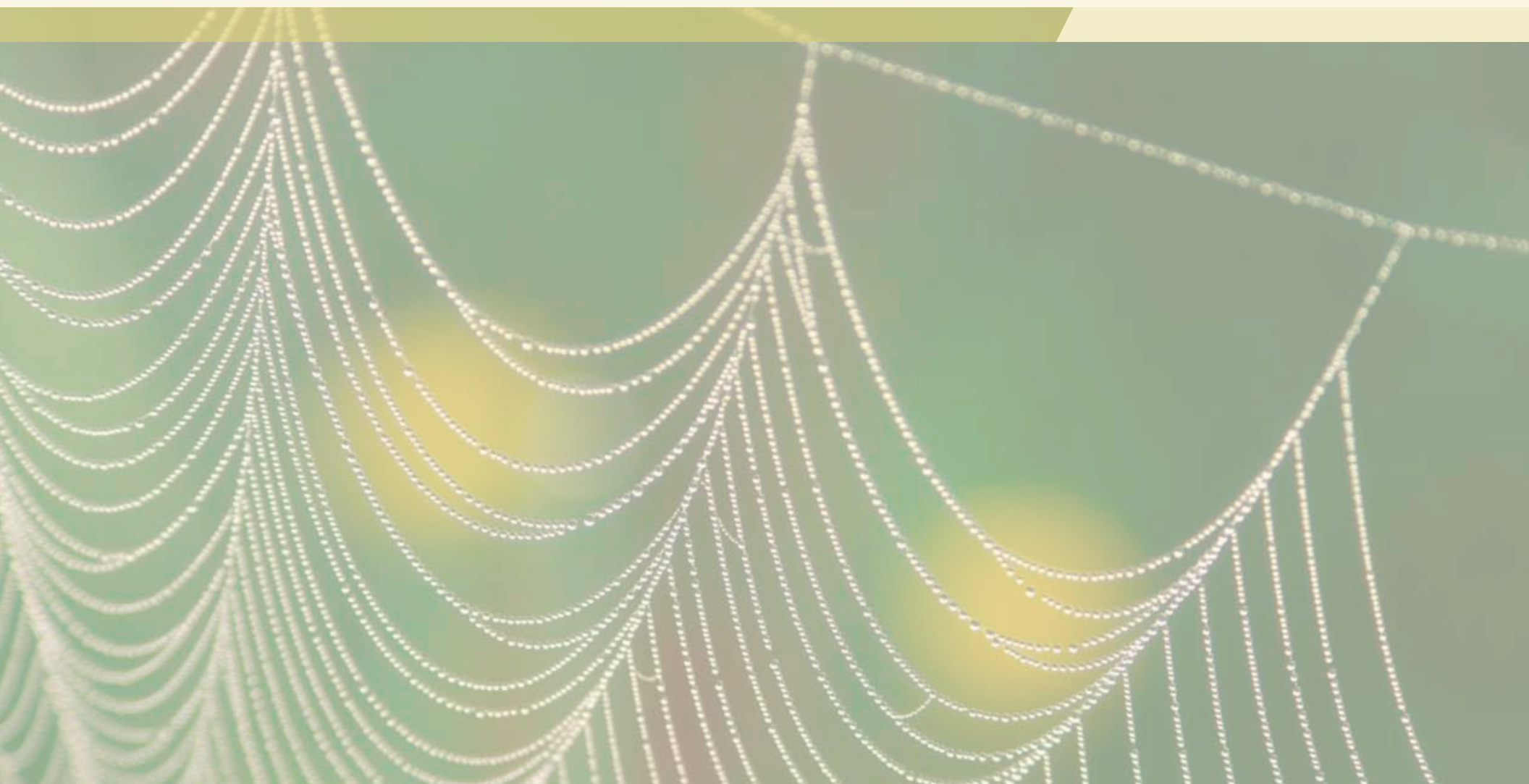


CALIFORNIA HEALTH CARE ALMANAC



California's Health Care Safety Net: A Complex Web

APRIL 2013

Introduction

The health care safety net is a patchwork of programs and providers that serve low-income Californians without private health insurance. Changes in the economy, government budgets, and health care policy can influence how the safety-net population obtains medical care.

This report provides a snapshot of California's safety net at a critical juncture ahead of the full implementation of the federal Affordable Care Act (ACA) in 2014. Stakeholders are preparing for important ACA deadlines, such as the expansion of Medi-Cal, the state's largest safety-net program, while legal and political battles wage on over the future of health care reform.

California's Health Care Safety Net: A Complex Web reflects a time of economic dislocation (much of the data for this report comes from 2009, the most recent year for which data are available). California unemployment reached 12% by the end of 2009, and monthly Medi-Cal enrollment peaked at over 7 million Californians that year. At the same time, the state trimmed billions of dollars from its budget by eliminating certain Medi-Cal services for adults, freezing Healthy Families enrollment for children, and cutting funding to community clinics. One bright spot was the American Recovery and Reinvestment Act (ARRA) of 2009, which provided stimulus funds to hospitals, clinics, and Medi-Cal.

KEY FINDINGS INCLUDE:

- In 2009, 3 in 10 Californians could be counted in the health care safety-net population because they were low-income and either enrolled in public programs or uninsured. Adults represented the largest portion of this population (59%).
- In 2010, 68% of net patient revenue for public hospitals came from Medi-Cal and county indigent programs, compared to 17% for private nonprofit hospitals. In addition, public hospitals relied on county financial contributions, which decreased 6% since 2008.
- The safety-net population accounted for 79% of community clinic visits. Most of the funding for this care came from Medi-Cal, which funded 57% of community clinic visits but provided 71% of the clinics' net patient revenue.
- Compared to the non-safety-net population, Californians in the safety net were less likely to have a usual source of care, less likely to access preventive care, and more likely to delay care.
- The safety-net population spent more money out-of-pocket for health care (3.2%) as a percentage of income than the non-safety-net population (1.7%). In addition, third-party payers spent one-third less on their behalf.

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Defining the Population

This report uses the criteria in the category list below to place people in either the safety-net or non-safety-net population. Including low-income, uninsured Californians who are not enrolled in public programs in the safety net provides the best sense of who uses or could potentially use county indigent programs or other such services.

Not everyone in the safety-net population has made use of safety-net services, just as not everyone in the non-safety-net population has used health care services. This analysis excludes Medicare enrollees except for those also enrolled in Medi-Cal, a group commonly referred to as "dual eligibles."

Safety-Net Population

- Enrolled in a public program and earning less than 300%* of the federal poverty level (FPL)
- OR
- Uninsured and earning less than 300% FPL

Non-Safety-Net Population

- Privately insured and earning less than 300% FPL
- OR
- Income of at least 300% FPL (insured and uninsured)

The phrase "safety-net population" is used to refer to different groups of people, so it is important to be precise in delineating who falls into this category.

*In 2009, 300% of the FPL was \$66,150 for a family of four, or \$32,490 for an individual.

Defining Safety-Net Programs and Providers

The Programs

Safety-net programs, which typically use income to determine eligibility, include the following:

- **State:** Medi-Cal and Healthy Families
- **County:** Programs for the uninsured and medically indigent
- **Episodic:** Breast and Cervical Cancer Treatment Program; Child Health and Disability Prevention Program; Expanded Access to Primary Care; Family Planning, Access, Care, and Treatment (PACT); and California Children's Services
- **Low-income, non-government insurance:** California Kids, Kaiser Permanente Cares for Kids, Healthy Kids

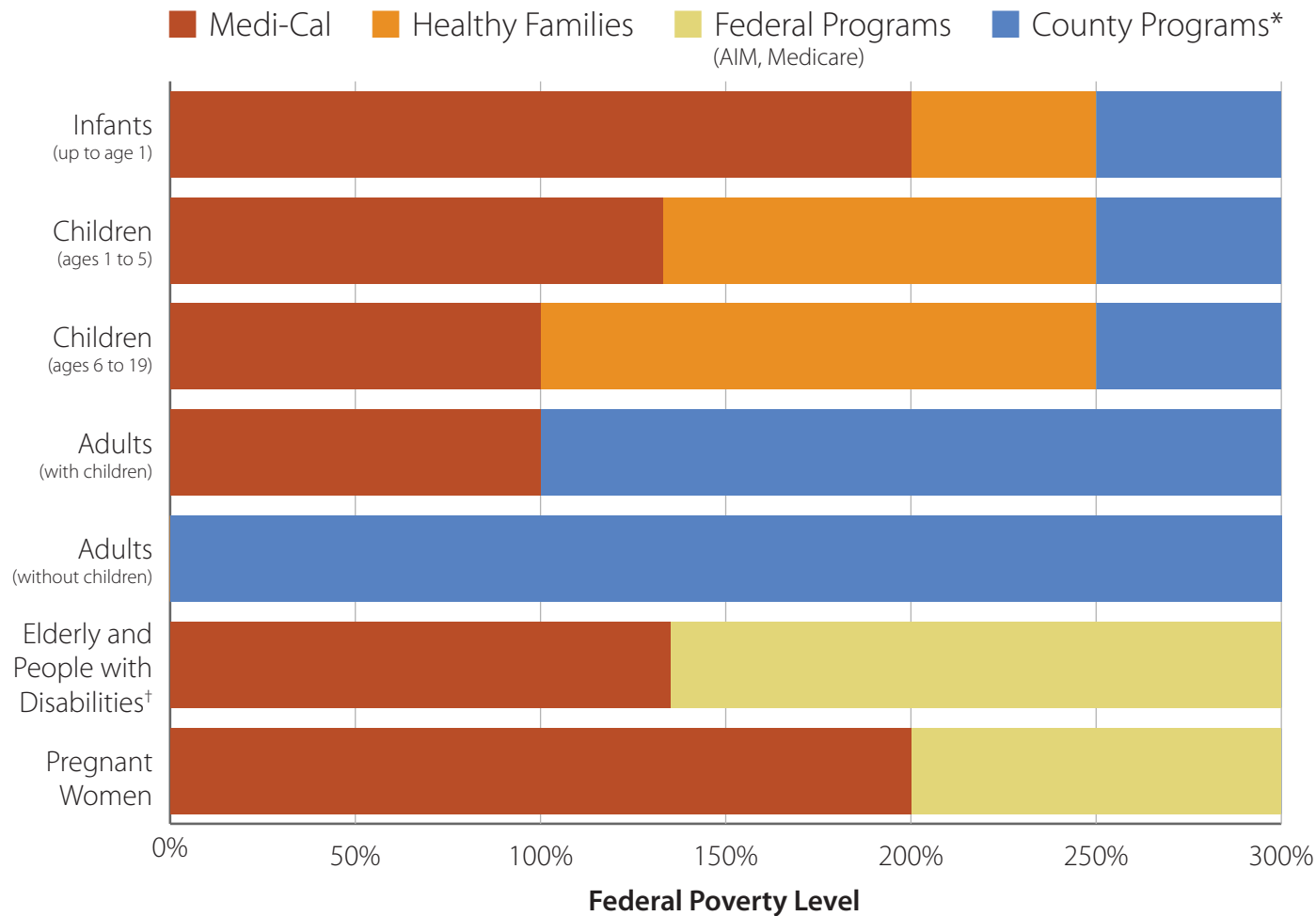
The Providers

The safety net includes health care providers that by legal mandate, explicit mission, or contract provide care to patients regardless of their ability to pay:

- **Hospitals:** city/county, nonprofit, investor, and district hospitals with county or Medi-Cal contracts, or designated as critical access or disproportionate share (DSH)
- **Clinics:** federally qualified health centers (FQHCs), free, rural, and mental health
- **Private doctors:** contracted care and charity care

The safety-net population is served by diverse health care programs and providers.

Public Program Eligibility by Poverty Level, California, 2009



Most federal, state, and local programs provide coverage to those whose incomes fall below specified levels. State and federal programs generally cover children, pregnant women, adults with children, and the elderly, or those who are disabled. County programs generally provide services to very low-income single adults without children and to those who do not qualify for state or federal programs.

*County programs cover those who do not qualify for state and federal programs, up to a limit set by the counties. These limits vary by county, with many setting limits below 300% FPL. (In 2009, 300% FPL was \$66,150 for a family of four, or \$32,490 for an individual.) Many uninsured individuals in this eligibility bracket may be responsible for the entirety of their medical expenses.

†Californians age 65 and older and disabled adults who qualify will also have Medicare coverage.

Notes: Public programs include Medi-Cal, Healthy Families, Medicare and Medi-Cal dual eligibles, and other public programs. AIM is Access for Infants and Mothers.

Sources: California HealthCare Foundation (CHCF), "Medi-Cal Facts and Figures," 2009; county data is from Blue Sky Consulting Group, "County Programs for the Medically Indigent in California," CHCF, 2009.

Public Programs Services Covered, California, 2009

	MEDI-CAL	HEALTHY FAMILIES	COUNTY PROGRAMS OFFERING SERVICE†
Inpatient Hospital Services	✓	✓	57 (83%)
Outpatient Hospital and Clinic Services	✓	✓	57 (83%)
Emergency Department Care	✓	✓	58 (84%)
Laboratory and X-ray Services	✓	✓	58 (84%)
Physician Services	✓	✓	60 (87%)
Drug and Alcohol Treatment Services	✓	✓	5 (7%)
Family Planning Services	✓	✓	11 (16%)
Skilled Nursing Services	✓	✓	4 (6%)
Medical Equipment and Supplies	✓	✓	42 (61%)
Home Health Agency Services	✓	✓	37 (54%)
Prescription Drugs	✓	✓	54 (78%)
Dental Services	✓*	✓	38 (55%)
Optometry Services	✓*	✓	40 (58%)
Eye Appliances	✓*	✓	37 (54%)
Audiology Services	✓*	✓	39 (57%)
Chiropractic Services	✓*	Optional	5 (7%)
Psychological Services	✓*	✓	6 (9%)
Therapies (such as occupational, physical, and speech)	✓*	✓	45 (65%)

*Only for patients under 21 or in a nursing facility (except for occupational therapy, which is unlimited).

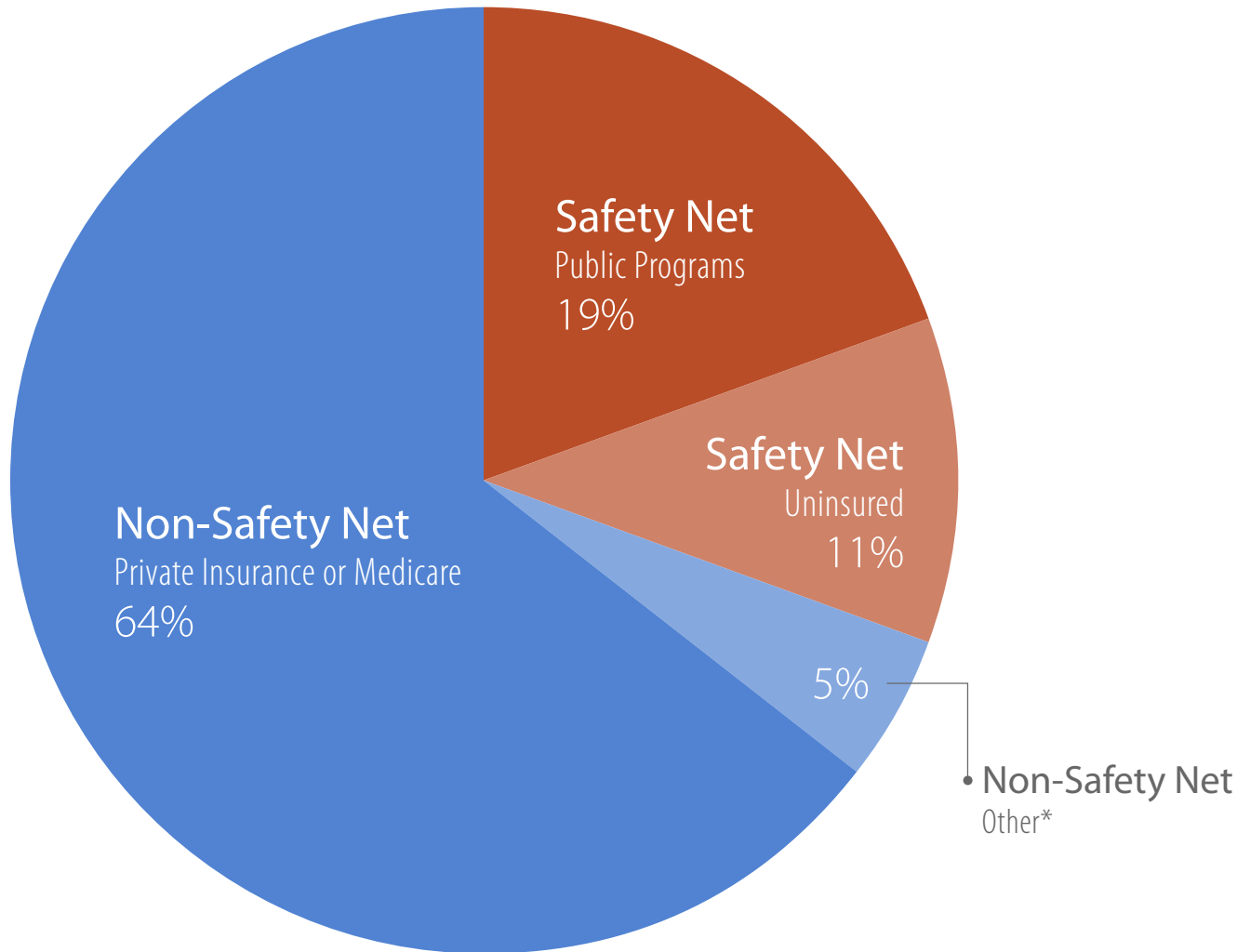
†County programs included are those that reported full coverage of these services and are unlimited. There are a total of 69 county programs because nine counties have more than one program.

Sources: California Health Care Foundation (CHCF), "Medi-Cal Facts and Figures," 2009; Healthy Families coverage is from the Managed Risk Medical Insurance Board, Healthy Families Summary of Benefits; county County information is from Blue Sky Consulting Group, "County Programs for the Medically Indigent in California," CHCF, 2009.

The Medi-Cal and Healthy Families programs generally provide the broadest range of services among the safety-net programs. County programs generally provide fewer services.

