

**Coverage of Undocumented Immigrants
For Sacramento County
By Stan Rosenstein**

March 10, 2015

Sacramento County has requested an analysis of the options for the County to provide health care coverage to County residents who are undocumented immigrants. The County provided coverage to undocumented adult immigrants in its County Medically Indigent Services Program (CMISP) until 2009 but discontinued this coverage as part of its steps to reduce a County budget deficit.

Background

While millions of people in California are obtaining new coverage, the Affordable Care Act (ACA) does not provide full scope coverage for residents who are not citizens, nationals, documented immigrants or meet a few other special immigration categories. Most undocumented immigrants are not allowed by federal law to enroll in Covered California for any coverage or health care subsidies or to receive most non-emergency care under the Medi-Cal program. Covered California provides coverage for adults and families with incomes above 138 percent of the federal poverty level and, in most cases, Medi-Cal provides coverage for adults with incomes below 138 percent of the federal poverty level and for children with family incomes below 250 percent of the federal poverty level.

Because undocumented immigrants cannot obtain any coverage from Covered California or most non-emergency coverage from Medi-Cal, advocates have asked both the state and counties, including Sacramento County, to provide coverage to these immigrants. Their concern is that over one million people statewide have been left out of health care coverage and that these people pay taxes, often without receiving the benefit from those taxes. If these individuals do not have access to preventive services, there will continue to be people who experience poor health outcomes requiring more costly treatment and providers will continue to have uncompensated cost that put providers under duress and result in cost-shifting from the uninsured to the insured.

The state, counties, and stakeholders are undergoing unprecedented change due to the implementation of the ACA. While much work has been done, there still remains much more work to be done, especially with changes to Medi-Cal and the first Covered California open enrollment period. These changes will continue to take significant time and attention of all three parties. Lastly, the overall impact of these changes are unknown, including the impact to the County due to the state redirecting the majority of the County's health realignment funds

and the overall impact of these health care expansions on the County's Welfare and Institutions Code Section 17000 responsibilities.

State Coverage of Undocumented Immigrants

Through a number of programs, the state provides significant coverage for undocumented immigrants that, while not comprehensive, go beyond limited safety net coverage. While significant, these services are often categorical and do not provide a comprehensive coordinated set of benefits. This coverage includes:

- Coverage of services defined by the treating provider as an emergency, including dialysis
- Prenatal care, delivery, and 60 days post-partum care
- Screenings and treatment of breast and cervical cancer
- Care in a nursing facility
- Family planning services
- HIV/AIDS-related care and treatment, including services funded under the Ryan White Act
- Tuberculosis screening, diagnosis, and treatment
- Sexually transmitted disease screening, diagnosis, and treatment
- Well child screenings and immunizations and, in many cases, two months of full scope coverage that allows these children to obtain treatment for any conditions identified in this screening through the Child Health and Disability Prevention Program (CHDP)
- Under defined circumstances, two months of full scope coverage for people who enroll in Medi-Cal through hospital presumptive eligibility
- Full scope Medi-Cal coverage for undocumented immigrants who self-declare to Medi-Cal that their immigration status as PRUCOL (Permanently Residing Under Color of Law)
- The Medi-Cal Disproportionate Share Hospital program (DSH) pays a set amount of funds to hospitals with large percentages of Medi-Cal or uninsured patients for uncompensated cost, including the cost of providing care for undocumented immigrants

Other Coverage for Undocumented Immigrants

Hospitals have responsibility to provide care for all people, including undocumented immigrants, under the federal Emergency Medical Treatment and Active Labor Act (EMTALA), the Hill-Burton Act, and for non-profit hospitals as part of their community service obligations.

County Coverage for Medically Indigent Adults

Under Welfare and Institutions Code Section 17000, counties have had the responsibility to cover adults who are citizens or documented immigrants who have limited resources and are

not eligible for state programs for their health care needs. Sacramento County implemented CMISP to meet this requirement. This provision of law was not changed with the implementation of the ACA by California. However, implementation of the ACA included a number of changes that significantly reduced the number of adults who would be eligible for county coverage.

