Health Authorities and Health Commissions Overview

SACRAMENTO COUNTY HEALTH AUTHORITY COMMISSION

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Today's Discussion

- Why were Health Authorities created?
- History of Local Health Authority Governance Models
- Examples of Health Authorities with Health Plans
- Examples of Health Authorities without Health Plans
- Who are the Health Authorities
- Managed Care Models: COHS. Two Plan/Single Plan and GMC
- Role of Board/Commission
- Key Characteristics

Why was the Health Authority governance model created?

- Bring a Federal and State program (Medi-Cal) down to the local level
- Create a plan that was connected to and served the local community
- Ensure ongoing continuity through County appointed Boards/Commissions
- Provide local stakeholder, consumer and provider representation
- Creates the operational flexibility of a private firm to move quickly when necessary but as a public entity subject to public scrutiny

Local County Health Authority History

- The Health Authority concept was developed to bring the Medi-Cal program down to the local level. The idea was to create a local health plan governed by a public board.
- State Statues were written to authorize Counties to create a governance structure for these local plans by County ordinance.
- The health plans would not be operated by the counties and would be governed by stakeholder Boards, including providers, consumers and elected officials.
- All of the County Organized Health System (COHS) have this governance model. The Two Plan Local Initiatives and Single Plan counties followed with the same governance structure, except for Contra Costa County.
- All were created with local issues in mind. Protecting the Safety Net, Access to Care and Indigent and Uninsured populations were among the prominent issues.
- Since that time other Counties have created Health Authorities to provide some measure of oversight on Medi-Cal even if they didn't create a health plan.

Examples of Health Authorities with Health Plans

- The COHSs started in Santa Barbara in the early 1980s and has since spread throughout the State.
- All original Two Plan Local Initiative model plans developed locally in response to a push by CA DHCS to move Medi-Cal into managed care in the 1990s.
- In later developments CalViva Local Initiative Health Authority (Fresno, Kings & Madera Counties) and Community Health Plan of Imperial Valley (Imperial County) created licensed health plans but operated them through a partnership with Health Net. Neither had the development funds to start their own plan from scratch.

Examples of Health Authorities without Health Plans

- Imperial County created a Health Authority to oversee Medi-Cal in their community and DHCS allowed them to designate which commercial plan could fill one of the two commercial plan spots. Imperial designated Health Net to that slot. Similar to what Tulare and Stanislaus counties did without Health Authorities.
- However, Imperial anticipated one day they would want their own health plan and later obtained their license and started providing services in 2024.
- Sacramento provides oversight of its GMC model plans without any contractual authority. San Diego County has a similar arrangement.
- Some Counties have moved their County Public Hospital Systems into Health Authority model governance structures. They do not operate health plan. There has been some interest in merging the Local Health Authorities that run health plans with the Health Authorities that run hospitals.

Who Are the Health Authority Plans

COHS

- CalOptima (1995)
- CenCal (1983)
- Central California Alliance for Health (1996)
- Gold Coast Health Plan (2011)
- Health Plan of San Mateo (1987)
- Partnership HealthPlan of California (1994)

Local Initiatives/Single Plan

- Alameda Alliance for Health (1996) now a Single Plan Model
- CalViva Health (2009)
- *Contra Costa Health Plan (1973) Public bot Not a HA and now a Single Plan Model*
- Health Plan of San Joaquin (1996)
- Inland Empire Health Plan (1996)
- Kern Health Systems (1996)
- LA Care Health Plan (1997)
- San Francisco Health Plan (1996)
- Santa Clara Family Health Plan (1997)
- Community Health Plan of Imperial Valley (2024) started as a Single Plan Model

Local Health Plans

All Health Authorities except Contra Costa & Community Health Group

Model: County Organized Health System (COHS)

- COHS one plan in county (with an exception for Kaiser)
- Public authority established with Stakeholder board appointed by County Supervisors
- State monitors, establishes policy, provides oversight, holds contract and sets rates
- COHS operates program including selecting delivery system and contracting with providers.
- COHS is at risk for providing services and must meet state and federal standards including financial requirements.
- Highest amount of local control
- Requires Federal, State and County enabling legislation
- Number and percent of population controlled by federal law

Model: Two Plan & Single Plan

- **Two Plan**: Commercial Plan & Local Initiative competing plans (with Kaiser exception)
- One commercial plan selected by state and contracted with state
- Second plan-Local Initiative created by county
  - Independent public authority operating as a health plan
  - County government operating as a health plan (Contra Costa)
  - County designates commercial plan/state contracts or
  - Independent public authority contracts with a health plan
- Having a local initiative provides greater control over majority of the managed care program
- A few Local Initiatives have transitioned to a "**Single Plan"** model eliminating the Commercial Plan in 2024. Alameda, Contra Costa, and Imperial made the transition and have the exclusive Medi-Cal contract (except for Kaiser).
- The Single Plan provides COHS level of local control

Model: Geographic Managed Care (GMC)

- GMC has had the least amount of local control as the state manages the program
- GMC has traditionally accepted multiple qualified plans.
- GMC is only in San Diego and Sacramento
- Sacramento County ordinance provides that the Health Authority shall qualify at least two plans to the Department of Health Care Services, until the Health Authority implements a county-sponsored local initiative health plan

Role of the Board/Commission

- Challenges of a stakeholder Board/Commission
  - Nominating entities named in enabling legislation
  - Conflicts of Interest
  - Balancing Mission and Financial Capabilities
- Traditional Role of Board/Commission
  - Strategic direction
  - Oversight and audit
  - Review and approve programs, major expenditures, policy positions
  - Hire/review CEO
- Opportunities a stakeholder Board/Commission can establish by setting priorities with staff
  - Member, Quality and Network policies and initiatives developed and approved by Commission
  - Approve investments in Member Benefits and Provider Network
  - Plan Savings can be retained and invested locally
  - New Products can be added as appropriate to service the needs of community
    - Examples: Medi-Cal; Medicare; EAE DSNP; Covered Ca; IHSS; Commercial and County employees

Key Characteristics of Health Authorities
(& Differences from Commercial Plans)

- Mission emphasis on safety net
- Public, nonprofit agencies
- Local, easy to access
- County ordinance enables plan creation/continuation
- County/Community-based governance
- Vast majority of work focused on low-income populations with Medi-Cal and health disparities
- Community asset and local clearinghouse for health care issues