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Essential Community Providers

Background

As California prepares for health care reform implementation, the role of safety net providers in serving the newly insured and remaining uninsured will be critical to maintaining a strong health care delivery system for all Californians. While many providers will compete for the newly insured population, an expected three million individuals will remain uninsured and will need a provider network that is sustainable and can effectively meet their needs. Therefore as coverage expansion efforts continue for the both the Exchange and Medi-Cal, it is important to consider and incorporate a role for safety net providers.

Federal health reform requires Qualified Health Plans within the Exchange to include Essential Community Providers (ECP) as part of the provider network. Although federal guidance does not specifically define an ECP, it does indicate some possible types of organizations and states that an ECP should serve predominantly low-income, medically underserved individuals. In an effort to ensure safety net providers are included and utilized within QHP's in the Exchange, the definition of an ECP must accurately reflect California's traditional safety net providers. Furthermore, additional requirements and incentives for QHP's must also be explored to ensure that ECP's are in fact utilized within the Exchange.

Recommended 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 qualify 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.
- (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.
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- (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)(1) and (2), or is exempt from licensure under Section 1206.
 - FQHC: An entity that is recognized as a Federally Qualified Health Center under Section 1861(aa)(4) or 1905(l)(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.

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number of services that do not require co-pays or out-of pocket costs within their system.

4. The financial discounts can be established based on a sliding scale based on income or can be based on the health service (i.e. free nutrition counseling)
- d. If an ECP elects to participate in the "financial assistance program" QHP's will be required to include this benefit in the provider selection information and in the provider marketing materials.
3. If the Exchange proceeds with creating a rating system for Qualified Health Plans that measures quality, patient experience, access, value, the utilization of ECP's should also be included as a factor for evaluation.
4. As the Exchange moves forward developing its approval and renewal process for QHP's, utilization of ECP's should be included as a factor for consideration when conducting QHP approval and renewal.

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assignment