

Santa Cruz County hopes to add indigent to health care rolls

SANTA CRUZ -- In advance of a broader rollout of federal health care changes due in 2014, the county is moving to add health care coverage for 1,000 more adults by expanding a program aimed at the poor.

The proposal is part of the county's ongoing efforts to improve health care for those on the bottom rungs of the economic ladder who don't have access to employer-based coverage. The latest step puts Santa Cruz County among a vanguard of California municipalities hoping to leverage money under the federal health care overhaul to bolster local programs before the bill's more controversial provisions kick in.

"There are 17 counties in the first wave, and being surfers, we're in the first wave," said Rama Khalsa, director of the county Health Services Agency. Building on Medi-Cruz, a low-income program for adults without children, the expansion would provide coverage for another 1,000 people making less than poverty-level wages of \$10,890 a year. It would stay in place until 2014, when those patients, and others, would become eligible for an expanded Medicaid program through the Affordable Care Act.

To pay for it, the county is seeking state and federal approval to use funds already being spent on Medi-Cruz, which provides limited, emergency room coverage for 1,500 indigent people. That program would grow to an estimated 2,500, with more possible if funds allow, Khalsa said.

Securing matching federal funds would allow the county to expand both the benefits and size of the program at no local cost, and Khalsa hopes also to add coverage for mental health and substance abuse services beyond what Medicaid-based programs typically provide. She hopes to have the expansion in place by the end of summer.

"This is a direct result of health reforms," Khalsa said. Some provisions of the federal health care law are already in place, including added protections for those with pre-existing conditions and a change allowing children to stay on their parents' health care plans until age 26. But the centerpieces -- including health care exchanges and a mandate that nearly everyone carry health insurance -- don't come on line until 2014, with the latter being the subject of ongoing litigation.

One of those core pieces is the Medicaid expansion, which would cover everyone making up to 133 percent of the poverty level, giving patients access to everything from prescription drug coverage to preventative screenings. Medicaid even pays for a substantial portion of nursing home care in the U.S.

Alan McKay, executive director of the Central California Alliance for Health, which administers county insurance programs, said that expansion would add health insurance for 55,000 people under the alliance's umbrella, which includes Monterey, Merced and Santa Cruz counties -- a number that approaches the population of the city of Santa Cruz.

But under the bill, some governments can opt for what amounts to an early Medicaid expansion, and California counties are being offered that option. Santa Cruz is one of those counties, hoping to use existing local and state dollars to expand health care for local indigent residents.

Khalsa said the program is needed, especially with so many hit hard by the recession. She said many now looking for treatment are people who once had regular work but can't find any now.

"You would think we were doing construction here any day of the week, because our parking lot is filled with people from the trades," Khalsa said.

Many expect the people covered under the program to be those suffering chronic conditions who show up at the doctor's office in need of medical attention. Medi-Cruz patients can be signed up for the program on the spot, and single adults don't typically seek out government insurance until something goes wrong.

"If somebody wakes up on a sunny day in Santa Cruz and feels pretty good, they're not going to say, Hey, let's go get medical insurance,' " McKay said.

Health care advocates say that's why having ongoing health care coverage is important. Treating chronic conditions takes both patient education and ongoing medical supervision, which is more likely with health insurance.

"If they leave without any kind of chronic disease management plan, the likelihood is they're going to end up back in the emergency department," McKay said.

That's key for those in the health care field, where keeping people out of emergency rooms is a good thing not only for the patients, but in helping keep skyrocketing health care costs down for patients, taxpayers and even those with employer-based coverage.

Because the cost of uninsured emergency room visits are widely acknowledged to be passed on to all patients through higher rates negotiated between providers and insurers -- a process known as cost-shifting -- policymakers are constantly looking for ways to keep patients out of emergency rooms.

"The more that we can keep those costs down and keep people using emergency rooms only for emergencies, the better off we all are," Khalsa said.

The expansion would also help community health centers, which saw their funding cut \$600 million nationwide under the federal budget deal worked out last month between Republicans and President Barack Obama.

"It would mean 300 patients who are currently uninsured would then have health insurance," said Amy Peeler, executive director of the Santa Cruz Women's Health Center, where 44 percent of patients don't have coverage.

If approved, the move would also help bring down the number of uninsured in the county, which stands at nearly one in five, according to the Insure the Uninsured Project. The numbers are higher in general than most Bay Area counties, though lower than Monterey, where nearly one in four don't have insurance.

Medi-Cruz currently pairs with Healthy Kids of Santa Cruz County to help cover people not covered under Medi-Cal, the state's current Medicaid-based program aimed at children and families, or Medicare, the federal program for seniors and the disabled.