Safety-Net vs. Non-Safety-Net Population

California, 2009



California's Health Care Safety Net

Safety-Net Population

In 2009, 3 out of every 10 Californians earned below 300% of the federal poverty level and were uninsured or enrolled in Medi-Cal, Healthy Families, or another safety-net program.

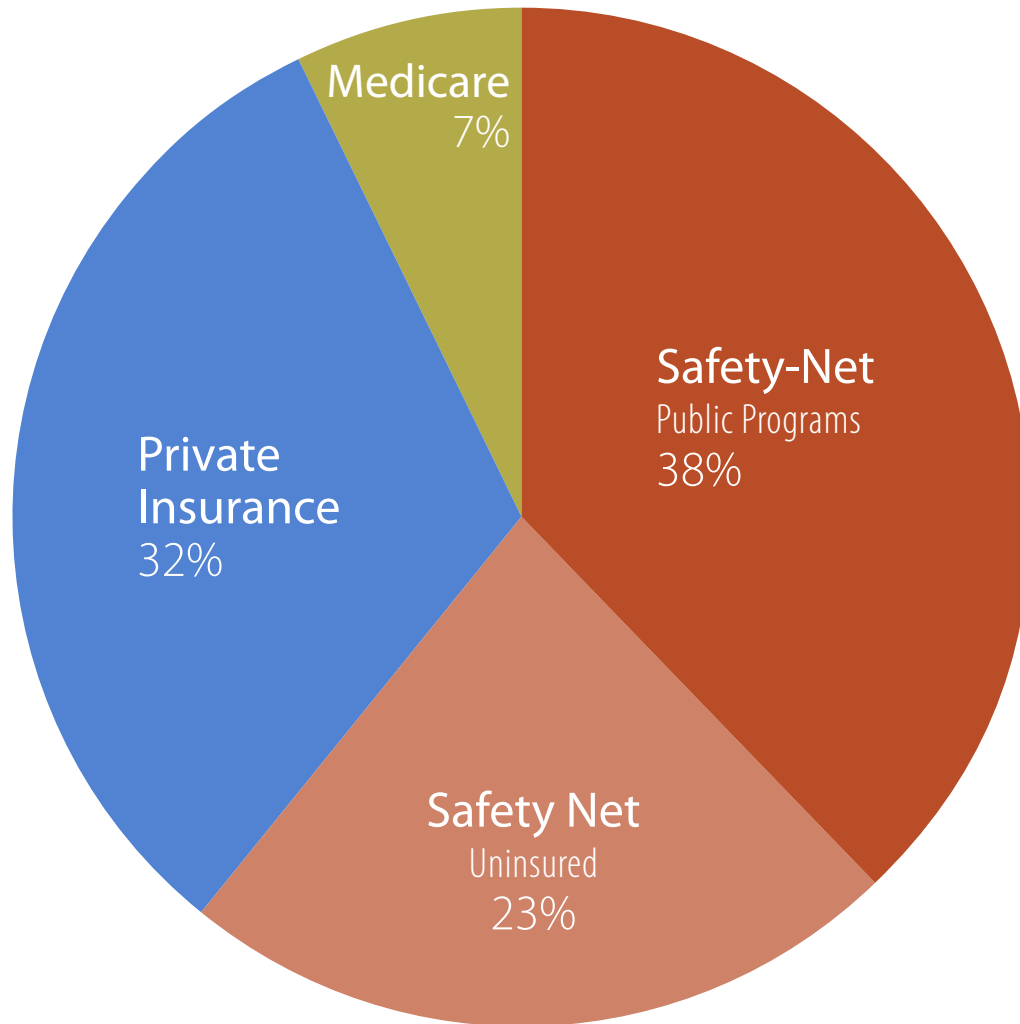
*Individuals who were uninsured or enrolled in public programs, but who earned 300%+ FPL. (In 2009, 300% FPL was \$66,150 for a family of four, or \$32,490 for an individual.)

Notes: Public programs include Medi-Cal, Healthy Families, Medicare and Medi-Cal dual eligibles, and other public programs. Segments may not total 100% due to rounding.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Insurance Status of Population with Incomes <300% FPL

California, 2009



Almost two-thirds of Californians with incomes below 300% of the federal poverty level were in the safety net. Only 32% had private insurance.

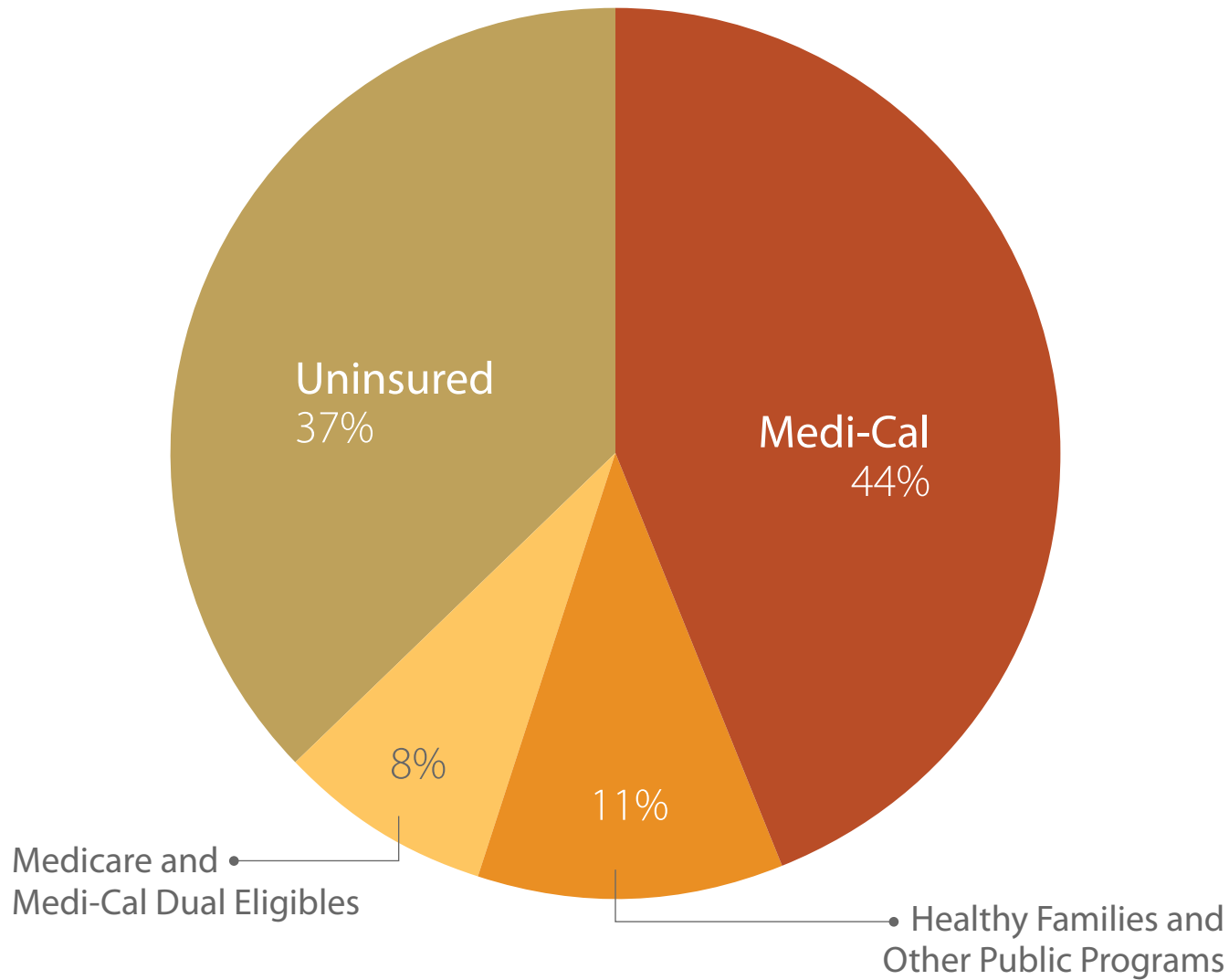
Notes: FPL is federal poverty level. Medicare recipients were excluded unless they were also eligible for Medi-Cal. Residents being served by county indigent programs were likely captured as uninsured in these data.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Safety-Net Population Enrolled in Public Programs

California, 2009

Medi-Cal was the largest provider of health care coverage for the safety-net population, enrolling 44% of the group.

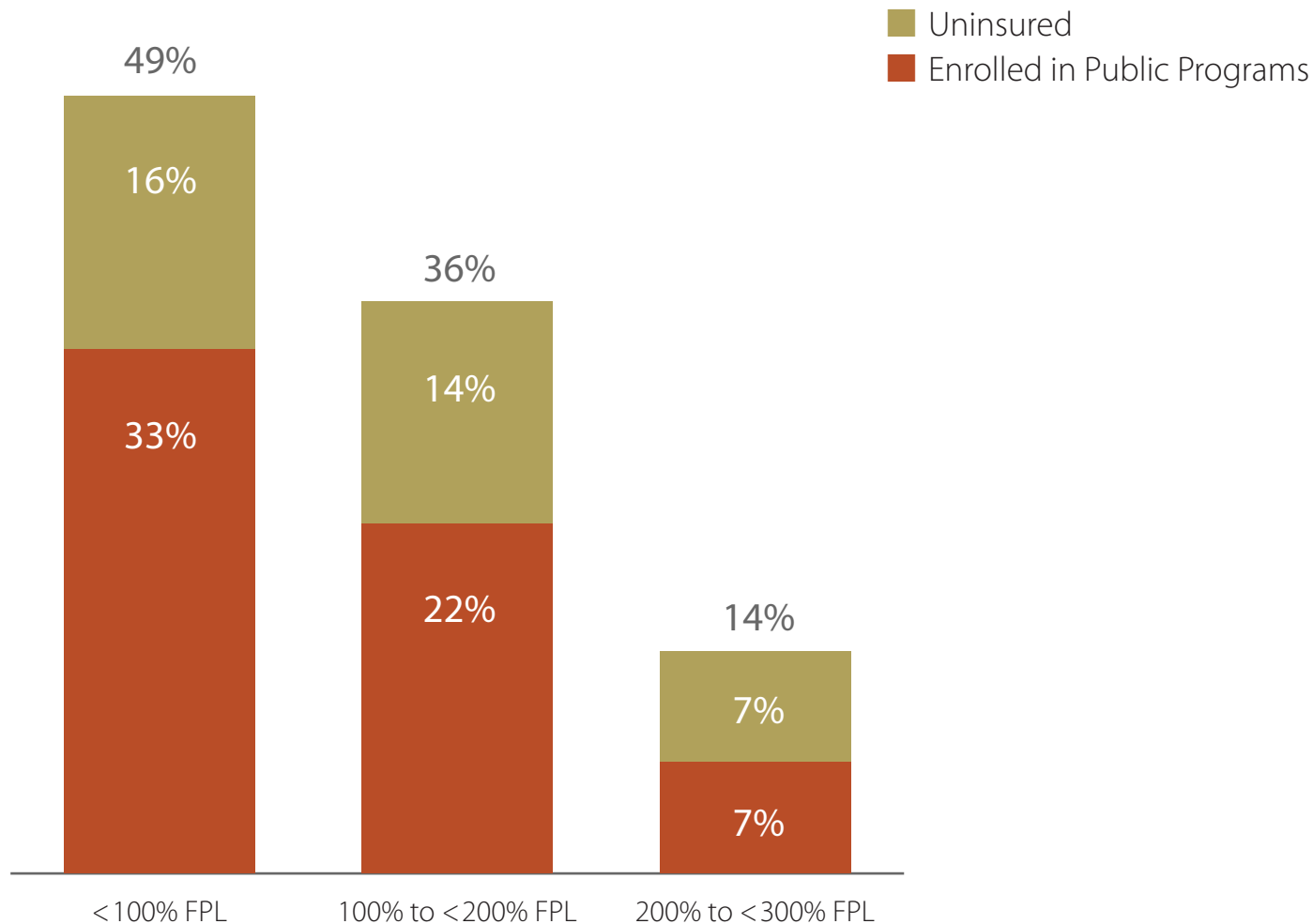


Notes: Medicare recipients were excluded unless they were also eligible for Medi-Cal. Residents being served by county indigent programs were included in the Uninsured or Other Public Programs categories in these data.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Poverty Level and Insurance Status

Safety-Net Population, California, 2009



California's Health Care Safety Net

Safety-Net Population

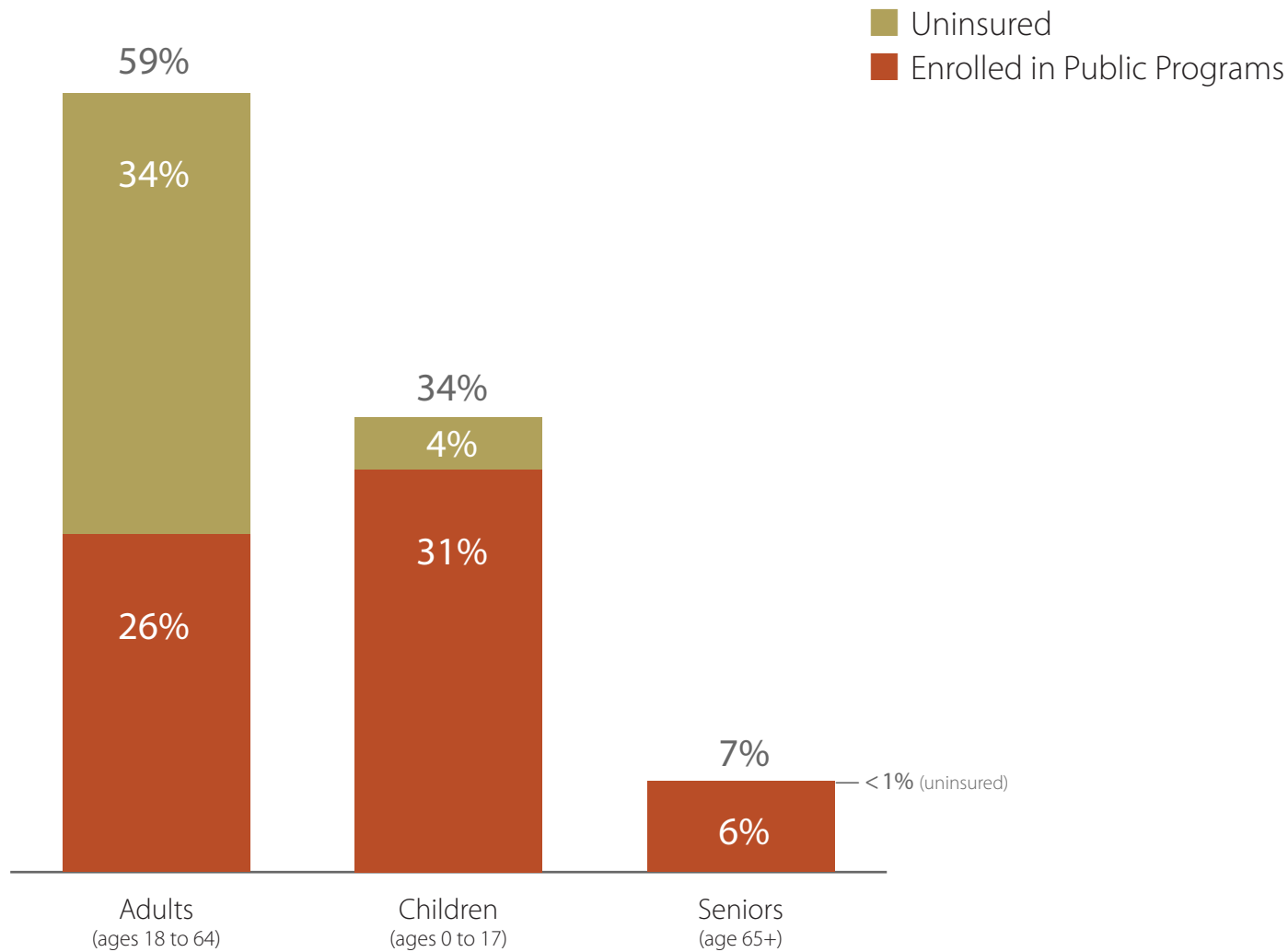
Almost half of the safety-net population was very poor, earning less than 100% of the federal poverty level. In the highest income groups, the percentage of the safety-net population participating in public programs was smaller than that of the lowest income group.

