

Health Care, 2013: The View From Sacramento



**COA ANNUAL MEETING
APRIL 19, 2013**

**PRESENTED BY TIM SHANNON, SHANNON GOVERNMENT
RELATIONS**



Change on the Horizon



- Political Landscape
- State Budget: From “wall of debt” to fiscal balance
- Health Care Reform
- Legislation

Political Landscape



- Proposition 25 (2010)-Majority Vote budget/budget “trailer” bills
- Proposition 30 (2012) –Increase in sales and income tax

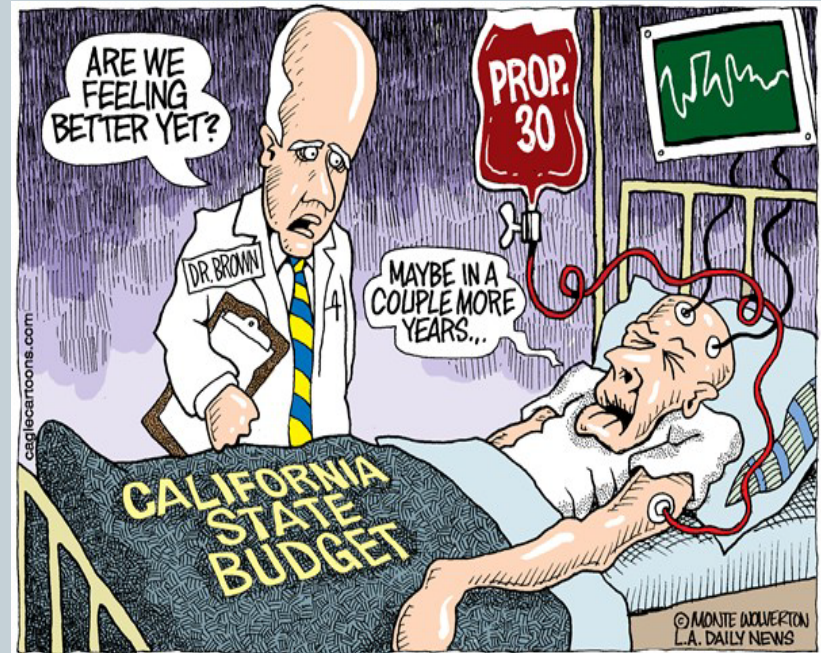


- Legislature make-up:
 - Assembly: 55 Democrats, 25 Republicans
 - Senate: 27 Democrats, 11 Republicans, 2 Vacancies

