

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

DEPT: Community Services Agency

BOARD AGENDA # B-12

Urgent

Routine

AGENDA DATE October 30, 2012

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Explore a Possible Partnership with the State of California to Operate a Local Health Benefits Exchange Service Center Site in Stanislaus County

STAFF RECOMMENDATIONS:

1. Authorize the exploration of a possible partnership with the State of California to operate a local Health Benefits Exchange Service Center site in Stanislaus County and Authorize the Director of the Community Services Agency or her designee to participate in the research, analysis and development of a Request for Offer or other proposal, to operate a State contracted Health Benefit Exchange Service Center site in Stanislaus County.

FISCAL IMPACT:

All Health Benefit Exchange costs including start up and ongoing operations will be 100% Federal and State funded with no County General Fund cost or matching fund requirements. If the Board of Supervisors authorizes the exploration of a partnership, existing County staff will complete the initial research, analysis and development of the Request for Offer (RFO) or other proposal for the State of California Health Benefit Exchange Service Center site in Stanislaus County.

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BOARD ACTION AS FOLLOWS:

No. 2012-542

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Monteith, and Chairman O'Brien

Noes: Supervisors: De Martini

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT: Continued

The fiscal impacts associated with start-up and operations of the State contracted and County operated Health Benefit Exchange Service Center will be identified as part of the proposal documents through the state issued RFO process. The department will return to the Board of Supervisors with the RFO proposal for approval prior to the actual submission deadline as instructed by the state.

DISCUSSION:

In March 2010 the Patient Protection and Affordable Care Act (PPACA) was signed into law. The PPACA identifies a phased in approach to health care reform in the United States. Through this Act, States are required to implement the PPACA by January 2014. The California Health Benefit Exchange (CHBEX) is responsible to respond to the PPACA requirement. The CHBEX is an independent public entity within state government with a five-member board appointed by the Governor and the Legislature. The California Health Benefit Exchange vision is to improve the health of all Californians by assuring their access to affordable, high quality care. To do so the Health Benefit CHBEX is developing a service center model in which a county can fulfill all functions of a centralized multi-site service center to support the eligibility and enrollment aspects of all the PPACA related programs or unsubsidized enrollment in the Exchange.

On August 30, 2012 the California Health Benefit Exchange Board issued a correspondence to both the California State Association of Counties (CSAC) and the California Welfare Directors Association (CWDA) to facilitate outreach to Counties and request those who would be willing to participate in the State's centralized multi-site model submit a letter of interest by mid September 2012.

On September 19, 2012 the Community Services Agency (CSA) submitted an initial staff level Letter of Interest requesting that Stanislaus County be considered as a Multi-Site Service Center model with CSA as the Lead. There will be three initial call centers – 2 large state run centers in northern and southern CA, and one hybrid county/state partnership call center. Only 3 Counties submitted Letters of Interest at this point for the county/state hybrid call center: Contra Costa, Sacramento and Stanislaus. CSA staff participated in a conference call with staff from the CHBEX to discuss the preliminary requirements outlined per the CHBEX terms. CSA is requesting authorization from the Board of Supervisors to research, analyze and develop a comprehensive offer or proposal to operate a State contracted Health Benefit Exchange Service Center site. Approval to explore the possible partnership by the County Board of Supervisors is required and due to CHBEX by November 1, 2012. This approval is subject to development of the business model and cost-benefit analysis inherent in the development of the RFO as well as negotiation of terms and conditions provided by the CHBEX in the August 30, 2012 letter.

State staff has since determined that a more formal Request for Offer (RFO) or other

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proposal format will be required. Instructions will be issued to Counties for this process. Submission of the RFO is anticipated to be due to the state by November 16, 2012. The department will return to the Board of Supervisors with the RFO proposal for additional Board consideration prior to the actual submission deadline as instructed by the State.

The Department is positioned well to partner with the CHBEX and Accenture, the technical vendor supporting California Healthcare Eligibility, Enrollment and Retention System (CalHEERS), in operation of the Health Benefits Exchange Customer Service Center. Center operations will focus on processing health insurance applications. The multi-site model could build on the Customer Service Center now operating at CSA StanWORKS for customers in Medi-Cal, Cal Fresh and and CalWORKs. This could allow the seamless transfer of customers between the Medi-Cal eligibility process and the Health Benefits eligibility systems that will benefit customers, programs and the community as local staff will be able to assist local customers to obtain health insurance coverage to meet their unique needs. This may benefit the Medically Indigent Adult (MIA) population and save county dollars in health care by enhancing access to health care services and potentially improve health outcomes.