State legislation, AB 85, Chapter 24, Statutes of 2013, effectively required that counties provide funds to the state to assist the state with funding the implementation of the ACA in California. Under the option adopted by Sacramento County, the County must annually provide the state with 60 percent of the amount of the Health Realignment Funds (base and growth) that it receives, plus the amount of its statutory maintenance of effort (MOE). While Sacramento County now has 13 months of experience operating CMISP under the ACA health care expansions, it is too early to know what remaining CMISP responsibilities the County will have and the cost of those services.

Status of State Full Scope Coverage of Undocumented Immigrants

On November 20, 2014, President Obama issued an Executive Order on immigration that has the potential to significantly alter state health care coverage of undocumented immigrants in California. In part, this order could shield an estimated 5 million of the estimated 11 undocumented immigrants in the United States from deportation. This Executive Order provides provisional legal status to adults with children who immigrated to the United States at least five years ago (Deferred Action for Parents of Americans and Lawful Permanent Residents-DAPA) and expanded the already existing status for certain children (Deferred Action for Childhood Arrivals-DACA). These adults would have to register with Homeland Security Department U.S. Citizenship and Immigration Services and if they pay the required fee and pass required tests, they would obtain provisional legal status.¹

At this time, implementation of this this Executive Order has been stopped by a temporary injunction issued by U.S. District Judge Andrew S. Hanen of the Southern District of Texas. The White House has suspended implementation and indicated that they will appeal this decision. The timeframe for resolution and outcome of this litigation is unknown.

Individuals who may benefit from this Executive Order would not be federally eligible for Medicaid, Covered CA, or other federal benefits under existing state law, they will be eligible for state funded full scope Medi-Cal. Welfare and Institutions Code Section 14007.5 provides that undocumented immigrants who are permanently residing in the United States under color of law (PRUCOL) receive full scope Medi-Cal coverage if they are:

¹ <http://www.whitehouse.gov/issues/immigration/earned-citizenship>

“...residing in the United States with the knowledge and permission of the United States Immigration and Naturalization Service and whose departure the United States Immigration and Naturalization Service does not contemplate enforcing.”²

The people covered by President Obama’s Executive Order living in California will meet this definition if they are granted provisional status by the Department of Homeland Security U.S. Citizenship and Immigration Services.

Governor Brown’s January proposed budget provides PRUCOL coverage to immigrants who obtain provisional legal status and the Governor is not proposing to amend current state law to eliminate this coverage. The Governor’s budget does not budget any funds to pay for this coverage, in part because there are too many uncertainties in the cost of this coverage, but without a change in state law this coverage has to be funded as Medi-Cal is an entitlement program.

Even with the state’s providing full scope Medi-Cal to this population, then there will still be a significant group of undocumented immigrants not receiving health care coverage, including people who are more recent immigrants, do not have children, do not meet federal standards for this status or, for a number of reasons, do not want to report themselves to U.S. Citizenship and Immigration Services.

There was state legislation proposed in 2014 to provide the state full scope coverage of undocumented immigrants. This legislation did not get adopted but has been reintroduced this year as Senate Bill 4, State Senator Lara author. Senate Pro Tem Kevin de León has stated that providing this coverage is a legislative priority for him. The outcome of any proposed legislation in 2015 is unknown nor is the stance that Governor Brown will take on this legislation. Governor Brown continues to express concerns about the state’s financial condition but conversely he has supported other large expansions of Medi-Cal and, unlike the three previous Governors, during the state’s budget crisis, his budget proposals maintained all state coverage for undocumented immigrants. Recent statements by the State Department of Finance has expressed concerns that a “...significant expansion of health care coverage for low-income Californians continues to be both an administrative and a financial challenge” and depending on a number of variables the President’s Executive Order “...could drive state program costs up by hundreds of millions of dollars.”³

It is unknown how this proposed legislation will interact with any Medi-Cal coverage added due to the President’s Executive Order; however, as the Governor is covering people covered by the

² The Immigration and Naturalization Service was replaced by the U.S. Citizenship and Immigration Services.