State Budget



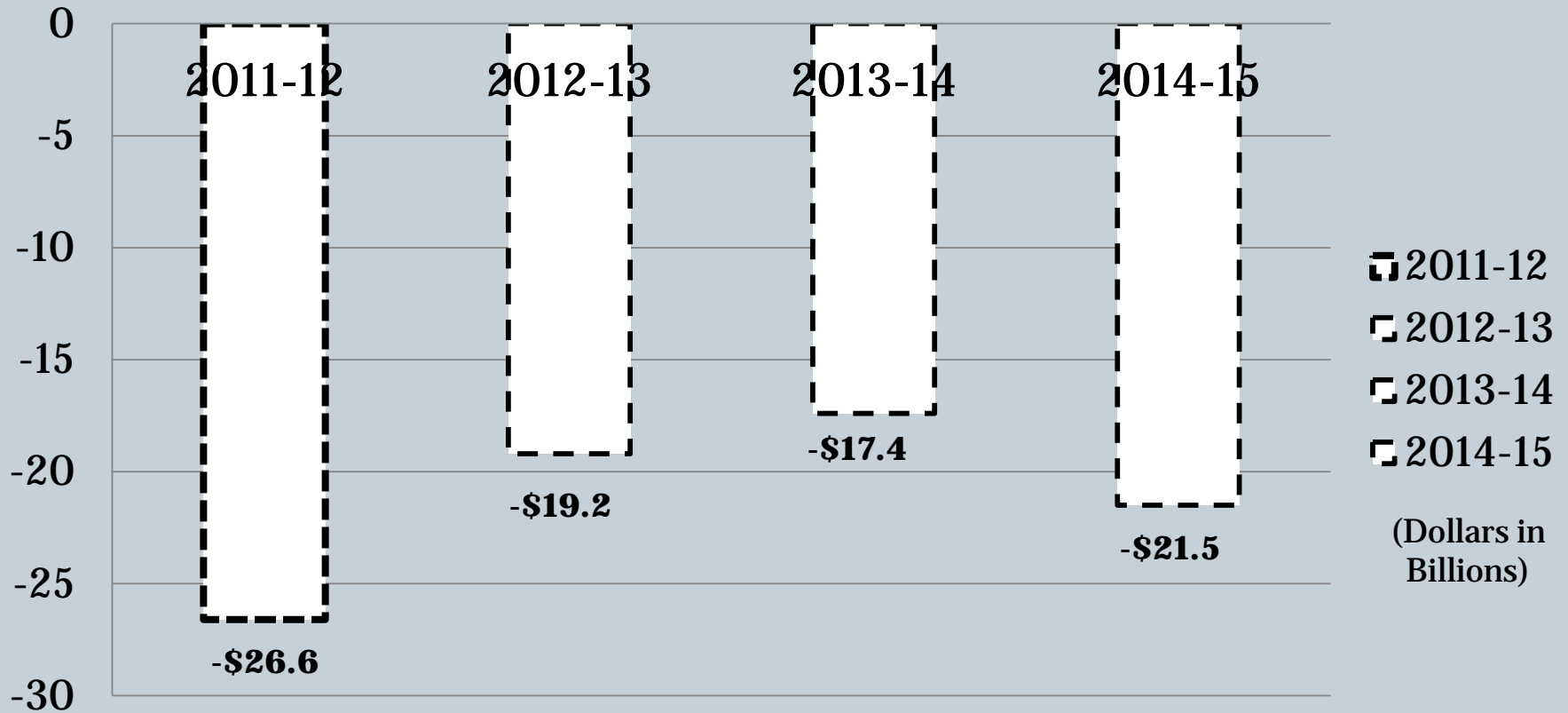
- Since 2000: Chronic Shortfalls
 - Budgets have been “balanced” through borrowing and deferrals, cuts in services, IOU’s.
 - Two years ago, state faced \$20 billion gap between revenues and spending
- Since 2011: Fiscal Balance?
 - Debt paid down
 - Reductions in Health, Education
 - “Trigger Cuts”



Last Two Budgets Have Eliminated \$20 Billion Annual Shortfalls



Deficit at 2011-12 Governor's Budget



*Under current projections, the state would have operating surpluses of \$851 million in 2013-14, \$47 million in 2014-15, \$414 million in 2015-16, and \$994 million in 2016-17

2013 Health Budget



- 860,000 HF kids began transitioning to Medi-Cal
- 360,000 SPD from FFS to Medi-Cal Managed Care
- 560,000=dual eligible “(medi-medi) transferred from FFS to Managed Care
- 10% provider rate reductions for non-pediatric providers



Health Care Reform



- Medi-Cal Expansion
- The Exchange—“Covered California”
- Primary Care “Bump”



ACA Requires, January 1 2014:

- 1) Health Plans cover individuals regardless of health status
- 2) Plans must cover minimum set of services: Essential Health Benefits
- 3) All individuals must obtain coverage or pay a penalty



Medi-Cal Expansion



2013/14 Budget proposes two Medi-Cal expansions:

- 1) **Mandatory expansion: simplify the rules affecting eligibility, enrollment, and retention. Budget propose \$350 million as a “placeholder”**
- 2) **Optional expansion: extend Medi-Cal to single, childless adult with incomes up to 138% FPL. Federal government will fund 100% of this expansion until 2016, sliding to 90% match in 2020**

Questions About the Expansion



- 1) How many people will show up?
- 2) How sick will they be?
- 3) What is their demographic?
- 4) Who will be responsible for California's share of the cost? State or county?