Note: In 2009, 100% FPL (federal poverty level) was \$22,050 for a family of four, or \$10,830 for an individual.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Age Group and Insurance Status

Safety-Net Population, California, 2009



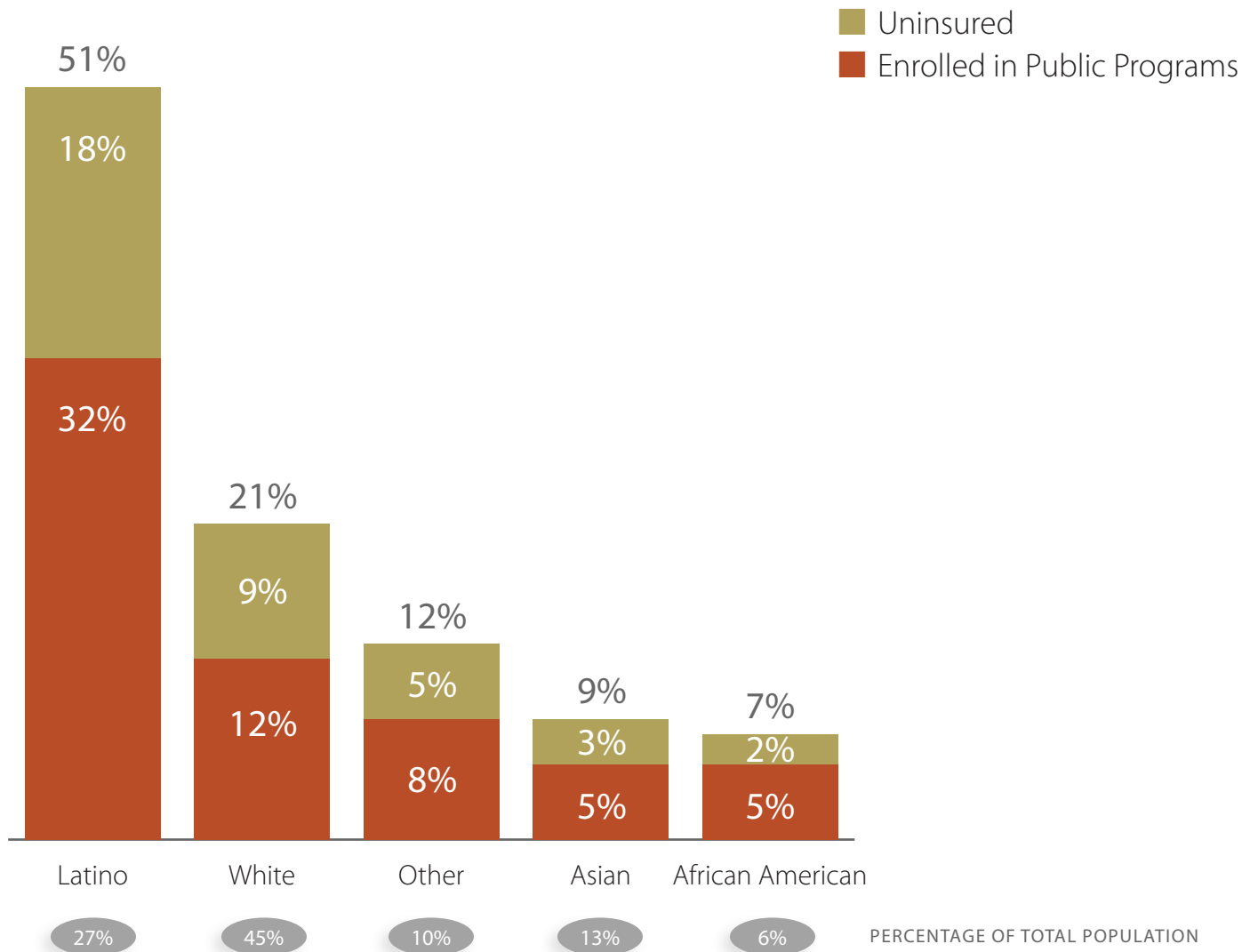
Fifty-nine percent of the safety-net population were adults, 34% were children, and 7% were seniors. Adults, however, were much more likely to be uninsured than to be enrolled in a public program compared to those in other age groups. For example, 92% of safety-net children were enrolled in public programs, but only 44% of adults were.

Note: Residents served by county indigent programs were likely captured as uninsured in these data. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Race/Ethnicity and Insurance Status

Safety-Net Population, California, 2009



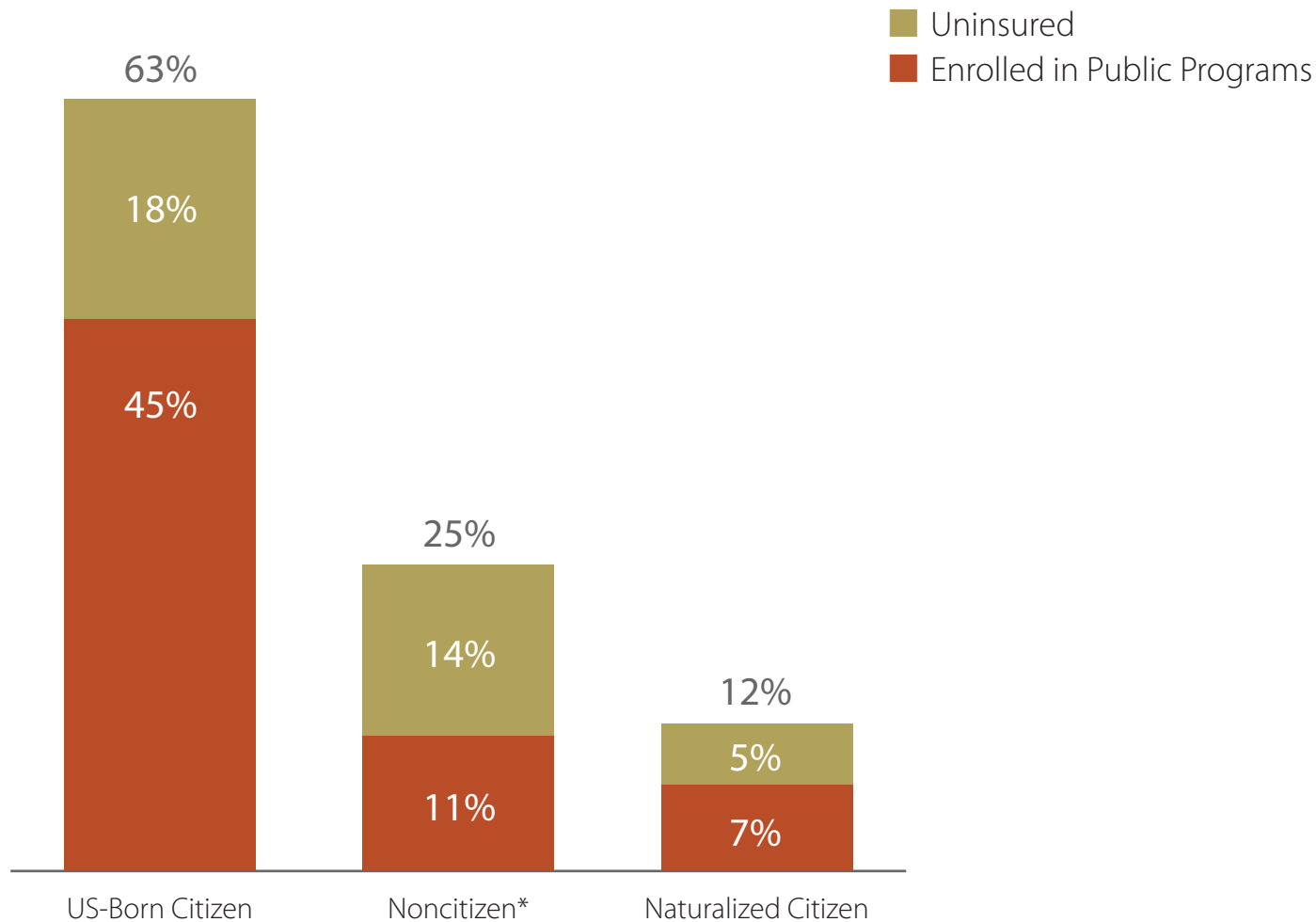
Although they made up only 27% of California's total population in 2009, Latinos represented 51% of the safety-net population. Meanwhile, Whites represented 45% of the state's total population and only 21% of the safety-net population.

Note: Residents served by county indigent programs were likely captured as uninsured in these data. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Citizenship and Insurance Status

Safety-Net Population, California, 2009



*Includes legal and undocumented immigrants.

Note: Residents served by county indigent programs were likely captured as uninsured in these data.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

Safety-Net Population

US-born citizens made up the majority of the safety-net population (63%), while noncitizens made up 25%. This proportion has shifted slightly from 2007, when noncitizens made up 28% (not shown).

Safety-Net Population, by County, 2009

	TOTAL	UNINSURED	PUBLIC PROGRAMS		TOTAL	UNINSURED	PUBLIC PROGRAMS
Placer	12%	6%	5%	Shasta	30%	9%	21%
Marin	13%	5%	8%	Santa Barbara	31%	9%	22%
El Dorado	15%	6%	9%	Riverside	32%	16%	16%
San Mateo	16%	9%	7%	Butte	34%	11%	23%
Santa Clara	18%	5%	12%	San Bernardino	35%	14%	20%
Contra Costa	18%	8%	10%	Del Norte, Siskiyou, Lassen, Trinity, Modoc, Plumas, Sierra	35%	10%	24%
Nevada	19%	9%	10%	Sutter	36%	9%	26%
San Luis Obispo	22%	11%	11%	Los Angeles	36%	14%	22%
Ventura	22%	9%	13%	San Benito	36%	14%	22%
Alameda	22%	9%	14%	Lake	37%	11%	25%
San Francisco	23%	6%	17%	San Joaquin	37%	9%	28%
Sonoma	24%	11%	13%	Merced	40%	15%	25%
Sacramento	24%	8%	16%	Madera	41%	20%	21%
Yolo	26%	10%	15%	Monterey	42%	13%	29%
Humboldt	26%	9%	17%	Imperial	42%	12%	30%
Napa	26%	8%	18%	Mendocino	42%	15%	27%
San Diego	26%	10%	16%	Kern	43%	13%	30%
Solano	29%	8%	20%	Yuba	44%	14%	30%
Tuolumne, Calaveras, Amador, Inyo, Mariposa, Mono, Alpine	29%	8%	21%	Tehama, Glenn, Colusa	44%	18%	26%
Santa Cruz	29%	12%	17%	Fresno	45%	13%	32%
Orange	29%	12%	17%	Tulare	48%	17%	32%
Stanislaus	30%	9%	20%	Kings	49%	13%	36%

The proportion of county residents who are low-income and uninsured or enrolled in public safety-net programs varied widely by county. The percentage of residents that were low-income and uninsured ranged from 5% to 20%, and public program enrollment ranged from 5% to 36%. When combined, county safety-net populations ranged from 12% to 49%, with the highest percentages in the Central Valley.

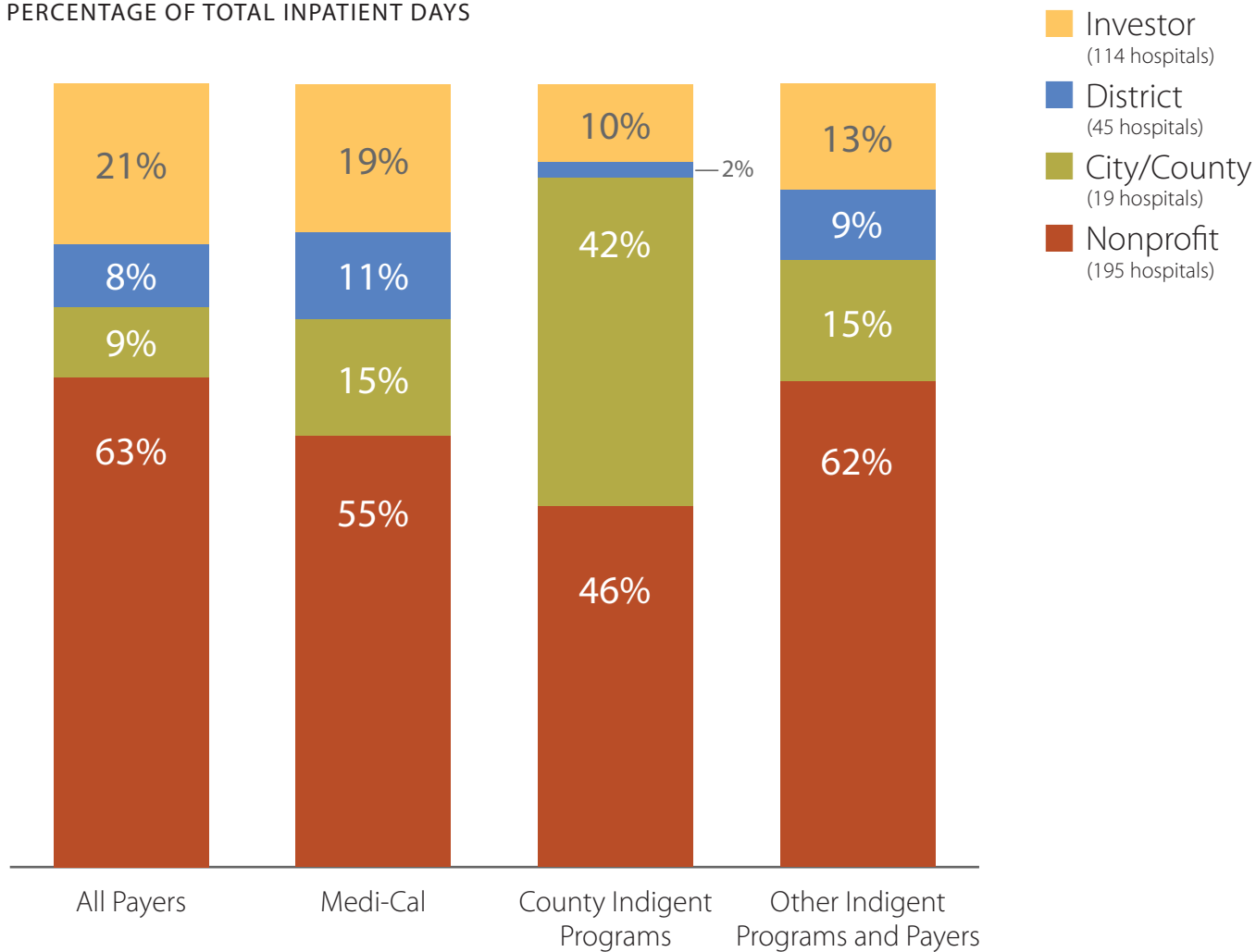
Notes: Public programs include Medi-Cal, Healthy Families, Medicare and Medi-Cal dual eligibles, and other public programs. Segments may not add to totals due to rounding.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Inpatient Hospital Days

by Hospital Ownership Type and Payer, 2010

PERCENTAGE OF TOTAL INPATIENT DAYS



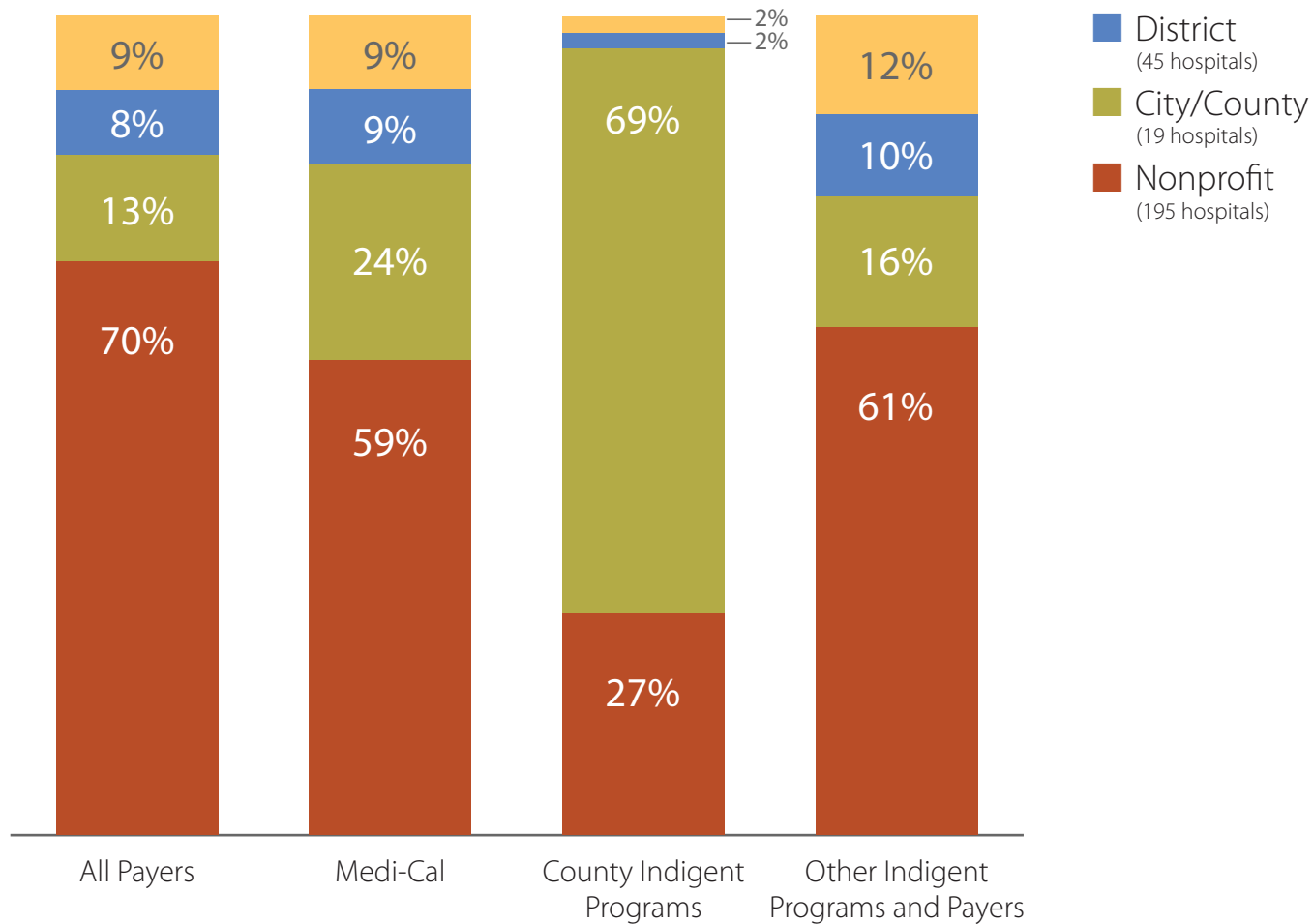
Nonprofit hospitals were the main source of inpatient care for Medi-Cal and county indigent program patients. However, the state's 19 city/county hospitals, which accounted for 9% of all inpatient days, cared for a disproportionate share of the safety-net population. These hospitals provided 15% of Medi-Cal inpatient days and 42% of county indigent program inpatient days in 2010.

Note: Data are only on hospitals classified as "comparable" by OSHPD and thus do not include state-run and Kaiser hospitals or facilities classified as "psychiatric" or "long term care." Other Indigent Programs and Payers include hospital-provided charity care, University of California Support for Clinical Teaching funds, self-pay, and all other payers not included elsewhere. Investor hospitals are those that are operated by an investor-individual, investor-partnership, or investor-corporation. Segments may not add to 100% due to rounding. Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Pivot Tables.

