OVERVIEW

• Role of the Public Health Care System
• Progress Under ACA
• The New Landscape
• Challenges and Opportunities Ahead
ROLE OF THE PUBLIC HEALTH CARE SYSTEM IN SANTA CLARA COUNTY
Public health care systems play three essential roles in ACA implementation:

- Compete as providers of choice
- Continued role as a safety net provider
- Provider of essential community health services
21 PUBLIC HEALTH CARE SYSTEMS IN CALIFORNIA

While only 6% of all hospitals in California, the public health care system:

- Serves 2.85 million Californians each year
- Deliver 10 million outpatient visits per year
- Are located in 15 counties where 80% of Californians reside

Source: http://caph.org
CALIFORNIA’S PUBLIC HEALTH CARE SYSTEM

University of California medical systems & County-owned and -operated health systems

Santa Clara Valley Medical Center
POPULATION OF SANTA CLARA COUNTY:
“VALLEY OF THE HEARTS DELIGHT” TO “SILICON VALLEY”

1910: 83,539
1940: 174,949
1970: 1,064,714
2013: 1,862,041

Source: http://www.bayareacensus.ca.gov/
SANTA CLARA COUNTY

- Highest share (45%) of households making over $100,000 per year of all US metro areas
- Third fastest rate of income growth (4.6% per year) of all US metro areas

- Fourth largest number of homeless individuals of all US metro areas (6,681)
- Second highest proportion of unsheltered homeless individuals of all US metro areas (84%)

For a family with two wage earners and two school children, each adult must earn $17.22 an hour to achieve a living wage in Santa Clara County.

- 31% of jobs pay $16 per hour or less
- 33.5% of households in Santa Clara County earn below the living wage

Source: http://wpusa.org/living-wage/
SANTA CLARA VALLEY HEALTH AND HOSPITAL SYSTEM

The second largest public hospital system in the state serving over 348,000 patients every year

Integrated system since 1997

- Santa Clara Valley Medical Center; hospital and clinics
- Valley Health Plan
- Public Health Department
- Behavioral Health (includes mental health and drug and alcohol services)
- Custody Health
PAYER SOURCE FOR ALL PATIENT DISCHARGES IN CALIFORNIA, SANTA CLARA COUNTY, AND SANTA CLARA VALLEY MEDICAL CENTER IN CY 2013

Source: Office of Statewide Health Planning and Development, 2003-2013 Patient Discharge Data
PROGRESS UNDER ACA
STATE WIDE MEDI-CAL EXPANSION

Medi-Cal Program Enrollment - Most Recent 24-Months
Total Certified Eligible Beneficiaries

Enrollment

Jan - 2014
9,390,600

Feb - 2012
7,603,182

Jan - 2013
7,866,619

Month of Eligibility

Reported Number of Certified Eligibles
Estimated Number of Certified Eligibles

Source: http://www.dhcs.ca.gov/
STATE WIDE COVERED
CALIFORNIA EXPANSION

Cumulative Enrollment

October 2013: 30,830
November 2013: 109,296
December 2013: 500,108
January 2014: 728,410
February 2014: 880,082
March 2014: 1,395,929

Source: http://news.coveredca.com
COVERAGE EXPANSION IN SANTA CLARA COUNTY

- Coverage for children started in 2001 with Healthy Kids to cover all children in families earning up to 300% of the federal poverty level
- Coverage Initiative and Low Income Health Program
  - 20,000 people enrolled on January 1, 2014
- Focus on Prevention and Wellness
- Presumptive eligibility streamlines and expedites the Medi-Cal enrollment process
MEDI-CAL MANAGED CARE IN SANTA CLARA COUNTY

• 77.5% of Medi-Cal enrollees in Santa Clara County are in a Managed Care plan
  • 79% through Santa Clara Family Health plan, 21% through Blue Cross of California

• 68% of Medi-Cal enrollees in all California counties with Local Health Plans of California (LHPC) are in a Managed Care plan
  • 55% are enrolled in five major health plans.
PAYER MIX OF ALL OUTPATIENT PATIENT VISITS AT SANTA CLARA VALLEY MEDICAL CENTER, FY10-15

* Private or commercial insurance plans
**Better Health for All**

**SANTA CLARA VALLEY MEDICAL CENTER**

**COVERED LIVES, BY MONTH**

*includes VHP commercial, Covered California, & Anthem-Blue Cross Medi-Cal Managed Care*

