

Why Does Health Reform Matter?
***A Presentation to California County Law Enforcement and
Probation Officers***

May 2012

Prepared by Community Oriented Correctional Health Services

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Health Reform: Public Safety, Public Health

- The Patient Protection and Affordable Care Act (“Health Reform”) creates new opportunities for individuals who seek health care, but also creates new opportunities for local jurisdictions that are responsible for the public health and safety of their residents.
- Eligibility for Medi-Cal insurance coverage will be expanded under Health Reform to qualified adults, many of whom may be jail-involved.



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California HealthCare Foundation Research Goal

- To help jurisdictions prepare for Health Reform, this research makes a reasonable projection of the size of the jail-involved population in California that is likely to be Medi-Cal eligible in 2014.



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Projected Statewide Medi-Cal Eligibility in 2014 for Jailed Individuals: Male, Aged 18-24

- Approximately **69%** of jail-involved male individuals between the ages of 18 and 24 in the state of California will be eligible for Medi-Cal benefits in 2014.
- Projected Statewide Annual Jail Admissions: **282,736**
- Projected Statewide Medi-Cal Eligibility: **196,276**



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Health Reform: Public Safety, Public Health

- Counties develop and manage systems of law enforcement, judicial proceedings, detention, and community supervision for offenders to maintain public safety.
- Counties develop and manage a health care safety net system as part of maintaining public health.
- **Connecting health care in jails to health care in the community preserves the investment counties make in their vulnerable criminal justice-involved populations.**



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Jails and Community Health

- Public safety and public health systems are intertwined: without a healthy citizenry, public safety declines. Similarly, without safety in our streets, commercial centers, schools, and homes, public health declines.
- The health of the jail population is similarly intertwined with the health of the community outside of jail. Detainees with communicable diseases who are released without effective treatment may transmit these conditions in the community, compromising public health. People with untreated addictions burden their communities when they commit crimes against property and persons, and, when jailed, require significant resources to stabilize and treat.



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Jails as Behavioral Health Care Providers

- Jails have become *de facto* behavioral health providers for many communities.
 - In the 2003 Arrestee Drug Abuse Monitoring (ADAM) Program report, 67–68% of arrested men and women tested positive for one or more drugs.

(Zhang, Z. *Drug and Alcohol Use and Related Matters Among Arrestees 2003*. Washington: U.S. Department of Justice, 2004.)
 - A 2009 study estimated current prevalence rates of serious mental illness among adult jail inmates to be 15% for males and 31% for females.

(Henry J. Steadman; Fred C. Osher; Pamela Clark Robbins; Brian Case; Steven Samuels. *Prevalence of Serious Mental Illness Among Jail Inmates*. *Psychiatric Services*; VOL. 60, No. 6: 2009.)



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Washington State: Reduced Crime / Improved Health & Safety

- Research conducted in Washington state found significant cost savings, reduced crime and recidivism, and improved physical and mental health when chemical dependency treatment was offered to a very low-income population of adults—a population that is very similar to the jail population.
- Increased access to alcohol/drug treatment:
 - reduced criminal activity and correlated costs to crime victims and criminal justice systems
 - slowed the growth curve of medical costs