Outpatient Hospital Visits

by Hospital Ownership Type and Payer, 2010

PERCENTAGE OF TOTAL OUTPATIENT VISITS

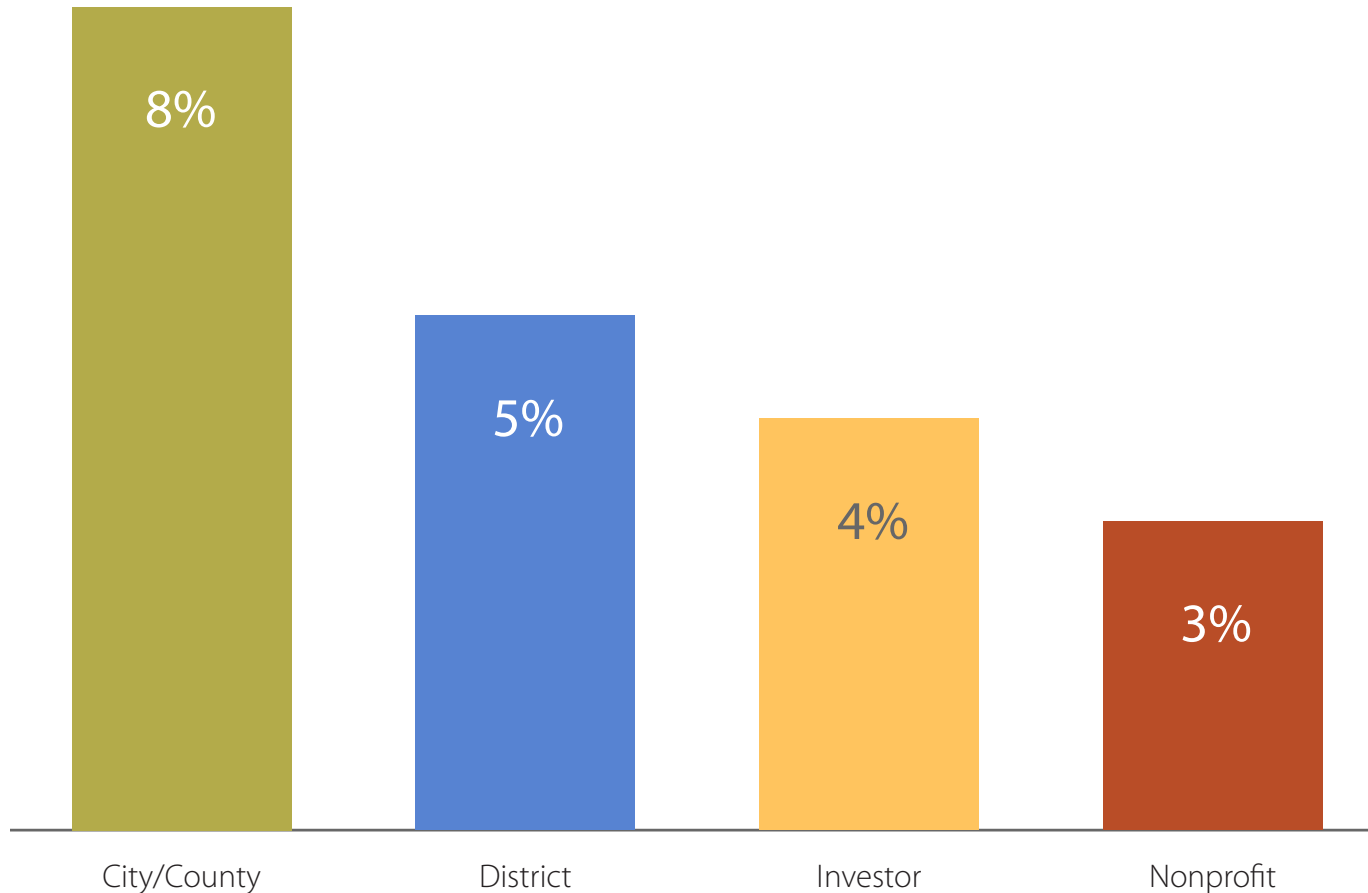


Nonprofit hospitals were responsible for most of the outpatient hospital care for the Medi-Cal population; 59% of all outpatient Medi-Cal visits occurred in a nonprofit hospital. City/county hospitals provided the most outpatient care for county indigent program patients (69% of visits).

Note: Data are only on hospitals classified as "comparable" by OSHPD and thus do not include state-run and Kaiser hospitals or facilities classified as "psychiatric" or "long term care." Other Indigent Programs and Payers include hospital-provided charity care, University of California Support for Clinical Teaching funds, self-pay, and all other payers not included elsewhere. Investor hospitals are those that are operated by an investor-individual, investor-partnership, or investor-corporation. Segments may not add to 100% due to rounding.
Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Pivot Tables.

Uncompensated Care by Hospital Ownership Type, 2010

COST-ADJUSTED UNCOMPENSATED CARE AS A PERCENTAGE OF OPERATING EXPENSES



Notes: Safety-net patients provided for on an indigent-program-contracted basis were not included. Data are only on hospitals classified as “comparable” by OSHPD and thus do not include state-run and Kaiser hospitals or facilities classified as “psychiatric” or “long term care.”

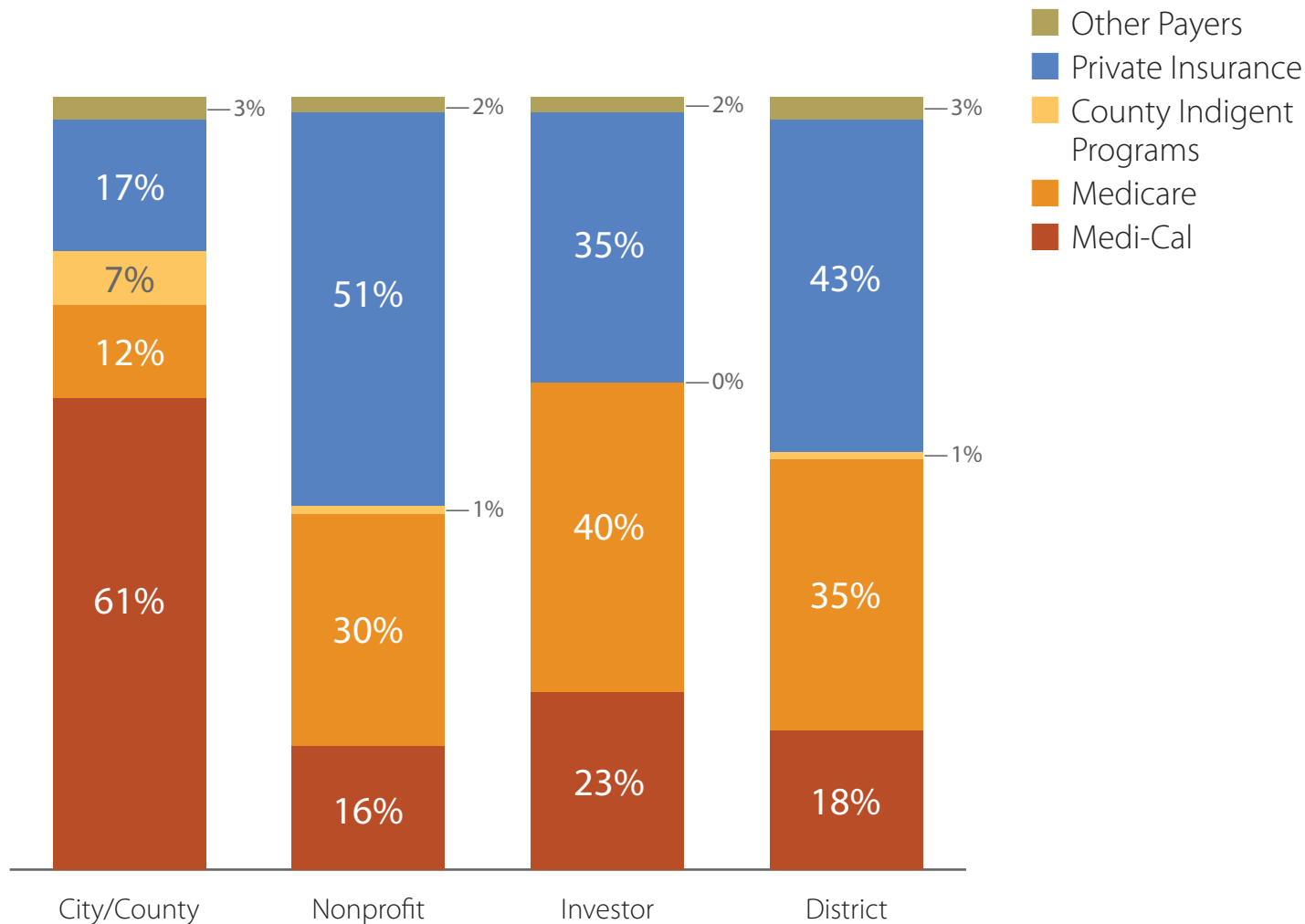
Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Pivot Tables.

Patients ineligible for Medi-Cal or indigent care programs incur hospital bills they often cannot pay. These costs are written off by hospitals as either charity care or bad debt, and are collectively referred to as “uncompensated care.”* City and county hospitals provided the largest share of uncompensated care (as a percentage of operating expenses).

*Charity care is the difference between the amount charged and amount paid on behalf of a charity care patient. Bad debt is the amount uncollectible due to the patient’s unwillingness or inability to pay; it includes some non-safety-net patients. Both of these figures were cost-adjusted by the hospital cost-to-charge ratio.

Net Patient Revenue

by Hospital Ownership Type and Payer, 2010



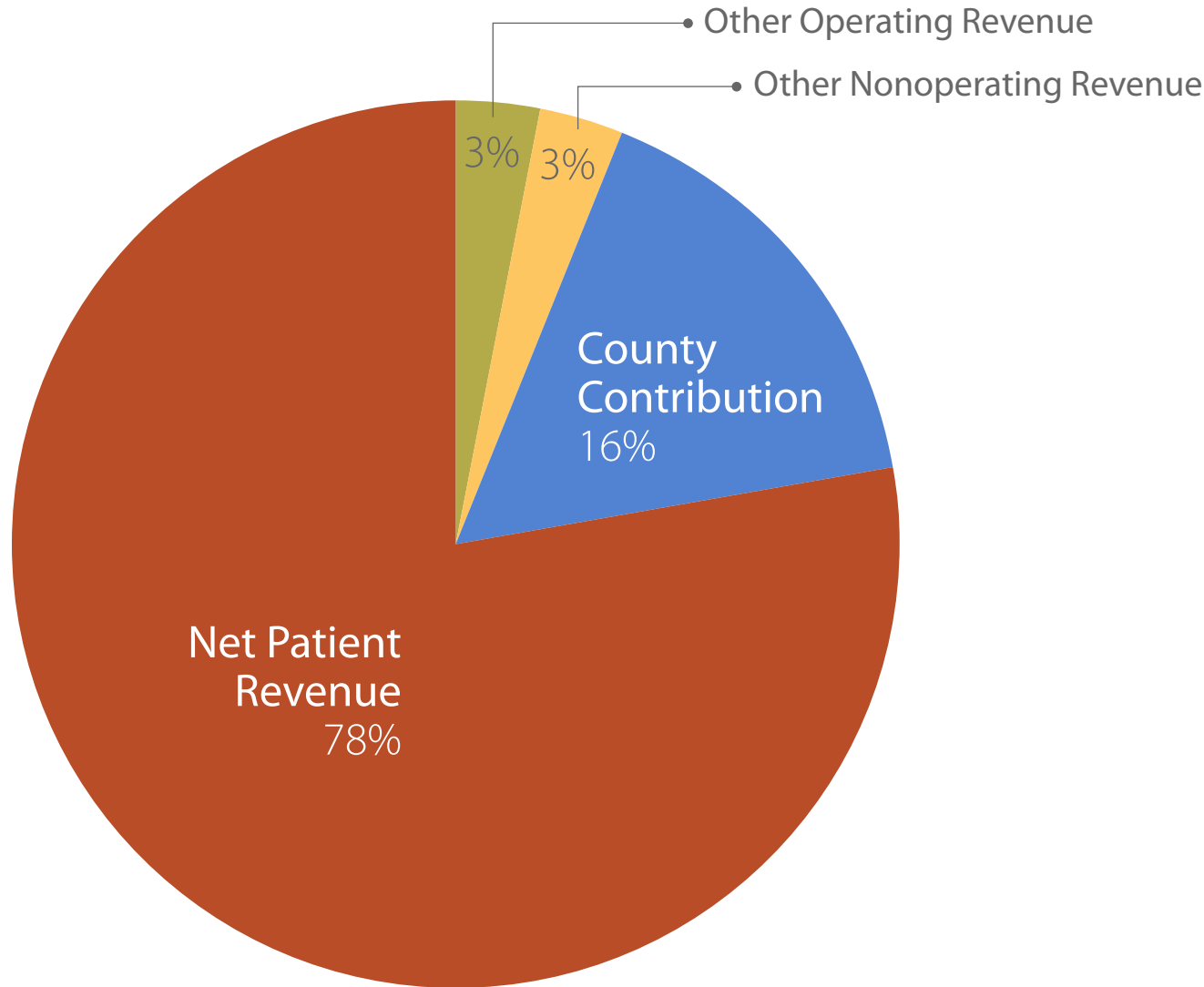
Unlike other hospitals, which did not rely heavily on safety-net programs for revenue, city/county hospitals received 68% of their net patient revenue from Medi-Cal and county indigent programs, with the bulk of this revenue coming from Medi-Cal. In spite of their reliance on public funds, the share of revenue from private insurance for city/county hospitals increased from 13% in 2008 (not shown) to 17% in 2010.

Notes: Medi-Cal revenue may be overstated due to the inclusion of Disproportionate Share Hospital funds. These funds may also be used to pay for indigent patients. Data are only on hospitals classified as "comparable" by OSHPD and thus do not include state-run and Kaiser hospitals or facilities classified as "psychiatric" or "long term care."

Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Pivot Tables.

Total Revenue Sources

City/County Hospitals, 2010



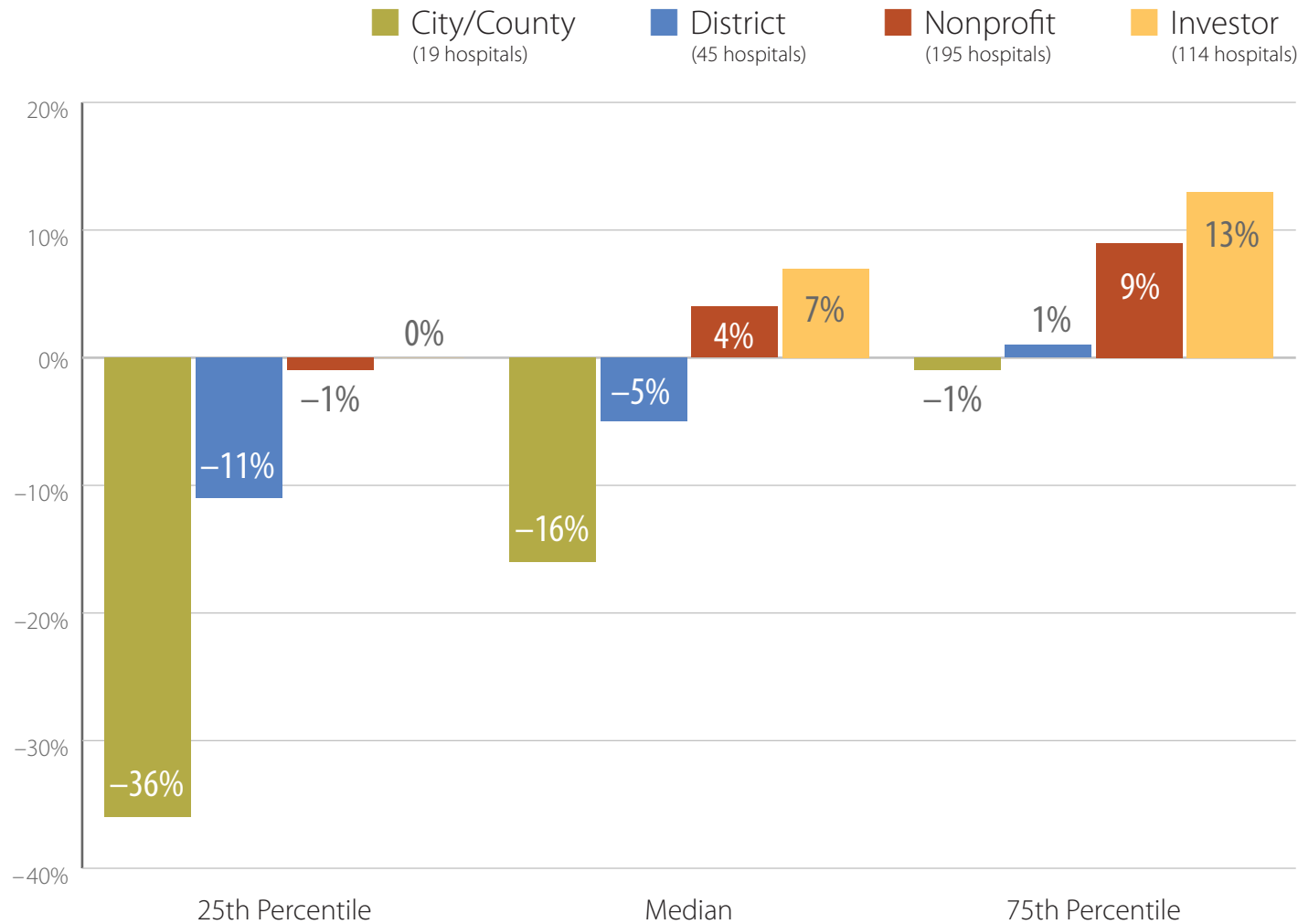
County funds were an important source of revenue for city/county hospitals, providing 16% of their total revenue.

Notes: Net Patient Revenue includes Disproportionate Share Hospital funds. Data are only on hospitals classified as "comparable" by OSHPD and thus do not include state-run and Kaiser hospitals or facilities classified as "psychiatric" or "long term care."

Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Pivot Tables.