Development of the RFO or other proposal must include an explanation of program design, technical and facility equipment requirement, budget and fiscal analysis as well as a flexible staffing/human resources model that will support the County's role as site contractor. Pending information and instruction from the CHBEX the following information is under consideration:

- Program Design: Currently the Medi-Cal programs eligibility is restricted to a few groups of California residents. This leaves many without coverage and dependent on local Medically Indigent Adult programs run by counties. The Medi-Cal program, beginning in January 2014, will expand eligibility with more residents qualifying for the program. Most individuals who have income below 133% of the federal poverty level will become eligible for Medi-Cal benefits; this includes single adults, couples, children and families. Those not eligible for the expanded Medi-Cal program will have an opportunity to enroll in private health insurance plans. Some individuals will be eligible for federal subsidies to help pay their premiums for the private health insurance depending on their income level. In the Health Benefit Exchange Service Center site, agents will receive calls from customers throughout California. Customers will be routed to the next available agent to shorten wait times regardless of the applicant's location. The agents will be County employees (State contracted) who will answer questions and enroll customers into the Medi-Cal program or the private insurance plans through the CHBEX. The Medi-Cal case will be forwarded to the county of residence and the private health plan case will become part of the caseload the CHBEX will continue to serve and support.
- Facility and Equipment: If Board of Supervisors approval is granted and this site selected, the CSA will work with the CEO Capital Projects Team to determine if

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existing County owned space is available to house the local Service Center site. A rental rate formula would allow for the County to recover the costs of any building improvements over the useful life of the repair/facility. Approximately 25,000 square feet may be needed to house the Service Center site. The Department would explore local lease options should County space not be available for this purpose. Office equipment needs including furniture will be fully reimbursed by the CHBEX and/or delivered to the County site once procured by the State. Available county space would be explored as a first option for the site. If not available, other options would be explored and reported in a future BOS item before any absolute or implied commitment is made, once an offer is ready to be submitted to the California Health Exchange Board.

- Technical Support: Network infrastructure, VoIP, computing, software, and storage needs will vary depending on staffing levels and the selected facility. All start up and ongoing technology support and equipment needs will be fully reimbursed by the CHBEX and/or delivered to the County site once procured by the State.
- Budget/Fiscal Analysis: The CHBEX has described a model that will support 100% of the cost of County site start up and operations while ongoing operations are to be reimbursed using a productive rate formula. It is our understanding that staff time is supported while staff is logged onto the CalHEERS system. CSA plans to develop the productive rate using all actual costs per the existing Social Services cost allocation plan and will request an annual adjustment to the rate in each succeeding year to ensure any difference between funded and actual costs is recouped. It is not clear if the rate is negotiated annually or adjusted for cost of doing business increases; CSA will request that clarification if the details are not provided in the proposal instructions prior to final approval.
- Staffing/Human Resources: Initial staffing needs are identified as between 60 to 120 line staff operators that CSA recommends at the Family Services Specialist (FSS) II classification level. In addition, 6 to 12 Family Services Specialist Supervisors, one Call Center Site Manager and one Training Manager are required by the CHBEX. In addition, the Call Center Site Manager would have dotted-line accountability with State service center management. These positions would mirror similar state positions, but be operated under the county classifications. Until the County receives additional information through the RFO or other proposal, actual staffing impacts are unknown. In order to achieve the recruitment and staffing deadlines identified by the State, the Department may need to shift existing supervisory and management staff. However, based upon the information received by the State to date, CSA does not anticipate obstacles in meeting the State's proposed staffing requirements and will submit a staffing plan to the Board of Supervisors.