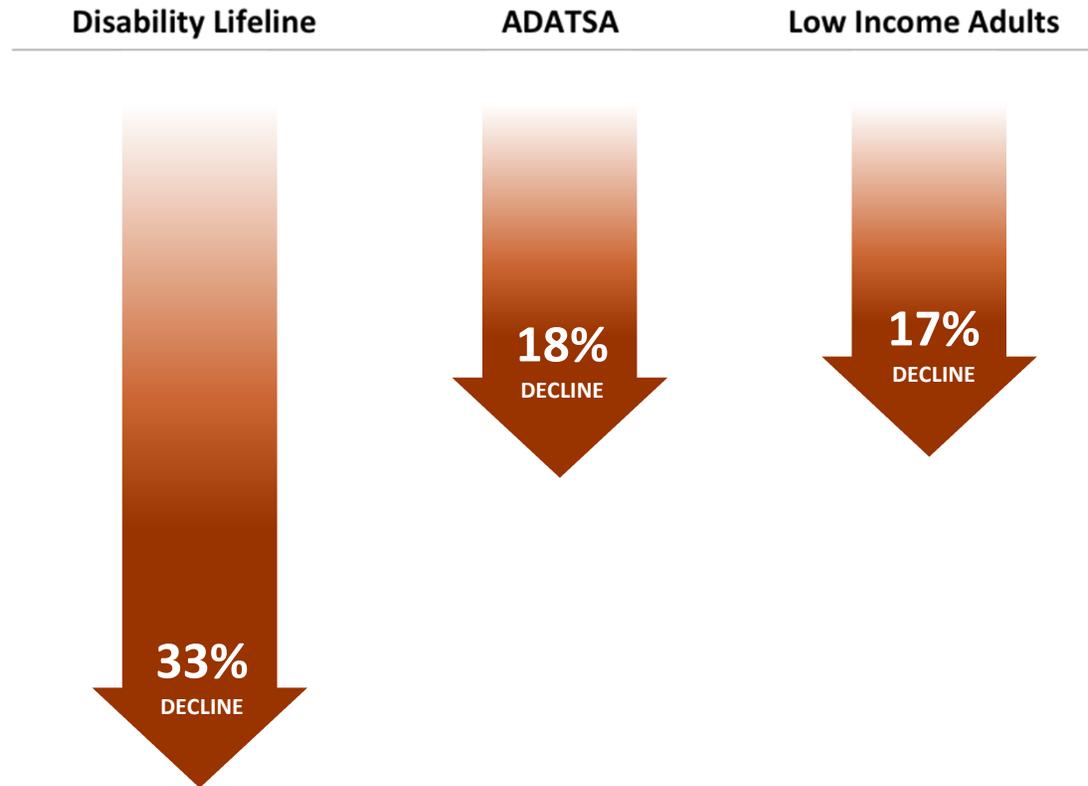


The “Mancuso Effect” in Washington:

- Washington has a unique data bank that combines criminal justice and health care information. The next three slides illustrate the savings reported by Dr. David Mancuso, Senior Research Supervisor, Department of Social and Health Services. “The Mancuso Effect” results differed by population type.
 - Mancuso, D, Felver, B. *Bending the Health Care Cost Curve by Expanding Alcohol/Drug Treatment*, Washington State DSHS Research and Data Analysis Division, RDA Report 4.81 (Sept 2010).
 - Mancuso, D, Felver, B. *Providing chemical dependency treatment to low-income adults results in significant public safety benefits*, Washington State DSHS Research and Data Analysis Division, Report 11.130 (Feb 2009).
 - Mancuso, D, Felver, B. *Health Care Reform, Medicaid Expansion and Access to Alcohol/Drug Treatment: Opportunities for Disability Prevention*, DSHS, RDA Report 4.84 (Oct 2004).

Arrests decline significantly after alcohol/drug treatment

Decline in the number of arrests in the year following treatment
Relative to untreated comparison group



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Alcohol/drug treatment impacts: Criminal justice costs

Criminal justice impacts make the economics of alcohol/drug treatment for non-Medicaid low-income adults attractive:

1. Criminal justice system cost savings

- Disability Lifeline: \$1.16 in benefits per dollar of cost
- ADATSA: \$0.69 in benefits per dollar of cost
- Other low-income: \$1.06 in benefits per dollar of cost

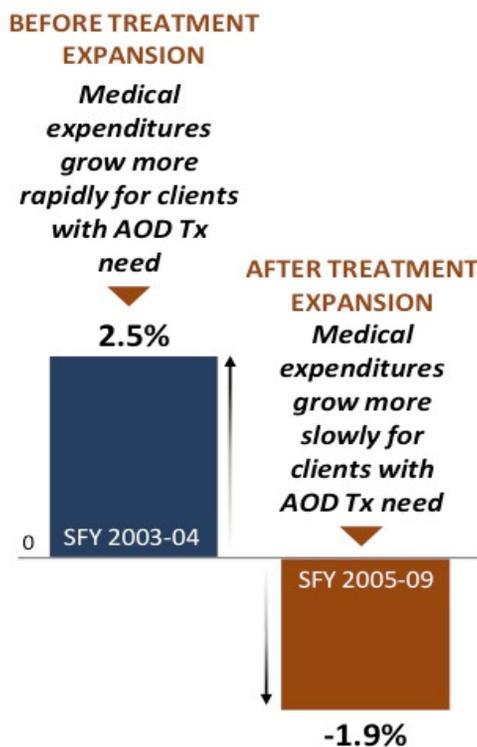
2. Overall savings: criminal justice system and crime victims

- Disability Lifeline: \$2.83 in benefits per dollar of cost
- ADATSA: \$1.69 in benefits per dollar of cost
- Other low-income: \$2.58 in benefits per dollar of cost

