A New Vision for L.A. Care

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Chief Executive Officer
November 6, 2015
# Medi-Cal Managed Care Enrollment - Pre and Post ACA

<table>
<thead>
<tr>
<th></th>
<th>California*</th>
<th>Los Angeles County**</th>
<th>% of CA Medi-Cal Population Residing in LA County</th>
<th>L.A. Care**</th>
<th>% of L.A. Care Medi-Cal Membership out of Total LA County Medi-Cal Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-ACA (2013)</strong></td>
<td>6 million</td>
<td>1.74 million</td>
<td>29%</td>
<td>1.15 million</td>
<td>66%</td>
</tr>
<tr>
<td><strong>Post-ACA (2014 and 2015)</strong></td>
<td>9.88 million</td>
<td>2.74 million</td>
<td>28%</td>
<td>1.80 million</td>
<td>66%</td>
</tr>
<tr>
<td><strong>% Increase</strong></td>
<td>64%</td>
<td>57%</td>
<td></td>
<td>57%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: DHCS, Medi-Cal Managed Care Enrollment Reports (MMCD) 2013 & 2015

**Source: L.A. Care, Internal Membership Trend Analysis 2013 & 2015
## L.A. Care Membership

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Enrollment (August 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medi-Cal</td>
<td>1,752,266</td>
</tr>
<tr>
<td>• Temporary Assistance for Needy Families (TANF)</td>
<td>• 978,758</td>
</tr>
<tr>
<td>• Medi-Cal Expansion</td>
<td>• 454,060</td>
</tr>
<tr>
<td>• Seniors and People with Disabilities</td>
<td>• 137,620</td>
</tr>
<tr>
<td>• Coordinated Care Initiative</td>
<td>• 181,725</td>
</tr>
<tr>
<td>Cal MediConnect (duals pilot)</td>
<td>14,931</td>
</tr>
<tr>
<td>L.A. Care Covered (Covered CA)</td>
<td>16,046</td>
</tr>
<tr>
<td>PASC-SEIU</td>
<td>45,785</td>
</tr>
<tr>
<td>Healthy Kids</td>
<td>418</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,829,446</strong></td>
</tr>
</tbody>
</table>
### Who Is Not Covered In LA County?

<table>
<thead>
<tr>
<th>Remaining Uninsured</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medi-Cal Eligible*</td>
<td>270,000</td>
</tr>
<tr>
<td>Exchange Eligible**</td>
<td>337,000</td>
</tr>
<tr>
<td>• With subsidies</td>
<td>• 153,000</td>
</tr>
<tr>
<td>• Without subsidies</td>
<td>• 184,000</td>
</tr>
<tr>
<td>My Health LA***</td>
<td>103,000</td>
</tr>
<tr>
<td>Others**</td>
<td>601,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1.3 million</strong></td>
</tr>
</tbody>
</table>

*Source: UCLA Center for Health Policy Research, AskCHIS 2014
**Source: Estimated using CalSIM data from UC Berkley Labor Center report, “Which Californians will Lack Health Insurance Under the Affordable Care Act?”
***Source: L.A. County Department of Health Services, My Health LA Program Key Demographics and Enrollment Summary
Challenges for the Community

• Access
  – Need more physicians in Medi-Cal and Covered California

• Education
  – Orient newly insured on how to use coverage
    • Medi-Cal
    • Covered California

• Holes in the safety net
  – Poverty
  – Homelessness
  – Nutrition
  – Immigration status

• Comprehensive Medi-Cal Funding Strategy
  – MCO tax
  – ACA non-recurring funds
Growing Pains for L.A. Care

• Complexity of populations served and increased risk
  – Tailored models of care for specific populations
  – Focused shift from well care to complex care

• Organization structure
  – Infrastructure and work processes need to catch up with growth
  – Internal audit, enterprise risk assessment, and single source for data management and analytics

• Accountability unclear
  – Inside
    • Owners needed for accountability for population segment/product success
  – Outside
    • Delegated entities need to be held accountable to increased scrutiny
L.A. Care Mission and Vision

Our Mission
• L.A. Care’s mission is to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose.

Our Vision
• A healthy community in which all have access to the health care they need.
Strategic Vision Going Forward: The Four Directions

• **Strategic Direction 1:**
  – Clear lines of accountability that simplify processes and drive efficiency and excellence

• **Strategic Direction 2:**
  – A network that aligns reimbursement with member risk and provider performance

• **Strategic Direction 3:**
  – Tailored models of care for the specific needs of our member populations

• **Strategic Direction 4:**
  – Recognized leader in improving health outcomes for low income and vulnerable populations
## L.A. Care Network of Providers

<table>
<thead>
<tr>
<th>Provider</th>
<th>Enrollment (October 2015)</th>
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</thead>
<tbody>
<tr>
<td>Subcontracted Plan Partners</td>
<td>898,614</td>
</tr>
<tr>
<td>• Kaiser</td>
<td>• 179,411</td>
</tr>
<tr>
<td>• Anthem Blue Cross</td>
<td>• 423,464</td>
</tr>
<tr>
<td>• Care 1st (Blue Shield of CA)</td>
<td>• 292,739</td>
</tr>
<tr>
<td>LA County Department of Health Services</td>
<td>~240K</td>
</tr>
<tr>
<td>Federally Qualified Health Centers</td>
<td>~132K</td>
</tr>
<tr>
<td>Delegated Entities (31)</td>
<td>~550K</td>
</tr>
</tbody>
</table>
L.A. Care Will Add Direct Contracting Options For Providers

Rationale: Add capacity to L.A. Care network and improve quality measures and access

1) Fill geographic gaps
   - Antelope Valley 1/1/16
   - Assess entire county for additional gaps

2) Uphold Medi-Cal contract standards with delegated entities
   - In addition to other delegated entities provider may belong to
   - Offer direct contract option to providers in delegated entities that fail to meet quality and access standards
Two Questions That I Have Asked Since Coming to L.A. Care

• What value does L.A. Care add to our members’ health care experience?

• What value does L.A. Care add to our providers’ participation?
L.A. Care Value Proposition

• What value does L.A. Care add to our members’ health care experience?
  – Access to care
  – Quality/outcome focus from providers
  – Humane/compassionate treatment
  – Member advocacy

• What value does L.A. Care add to our providers’ participation?
  – Timely, accurate information
  – Ease of administration
  – Responsible reimbursement
  – Informed members
Therefore... activating the strategic vision...

1. Operating Plan
   Accountability
   Alignment
   Tailored
   Recognized

2. Reorganization
   Support larger, more complex and diverse member mix

3. Contracting options for providers
   Increased access

...gives L.A. Care a set of tools to make the value proposition for members and providers a reality.

“Injustice in health care is the most shocking and inhumane.”

-Martin Luther King, Jr.

1966