Hospital Operating Margin

by Quartiles and Hospital Ownership Type, 2010



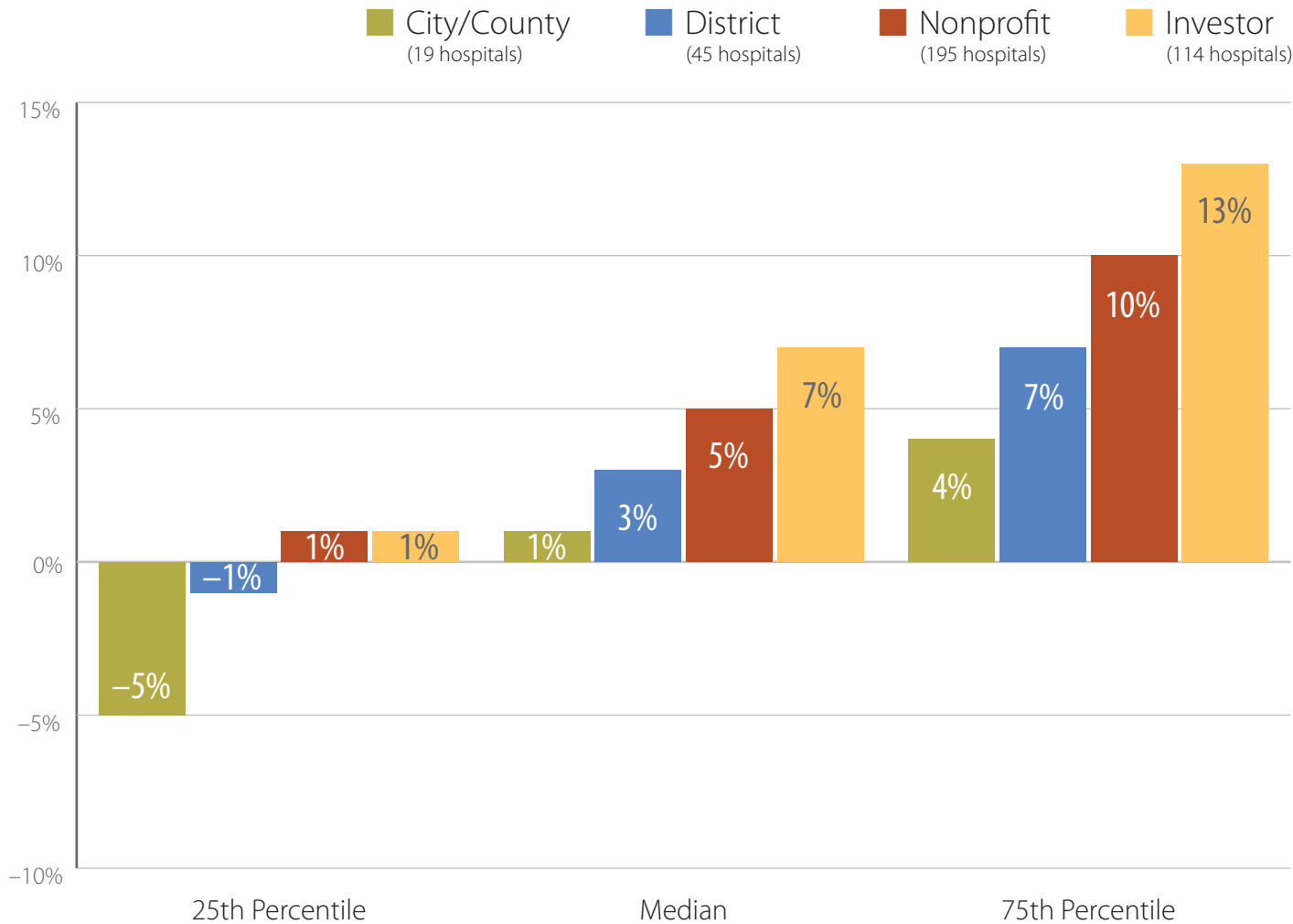
Though financial performance has improved significantly, city/county and district hospitals struggled to be profitable based on operating revenue alone.

Notes: Operating margin is net income from operations divided by operating revenue (net patient revenue plus other operating revenue). The net income margin was calculated as total net income divided by total revenue (operating revenue plus other revenue, including government funds). Margin calculations included Disproportionate Share Hospital funds. Hospital data were only on hospitals classified as "comparable" and thus did not include state-run and Kaiser hospitals, or facilities classified as "psychiatric" or "long term care."

Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Data.

Hospital Net Income Margin

by Quartiles and Hospital Ownership Type, 2010



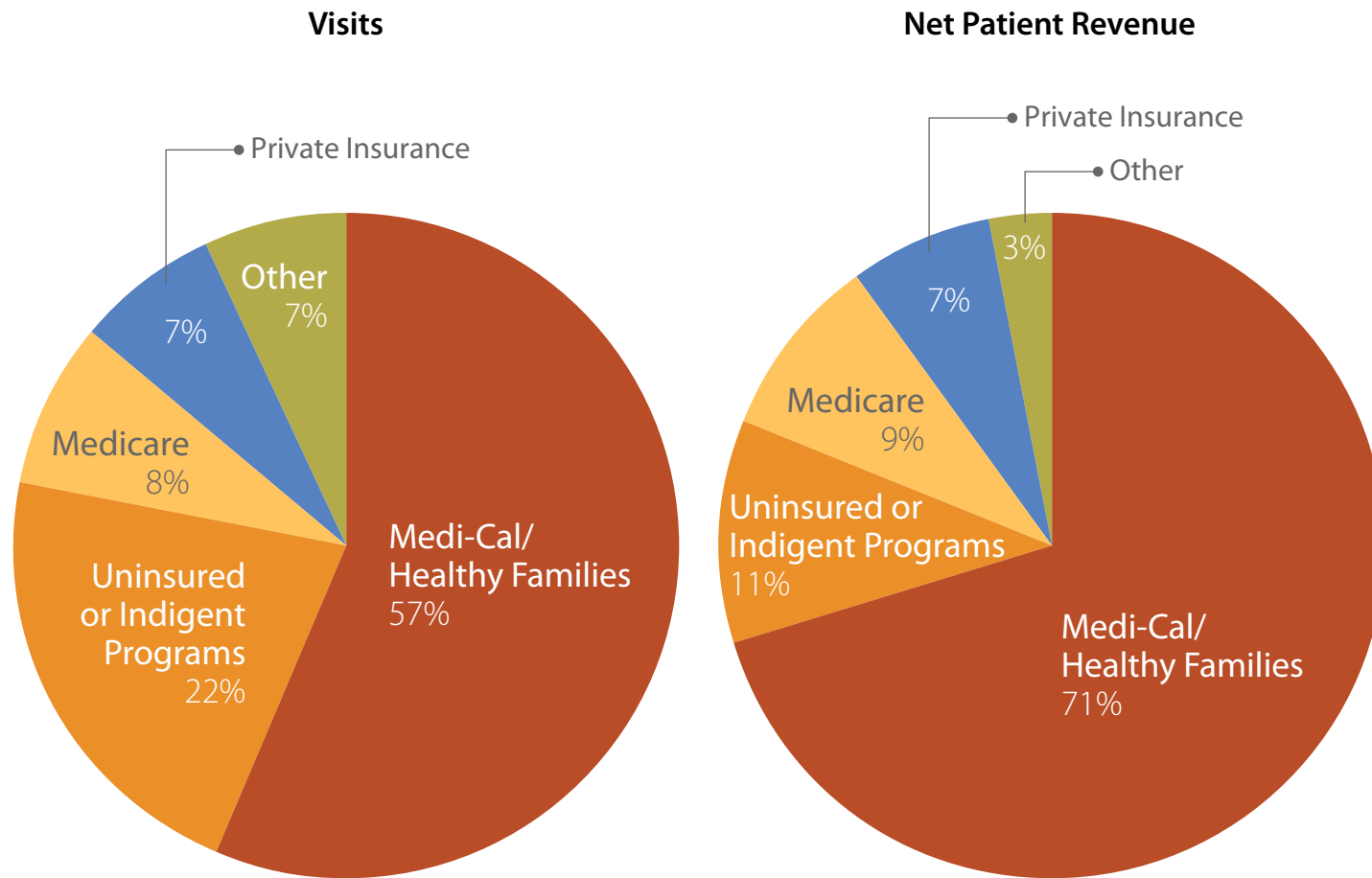
When additional revenues such as government transfers were taken into account, the financial picture for city/county and district hospitals improved.

Notes: Operating margin is net income from operations divided by operating revenue (net patient revenue plus other operating revenue). The net income margin was calculated as total net income divided by total revenue (operating revenue plus other revenue, including government funds). Margin calculations included Disproportionate Share Hospital funds. Hospital data were only on hospitals classified as "comparable" and thus did not include state-run and Kaiser hospitals, or facilities classified as "psychiatric" or "long term care."

Source: Blue Sky Consulting Group analysis of 2010 Office of Statewide Health Planning and Development (OSHPD) Hospital Annual Financial Data.

Primary Care Community Clinic Visits and Patient Revenue by Payer, 2009

Although Medi-Cal and Healthy Families enrollees made up 57% of community clinic visits, they provided 71% of net patient revenue. Meanwhile, uninsured and county indigent program patients provided only 11% of revenue, even though they made up 22% of visits.

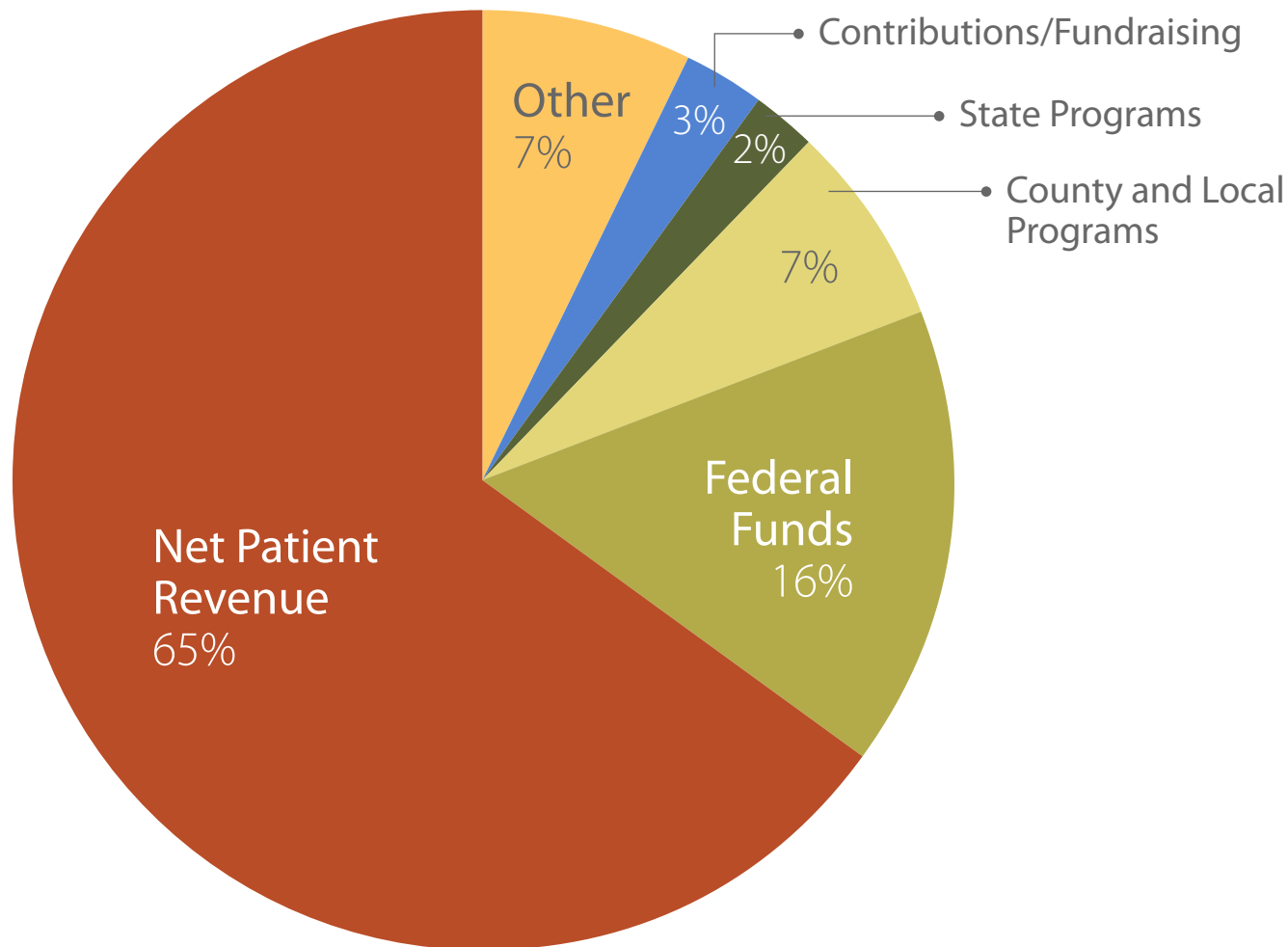


Notes: Medi-Cal episodic care programs — BCCCP, CHDP, and Family PACT — were included in the Medi-Cal total. Uninsured and indigent coverage were combined due to data reporting inconsistencies but included self-pay/sliding scale, free, and county indigent program patients. Other includes Alameda Alliance for Health, EAPC, San Diego County Medical Plan, other county programs, and all other payers. County-run clinics do not report data to the state and so were not included in the data presented. Segments may not total 100% due to rounding.

Sources: Blue Sky Consulting Group analysis of 2009 Office of Statewide Health Planning and Development (OSHPD) Primary Clinic Annual Utilization Data; Capital Link, California Community Clinics — Financial and Staffing Analysis, FY06–FY09, 2011.

Primary Care Community Clinic Total Revenue

by Source, 2009

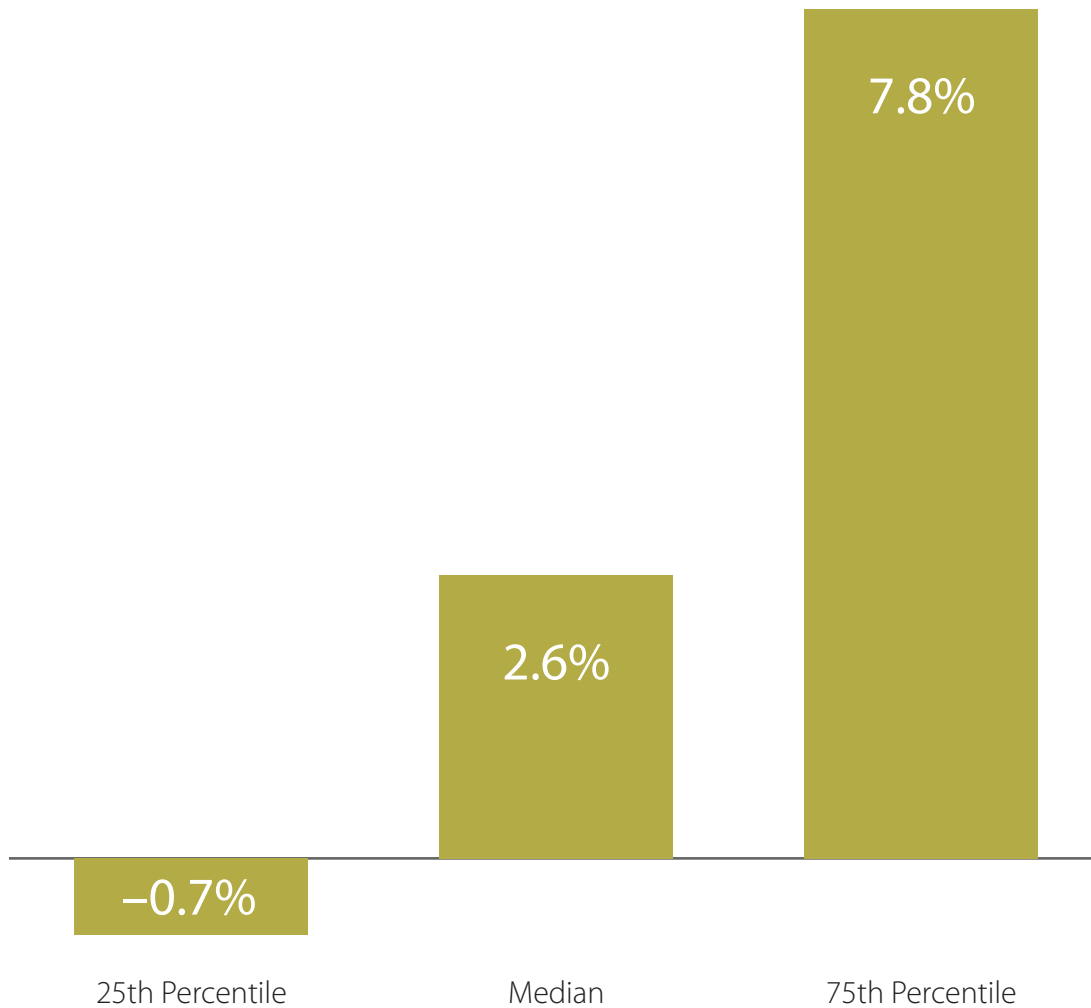


In addition to net patient revenue, community clinics relied heavily on funds from government sources; 25% of these clinics' total revenue was from federal, state, county, and local governments.

Note: County-run clinics do not report data to the state and so were not included in the data presented.

Sources: Blue Sky Consulting Group analysis of 2009 Office of Statewide Health Planning and Development (OSHPD) Primary Clinic Annual Utilization Data; Capital Link, California Community Clinics — Financial and Staffing Analysis, FY06–FY09, 2011.

Primary Care Community Clinic Operating Margins by Quartiles, 2009



Twenty-five percent of community clinics had negative operating margins of 0.7% or less; 25% had operating margins of 7.8% or more.

Note: County-run clinics do not report data to the state and so were not included in the data presented.

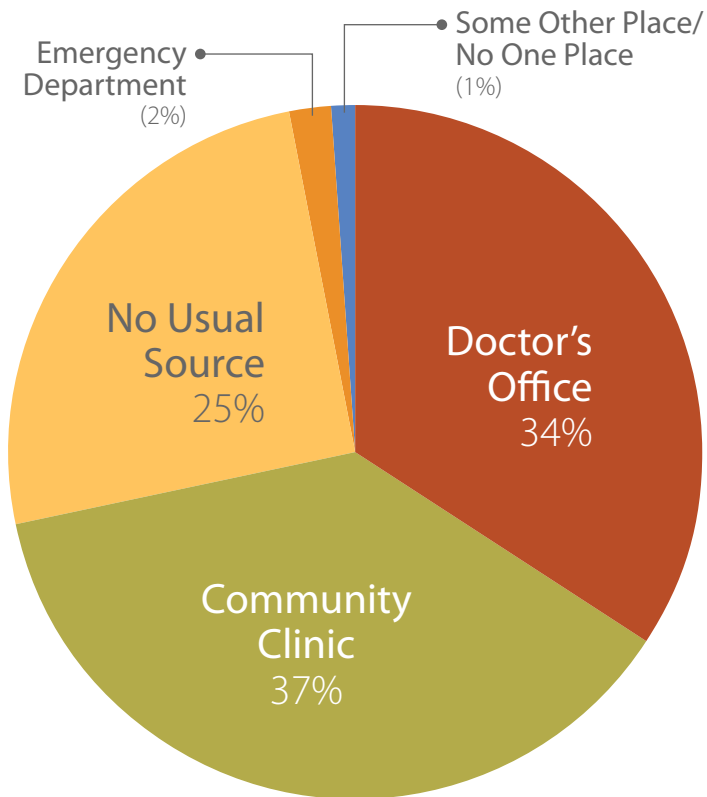
Source: Capital Link, California Community Clinics — Financial and Staffing Analysis, FY06–FY09, 2011.

