



**CALIFORNIA STATE ASSOCIATION OF COUNTIES**

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January 13, 2017



**CALIFORNIA ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS**

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**COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION**

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**COUNTY HEALTH EXECUTIVES ASSOCIATION OF CALIFORNIA**

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**COUNTY MEDICAL SERVICES PROGRAM**

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**CHILD WELFARE DIRECTORS ASSOCIATION**

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Dear California Congressional Delegation Member,

The undersigned California county associations are very concerned about the potential dire effects of repealing the Affordable Care Act without a suitable comprehensive replacement that ensures market and delivery system stability and continued coverage for more than 14 million Californians. Our members represent a broad spectrum of California county services, including public safety and law enforcement, public safety net hospitals, public health, human services, and behavioral health (including substance use disorder treatment). Our counties partner with California to provide medical care, behavioral health care, Medicaid, TANF, and SNAP eligibility services, and a number of other key health and human services programs statewide. Many of our largest counties also operate public hospitals. Our broad reach and commitment to the health of our communities – and, increasingly, the close connections and innovations county leadership is developing between public safety efforts and health treatment – provides us with a unique perspective on the Affordable Care Act (ACA) and its effect on our constituents’ lives.

Although the outcome is still uncertain, we have illustrated below the potential effects of repealing the ACA without a suitable framework to replace it. California’s counties seek the development of such a replacement framework, but we write to share with you the destructive impact the loss of the ACA will have on our members and the 38 million people we serve. California’s counties must be included in the development of a comprehensive replacement framework that does not disadvantage enrollees by eliminating coverage or increasing costs.

California’s Counties stand to lose billions of dollars if the ACA is repealed without a simultaneous, suitable, comprehensive replacement for providing critical Medicaid services to the more than 14 million Medicaid-eligible people in California. In the absence of an immediate and appropriate replacement plan, our uncompensated care costs will skyrocket, destabilizing our health care systems. Those who lose their Medicaid or Covered California coverage in the absence of the ACA will again have to wait until a health issue becomes an emergency to seek care – care that is the most expensive and with the poorest health outcomes. Important mental health and substance use disorder treatment services will cease to exist, and counties and health providers will be forced to reduce

their workforces by hundreds of workers.

For each of our memberships, the positive impact of the ACA has been unprecedented. It has also incentivized collaboration and innovation to improve health while also delivering high-quality health and behavioral health care more efficiently. Here is a sample of the work our members do and how the ACA impacts our health care and law enforcement responsibilities:

### **County-Administered Health Care**

California's counties are responsible for providing health care to the poorest and sickest adults under Section 17000 of the state Welfare and Institutions Code, as well as critical public health services in our communities. The state's decision to opt into the ACA Medicaid Expansion has significantly reduced the number of uninsured adults by providing health care coverage and access to services.

Since the implementation of the ACA, our health departments have implemented innovative public health programs and services, including outreach to vulnerable populations and targeted health promotion and chronic disease prevention campaigns. Last year, California received roughly \$90 million to invest in public health prevention activities through Prevention and Public Health Fund grants, making efficient use of the nation's first dedicated public health funding stream.

The repeal of the ACA without a comprehensive and simultaneous replacement will force counties to rapidly reconstitute indigent health care systems in an uncertain marketplace and fundamentally reduce our capacity to continue prevention strategies and infectious diseases reduction efforts in our communities.

### **Mental Health and Substance Use Disorder Treatment**

Should the ACA be repealed without a suitable comprehensive replacement, millions of Californians will lose access to important behavioral health services. The ACA establishes mental health and substance use disorder benefits as services that must be covered as Essential Health Benefits (EHBs). These EHBs mean that millions of Californians have recently gained access to these critical services. This access will cease if the ACA is repealed without a simultaneous comprehensive replacement.

In California, Medi-Cal enrollees with serious mental illness are eligible for county specialty mental health services. Beneficiaries will lose access to these services if the ACA Medi-Cal expansion is repealed. The loss of mental health services will be especially acute for those individuals being treated within California's county behavioral health system. In addition, county systems will likely see an increase in individuals who are in crisis and seeking specialty mental health services as a result of the loss of commercial coverage through Covered California, our state's ACA health care exchange.

Further, the loss of the ACA Medicaid Expansion will gut the state's substance use disorder treatment system at a time when more Americans are grappling with opioid and other addictions. It is estimated that approximately 12% (450,000 individuals) of

California's Medicaid expansion population has a substance use disorder. Under California's Drug Medi-Cal Organized Delivery System Waiver, counties may opt into expanded substance use benefits. Those who are able to access substance use disorder treatment include adults transitioning from the jails or state prisons; adults being diverted from the criminal justice system; and individuals who are chronically homeless. These populations, many of whom have a high level of need for health and behavioral health services, have gained health coverage due to the ACA and the Medicaid Expansion. Without the ACA or an immediate, suitable, comprehensive replacement, these adults won't be able to access non-emergency substance use disorder or mental health treatment.