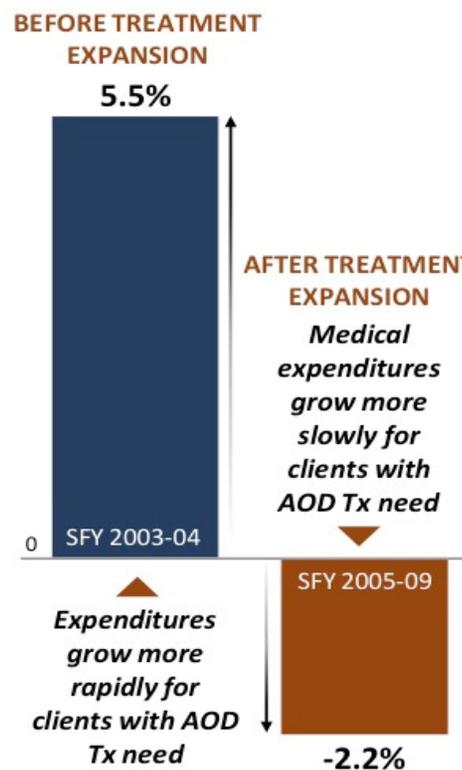
Alcohol/drug treatment impacts: Medical Costs

Annual percent change in medical expenditures before and after alcohol/drug treatment expansion
 Clients with alcohol/drug treatment (AOD Tx) need relative to balance of medical coverage group

Medicaid Disabled Adults, EXCLUDING DUAL ELIGIBLES



Disability Lifeline Clients (GA-U)





Why Health Reform Matters

Health Reform:

1. Expands eligibility for Medicaid (Medi-Cal in California) to some of our most vulnerable citizens for the first time.
2. Includes access to behavioral health care (mental health and substance abuse treatment) at parity with physical health care.
3. Allows “qualified individuals” to enroll in a qualified health plan and participate in the Health Insurance Exchange while incarcerated in a correctional institution *pending disposition of charges*. This same provision may be extended to Medi-Cal.
4. Promotes the use of Health Information Technology.



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1. The Expansion of Medi-Cal Eligibility

- Medi-Cal will be available to a new category of citizens: those people with income up to 138% FPL, regardless of health status, age, gender, or parental status.
- COCHS estimates that the Medi-Cal expansion population will include about 2/3 of the jail-involved population, creating access to health care for many individuals for the first time.



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The Expansion of Medi-Cal Eligibility, cont'd

- In 2014, individuals will qualify for Medi-Cal if they meet the basic eligibility criteria of residence, citizenship, financial eligibility, or categorical requirements. (42 U.S.C. § 1396a(a)(10)(A)).
- Eligibility will not be precluded if an individual is incarcerated.



Expanded Medi-Cal Eligibility Creates Enrollment Opportunities

- In 2010, in California, the likelihood of being uninsured in the general population between ages 18 to 20 was 26.0% and the same likelihood between ages 21 to 24 was 34.3%, the highest in any age category.
(www.chcf.org/~media/MEDIA%20LIBRARY%20Files/PDF/C/PDF%20CaliforniaUninsured2011.pdf)
- According to a 2007 CDC survey, “. . .for all persons under 65 years of age, the percentage of persons who were uninsured at the time of the interview was highest among those aged 18-24 years (27.5%) . . . Starting at age 18, younger adults were more likely than older adults to lack health insurance coverage.” (www.cdc.gov/nchs/data/nhis/earlyrelease/insur200806.pdf)
- **These figures are likely to be much higher for individuals in this age group who are jail-involved.**



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Expanded Medi-Cal Eligibility Creates Enrollment Opportunities

- In 2008, in the San Francisco County Jail, 90% of detainees had no health insurance.

(Wang EA, White MC, Jamison R, Goldenson J, Estes M and Tulskey JP. "Discharge Planning and Continuity of Health Care: Findings from the San Francisco County Jail." American Journal of Public Health., 98 (12): 2182-84, 2008.)

- In 2014, many pre-trial detainees with medical or mental illness and/or substance abuse issues will be eligible for Medi-Cal, but unlikely to be enrolled.



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Expanded Medi-Cal Eligibility Creates Enrollment Opportunities

- Health Reform creates incentives for correctional institutions to enroll the jail-involved population in Medi-Cal.
- Expanded eligibility increases the importance of preserving or suspending (versus terminating) enrollment of individuals while detained in order to maintain continuity of care in the community upon release.