³ H.D. Palmer, California Healthline, Health Care for the Undocumented Complicated by Cost Questions, February 11, 2015, <http://www.californiahealthline.org/~media/Files/2015/PDFs/CHLAudioTranscript021115final.ashx>

Executive Order, due to his fiscal concerns, he may not be willing to further expand Medi-Cal to provide coverage to the remaining group not covered by the President's Executive Order.

Further it is unknown whether any state legislation, now or in the future, that grants coverage to undocumented immigrants will require counties redirect some of all the funds it uses for coverage of undocumented immigrants to the state to help pay the state's cost of coverage. This was the funding approach adopted by the state when it assumed responsibility from the counties for medically indigent adults in AB 85, Chapter 24, Statutes of 2013. Based on this precedence it's possible that the state could again require counties to shift on a permanent basis some or all of its funding for this coverage to the state.

Other County Coverage of Undocumented Immigrants

There are a wide variety of ways that counties provide health care and health care coverage. With the implementation of federal health care reform, how counties arrange for care is changing and there are no updated studies on this coverage after the implementation of the ACA on January 1, 2014.

Counties vary in how they deliver services to the medically indigent. There are 12 counties in California that have county public hospitals and generally have related clinics. There are payer counties that contract for services and there are hybrid counties which do not operate a hospital but operate outpatient clinics and contract for hospitals and other services. Lastly, 34 counties were in the County Medical Services Program, which also reimburses providers for care provided.

According to a report issued by Health Access Foundation, eleven counties provide medical homes (primary care) for undocumented immigrants. These counties have a wide range of income standards ranging from 100 percent of the federal poverty level to 400 percent in San Francisco. Some counties have resource limits while others do not.

Nine of the eleven counties that provide coverage are public hospital counties. These are:

1. San Francisco
2. San Mateo
3. Contra Costa⁴
4. Alameda
5. Santa Clara
6. Kern
7. Ventura

⁴ Contra Costa County only covers children under age 19.

8. Los Angeles
9. Riverside

Public hospital systems receive some Medi-Cal funding for covering undocumented immigrants, including DSH payments, hospital presumptive eligibility, and emergency Medi-Cal. DSH and hospital presumptive eligibility funding, which covers both emergency and non-emergency care, is not available to non-public hospital counties. Non-public hospital counties who operate clinics can bill emergency Medi-Cal for any emergency services in their clinic but cannot receive any Medi-Cal reimbursement for non-emergency care or any payments it makes for other services including to hospitals.

Fresno and Santa Cruz Counties are the two non-public hospital counties that cover undocumented immigrants. Both counties have financing arrangements that are very different than Sacramento County and could not be replicated by Sacramento County.

In a number of actions Fresno County decided to terminate County medically indigent coverage for undocumented immigrants and then later decided to enter into agreements with local providers to provide a fixed amount of funding for specialty medical services for undocumented immigrants. At this time it appears that Fresno County does not cover primary care, relying on the federally qualified health centers to provide this care, or hospital services, relying on both groups' legal obligation to provide certain care. But Fresno County does cover specialty medical services that are not typically provided by federally qualified health centers or hospitals. Fresno County is able to provide these specialty medical services at no net cost to the County as the state has agreed to reduce the County's payments to the state under AB 85, Chapter 24, Statutes of 2013 by an amount equal to what the County spends on this coverage. The state agreed to this transaction because Fresno County covered undocumented immigrants on July 1, 2013, the base period for the calculation on county contributions. This funding option is not available to Sacramento County as it uses a different formula to determine how much it has to pay the state and it did not cover undocumented immigrants on July 1, 2013. However, Sacramento County could replicate Fresno County's coverage option using County funds.

Santa Cruz County operates two county clinics for its population of 269,000 people providing primary care. Undocumented immigrants can receive care at these two clinics. Santa Cruz County does not provide formal coverage of specialty or hospital care for undocumented immigrants. Instead, the County has a longstanding agreement with the three hospitals in the County that these hospitals will provide a set amount of charity care to uninsured patients referred to the hospitals by the County. Thus, undocumented immigrants in Santa Cruz County receive care from the two county clinics and when follow-up care is needed the County refers these patients to one of the three hospitals for treatment at no cost to the County.

Research for this paper did not find any counties that offered coverage for undocumented immigrants that has to purchase specialty care and hospital services from other entities.

