

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Human Services Division**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Cheryl S. Davis, Director of Human Services

DATE: July 9, 2013

SUBJECT: Medicaid Coverage Expansion Income Eligibility Limit

ACTION REQUESTED:

1. Authorize increasing Placer County's income eligibility limit under that program to 133 percent of the federal poverty level.
2. Appoint the Director of Health and Human Services as the County contract representative for providing notices, making determinations, and signing amendments as provided for in the July 24, 2012, Medicaid 1115 Waiver Demonstration Program revenue contract with the California Department of Health Care Services regarding the Low Income Health Program Medicaid Coverage Expansion.

BACKGROUND:

The California Department of Health Care Services was granted a waiver by the federal government to allow counties to draw down federal funds to match County expenditures for local medical care programs such as our 100 percent County General Funded Medical Care Services Program (MCSP). The County is required to meet the maintenance of effort (MOE) equal to FY 2009-10 MCSP expenditures to receive federal matching funds. This waiver established the Medicaid Coverage Expansion (MCE) for uninsured income eligible single adults and childless couples between the ages of 19 and 64.

On July 24, 2012, your Board authorized the implementation of MCE for income eligible uninsured Placer County residents. At that time, the income eligibility limit was set at 100 percent of the federal poverty level (FPL) or \$11,490. Prior to implementing this program, our MCSP was serving 1,400 residents in any given month with significant costs increases to the County every year since 2008. In June we had 3,100 residents enrolled in MCE with all increased costs federally funded.

HHS is requesting your authorization to increase the income eligibility limit to 133 percent of FPL (\$15,282), the maximum allowed under the federal waiver, effective 14 days after notice is provided to the California Department of Health Care Services. The department requests this increase for two reasons:

1. Since implementing MCE, over 200 individuals still fell through the cracks in coverage and were served by 100 percent County-funded MCSP for a cost of almost \$350,000, which is incurred on top of our MOE. These individuals were slightly over 100 percent FPL and not eligible for MCE but met the medical necessity definition of the County's MCSP. By increasing the FPL threshold for MCE, we can move these 200 enrollees with significant and costly medical conditions and others similarly situated who may apply in the coming months to MCE and receive federal funding.
2. Effective October 1, 2013, over 11,000 Placer County residents with income levels up to 138 percent FPL will be eligible to begin applying for Medi-Cal coverage that begins January 1, 2014. Until their coverage begins in January, we are expected to provide MCE and MCSP in the meantime. By stepping the FPL up to the maximum allowed, we will be able to avoid an increased number of individuals falling to MCSP as well as stagger enrollment of eligible individuals over a greater period of time.

FISCAL IMPACT:

The requested action will save potential additional County General Fund outlay for medical coverage. No additional County General Funds are required other than the MOE included in the FY 2013-14 Proposed Budget.

