statement from Rick Pollack, President and CEO, American Hospital Association

March 26, 2019

*America's hospitals and health systems oppose the Department of Justice's (DOJ) misguided decision calling on the courts to strike down the Affordable Care Act in its entirety. The position is unprecedented and unsupported by the law or the facts. Millions of Americans would lose the coverage they have relied on for years. We have made too much progress in coverage and access to care for patients to go backwards.*

*If courts were to adopt the DOJ position, Medicaid expansion would be reversed and protections for people with chronic and pre-existing conditions would cease to exist.*



# Congress

- Congressional action before 2020 seems unlikely
- Medicare for All
- Lots of federal regulatory activity



# California Landscape

**Efforts to Undermine the ACA will reduce  
Californian's access to health care.**



# Loss of Individual Mandate: Impact in California

According an UCLA and UC Berkeley study:

- Between **150,000 and 450,000 more Californians will be uninsured in 2020**
- By 2023, the number of uninsured will grow to between **490,000 and 790,000 more uninsured** compared to the projected number if the ACA penalty had been maintained.
- The **most substantial enrollment changes will occur in the individual market**, where enrollment is projected to decline by **10.1 percent in 2020 and 14.4 percent in 2023**.



# Loss of Individual Mandate: Impact in California

## Projected Uninsured Californians Under Age 65 Midpoint estimate 2020

Region	Uninsured	Total Population	Portion of Region's Population Uninsured
San Joaquin, Central Valley, Eastern, Kern	440,000	4,020,000	11.0%
San Diego	340,000	2,870,000	11.9%
Total	4,020,000	34,200,000	11.7%

Source: UCLA-UC Berkeley CalSIM version 2.2



# CA Response to Support ACA 2018 Legislation

- **SB 910 (Hernandez)** California became the first state in the nation to outright ban the sale of short-term junk insurance plans that do not cover pre-existing conditions, essential health benefits, or abide by other ACA consumer protections.
- **SB 1375 (Hernandez)** limits the sale of Association Health Plans which can also skirt ACA patient protections.
- **SB 1108 (Hernandez)** ensures that California won't agree to eligibility restrictions to health coverage, like the counterproductive work requirements in Medicaid that the Trump Administration have promoted.
- **AB 2499 (Arambula)** ensures health plans spend at least 80% of premium dollars on health care, instead of administrative costs and profit. The Trump Administration proposed lowering the standard to 70%.

MY RELATIONSHIP  
WITH HIM COULD  
BE BETTER...



... BUT HE'S  
THE LEADER OF  
AN UNUSUAL PLACE  
AND HIS VALUES ARE  
VERY DIFFERENT...



STILL, MAYBE  
GAVIN NEWSOM  
AND I WILL HAVE  
A SUMMIT ONE DAY.





# Governor Newsom's First Act

- Create the largest-scale **single-purchaser system** for prescription drugs.
- Make California the first state to cover undocumented young adults through Medi-Cal.
- Expand **Obamacare financial help** for families & reinforcing the Affordable Care Act after federal attacks.
- Call on the federal government to **empower California to truly innovate**.
- Establish California Surgeon General **to focus on root causes**.



# CA Response to Support ACA 2019 Legislation

## AB 414 (Bonta) and SB 175 (Pan)

HASD&IC and CHA Support Legislation to **Reinstate the Individual Mandate** in California.

- A State of California individual mandate penalty would encourage Californians to sign up for coverage and generate revenues to be used to improve affordability assistance in Covered California



# CA Response to Support ACA 2019 Legislation

**AB 4 (Bonta, Chiu and Santiago) and SB 29 (Durazo)**

HASD&IC and CHA Support Legislation to expand full-scope Medi-Cal to all income-eligible adults, without regard to their immigration status.



# CA Response to Support ACA 2019 Legislation

## AB 174 (Wood) and SB 65 (Pan)

HASD&IC and CHA Support Legislation to Make Individual Coverage Affordable for More Californians.

- Law would provide state-funded financial assistance to consumers that buy individual coverage to help them afford premiums and cost-sharing.



# Previous Legislation: Surprise Medical Bills AB 72 (Bonta, 2016)

- Consumers are protected from surprise bills when they receive care from an out-of-network doctor at an in-network facility.
- Consumers are only billed for their in-network cost-sharing and no more than that.
- **Did not apply to emergency services**



# 2019 Legislation: Surprise Medical Bills

## AB 1611 (Chiu, Wiener)

Legislation would shield patients who receive emergency services from “balance billing”

- CHA supports AB 1611’s *intent* to protect patients, but even after some amendments, the bill’s provisions are extremely problematic.
- The bill goes beyond just insulating patients from additional cost and **seeks to set hospital payment rates**.



# 2019 Legislation: Surprise Medical Bills

## AB 1611 (Chiu, Wiener)

- Reduces insurance companies' incentives to negotiate contracts with hospitals.
- Creates disincentive for health insurance companies to arrange for prompt transfer to a patient's in-network hospital
- Could lead to broader state rate setting and unintended consequences.
- Concerns with ERISA



# Surprise Medical Bills Federal Interest

## At Least Three-Fourths Say The Government Should Take Action To Protect Patients From Surprise Medical Bills

Percent who say the federal government **should take action** to protect patients from having to pay the cost not covered by their insurance for care received in each of the following situations:

Having a medical emergency and are taken to a hospital that is not in their health plan's network

78%

Having a medical emergency and are taken to an emergency room by an ambulance that is not in their health plan's network

78%

Plan to receive care at a hospital that is in their health plan's network but are treated by a doctor who is not

76%

SOURCE: KFF Health Tracking Poll (conducted April 11-16, 2019). See topline for full question wording and response options.





# Lots of Resources . . .





# California Hospital Association



*Leadership in Health Policy and Advocacy*

**<https://www.calhospital.org/>**



# Upcoming CHA Education

## Rural Hospital Financial Readiness (Hosted by the Rural Health Care Center)

- **May 14, Sacramento**

## Discharge Planning for Homeless Patients Mid-Year Updates

- **May 29, Webinar**

## County Mental Health Financing 101

- **June 13, Webinar**

## Hospital Finance & Reimbursement

- **July 23, Sacramento**
- **July 25, Glendale**

# Questions?



# Medi-Cal Update

- Current Program Updates
  - Health Homes
  - Drug Medi-Cal
  - Coordinate Care Initiative
- Future Policy Considerations
  - Next Section 1115 Waiver
  - Behavioral Health Carve-In
  - Rebid of Medi-Cal Managed Care Plans

# Questions?



# Contact Us

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