Usual Source of Care

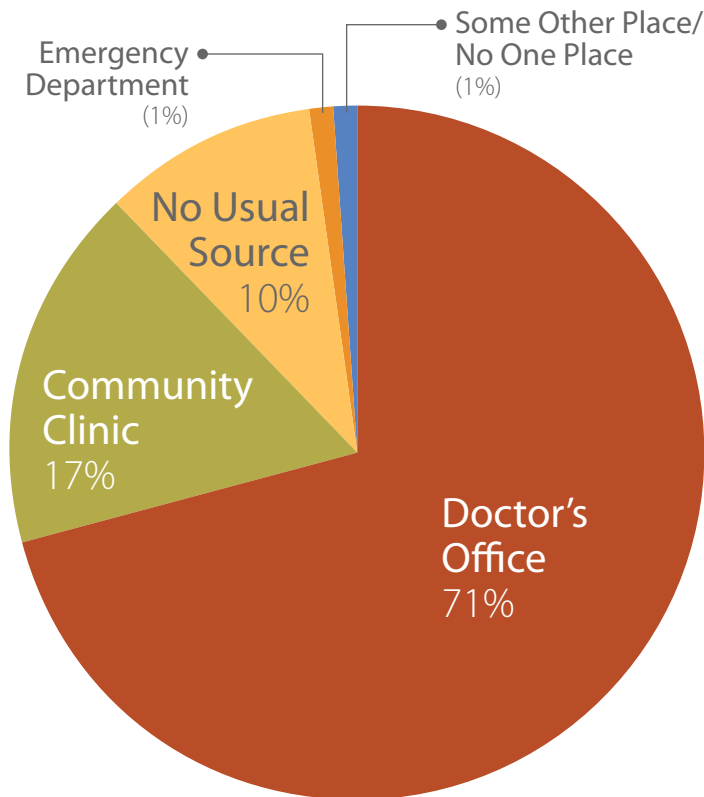
Safety-Net vs. Non-Safety-Net Population, 2009

Compared to the non-safety-net population, those in the safety net were much more likely to not have a usual source of care. If they did have a usual source, it was much more likely to be a community clinic than a doctor's office relative to the non-safety-net population.

Safety-Net Population



Non-Safety-Net Population

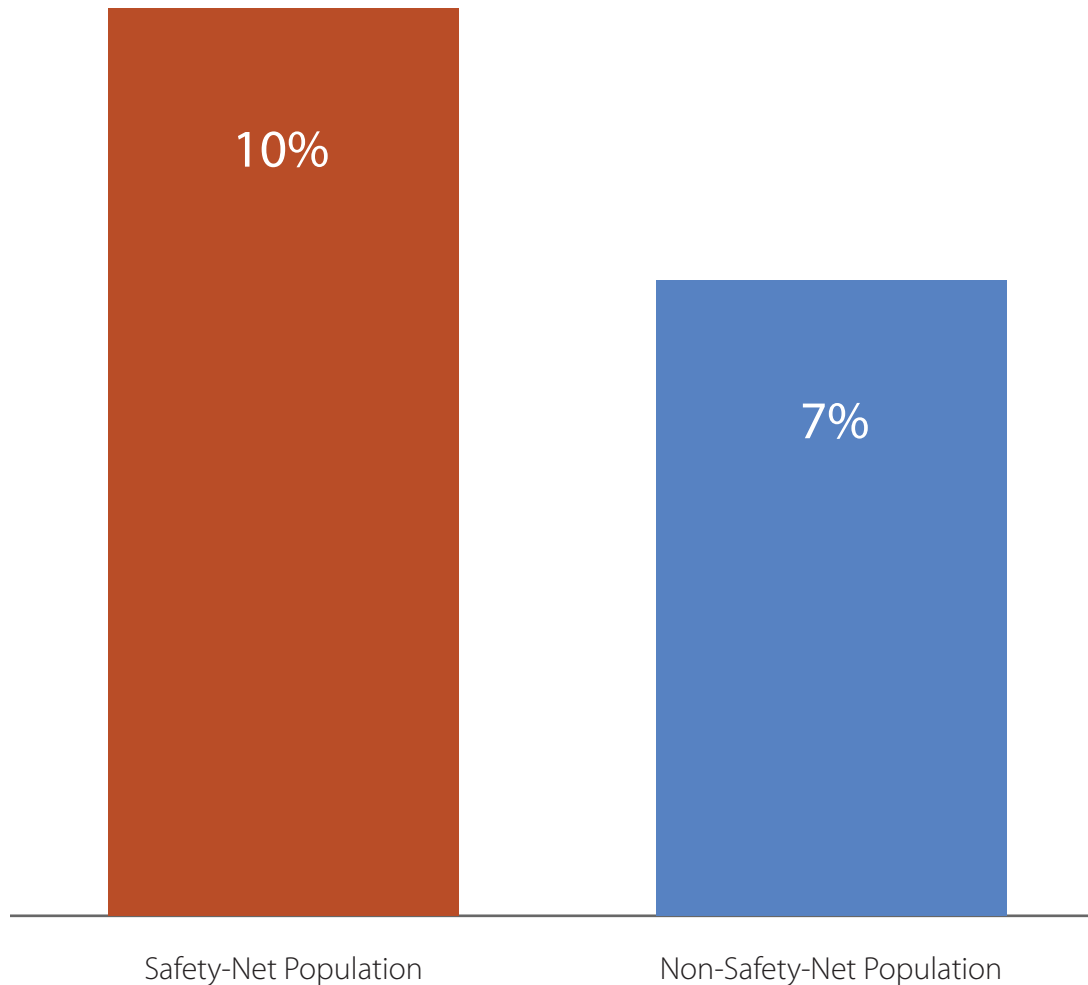


Notes: Medicare recipients were excluded from both populations unless they were dual eligibles. Segments may not total 100% due to rounding.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Delay of Needed Care Due to Cost or No Insurance

Safety-Net vs. Non-Safety-Net Population, 2009



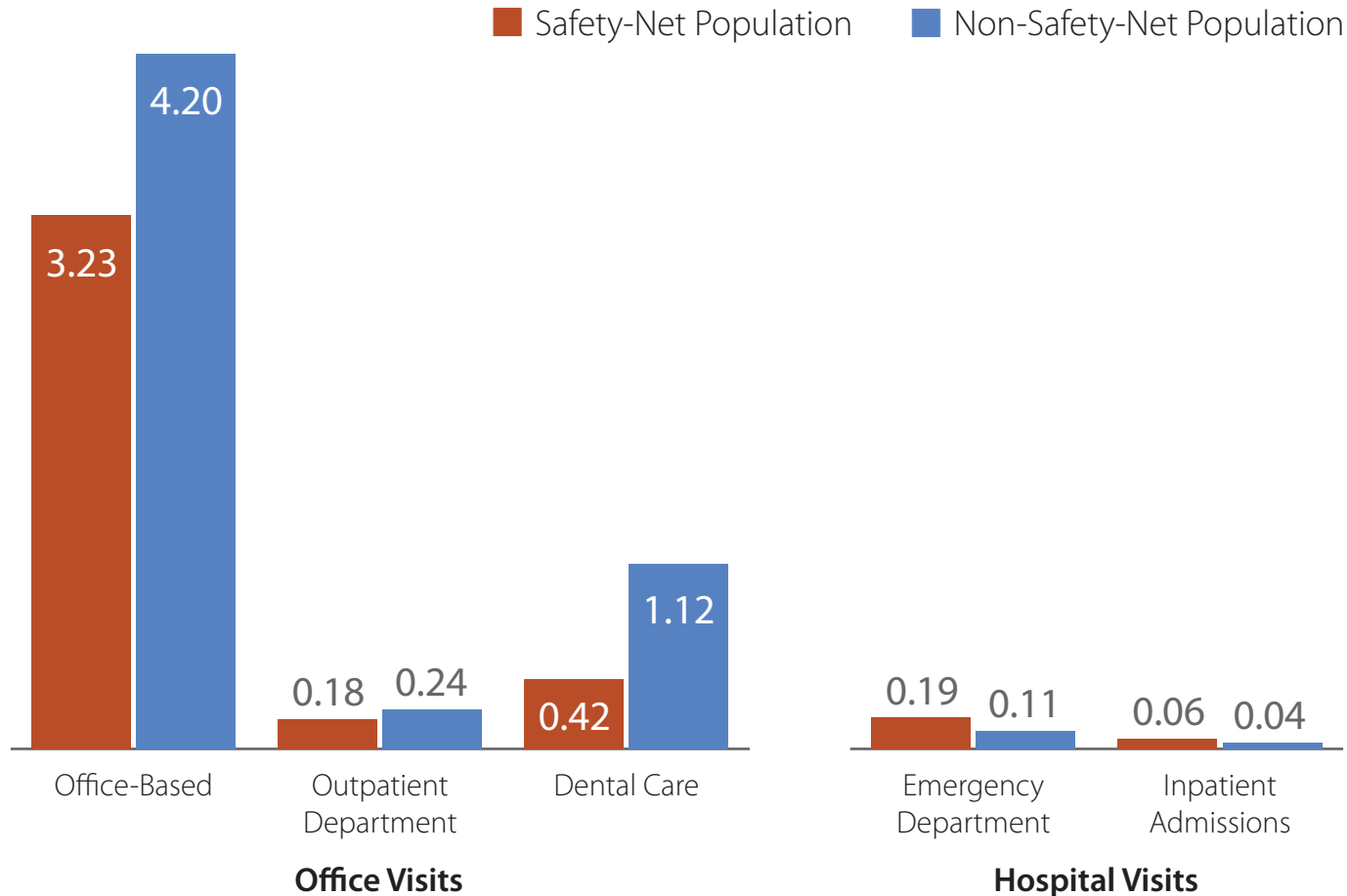
In California, 10% of the safety-net population reported that they delayed care because they could not afford it or had no insurance, while 7% of the non-safety-net population did the same. The percentage of the non-safety-net population reporting they delayed needed care increased slightly from 5% in 2007 (not shown).

Note: Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal.
Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Annual Office Visits and Hospital Visits per Person

Safety-Net vs. Non-Safety-Net Population, 2009

ANNUAL VISITS PER PERSON



Compared to higher income Californians, the safety-net population made more visits per person to the emergency department and fewer visits to office-based medical professionals and dental providers. Hospital inpatient and outpatient use was relatively similar between these two groups.

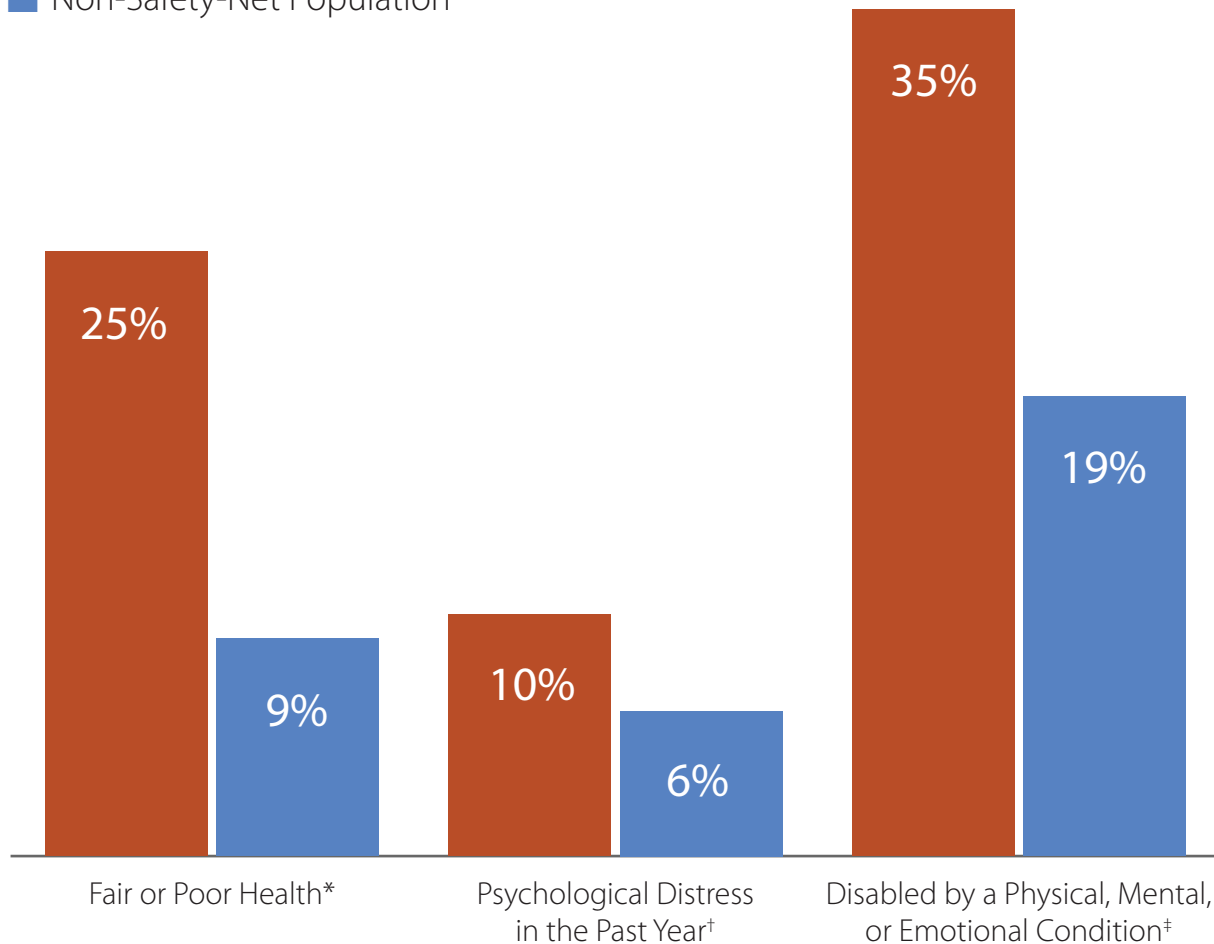
Notes: Scale is smaller for Hospital Visits graph to better show the difference between the two populations. Dental care includes general dentists, dental hygienists, dental technicians, dental surgeons, orthodontists, endodontists, and periodontists. Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal. The safety-net population includes those who were uninsured or enrolled in public programs for a full year; the non-safety-net population included people that had private insurance at any point in time during the year.

Source: Blue Sky Consulting Group analysis of the 2009 Medical Expenditure Panel Survey data.

Self-Reported Health

Safety-Net vs. Non-Safety-Net Population, 2009

- Safety-Net Population
- Non-Safety-Net Population



* Includes children, teens, and adults.

† Includes teens and adults.

‡ Adults only. Disability status measures difficulty in daily life activities, not receipt of disability benefits.

Note: Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal.

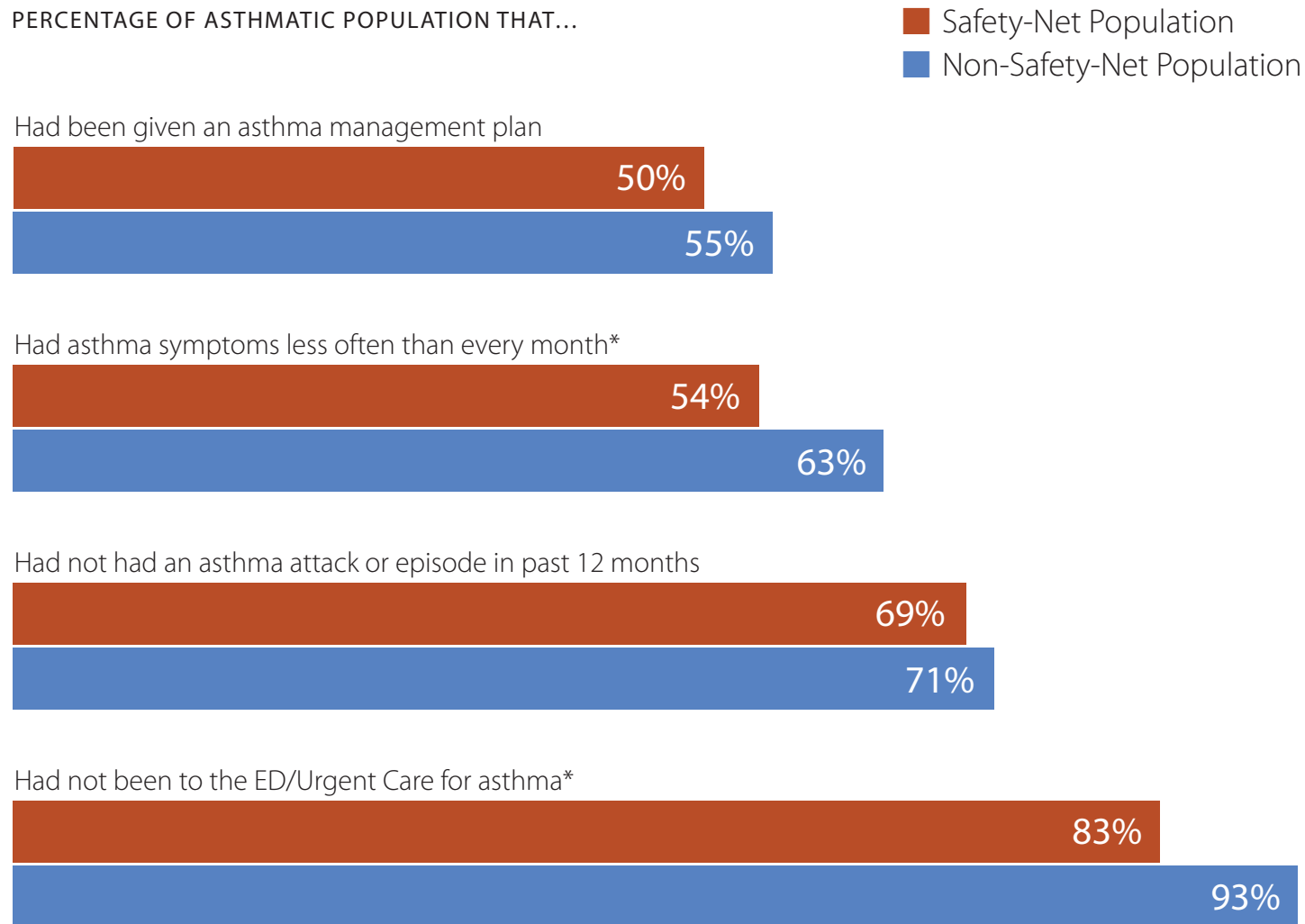
Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Individuals in the safety-net population were more likely to report being in poor physical and mental health and to be disabled by these conditions relative to the non-safety-net population.