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Medi-Cal Enrollment

- Persons who meet the requirements for eligibility for Medi-Cal may enroll in the program *before, during, and after the time in which they are detained.*
- They may receive assistance by an authorized person to submit an application to Medi-Cal on their behalf. (HHS 76 Fed. Reg. at 51191)
- This assistance may be a reimbursable Medi-Cal Administrative cost.



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2. Behavioral & Physical Health Care Parity

- California has yet to determine its Medi-Cal essential benefits package for behavioral health, but the package will be based on evidence-based practices for in-patient and outpatient services.
- Medi-Cal recipients will have access to mental health and substance abuse services “at parity” —to the same degree as physical healthcare services are delivered.



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Behavioral & Physical Health Care Parity, cont'd

- Medi-Cal expansion will provide beneficiaries with sustained and comprehensive coverage that is not tied to participation in substance abuse treatment or the duration of incapacity.
- Medi-Cal expansion will allow for new behavioral health treatment options for offenders at many points on the continuum of contact with the criminal justice system from pre-trial to re-entry, such as new mechanisms for diversion coupled with treatment.



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Behavioral & Physical Health Care Parity, cont'd

- Without access to care, many of these individuals will be repeat users of emergency room services, inpatient psychiatric services, and, for many, jail health services as “frequent flyers.”
- From a fiscal perspective, it will be in the interest of the state and counties to offer effective behavioral health treatment to Medi-Cal beneficiaries.



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3. Health Plan Coverage for Offenders Pending Disposition of Charges

- Health Reform requires each state to create or participate in a health insurance exchange for qualified individuals and small businesses to buy subsidized health insurance.

Department Of Health and Human Services 45 CFR Parts 155 and 156 [CMS-9989-P] RIN 0938-AQ67 Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans. Federal Register /Vol. 76, No. 136 / Friday, July 15, 2011 / Proposed Rules, p. 41867.

- California is developing the California Health Benefit Exchange.
- Individuals with income from 138–400% FPL will be able purchase plans through this Exchange with premium support beginning in 2014.



Health Plan Coverage for Offenders Pending Disposition of Charges, cont'd

- Legislation regarding Health Insurance Exchanges specifies that: “[a]n individual shall not be treated as a qualified individual if, at the time of enrollment, the individual is incarcerated, *other than incarceration pending the disposition of charges.*” (Patient Protection and Affordable Care Act, § 1312(f)(1)(B). Emphasis is ours).
- This means that, subject to the requirements of health plans, jail health care providers may be reimbursed for qualified services they deliver to California Health Benefit Exchange beneficiaries who are *incarcerated while pending disposition of charges.*



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Health Plan Coverage for Offenders Pending Disposition of Charges, cont'd

- In 2014, subject to the requirements of health plans, **Medi-Cal reimbursement** to jail health care providers who deliver qualified services to Medi-Cal beneficiaries who are *incarcerated while pending disposition of charges* **may be available, if** the federal Centers for Medicare and Medicaid Services allows states to harmonize Medicaid (Medi-Cal) with the Exchange in this regard.



4. Health Reform Promotes the Use of Health Information Technology

- Correctional authorities may increase continuity and coordination of care between jail and community providers through Health Information Technology.
- Electronic health records (EHRs) can facilitate health care transitions, save staff time, contribute to patient safety, and offset the costs of some of the new, expanded roles for correctional facilities by reducing medical record staffing requirements. *(Patricia Blair, Robert Greifinger, T. Howard Stone and Sarah Somers, American Bar Association. COCHS Issue Paper: Increasing Access to Health Insurance Coverage for Pre-trial Detainees and individuals Transitioning form Correctional Facilities Under the Patient Protection and Affordable Care Act: February 2011, page 7. www.cochs.org/library/PPACA_CONF_11_17_10_PDFs)*



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Health Reform Promotes the Use of Health Information Technology, cont'd

- Health Reform legislation provides incentives to health care providers to adopt and use EHR systems in “stages”.
- Medi-Cal providers eventually will have to meet a requirement to use EHR systems to submit claims for reimbursement for delivering qualified services.
- Jail health care providers will have to adopt these same standards to participate in Medi-Cal.



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COCHS Research for the California HealthCare Foundation

- COCHS has developed county-by-county projections for the portion of the jail population that will be newly eligible for Medi-Cal when Health Reform becomes effective in 2014.
- National and county statistics from the Bureau of Justice Statistics, The American Community Survey, and the FBI's Uniform Crime Report were used to inform the projections.
- The projections focus on young male offenders who are most likely to be newly eligible for Medi-Cal.



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