**including restricted Medi-Cal**
SUCCESS WITH THE DELIVERY SYSTEM REFORM INCENTIVE PAYMENT (DSRIP) PROGRAM

As part of the 2010 waiver, DSRIP was intended to help safety net hospitals succeed under the ACA

- Focus on improving the health of the population, enhancing the patient experience, improving health outcomes, and reducing the per capita cost of care
Performance incentives to invest in quality improvement

• Reduced mortality from sepsis infections by more than 50%

• Decreased central-line bloodstream infection by 51% in the Neonatal Intensive Care Unit. Fewer infections reduce hospital days and lower costs by not having to treat preventable infections.
DELIVERY SYSTEM REFORM INCENTIVE PAYMENT (DSRIP) PROGRAM

Performance incentives to build necessary capacity

- Accelerated development of “Whole Person Care” with behavioral health integration into primary care
  - In 2014, 4,843 unduplicated mental health patients were seen in Federally Qualified Health Centers (FQHCs)
- Increased primary care clinic volume, hired additional primary care providers, and exceeded the goal to increase adult medicine panel capacity to 58,000 patients
- Added 44.3 primary care clinical and support staff
Electronic Medical Record system is an integrated platform for clinical and financial data

- 37,000 diabetic patients currently monitored and managed using population health management registry. Adding additional registries for other illnesses and a wellness registry

- Acts as a central source for raw data on our patient population, used for strategic and operational planning
  
  • Ability to optimize inpatient flow to improve efficiency
  
  • Having one source of patient information has allowed for the easy identification of patients for enrollment into CHF medical case management program
CHALLENGES AND OPPORTUNITIES AHEAD
STATE MEDI-CAL BUDGET BY SOURCE, IN BILLIONS

- **General Fund**
  - 2012-13: $15
  - 2014-15: $17

- **Other State and Local**
  - 2012-13: $8
  - 2014-15: $14

- **Federal Funds**
  - 2012-13: $59

CHALLENGES AND OPPORTUNITIES AHEAD
NON-PROFIT SECTOR IN SANTA CLARA COUNTY

9 Hospitals in Santa Clara County

5 Non-Profit Hospitals

4 For-Profit Hospitals

2 For Sale (will they remain non-profit?)

1 Santa Clara Valley Medical Center

1 Stanford

1 District Hospital

Currently providing 89% of the county’s charity care

Better Health for All
NON-PROFIT SECTOR IN SANTA CLARA COUNTY

An Uncertain Future

PRESS RELEASES
California Nurses Rally Against Kaiser’s $21.7 Billion In Excess Reserve
California Nurses Association Press Release, 5/6/14

MarketWatch
Blue Shield loses tax-exempt status in California
By Russ Britt
Published: Mar 18, 2015 4:17 p.m. ET
State quietly revokes exemptions for nonprofit health insurer

California Healthline
Report: Changes in Charity Care Regulations Could Hinder Access
Tuesday, January 21, 2014
COMPETE AND MAINTAIN STRONG MEDI-CAL PARTICIPATION

Maintaining our gains in Medi-Cal is essential

- Uncertainty remains

• Intense focus on primary care access, quality improvement and patient experience

- Continue the good work ahead to become high quality, integrated systems of care
LEVERAGE OUR STRATEGIC ADVANTAGES

• **Partnerships**: As health care increasingly focuses on improving the overall health of populations, how do we leverage our partnerships?
  - Other County Departments (public health, mental health, etc.), community clinics, local health plans

• **Expertise in serving diverse, low income populations**
  - How can counties and public health care systems lead efforts to address health disparities and improve overall health for low-income communities?
LOOKING AHEAD

3 million Californians will remain uninsured and largely rely on public health care systems for care

- 150,000 in Santa Clara County
- Fewer resources to care for these individuals

Dynamic, competitive marketplace

- New landscape requires public health care systems to respond and adjust quickly to market dynamics

Affordability

- Covered California Silver Plan Premium for a family of four at 400% the FPL is over $700 per month
The remaining uninsured

- 2 to 4 Million non-elderly Californians

AB 85

- FY 13-14, $300 million re-directed away from county health services for the uninsured. This figure may rise to $724.9 million in 2014-2015

Delivery system improvement and ensuring better health for all takes time. California’s 2015 waiver will be critical for public health care systems.