Health Care Benefit Exchange—“Covered California”



- California enacted nation’s first exchange
- Exchange’s new subsidized coverage will begin Jan. 1, 2014
- Subsidies available for low-income individuals and families between 100-400% FPL
- By 2017, 2.3 million will enroll in a health plan through Covered California
- Guaranteed issue



2013 Legislation



- Scope of Practice
- Workers Compensation
- “Other”



Scope of Practice



- Physical Therapy
- Chiropractic
- Senator Hernandez Package



Physical Therapy



- **AB 1000 (Wieckowski)**: Direct access proposal. Would redefine physical therapy to include a PT “diagnosis and prognosis”; would define PT diagnosis to be an examination that “culminates in assigning a diagnostic label” identifying the primary dysfunction. **Oppose**
- **AB 1003 (Maienschein)**: Clarifies that any person licensed under the Business and Professions Code or under an Initiative Act may be employed by a professional corporation. **Support**
- **SB 248 (Wyland)** COA spot bill to deal with PT scope/employment issues. **Sponsor**

Chiropractic Scope of Practice



- **AB 722 (Lowenthal)** would add chiropractors to the list of providers who may conduct medical examinations of school bus drivers.
- **SB 381 (Yee)** would prohibit anyone but a physician, osteopath or chiropractor from performing “joint manipulation” or “joint adjustment”.



Other Scope Expansion



Hernandez Bills:

- **SB 491**—Nurse Practitioners: removes physician supervision and standardized procedures
- **SB 492**—Optometrists: allows ODS to diagnose and treat any condition of the eye or adjacent structures
- **SB 493**—Allows pharmacists to prescribe drugs, initiate drug therapy, and refer patients to other providers

Workers Compensation



Workers Compensation



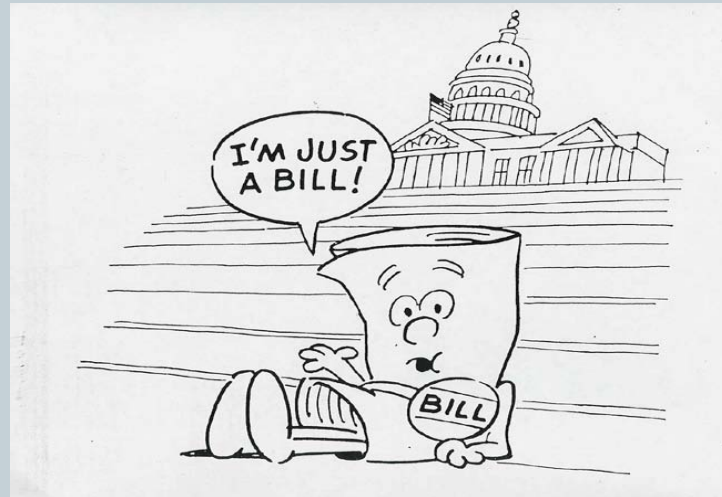
SB 626 (Beall) would make 4 changes in last year's workers compensation reforms:

- 1) Deletes limitations on chiropractor being a PTP after 24 visits
- 2) Requires that UR be conducted by a medical professional who has some California License as requesting physician
- 3) Allows “medical necessity” determination of IMR organizations to be appealed
- 4) Deletes prohibition on increased impairment ratings for psychiatric disorders

Other Bills of Interest



- **AB 916 (Eggman)** would further restrict misleading use of term “board certified”
- **SB 266 (Lieu)** prohibits a provider group or clinic from stating that it is within a plan network or provider network unless all of the group or claims are in the network



Thank You!



Questions?