The Aggressive Timeline:

The California Health Benefits Exchange Board is working under very tight timelines that do not follow the normal course of State or County business schedules and participation in the partnership project will require flexibility at the local level:

- ◆ Develop a proposal for submission to the California Health Benefits Exchange Board; the due date is not yet known as instructions are pending;
- ◆ Proposal accepted and contract negotiations by mid December 2012;
- ◆ County Board of Supervisors approve the State/County partnership contract by December 31, 2012;
- ◆ Technical and subject matter experts for deployment and content development must be in place by January 2013;
- ◆ Dedicated County leadership staff hired/transferred and on board full-time by January 1, 2013;
- ◆ Service Center outside/promotional hiring and recruitment completed by March 2013;
- ◆ Leadership staff training completed April 2013;
- ◆ Service Center frontline staff training completed by June 2013;
- ◆ Successful integration of state technology and completed User Acceptance Testing by May 2013;
- ◆ Staff engaged in pilot by July 2013; and,
- ◆ Staff engaged and Go Live October 2013

There are significant economic development benefits for the County through participation in the CHBEX partnership. These benefits include the addition of 60 to 120 new line worker jobs in our community. With Supervision and Management positions, the total new jobs could approximate 140 jobs in our community. Funding is initially 100% Federal/State dollars through implementation and then shifts to private pay once the Health Benefit Exchange Service Center site is fully operational in 2014. It is our understanding sustainability is built into the model through premium payments covering customer service center costs on an ongoing basis. Stanislaus County will have a head start on coordination of new health expansion to help the uninsured in our community and the program may positively impact the Medically Indigent Adults (MIA) and other uninsured population costs to the County and local hospitals.

Staff presented an initial update on this to the Board's Health Executive Committee who took no action.

POLICY ISSUES:

Authorizing the Director of the Community Services Agency or her designee to participate in the research, analysis and development of a Request for Offer or other proposal, to operate a State contracted Health Benefit Exchange Service Center site

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supports the Board's priorities of A Healthy Community and Efficient Delivery of Public Services by coordinating new health care expansion to help the uninsured in Stanislaus County and providing a potential positive fiscal impact to the County and local hospitals that support the costs of the Medically Indigent Adults and other uninsured populations.

STAFFING ISSUES:

Existing County staff will complete the research, analysis and development of the Request for Offer (RFO) or other proposal to operate a Health Benefit Exchange Service Center site in Stanislaus County. Should a Stanislaus County proposal be accepted by the State, CSA will return to the Board to request authorized positions consistent with the State Contract.

CONTACT PERSON:

Christine C. Applegate, Director 558-2500

Health Benefits Exchange Service Center

**Stanislaus County –
Community Services Agency**



Background

Patient Protection and Affordable Care Act (PPACA) was signed into law March 2010

The PPACA requires states to create a simple way for individuals and small business to obtain affordable healthcare coverage

States are required to implement the PPACA by January 2014

The California Health Benefit Exchange (HBEX), an independent State Governing Board, is charged with improving health of all Californians by assuring access to affordable health care



Who will be eligible?

Those who today are eligible for Medi-Cal

Low income single, non-disabled adults

Couples without children

Currently uninsured adults whose children are on medi-cal

Proposed Health Coverage after 2014

Expanded Medi-Cal Coverage

California Exchange Health Benefits (subsidized and unsubsidized)

Employer based health coverage



Health Benefit Exchange Customer Service Center (Call Center)

HBEX is developing a service center model in which a county can fulfill all functions of a centralized multi-site service center

Multi-Channel Access:

Central State Service Center

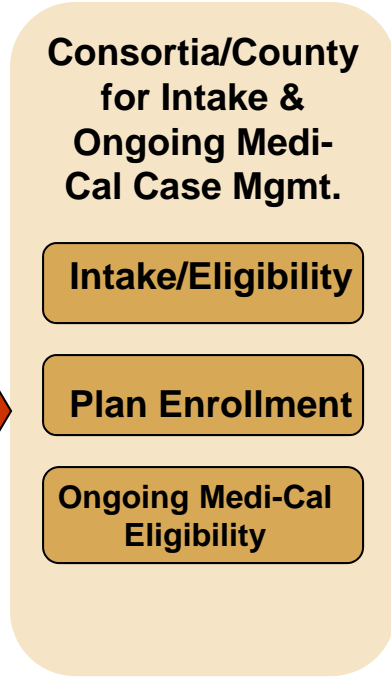
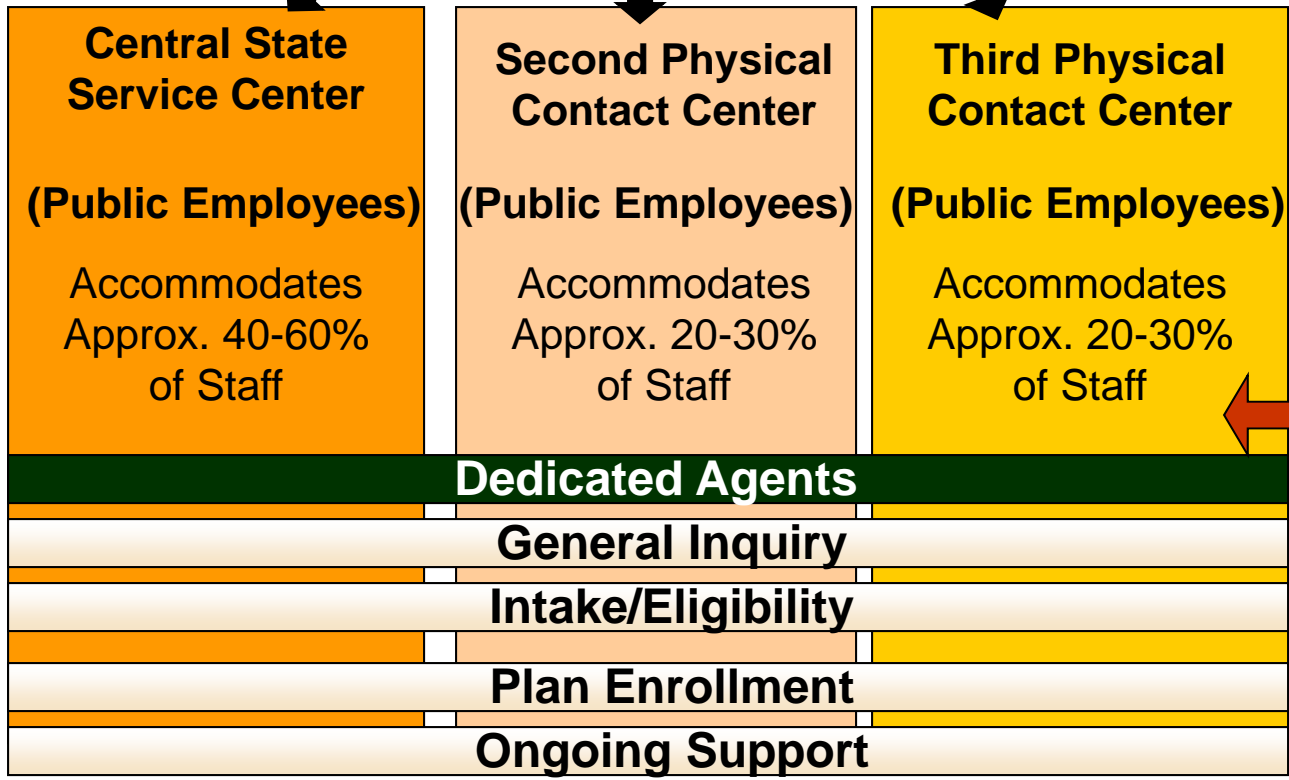
Second Physical Contact Center

Third Physical Contact Center/County State Hybrid

Health Benefit Exchange Customer Service Center (Call Center)



Next Available Agent





Benefits to Stanislaus County

Potential economic development

Additional 60-140 jobs in our community.

Possible refurbishing and utilization of existing County space

Start up funding is 100% Federal/State dollars

Building on our existing CSA-StanWorks Customer Service Center expertise we will be positioned for assisting our community and California

Positively impacting health care costs for the uninsured in Stanislaus County.

Challenges

Aggressive Timeline

State requested proposals (RFO) due by mid-to-late November

Board of Supervisors review and decision on proposal submittal by State deadline (anticipated by end of November)

HBEX timeline is not consistent with normal County business practice timelines.

Uncertainty would coexist with the need to move quickly over the next 6-12 months



Next Steps

Currently researching with the CEO Office/Capitol Projects suitable existing County space

Partnering with County Welfare Directors Association (CWDA) and California State Association of Counties (CSAC) in developing County/State hybrid service models

CSA Staff researching technology and infrastructure needs





Staff Recommendation

Authorize the exploration of a possible partnership with the State of California to operate a local Health Benefit Exchange Service Center site in Stanislaus County., and Authorize the Director of Community Services Agency or her designee to participate in the research, analysis, and development of a Request for Offer or other proposal, to operate a State contracted Health Benefit Exchange Service Center site in Stanislaus County.