The remaining counties in the state restrict coverage to citizens and documented immigrants.⁵

LA County provides a good example of county coverage as it recently adopted a program to formally provide coverage for undocumented immigrants. This program covers county residents six years and older who have incomes below 138 percent of the federal poverty level. LA County does not provide coverage for any undocumented immigrants who might otherwise be eligible for Covered California. Primary care is provided at community clinics contracting on a per member per month basis with the County, specialty care is provided at LA County's clinics, and hospital and emergency care is provided only at LA County's hospitals. According to a news story by radio station 89.3, KPCC, there is estimated to be 400,000 to 700,000 people eligible for the program and LA County has budgeted \$61 million in County funds in the first year to cover 146,000 people⁶. It should be noted that since LA County's hospitals receive Medi-Cal DSH funding it receives this reimbursement for a portion of the hospital care provided under this program and this helps reduce the cost of this program to the County. This is a very low annual cost of approximately \$436 per person, an amount not large enough to provide very much health care.

Options for County Coverage of Undocumented Immigrants

There are many options that can be considered in providing County coverage for undocumented immigrants. These variables include:

- What scope of services should the county provide?
- What network should the county use for its program?
- What income and resource tests should the county require?
- What requirements should be imposed on people potentially eligible for provisional legal status under the President's Executive Order
- What delivery system should the county use?

Scope of Services Covered

Counties have numerous options as to what scope of services it provides in a coverage package for undocumented immigrants. Each option would have different benefits and costs.

⁵ California's Uneven Safety Net, A Survey of County Health Care, November 2013, Health Access Foundation, http://www.health-access.org/images/pdfs/CAunevenSafetyNet_countysurvey_Nov2013.pdf

⁶ <http://www.scpr.org/news/2014/09/30/47077/new-county-health-program-covers-uninsured-immigra/>

Some of the factors that the County will want to consider are whether it wants to provide a comprehensive set of benefits that ensures that a person is fully covered with care coming from a single source and is coordinated? Or alternatively, does the County want to cover only those benefits that the state does not cover or limit them in other ways?

The County also has a number of options on how broad its coverage could be.

Options

1. Cover only those non-emergency services not covered by the state. In this case, the individual would have to enroll in both the state and County programs.⁷ This option would not provide for coordinated care but would maximize the use of state and federal funds without the risk of the County being found to have to pay for services now covered by Medi-Cal or other programs. However, services that are now emergency services could be reclassified as non-emergency and become a County responsibility. A good example of this kind of shift from emergency to non-emergency care is in dental where someone has a toothache. Under emergency Medi-Cal, the treatment option is extraction of the tooth; however a comprehensive non-emergency benefit would provide a root canal and crown to resolve the problem. The non-emergency benefit would provide better care but the Medi-Cal coverage of the extraction would shift to the County to provide a root canal and crown.
2. Provide both emergency and non-emergency services and seek to have Medi-Cal and other state programs be the primary payer. In this case, the individual would have to enroll in both the state and County programs and providers would have to first bill the state for those services covered by the state. Under this model, as discussed above, many services that are now provided as emergencies under Medi-Cal could be reclassified as non-emergency services and thus covered by the County and it is possible that the County could be found to legally be the primary payer.
3. Provide both emergency and non-emergency services and have the County be the primary payer. In this case, the County program would provide for comprehensive and coordinated care with the County paying for those services covered by the state.
4. The scope of services covered in the options above could include all of the benefits offered by Medi-Cal or could exclude or limit some of these services:
 - a. Long term care. Nursing facility services for undocumented immigrants are covered by Medi-Cal, but home and community based long term care services are not.

⁷ Given Sacramento County's eligibility process, it is likely that under any options for incomes below Medi-Cal levels that Sacramento County will have to grant dual eligibility for undocumented immigrants, Medi-Cal emergency services coverage and County coverage. Sacramento County's programs use the Medi-Cal application for processing which will require a Medi-Cal eligibility determination to be made for every application.

