Dedicated to the Health of the Whole Community

SANTA CLARA VALLEY HEALTH & HOSPITAL SYSTEM

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Submit via *email: info(ii),hbex.ca.gov*

Dear HBEX Board and Staff:

On behalf of Santa Clara Valley Health & Hospital System and our patients, I am writing to provide input on your proposed recommendations for Qualified Health Plans (QHPs) in the Exchange. Santa Clara Valley Health & Hospital System appreciates the opportunity to provide input into the planning and development of the policies and structures of the Exchange, as they will have a profound impact on the health care financing and delivery system in California for years to come.

Santa Clara Valley Health & Hospital System works to prevent the outbreak and spread of infectious diseases, plans and prepares for medical, man-made and natural disasters, and helps those suffering from mental illness or struggling with addiction to rebuild their lives. Our public healthcare system also provides high-quality, specialized treatment for emergency medical care, trauma, burns, and rehabilitation from severe injuries, as well as providing regular medical care to residents of this community.

- Registered 27,327 birth and 10,049 death certificates in 2011
- 72,000 people were treated last year in Santa Clara Valley Medical Center's Emergency Department
- Over 23,000 county residents were connected to needed mental health services last year
- In 2011, Emergency Medical Services monitored more than 95,000 ambulance calls
- Cared for more than 250 premature or sick newborns and infants in the last 6 months
- Provided alcohol and drug treatment services for 7,500 people and reduced or eliminated drug use for about 2,400 of these individuals following treatment
- Responded to 2,069 calls that came in last month to the Suicide Prevention Hotline

Finally, in order to ensure adequate access to ECP's within each Qualified Health Plan network, we support the Exchange staffs reconunendation to establish a geographic approach as the best strategy to ensure all regions throughout the state meet sufficient ECP access standards.

Building on to the Exchange's approach, we also support CAPH's reconunendation that the Exchange require a certain threshold for all QHP's in order to ensure that a minimum number ofECP's are included in provider networks. Specifically, we support the proposal that in each geographic region, 15% of every Qualified Health Plan's provider network must be comprised of providers who are employed by or contracted with Essential Community Providers.

Establishing this basic threshold will ensure adequate access to ECP's; provide a clear guidance for QHP's; and will create a simple format to monitor compliance and improve continuity of care as low-income individuals move from public to private coverage.

Participation of Medi-Cal Managed Care Plans in the Exchange

As a public hospital system that works closely with our local Medi-Cal managed care plans, especially Santa Clara Family Health Plan, we appreciate the Exchange's recognition of the value of the participation oflocal Medi-Cal managed care plans as QHPs in the Exchange. To that end, we thank the Exchange staff for reconunending proposals that encourage the participation of Medi-Cal managed care plans, including the allowance of sub-regional plans. However, in order for local health plans to meet all the plan requirements, they will have to undergo significant planning and development. While we are overall in agreement with the proposed NCQA Health Plan accreditation requirements the Exchange sets forth in Option B, we ask the Exchange to consider further extending the accreditation timeline to allow for enough time for the local health plans to obtain the necessary accreditation requirements.

Standardization of Minimum Out-of-Network Benefits- Maximum Fee Limitation

Santa Clara Valley Health & Hospital System has concerns about the proposed reconunendation that could set limits on payments to providers for out-of- network services to Exchange enrollees. This proposed recommendation could cause harm to safety net hospitals that provide significant trauma, burn and emergency care to all Californians.

The Trauma Center at SCVMC has been certified by the American College of Surgeons as a Level One Trauma Center. This is the highest level of certification possible. The Trauma Center is also an essential part of the Emergency Department, which is open 24 hours a day and serves more than 80,000 patients a year. The staff responds to more than seven trauma alerts every day. Because SCVMC has on-site specialists from areas such as the Burn Center, Spinal Cord Injury Rehabilitation and Brain Injury Rehabilitation, our Trauma Center is the only one in the region with access to these highly specialized

(b) "Qualified Hospitals" as set forth in section (ii) above shall include those hospitals designated by the Department of Health Care Services as a disproportionate share hospital, children's hospital or designated public hospital system and its affiliated clinics.

(c) **"Qualified Clinics"** as set forth in section (iii) above shall include:

- Community Clinic or Health Center: Licensed as either a "community clinic" or "free clinic" by the State under California Health & Safety Code §1204(a)(l) and (2), or is exempt from licensure under Section 1206.

- FQHC: An entity that is recognized as a Federally Qualified Health Center under Section 186l(aa)(4) or 1905(1)(2)(B) of the Social Security Act (42 U.S.C. §§1395x(aa)(4), 1396d(l)(2)(B)).

- IHC: Indian health clinics are federally designated as 638 Tribal Health Programs and Title V Urban Indian Health Programs.