Any repeal without a simultaneous, comprehensive replacement of the ACA will have massive negative fiscal impacts on the county-run specialty mental health services plans and behavioral health system overall. It will roll back the clock on the significant progress made in mental health care and stifle local innovation to reduce recidivism and homelessness in our communities.

### **Public Hospitals and Health Systems**

Coverage expansion through the ACA has transformed how public health care systems provide care in California's communities. The ACA offered an unprecedented expansion of insurance coverage to low-income Californians, with Medi-Cal enrollment increasing from 8.6 million prior to the ACA to more than 14 million in 2016. Public health care systems serve as the primary care medical home for more than 500,000 new Medi-Cal enrollees, and as a result, our medical teams are able to focus more attention on care that promotes better value to patients and improvements in health outcomes. For example, over the last few years public health care systems have enrolled more than 680,000 individuals into "medical homes." The combination of coverage and the medical home model, where care is coordinated, results in the more effective deployment of preventive services, more efficient use of limited resources, and better health outcomes overall.

The risks for California's public health care systems are significant. Our 21 public health care systems (16 county and 5 University of California) serve more than 2.85 million patients annually, despite accounting for just 6 percent of the state's hospitals. More than 70 percent of the patients served by our county-owned and operated health care systems are low-income – either Medi-Cal beneficiaries or uninsured. The expansion of Medi-Cal has generated stability for our health systems and improved the outcomes for the people we serve.

The expansion of coverage has been essential to our systems, and a repeal of the ACA could result in public health care systems losing up to \$2 billion annually in federal funding. The loss of funding, coupled with a dramatic increase in the number of uninsured, could destabilize our systems and the life-saving services we provide.

### **Medicaid Eligibility**

California's counties provide Medicaid eligibility services on behalf of the state, enrolling and renewing coverage for the more than 14 million beneficiaries, including

three million new beneficiaries since 2013. We have made great strides in improving the technology of our eligibility systems, streamlined the workload of the overall eligibility process, and worked with the state to direct more funding toward human services and employment programs. The loss of ACA matching and administration funding will impact the county human services workforce, technology systems, and innovative county-based solutions such as the Whole Person Care pilot projects and efforts to combat homelessness.

### **Public Safety**

The ACA has drastically changed the health care landscape in California not only by giving us the tools to improve the health of our residents, but also providing our counties the opportunity to tackle important community issues. California's counties are building on the ACA Medicaid Expansion to address some of the most intractable and expensive social problems in the Golden State: the vicious cycle of criminal justice recidivism and chronic homelessness. Under the ACA, nearly all California counties have established programs to provide enrollment assistance to jail inmates as part of a more comprehensive reentry strategy. This allows former inmates who are eligible under the ACA Medicaid Expansion to access critical medical, behavioral health, and substance use disorder services upon their release and help them comply with post-release requirements (such as attending a drug treatment program). Research shows that interventions that improve access to health-related services go a long way toward reducing recidivism, and the associated cost savings help reduce correctional costs on counties and allow those resources to be directed towards reentry programming.

All counties continue to grapple with the homelessness crisis, and the ACA Medicaid Expansion is also a critical tool in the fight to find shelter and support improved health and mental health for California's most vulnerable populations. Because of the ACA, single childless adults can access mental health and substance use disorder treatment services, which are often a key factor in any successful effort to serve the homeless population. Mental health and health care services are an irreplaceable piece of our homelessness efforts.

Counties are leveraging the ACA Expansion to provide coordinated care and case management services for vulnerable populations. In 18 counties, county departments have implemented local programs to support coordination across numerous county departments and achieve improved health outcomes for those who are homeless and frequent users of the local health, criminal justice, and safety net systems.

Counties are also focused on the "last mile" of providing access to health care, especially for dental services and behavioral health treatment in rural areas, increasing the medical and psychiatric professional workforce, and developing innovative new ways to improve care coordination in all settings.

For California's counties, the ACA has increased our residents' access to health and behavioral health care, given them opportunities to seek primary and preventative care, and avoid costly emergency and hospital stays. For the first time in decades, California's

health care safety net is stabilized. Law enforcement and its partners are reducing recidivism, and those who struggle with addiction can receive evidence-based treatment in their communities. Our members have achieved this progress through collaboration and innovation under the ACA. We can't imagine the health care and public safety landscape without this framework. Repealing the Act without an immediate, suitable, and comprehensive replacement will do irreparable damage to our publicly funded health care systems and those we all serve.

California's County Supervisors, Public Hospital Administrators, Health Directors, Behavioral Health Directors, Human Services Directors, and Rural Health Care Administrators urge you to not move forward with repeal plans unless and until a suitable, comprehensive and simultaneous replacement has been developed that maintains existing levels of Medicaid coverage. The health and stability of California's 58 urban, suburban, and rural counties and the people we serve depends upon your commitment to a comprehensive ACA replacement. We stand ready to assist you as you seek to ensure the stability of our safety net systems.

Sincerely,



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