- b. Dental. Some or all non-emergency dental services could be included in coverage.
- c. Mental health and alcohol and drug. Some or all non-emergency mental health and alcohol and drug services could be included in coverage.
- d. Hospital services could be excluded with those services either being covered to the extent possible by Medi-Cal emergency coverage and hospital presumptive eligibility and for those services not covered they could be covered by the hospital with reimbursement from the Medi-Cal DSH program or as a hospital responsibility for covering the uninsured.
- e. Services could be limited to a very basic non-emergency benefit package, including basic services such as physician, clinic, pharmacy, lab, and radiology.

Coverage Network

The County has numerous options as to what provider network it provides in a coverage package for undocumented immigrants. Some of the options are discussed below.

Due to the nature of county programs and the relatively low rates that the state and most counties pay providers, any county network of providers is likely to be more limited than employer based commercial insurance. Within this parameter, the County has a number of options. The larger and more diverse the provider network, the more access participants have but the greater the cost. Conversely, the smaller the network of providers the more limited access will be but the cost will be lower. As undocumented immigrants do not have government sponsored access to many non-emergency services, both a small or large network would be an improvement in access to care. The size and nature of the network is also affected by the scope of services that the County provides coverage for.

Providing access to care and the rates to obtain this access can be a challenge. CMISP and Medi-Cal managed care have had challenges in providing sufficient access to specialty care and hospital services and it would be a problem in any coverage expansion. Further, the County would have to decide what rates to pay providers and how to pay them. LA County addressed this issue by paying participating clinics a per member per month rate and moving away from a per visit payment schedule.

Options

1. Provide access to services to undocumented immigrants only in the County clinic, the County pharmacy, and contracting specialists.
2. Provide the same access as option one but include community clinics in the network.
3. Provide the same access as option two but include other contracting primary care providers in the network.

4. If the County decides to provide hospital services, given prior experience with CMISP and the Low Income Health Program, it is unlikely that any hospital system is Sacramento would be willing to be the only hospital contracting with the County; therefore, the County would like to have to contract with multiple hospital systems in the County.

Income and Resource Tests

The County has a number of options on what income level it wants to provide coverage at and whether it wants to have a resource (asset) test for coverage.

Some important current coverage levels include:

- Medi-Cal covers adults with incomes up to 138 percent of the federal poverty level (FPL). There is no resource test. Individuals enrolled in non-share of cost Medi-Cal have few mandatory cost sharing requirements.
- Covered California grants federal tax subsidies for adults from incomes above 138 percent FPL to 400 percent FPL, with the tax subsidy varying by income level. There is no resource test. Individuals enrolled in Covered California have significant cost sharing, including paying premiums, deductibles and copayments.
- Sacramento County's CMISP program covers people with incomes below 63 percent FPL for a single adult and 59 percent FPL for a couple at no cost and then requires people with higher income levels to spend down their income on health care on a monthly basis before County coverage begins. CMISP also has a resource test that makes people with non-exempt assets (e.g. a house or a car are exempt) of approximately \$3,000 from coverage until they spend down those assets. Currently, with the CMISP share of cost levels, individuals with incomes above 63 percent FPL and who meet the Medi-Cal income levels would have to pay a monthly share of cost of \$1 to \$690 before they obtain County coverage for that month. For any individual with incomes eligible for Covered California, the monthly share of cost amount would range from \$691 to \$3,229 a month. Having to pay a large share of cost amount as CMISP now requires makes the coverage largely coverage for catastrophic care and does not provide coverage, except at the lowest income levels, for preventive health care.
- LA County's new coverage program for undocumented immigrants covers people with income levels up to 138 percent FPL, aligning the program with the Medi-Cal income level.⁸ There is no resource test for this program.

⁸ http://file.lacounty.gov/dhs/cms1_215467.pdf

Much of the discussion about coverage of undocumented immigrants has been that federal law does not allow them to be covered by Covered California. To address this issue, it would require the County to provide coverage at income levels up to 400 percent federal poverty level, the last income level receiving federal tax subsidies. Covered California also requires a monthly premium and has enrollee cost sharing requirements. Therefore there are several issues for the County.