- SBHC: A school-based health center as is defined in the Children's Health Insurance Program Reauthorization Act/Social Security Act (2009), Public Law 74-271, Sec 2110(c)(9).

(d) "Substantial[1]" as set forth in section (a)(iii) above shall mean that no less than 50% of all costs associated with providing care is for Medi-Cal and uninsured patients where a minimum of I0% is comprised of uninsured costs.

(e) Provider shall self-certify as to meeting this requirement on an annual basis. Such certification is subject to audit by the Exchange on an annual basis, and if it is determined that such provider does not meet the definition ofECP, such provider shall be precluded from meeting the definition of ECP for at least three years following such audit results.

This proposed definition supports the suggested approach of offering distinct definitions ofECPs for hospitals and outpatient settings. If the Exchange adopts a different definition than the one offered above, we strongly recommend that the definition recognize the comprehensive nature of our public hospital system by including our inpatient services in the hospital definition, and our outpatient clinics in the non-hospital definition. Furthermore, the definition must also require providers to articulate the role they play in providing care to not only California's Medi-Cal, but also the state's uninsured population.

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[1] **After full implementation of health care reform, a distinction between low-income and uninsured may need to be revisited and redefined.**

- Cared for I,071 people in 2 years with spinal cord and brain injuries, as well as strokes
- Investigated 954 people suspecting of either having tuberculosis or coming into contact with someone with tuberculosis, and did follow up with over 4,000 people in 2011
- 250,000 people were cared for and treated by SCVMC and its community clinics last year
- Investigated I,416 cases of illnesses including outbreaks in schools, restaurants and long-term care facilities last year

Essential Community Provider

As a traditional safety net provider that has served low-income, Medi-Cal and uninsured patients for 136 years (since 1876), we believe it is especially important to inform you of our concerns regarding the proposed definition of "Essential Community Providers" (ECPs.) The requirement that QHPs include ECPs in their networks offers a tremendous opportunity for the Exchange to help support three critical goals that will impact the entire health care system:

I. Ensuring continuity of care for patients
2. Providing access to care to providers who have cultural and linguistic expertise, and a deep knowledge of the complexities oflow-income patients; and
3. Supporting and strengthening the health care safety net upon which we all depend.

These goals are all important and none must be sacrificed in the service of another. For these reasons, we support the approach recommended by the California Association of Public Hospitals and Health Systems (CAPH), which has offered a potential "middle ground" between a narrow definition that may miss some providers who serve disproportionate numbers of Medi-Cal and uninsured, and a broad approach which, in taking all comers, fails to adequately differentiate providers that serve a patient population that is disproportionately low-income, medically underserved and uninsured.

Specifically, CAPH has proposed the following definition for an Essential Community Provider:

(a) **Essential Community Provider ("ECP")** means safety net providers that deliver health services to persons experiencing cultural, linguistic, geographic, financial or other barriers to accessing appropriate, timely, affordable and continuous health care services. The following organizations quality as an ECP: (i) "qualified hospitals," (ii), "qualified clinics" or (iii) other safety net providers that (x) have a mission or mandate to deliver services to persons who experience barriers to accessing care and (y) provides a "substantial" volume of care to persons who are uninsured or who are enrolled in Medi-Cal.

medical professionals and their services. The Trauma Center also has specialists in Neurosurgery, Orthopedic Surgery and Pediatrics. With these unique abilities, the Trauma Center at SCVMC is able to provide the most efficient and effective care to patients who are in need of specialized care.

Santa Clara Valley Medical Center is also a certified Primary Stroke Center by the Joint Commission. In addition, the County of Santa Clara has established a Stroke Care System in cooperation with area hospitals. With eight hospitals participating, it was the first program in the State of California to redirect ambulances to one of these Stroke Centers, all of which feature comprehensive data, quality management plan and the most advanced treatments to be the best equipped to deal with the critical and time sensitive needs of stroke.

The Exchange's proposal to standardize out-of network benefits which could limit payments to providers could negatively impact our public hospital systems by reducing revenues that are needed to ensure we can continue to provide comprehensive services. Moreover, maximum out-of-network rates to providers could create disincentives for QHPs to contract with public hospital systems and other safety net providers who would likely qualify as ECP's. For these reasons, we echo CAPH's recommendation to exclude this proposal from the final set of Exchange regulations.

Thank you very much for your thoughtful work in creating a Health Benefits Exchange that will help promote the health and health care for all Californians. We and other public hospital systems stand ready to partner with you to improve health care delivery and support a system that will ensure access to high quality care for all Californians.

Sincerely,

Rene G. Santiago
Deputy County Executive
Director, Santa Clara Valley Health & Hospital System