

**Department of Health Care Services
Associate Director for Policy Anastasia Dodson**

**Senate Health Committee
Informational Hearing: Affordable Care Act in California: What's at Stake
January 19, 2017**

Kern County Administrative Center, 1115 Truxtun Avenue, Bakersfield CA

Department of Health Care Services (DHCS) Overview

DHCS helps ensure that Californians have access to quality health care services that are delivered effectively and efficiently. Its programs integrate all spectrums of care primarily via Medi-Cal, California's Medicaid program. Medi-Cal is a federal/state partnership providing comprehensive health care to a wide range of individuals and families who meet defined eligibility requirements. Medi-Cal coordinates and directs the delivery of services to approximately 14 million Californians. On January 1, 2014, California implemented major elements of the Affordable Care Act, including the Medicaid expansion, which extended eligibility to adults without children and parent and caretaker relatives with incomes up to 138 percent of the federal poverty level. In 2017-18 an estimated 4.1 million Californians will be enrolled in Medi-Cal as a result of the Medicaid expansion.

Implementation of Affordable Care Act

California's implementation of federal health care reform has enabled millions of Californians to obtain health care coverage through both public and private plans, and improved quality and access for consumers. As you may imagine, the effort to implement the ACA's expansion of Medi-Cal required a lot of planning and collaboration between federal and state partners, as well as Covered California, counties, health plans, hospitals, clinics, physicians, local CBOs, and other stakeholders. This process, based on partnership, helped put our state at the forefront of expanding health care across the nation.

Specific DHCS efforts for Medi-Cal eligibility changes include:

- Expanded Medi-Cal to cover childless adults and parent/caretaker relatives with incomes up to 138 percent of the federal poverty level.
- Developed a single streamlined application and a joint online application portal with Covered California: the CalHEERS system (developed on a very ambitious timeline).
- Implemented a "No wrong door" approach for consumers to enroll online, in person, by phone, and by mail, leveraging multiple partnerships.
- Implemented Express Lane eligibility for children already enrollment in CalFresh, and the Hospital Presumptive Eligibility program to streamline enrollment for hospital admissions.
- In preparation for the coverage expansion, created the Low-Income Health Program (LIHP), as a bridge to Medi-Cal. This allowed 620,000 individuals to be enrolled in Medi-Cal in January 2014.

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Note also, Medi-Cal enrollment is year-round; we welcome applicants each and every day. Our network of Medi-Cal managed care health plans provide access to quality, coordinated care. Most Medi-Cal consumers can choose between two or more plans. We contract with 22 health plans statewide, leveraging California's competitive market for health plans.

Medicaid Expansion in California

Enrollment: Based on the expansion of the Medi-Cal program, total caseload has increased from 7.9 million in 2012-13 to a projected 14.3 million in 2017-18, covering over one-third of the state's population. In 2017-18 an estimated 4.1 million Californians will be covered by the Medicaid expansion.

Funding: For the Medicaid expansion, the Governor's Budget assumes costs of \$20.1 billion (\$19.2 billion federal funds, \$888 million General Fund) in 2016-17 and \$18.9 billion (\$17.3 billion federal funds, \$1.6 billion General Fund) in 2017-18 for the estimated 4.1 million Californians eligible under the expansion. Beginning in 2017, the state assumes a 5-percent share of cost for the optional expansion population. In 2018, the cost-sharing ratio increases to 6 percent and by 2020, the state share will be 10 percent based upon current federal law.

Potential Federal Changes:

The incoming presidential administration and leaders in Congress have suggested major changes to the program. At this point, it is not clear what those changes will be or when they will take effect. As such, the Governor's Budget continues to reflect existing state and federal law.