Asthma Care Measures

Safety-Net vs. Non-Safety-Net Population, 2009

PERCENTAGE OF ASTHMATIC POPULATION THAT...



*Current asthmatics only.

Notes: Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

California's Health Care Safety Net

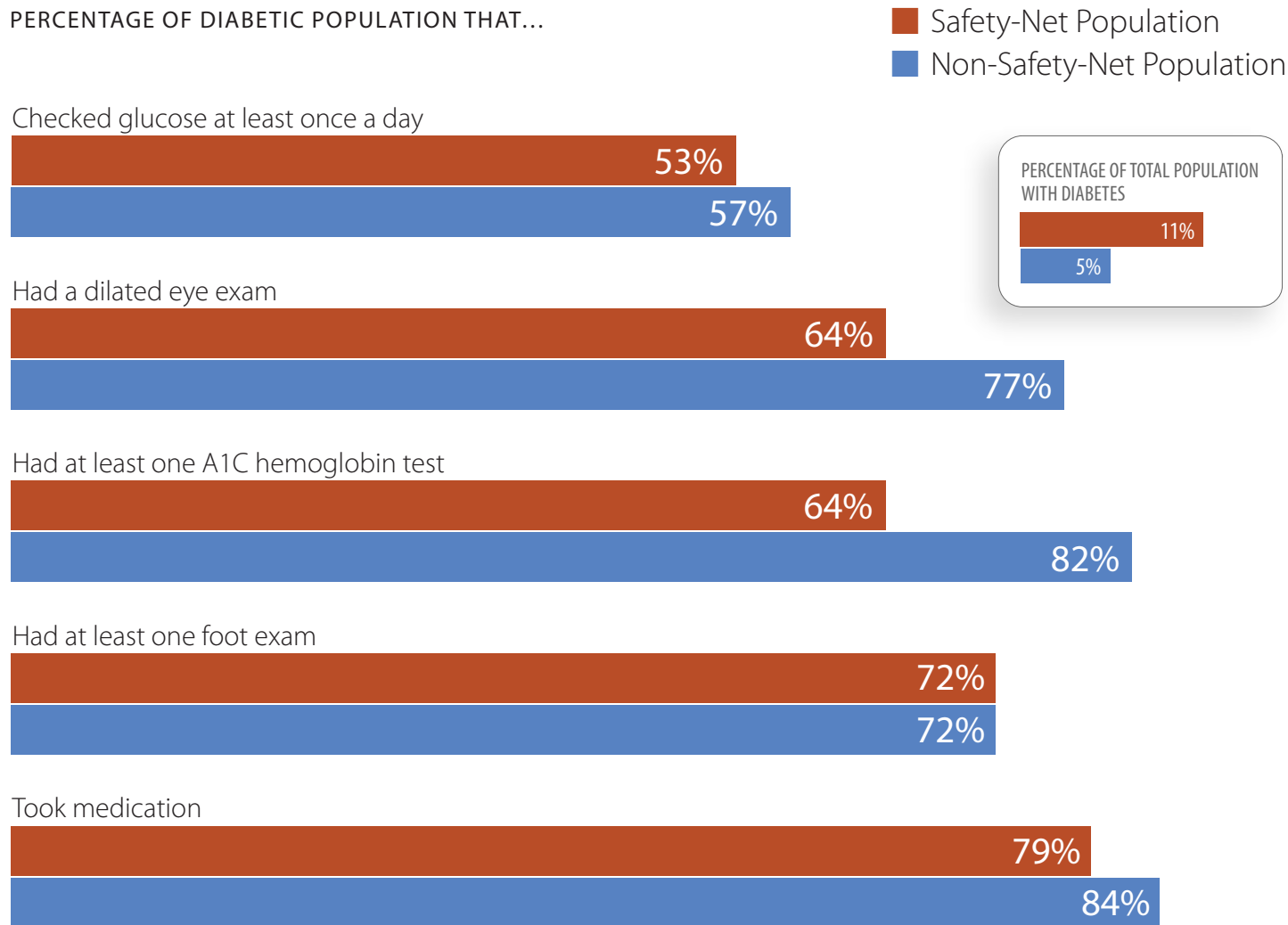
Access and Quality of Care

In general, the safety-net population fared worse than the non-safety-net population on four asthma care measures. However, the percentage of safety-net patients diagnosed with asthma that had an asthma management plan increased by almost 20 percentage points since 2007, from 31% (not shown) to 50%.

Diabetes Care Measures

Safety-Net vs. Non-Safety-Net Population, 2009

PERCENTAGE OF DIABETIC POPULATION THAT...



Diabetes patients in the safety net fared worse than those not in the safety net. A significantly smaller proportion of the safety-net population with diabetes reported having had A1C hemoglobin tests and dilated eye exams compared with the non-safety-net population.

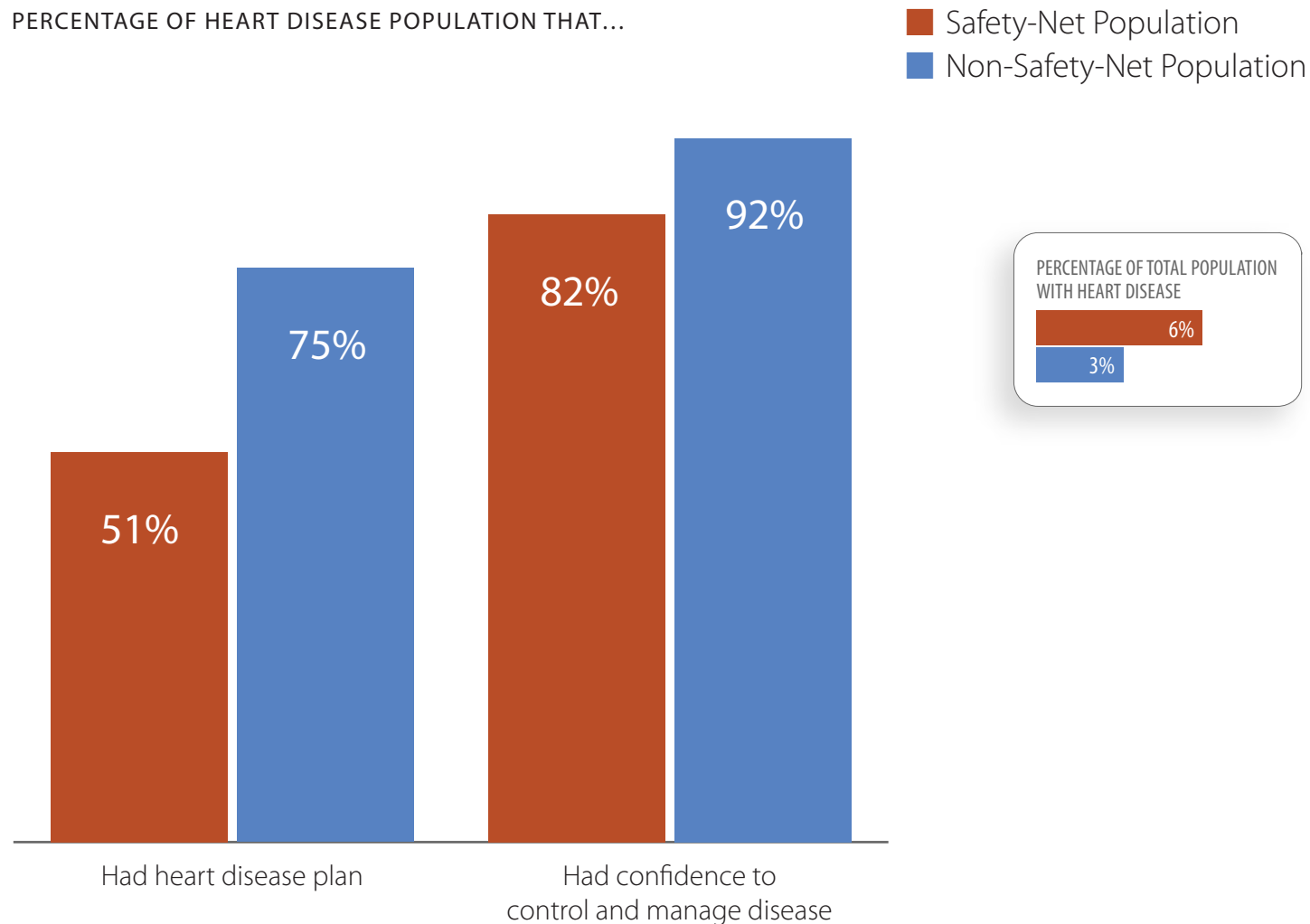
Notes: Adults only. Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Heart Disease Care Measures

Safety-Net vs. Non-Safety-Net Population, 2009

PERCENTAGE OF HEART DISEASE POPULATION THAT...



California's Health Care Safety Net

Access and Quality of Care

Adults in the safety-net population with heart disease were much less likely to report that they had been given a heart disease plan by their medical providers and that they were confident in their ability to control the disease, compared to heart disease patients in the non-safety-net population.

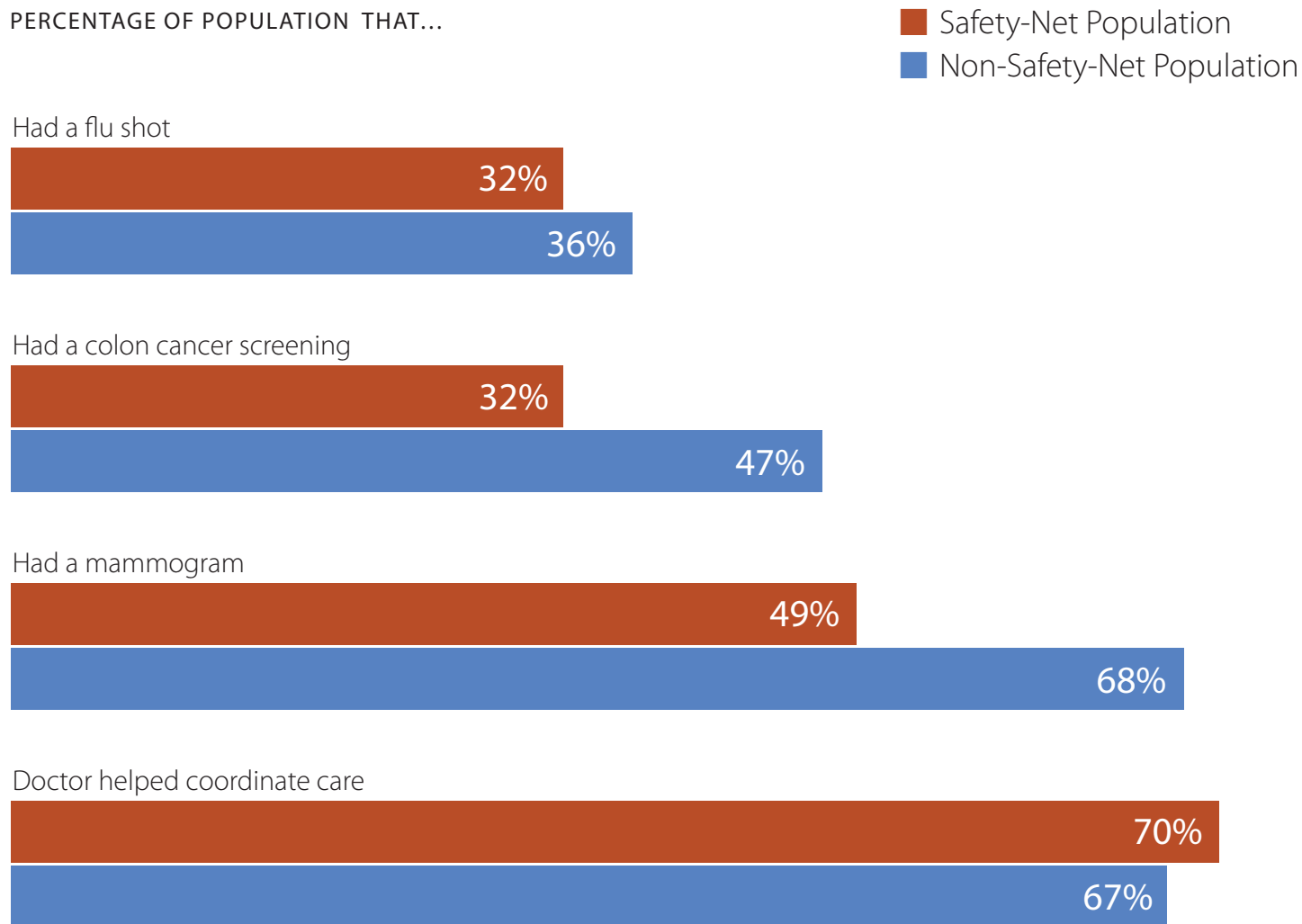
Notes: Adults only. Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Preventive Care Measures

Safety-Net vs. Non-Safety-Net Population, 2009

PERCENTAGE OF POPULATION THAT...



California's Health Care Safety Net

Access and Quality of Care

The safety-net population was less likely to report having received preventive care compared to the non-safety-net population. Safety-net patients with chronic diseases, however, were more likely to report that their usual doctor coordinated care with other providers.

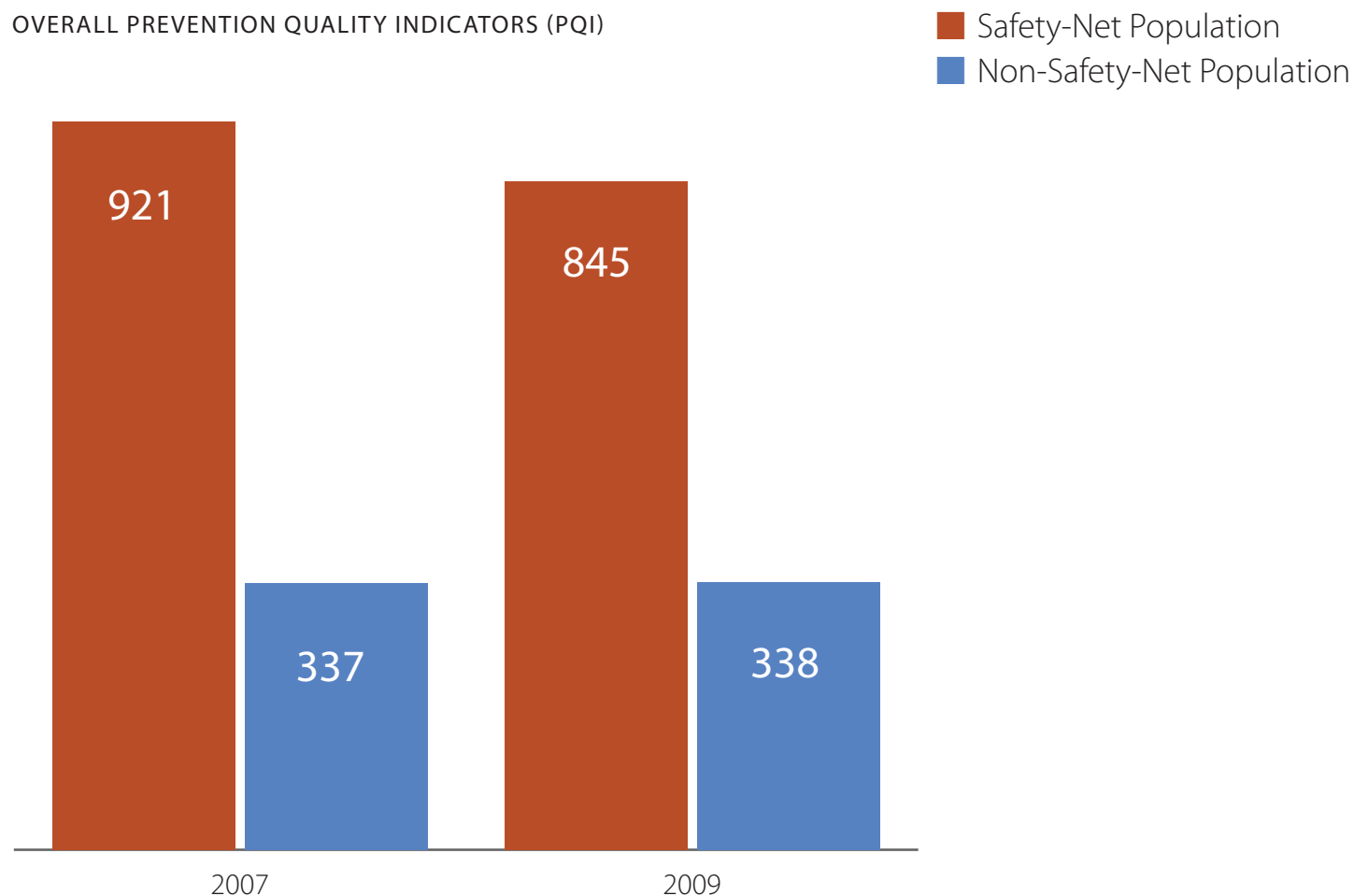
Notes: Each measure was asked only of those who were gender- and age-appropriate. Flu shot information was not collected for adolescents. Coordinated care was for respondents who had a doctor as a usual source of care and who had a chronic disease. Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal.