1. Does the County want to address the lack of coverage of non-emergency care by Medi-Cal and provide a comprehensive benefit to the low income Medi-Cal population?
2. Does the County want to address the lack of any coverage by Covered California?
3. Does the County want to expand the current CMISP program with its income and resource levels to cover undocumented immigrants? Does the County want to drop its resource test as was done for Medi-Cal?
4. If the County increases the income and resource standards for undocumented immigrants above CMISP levels, does it want to make the same changes for citizens and documented immigrants in CMISP?

Provisional Legal Status Under the President's Executive Order

The County has several choices on how to treat people who are eligible or potentially eligible under the President's Executive Order and therefore could be eligible for full scope Medi-Cal under PRUCOL

1. People who are granted provisional status under one of the federal categories and have self-declared PROCOL status will be granted full scope Medi-Cal and do not need to enroll in any County program.
2. For people who have not been granted this status but are potentially eligible, the County has several options.
 - a. Does the County want to screen applications to determine if a person is potentially eligible for this status and coverage and require people who may be eligible to apply?
 - b. If the County requires potentially eligible people to apply, does the County want to grant temporary eligibility during the application and screening period?
 - c. Does the County want to cover people who are potentially eligible for provisional status but for one of a number of reasons such as inability to pay the required fee, fear of applying, etc. choose not to apply for this status?

- d. Does the County want to cover people who apply for provisional status but have their application denied?
3. Does the County want to grant immediate enrollment to people who are not eligible for provisional legal status under the President's Executive Order? For example, people without children or who have entered the U.S. within the last five years?

Delivery System

The County has several choices on how to organize a delivery system for any coverage program. This would, in part, depend on the scope of coverage offered. The County can choose to:

1. Pay providers on a fee for service basis for each service that they provide. This is the model used in the CMISP program.
2. Contract with a managed care plan on a per member per month basis and require the plan to manage the care. This was the model used for the Low Income Health Program.
3. Contract directly with providers for services but pay those providers on a per member per month basis for the services they provide.

Fiscal

There are many variables in determining the cost of providing coverage to undocumented immigrants in Sacramento County. These include:

1. Scope of services
2. Provider network
3. Level of income covered and whether a resource test is required
4. Take up, what percentage of the population enrolls and what are the medical conditions/needs of the people who enroll. LA County is assuming a 20 to 35 percent enrollment in the first year
5. Accuracy of the population estimate

The attached Matrix provides fiscal cost for four options. There are many other possible options.

The Public Policy Institute of California (PPIC) estimates that 3 to 4 percent of the 1.5 million people who live in Sacramento County are undocumented immigrants (a total of 44,000 to 58,000 people).^{9, 10} While there is no income data available for this population, it is assumed that the vast majority has lower incomes and would qualify for any coverage by the County.

⁹ Just the Facts, Undocumented Immigrants, February 2013, Public Policy Institute of California, http://www.ppic.org/main/popup.asp?u=../content/images/Figure_UndocumentedImmigrants2.png&t=The%20Central%20Coast%20and%20Los%20Angeles%20have%20the%20highest%20concentrations

¹⁰ U.S. Census Bureau, <http://quickfacts.census.gov/qfd/states/06/06067.html>

The Building Healthy Communities Health Access Workgroup estimates that there are 65,000 undocumented immigrants in Sacramento County who are unable to qualify for health coverage by Covered CA or for non-emergency coverage by Medi-Cal. Most recently, on January 29, 2015, the University of California, Berkeley Labor Center published a report that estimated that Sacramento region has 50,000 undocumented immigrants who could potentially enroll.¹¹

Population estimates on the number of undocumented immigrants who could be covered are not reliable and often understate the actual number of potentially eligible people. Current Medi-Cal enrollment data from the Department of Health Care Services shows that there are over 16,000 undocumented immigrants enrolled in Medi-Cal who live in Sacramento County.¹² All of these individuals have enrolled in Medi-Cal and meet Medi-Cal income and resource standards. This number includes both adults and children. As Sacramento County uses the Medi-Cal application and Medi-Cal eligibility processes and workers for its CMISP program, depending on the decisions made by the County, many if not most of these people could become eligible for any County coverage program within the first year.

Given that these population estimates are traditionally low and there is a wide range of population estimates, it is recommended that the County use the high range of the PPIC estimate for its fiscal analysis.

