



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** July 1, 2013  
**Board Meeting Date:** August 6, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Jean S. Fraser, Chief, Health System  
Srija Srinivasan, Director of Strategic Operations, Health System

**Subject:** Health System Financial Assistance Programs Policies Revisions

**RECOMMENDATION:**

Adopt a Resolution authorizing revisions to the Health System Financial Assistance Programs policies.

**BACKGROUND:**

Under Section 17000 of the California Welfare and Institutions Code, counties are obligated to meet the healthcare needs of medically indigent residents. San Mateo County fulfills its Section 17000 responsibility through a health coverage program called the Access and Care for Everyone (ACE) program that is available, generally, to uninsured County residents with incomes below 200% of the Federal Poverty Level. The Health System Financial Assistance Programs policies detail the program's eligibility, scope of services, enrollment, and appeal processes.

Your Board last amended these policies in June 2011 to adapt the County's ACE program to implement a "Bridge to Health Reform" program under the State's Medicaid 1115 waiver. The Health System has operated a bridge coverage program that will end on December 31, 2013 in alignment with the expansion of coverage under the federal health reform law that will be effective January 1, 2014.

**DISCUSSION:**

The Affordable Care Act (ACA) changes the landscape for health insurance coverage, requiring all citizens to obtain health insurance or pay a tax penalty. The ACA expands eligibility for Medi-Cal and provides federal subsidies for individuals with incomes below 400% of the Federal Poverty Level to purchase coverage through private health plans offered through exchanges, such as "Covered California" in our state. The Health System needs to revise the eligibility rules and parameters for the local coverage

program to adapt to the new offerings and rules. These changes would be effective January 1, 2014.

The major changes included in these revisions are: a) removing the section for the three-year bridge program called Medicaid Coverage Expansion (MCE) which will end on December 31, 2013; b) changing ACE eligibility rules to exclude those who are eligible for Covered California coverage; c) including a section for a "Limited ACE" program that would be available until December 31 to residents who were eligible for Covered California but did not enroll and otherwise meet ACE eligibility criteria; d) adjusting eligibility rules to eliminate a waiting period if previously insured through an employer, eliminate the consideration of assets and raise the cutoff for the fee waiver segment by five percentage points, in alignment with ACA eligibility rules; and e) increasing participant-cost sharing for the group with incomes between 139% and 200% of the Federal Poverty Level to maintain parity between Covered California costs and ACE participation costs. The revisions also include additional technical changes to correct or clarify language and adapt technical aspects of the program to the ACA's rules.

The policies have been reviewed by the Legal Aid Society of San Mateo County and the proposed changes were reviewed by the San Mateo Medical Center Board.

The policies and Resolution have been reviewed and approved by County Counsel as to form.

Approval of these revised policies contributes to Shared Vision 2025 commitment of a Healthy Community by promoting maximum coverage in newly available federally subsidized offerings and providing access to basic healthcare to the medically indigent. It is anticipated that the number of individuals enrolled in ACE will decrease as the State implements the Affordable Care Act with an expansion of Medi-Cal and the launch of Covered California.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2013-14 Estimated</b>	<b>FY 2014-15 Projected</b>
Number of individuals enrolled in ACE	30,900	20,000

**FISCAL IMPACT:**

There is no Net County Cost impact associated with the adoption of this Resolution. The Health System's Recommended FY 2013-14 and 2014-15 Recommended Budget will include assumptions about the financial impact of changes in coverage related to the implementation of the ACA.