Source: Blue Sky Consulting Group analysis of the 2009 California Health Interview Survey, UCLA Center for Health Policy Research.

Preventable Hospitalizations per 100,000 People

Safety-Net vs. Non-Safety-Net Population, 2007 vs. 2009

OVERALL PREVENTION QUALITY INDICATORS (PQI)



Notes: Number of avoidable hospitalizations was identified by payers of interest (private insurance, Medi-Cal, county indigent, other indigent, and self-pay). To calculate the overall rate, the number of hospitalizations was divided by the 18-and-over population from the CHIS-identified safety-net and non-safety-net populations. Without income data, some non-safety-net patients were included in the safety-net population, and all uninsured and public program enrolled were moved into the CHIS safety-net population to compensate. Without access to age, sex, and race indicators, the rates could not be adjusted according to demographics.

Sources: 2009 rate is from a Blue Sky Consulting Group analysis of the 2009 Office of Statewide Health Planning and Development (OSHPD) Hospital Inpatient Discharge Data using a modified AHRQ PQI module (version 4.2); 2007 rate was published in CHCF, "California's Health Care Safety Net: Facts and Figures," March 2010.

California's Health Care Safety Net

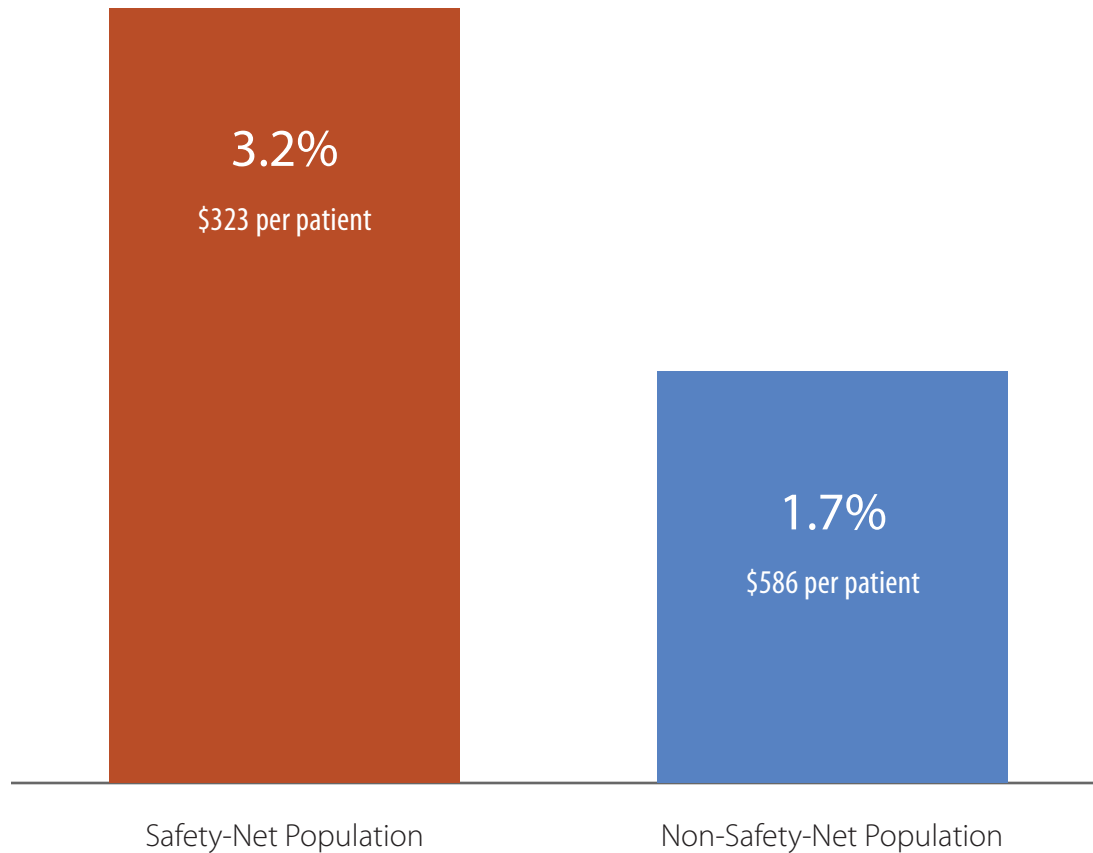
Access and Quality of Care

The safety-net population had 2.5 times as many avoidable hospitalizations per 100,000 people than the non-safety-net population for 12 ambulatory care-sensitive conditions. While still high, the number of avoidable hospitalizations for the safety-net population has decreased since 2007. Avoidable hospitalizations for conditions such as diabetes, adult asthma, and hypertension are widely used as a marker of access to good primary care.

Out-of-Pocket Expenses

Safety-Net vs. Non-Safety-Net Population, 2009

PERCENTAGE OF MEDIAN INCOME SPENT ON HEALTH CARE



Notes: Out-of-pocket expenses include payments made by the individual for medical care and prescriptions but does not include insurance premiums. The average includes only those respondents who had medical expenses in 2009. Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal. The safety-net population includes those who were uninsured or enrolled in public programs for a full year; the non-safety-net population includes people who had private insurance at any point in time during the year.

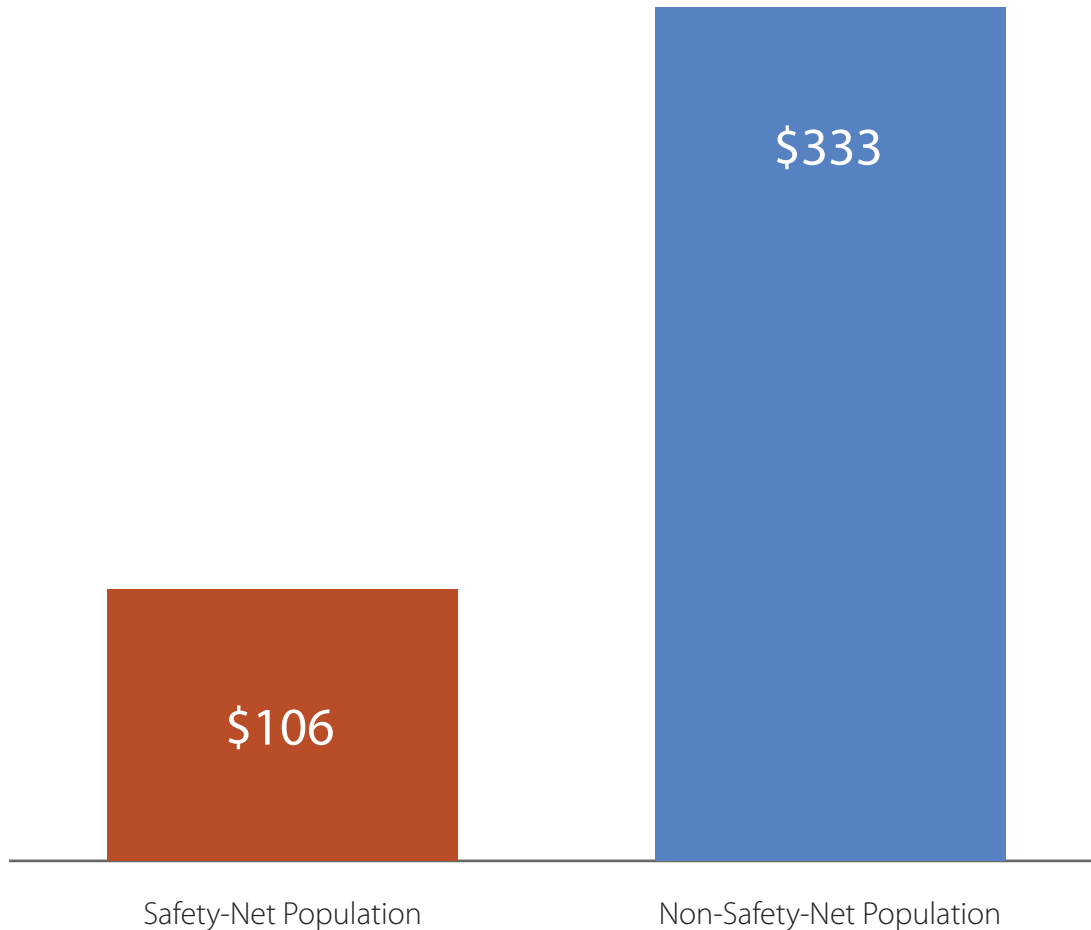
Source: Blue Sky Consulting Group analysis of the 2009 Medical Expenditure Panel Survey (MEPS) data.

In 2009, the safety-net population spent an average of \$323 of their own money on health care, while the non-safety-net population spent \$586. As a percentage of income, the safety-net population spent almost twice as much as other Californians.

Third-Party Payer Spending

Safety-Net vs. Non-Safety-Net Population, 2009

TOTAL EXPENSES PER MEMBER PER MONTH



Notes: Since MEPS omits spending on long term care and over-the-counter medications and all spending for institutionalized individuals, this chart does not capture all spending. Medicare recipients were excluded from both populations unless they were dual eligibles for Medi-Cal. The safety-net population includes those who were uninsured or enrolled in public programs for a full year; the non-safety-net population includes people who had private insurance at any point in time. Major third-party spenders include Medi-Cal, non-comprehensive state programs, other public insurance, and private insurance.

Source: Blue Sky Consulting Group analysis of the 2009 Medical Expenditure Panel Survey (MEPS) data.

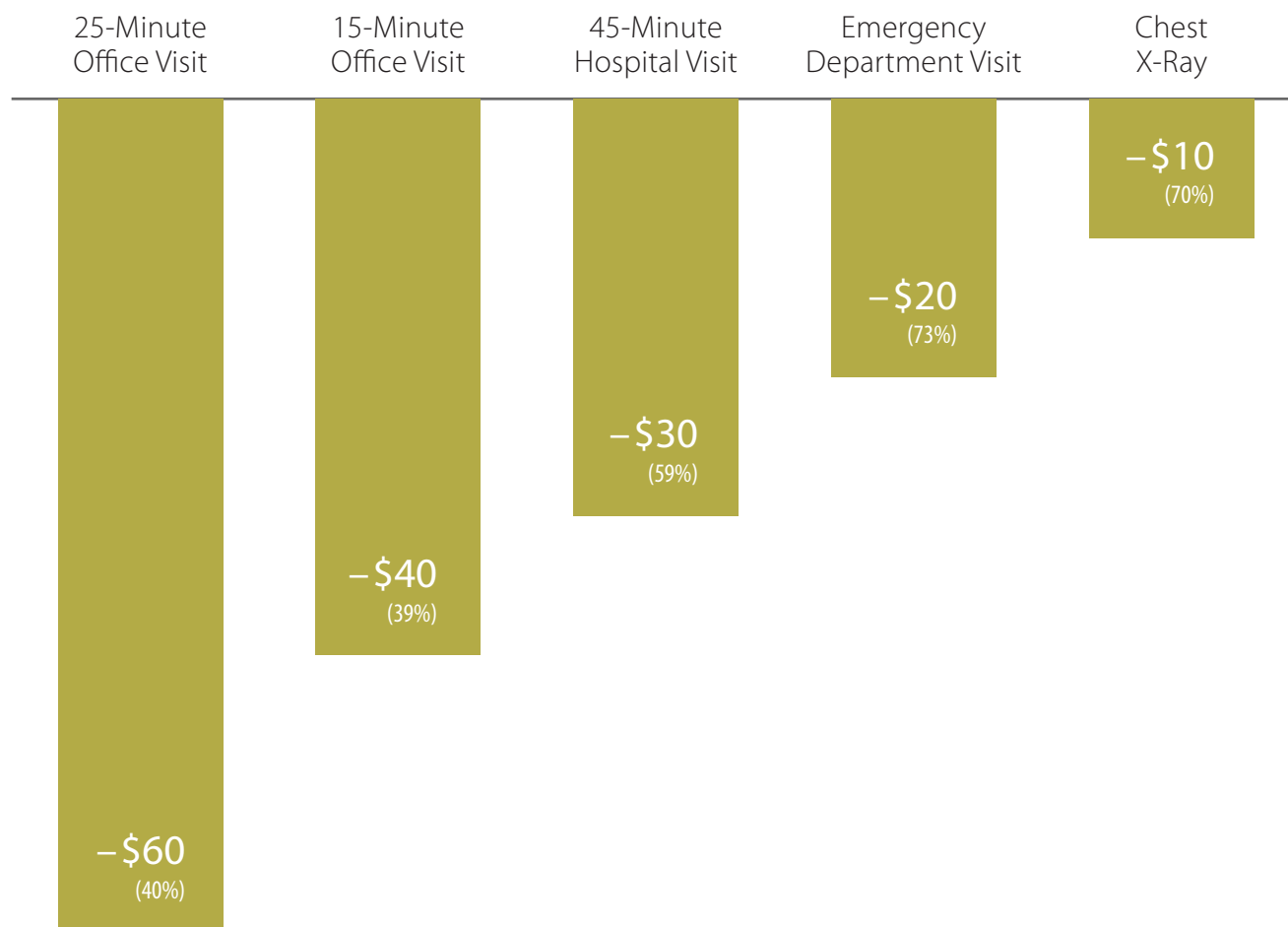
Spending by third-party payers such as Medi-Cal, private insurers, and county indigent programs was lower for the safety-net population compared to the non-safety-net population. In 2009, spending per safety-net member per month was nearly one-third that for non-safety-net members. Third-party payers provide lower payments for this population and there is no third-party payer picking up the tab for the uninsured.

Medi-Cal Reimbursement Rates (Compared to Medicare)

Selected High-Frequency Procedures, 2008

PROVIDER COST

(FRACTION OF MEDICARE REIMBURSEMENT SHOWN IN PARENTHESES)



Notes: Procedures ordered from more to less frequent.

Frequency based on survey of 32 procedures. Procedure codes for services shown are 99213, 99214, 99283, 59400, 59409, 99232, 76805, and 71020.

Source: Stephen Zuckerman, Aimee Williams, and Karen Stockley, "Medi-Cal Physician and Dentist Fees: A Comparison to Other Medicaid Programs and Medicare," California HealthCare Foundation, April 2009.

Medi-Cal reimbursement rates have been lowered by the State of California to save state General Fund money. For providers, this means that Medi-Cal reimbursement is substantially lower than Medicare reimbursement. On average, Medi-Cal pays only 56% of what Medicare pays for 32 common medical services (five services shown).

Recent Legislation Impacting the Safety Net



Recent legislative events have bolstered and strained the health care safety net. Health reform has created opportunities for expanded eligibility and systematic improvement, while continued state budgetary distress has led to service cuts and cost increases for program participants and providers.

Note: See Appendix for details.

Sources: Department of Health Care Services (DHCS), California Bridge to Reform: A Section 1115 Waiver Fact Sheet, November 2010; DHCS, California's Bridge to Reform Demonstration — Low Income Health Program, March 2011; Health Access, "2011–12 Budget Includes Harmful Cuts to Health Care," November 2011; Kevin Yamamura, "Federal Officials Reject California's Plan to Charge Medi-Cal Co-payments," Sacramento Bee, February 7, 2012; Health Access, "Final 2012–13 California Budget Includes Harmful Cuts to Health Care," June 2012.

Data Sources

Administrative data on health care providers and programs, as well as survey data on patient experiences, are reported to paint a picture of the safety net in California. These data come with limitations: The provider data do not capture individual-level experiences nor do they assess all providers. The individual-level survey data sometimes presents outcomes and experiences of Californians who do not actually access (and may not need to access) health care services from safety-net providers or programs. Nevertheless, the data presented in this report comprise the most comprehensive look at the safety net to date.

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FOR MORE INFORMATION



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Appendix: Recent Legislation Impacting the Safety Net

2010 Section 1115 Comprehensive Demonstration Project Waiver

In November 2010, the federal government approved California's five-year, \$10-billion "Bridge to Reform" Section 1115 waiver proposal. The waiver allows California to expand coverage early through county indigent programs to people who will become "newly eligible" for Medi-Cal in 2014, to move seniors and people with disabilities into managed care, and to test up to four models of health care delivery for children with special health needs who are eligible for the California Children's Services program. It also provides safety-net hospitals with additional Safety Net Care Pool funds to cover uncompensated care and provides public hospitals with funds to transform their health delivery system in preparation for the additional people who will have access to health care after reform.

2010 Low-Income Health Program

This program, part of the Section 1115 waiver, builds on the existing 10-county Health Care Coverage Initiative program and allows all counties to participate and cover as many as 500,000 low-income, uninsured individuals from 2011 to 2014. Participating counties have to enroll adults between the ages of 19 and 64 under 133% FPL, but could also obtain funds for covering adults up to 200% FPL. In 2014, enrollees in LIHP will become eligible for Medi-Cal or the California Health Benefit Exchange.

2011–12 California State Budget

The passage of the 2011–12 budget in June 2011 brought another round of cuts to the Medi-Cal and Healthy Families programs. The number of doctor and clinic visits was capped for Medi-Cal patients, copayments were instituted for most services, and coverage of medications and equipment was limited. In addition, payments to Medi-Cal providers, including physicians, pharmacies, clinics, and some hospitals and nursing facilities, were reduced by 10%.

2012–13 California State Budget

The 2012–13 California budget brought further cuts to the health care safety net. First, the Healthy Families program was eliminated, and the state started transitioning the approximately 875,000 enrollees to Medi-Cal in January 2013. In addition, dual eligibles (those who are on both Medi-Cal and Medicare) will be moved to managed care. The state approved the use of copays for nonemergency use of the emergency room and nonpreferred prescription drugs, even though the federal government blocked a previous attempt to institute copays. Moreover, the state diverted funds from public, private, and district hospitals for use in other state budget areas.

Sources: Department of Health Care Services (DHCS), California Bridge to Reform: A Section 1115 Waiver Fact Sheet, November 2010; DHCS, California's Bridge to Reform Demonstration — Low-Income Health Program, March 2011; Health Access, "2011–12 Budget Includes Harmful Cuts to Health Care," November 2011; Kevin Yamamura, "Federal Officials Reject California's Plan to Charge Medi-Cal Co-Payments," Sacramento Bee, February 7, 2012; Health Access, "Final 2012–13 California Budget Includes Harmful Cuts to Health Care," June 2012.