If one uses LA County's assumed early enrollment percentages and the PPIC population estimates, you would assume that with a Medi-Cal like enrollment process, between 12,000 and 15,000 people could enroll in the first year and an even greater number in subsequent years. This number is consistent with the current state Medi-Cal enrollment numbers for Sacramento County. As shown in the matrix, other options would narrow where people could enroll and likely reduce the enrollment rate.

Estimating the cost of care will vary by the above factors. Further, if the County offers non-emergency services only, it is likely that some of the emergency services now covered by Medi-Cal will be billed to the County as non-emergency services.

None of these cost estimates include any mental health, alcohol and drug treatment or dental services the county may want to provide nor any County administrative cost. The cost of administration has been added to this fiscal estimate.

¹¹ Which Californians will Lack Health Insurance under the Affordable Care Act?, UC Berkeley Labor Center, January 29, 2015, <http://laborcenter.berkeley.edu/which-californians-will-lack-health-insurance-under-the-affordable-care-act/>

¹² Updated data from DHCS from current Medi-Cal Member Months Pivot Table - Most Recent FY Quarters,

There are a wide range of options to provide coverage if the County decides to provide coverage.

Reverse December 2009 Decision

If the County were to reverse its December 2009 action that required CMISP eligibles to be either an US citizen or qualified immigrant as defined in federal law and offer non-emergency coverage to those undocumented immigrants to meet CMISP income and resource standards, it is estimated that the annual cost in the first years of the program would be approximately \$10.7 million for an enrollment of 7,000 adults. Under this option, only non-pregnant adults would be covered as CMISP does not cover children or pregnant women and the sole source of primary care would be at the single County clinic.

Provide Medi-Cal Like Coverage

In developing an estimate for the cost of providing full Medi-Cal like coverage for this population, Medi-Cal costs were used to develop this estimate. Medi-Cal has a very low cost per member in providing health care services. County cost may be higher. In estimating cost, Medi-Cal's average annual cost for limited scope coverage for an undocumented immigrant is \$3,152; however, that includes significant cost for nursing facility care, which the County would likely not cover. That lowers the annual cost to approximately \$3,000. Medi-Cal spends \$2,274 for a full scope non-disabled adult under 65¹³. A study done by the state in the 1990s found that it could convert emergency only coverage for immigrants to full scope coverage at about the same total cost as the emergency only benefit. The emergency only coverage included in this study included payment for the cost of deliveries, which is a significant portion of this cost. The County may choose not to cover deliveries as they are covered by Medi-Cal. But this cost reduction is likely to be offset by other cost increases. For example, in 2009, the State Department of Health Care Services found that the average number of physician and clinic visits by a full scope family member was more than twice the number of an undocumented immigrant who only had emergency coverage.¹⁴ Therefore, it is possible to use the \$3,000 a year estimate for the cost of full scope coverage.

Other fiscal benchmarks from Medi-Cal that were not used for this estimate is the cost are the cost of the ACA expansion population in Medi-Cal, people who were formally covered by the county medically indigent programs, and the cost of seniors and people with disabilities. The

¹³ Neither of these Medi-Cal costs include the cost of county mental health or alcohol or drug treatment. Coverage of these services would increase cost.

¹⁴ Health Care Access in the Medi-Cal Program, October 2011, Department of Health Care Services, <http://www.dhcs.ca.gov/Documents/Rate%20Reductions/Rate%20Reduction%20Stakeholder%20Presentation.pdf>

state Medi-Cal estimate shows a cost of \$620 a month or \$7,440 a year for the expansion population and \$1,038 a month or \$12,526 a year for a senior or person with a disability.

A very rough estimate of the cost of full scope coverage at Medi-Cal eligibility levels would be approximately \$52.3 million annually during program start up and the annual cost would likely increase upon full implementation and greater enrollment in years two or three. These costs could be altered based upon the variables selected, the enrollment rate and many other factors.

