

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY**

DEPT: HEALTH SERVICES AGENCY *ML*

BOARD AGENDA # \*B-10

Urgent \_\_\_\_\_ Routine X

AGENDA DATE September 18, 2001

CEO Concurs with Recommendation YES *DM* NO \_\_\_\_\_  
(Information Attached)

4/5 Vote Required YES \_\_\_\_\_ NO *✓*

SUBJECT: APPROVAL TO ESTABLISH A PROPERTY LIMIT STANDARD FOR INDIGENT HEALTH CARE PROGRAM (IHCP) ELIGIBILITY EQUAL TO 150% OF THE FEDERAL POVERTY LEVEL.  
APPROVAL TO ESTABLISH AN INCOME LIMIT OF 250% OF THE FEDERAL POVERTY LEVEL FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY.

STAFF  
RECOMMEN-  
DATIONS:

1. APPROVAL TO ESTABLISH A PROPERTY LIMIT STANDARD FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY EQUAL TO 150% OF THE FEDERAL POVERTY LEVEL.
2. APPROVAL TO ESTABLISH AN INCOME LIMIT OF 250% OF THE FEDERAL POVERTY LEVEL FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY.

FISCAL  
IMPACT:

The property limit increase is expected to increase the annual cost of providing indigent services by \$20,900 annually.

The income limit on eligibility is expected to reduce bad debt resulting from patient share of cost defaults by a minimum of \$41,000 annually.

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**BOARD ACTION**

No.

2001-710

On motion of Supervisor Simon, **Seconded by Supervisor** Caruso,  
and approved by the following vote, Blom, Simon, Caruso, and Chair Paul

Ayes: Supervisors: None

Noes: Supervisors: Mayfield

Excused or Absent: Supervisors: None

Abstaining: Supervisor: \_\_\_\_\_

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

Motion:

*Christine Ferraro*

File No.

APPROVAL TO ESTABLISH A PROPERTY LIMIT STANDARD FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY EQUAL TO 150% OF THE FEDERAL POVERTY LEVEL; AND APPROVAL TO ESTABLISH AN INCOME LIMIT OF 250% OF THE FEDERAL POVERTY LEVEL FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY.

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**DISCUSSION:** Property Limit Increase.

The Indigent Health Care Program (IHCP) applies a property limit (asset) standard that limits the amount of resources an applicant may hold as property to qualify for program eligibility. The current asset standard is a fixed dollar amount based on family size, and has been in use without modification since 1986. The value of the dollar has significantly decreased during the fifteen years that this standard has been in use. The Health Services Agency requests an increase to the property limit that more accurately reflects the current value of the dollar. We propose establishing the new property limit based on a multiple of the Federal Poverty Level (FPL) rather than a fixed dollar amount, allowing the property limit standard to self-adjust in future years to maintain its value. Accordingly, it is requested that the property limit standard be increased to 150% of the Federal Poverty Level.

Income Limit.

Once an applicant qualifies based on the property limit standard described above, an income standard is used to determine whether the applicant qualifies for no-cost benefits or must assume financial responsibility ("Share of Cost") for a portion of the care. There is currently no income limit that would deem an applicant ineligible for the IHCP.

Seventy-five percent of the IHCP patient population has income too low (equal to or less than 125% of FPL for Income) to require a Share of Cost responsibility. Of the remaining 25%, 6-7% of the IHCP patient population annually qualifies for the program with a Share of Cost (similar to a deductible) in excess of \$500 per month for a family budget unit comprising only one individual. Such applicants could often purchase private health insurance for far less than the Share of Cost amount. Further analysis reveals that many applicants with resources adequate to purchase such coverage obtain IHCP benefits and default on their Share of Cost payments to the Health Services Agency. Based on an analysis of a recent twelve-month period, it was identified that 361 such patients defaulted on their Share of Cost liability for a total loss to the Health Services Agency of approximately \$80,000.

Of these, 52 patients had incomes that exceeded the IHCP income standard by \$350 or more. These 52 higher-income patients represented 51% of the \$80,000 loss. This reflects a consistent historical pattern for this income level.

APPROVAL TO ESTABLISH A PROPERTY LIMIT STANDARD FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY EQUAL TO 150% OF THE FEDERAL POVERTY LEVEL; AND APPROVAL TO ESTABLISH AN INCOME LIMIT OF 250% OF THE FEDERAL POVERTY LEVEL FOR INDIGENT HEALTH CARE PROGRAM ELIGIBILITY.

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The Health Services Agency proposes that patients with monthly income exceeding 250% of the FPL for Income fail to qualify as medically indigent.

For clarification, under this proposal, the following examples would apply:

Family Unit of One Person

Example A:

Monthly Income of \$870

Qualifies as medically indigent with no Share of Cost

Example B:

Monthly Income of \$1,740

Qualifies as medically indigent with a Share of Cost = \$870

Example C:

Monthly Income of \$1,741

No longer qualifies; encouraged to seek private insurance coverage

Approval of the 250% of the FPL income limit on IHCP eligibility would result in an estimated \$41,000 reduction in bad debt costs related to non-indigent Stanislaus County residents who currently qualify for the program and default on their obligations to the program.

**POLICY  
ISSUES:**

The program promotes the Board of Supervisors' goal of ensuring a safe, healthy community. Approval of the property limit increase will extend eligibility for health care coverage to a small neglected population among the working poor who lack adequate resources to purchase private insurance and have no linkage to other government programs.

The income limit promotes the Board of Supervisors' goal of promoting efficient government operations. By limiting program eligibility to applicants whose incomes are at or below 250% of the Federal Poverty Level, the Board will assure that IHCP benefits will be available only to those Stanislaus County residents who truly lack the resources to provide for their own medical care and are not otherwise relieved by linkage to other means.

**STAFFING  
IMPACTS:**

There is no staffing impact associated with the approval of this proposal.