Cover Services not Covered by State

County cost could be significantly reduced if it adopted a program with more limited coverage or provider networks. Additionally, the County could choose to only cover services that Medi-Cal or other state programs do not cover. Since the County uses the Medi-Cal application for CMISP coverage, the vast majority of people granted any County coverage would also be granted emergency Medi-Cal coverage. However under that option there likely will be a shift from emergency care to non-emergency care that would shift currently Medi-Cal funded services to the County program. It is estimated that if the County decided to cover only those services that the state does not cover and require providers to bill the state before billing the County, the cost per enrollee would be \$2,000 a year and \$31.4 million in the first year during start up and more in later years.

Contract with Community Providers

Fresno County decided to provide coverage for specialty care only for undocumented immigrants by contracting with community clinics in the County. Sacramento County could adopt this approach or a similar approach to seek to provide coverage in those areas not already covered by the state or the provider's legal obligation to provide coverage. For example, the County could contract with community providers in Sacramento County to provide either specialty care or to provide both primary and specialty care and could like Fresno County fix its financial obligation at a set amount. This amount could be approximately \$6 million.¹⁵

County Case Management

¹⁵ Fresno County allocated approximately \$5 million in a manner that created no net cost to the County. Fresno County has a population in 2013 of nearly a million people and a Medi-Cal enrollment very close to that in Sacramento County. Sacramento County's 2013 population is approximately 1.4 million people but does not have the ability to fund this coverage at no net cost to the County.

<http://quickfacts.census.gov/qfd/states/06/06067.html>,

http://www.dhcs.ca.gov/dataandstats/statistics/Pages/Eligibility_Pivot_Tables.aspx

There is already significant state health coverage available to undocumented immigrants, but this coverage is not comprehensive or coordinated. Often people do not know what coverage options are available to them. To help bridge this gap, the County could either provide directly or contract with community based organizations to provide case managers who could assist undocumented immigrants in enrolling in state health programs that they were eligible for and in coordinating the care between these various categorical state programs. The County should be able to execute contracts throughout the County at a cost of \$300,000 to \$500,000.

Covered CA Population

None of these options provide the cost of covering undocumented immigrants with incomes above 138 percent of the federal poverty level, the Covered CA population. Most of the counties who cover undocumented immigrants do so at income levels that includes some of the Covered CA population but no county offers a coverage program structured like Covered CA for this population. Each of the options provided could be expanded to include higher Covered CA income limits, however, the County will need to address this interaction with Covered CA for citizens and documented immigrants. There are numerous design considerations if the County wanted to try to replicate for undocumented immigrants the insurance exchange and tax subsidies offered by Covered CA.

Impact of PRUCOL Status and President's Executive Order

It is very difficult at this time to determine how much County cost could be reduced due to Medi-Cal PRUCOL coverage of people impacted by the President's Executive Order. The State did not develop a fiscal estimate in the Governor's Budget released on January 9, 2015.

The U.S. Citizenship and Immigration Services had announced that the Executive Order initiatives will be "...implemented over the next several months and some will take longer".¹⁶ It had been announced that it will open applications for eligible children on February 18, 2015 and adults in mid to late May.¹⁷ However, on February 16, 2015 U.S. District Judge Andrew S. Hanen of the Southern District of Texas issued a temporary injunction barring implementation of this Executive Order and receipt of these applications has now been suspended. The White House has announced that it will appeal this order and the outcome or timeframe for resolution is unknown. Further if this litigation is resolved and the Executive Order implemented, it is unknown how many immigrants will apply for provisional legal status, how long the application process will take, or the percentage of people applying that are granted this status. Because of these lag times it is estimated that the impact on County enrollment and any cost reduction in the initial year or first two years would be minimal.

¹⁶ <http://www.uscis.gov/immigrationaction>

¹⁷ <http://www.uscis.gov/immigrationaction#2>

In the long term, the impact of this change on any county cost would be directly related to the policies the County adopts regarding enrollment in the program. For example, will the County, as a condition of eligibility for County coverage, require people who meet the general requirements for provisional legal status to apply for that status or will the County cover people who might be eligible for provisional legal status but for one of a number of reasons has chosen not to apply for that status?

Due to implementation issues there will be very little or no cost reduction to the County in the initial coverage year or years and then depending on the rules adopted by the County, this PRUCOL status could reduce County cost in each option from anywhere from 10 to 40 percent.