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Medicaid Waiver Agreement Offers Hope for Millions of Californians

Waiver will help California, public hospital systems, prepare for reform in 2014

Statement by Melissa Stafford Jones, President and CEO, CAPH

OAKLAND, CA, November 2, 2010 – The Section 1115 Medicaid waiver agreement announced today is truly an historic leap forward for health care delivery and is an essential step towards the full implementation of health care reform in 2014.

This five-year agreement between California and the federal Centers for Medicare and Medicaid Services (CMS) will help the state lay the groundwork for health care reform by sustaining and improving care within the Medi-Cal program, and expanding coverage and access to care. Indeed, we believe this next waiver can in fact be the most important effort in support of health care reform in California over the next several years.

First and foremost, the waiver will allow counties to cover more people right away – something that can't happen soon enough for those who have gone without timely access to care for preventive services and for chronic diseases, cancer and other serious medical issues. With nearly three million uninsured living at or below poverty in the state, we can't wait until health care reform kicks in completely to begin to close this gap.

For public hospital systems, the waiver offers the opportunity to greatly increase existing efforts to expand coverage. In many cases public hospitals will expand Health Care Coverage Initiatives started under the current waiver; these pilots have enrolled more than 100,000 low-income patients in medical homes. The new waiver will require more far-reaching coverage programs. Although it may be challenging for some counties to meet these new requirements during such tough economic times, our hope is that many Californians who have avoided seeking medical attention because they were uninsured can now obtain coverage and the services they need.

The waiver also will allow us to continue with needed health care improvements within the safety net. California's 19 public hospital systems have already piloted many programs to enhance care and expand access, but they've lacked the resources necessary to make those improvements system-wide. The next Medicaid waiver can provide the investment required to build on this important work. Patients will be better able to access high quality care – at the right time and at the right place – resulting in healthier outcomes and along with that a reduction in avoidable ER visits and hospital admissions.

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In return for significant investment through this waiver, public hospital systems will be held accountable and must demonstrate improvement. The dollars that public hospitals receive will be tied to specific standards or performance milestones. The work won't be easy, but public hospital providers are committed to its success. The need is just too great.

California has a critical role to play in the health care reform arena. As the largest state in the union, we have a huge task ahead of us as we seek to ensure that we can provide newly eligible residents with coverage when full health care reform goes into effect. We especially acknowledge the enormous efforts of the state administration in negotiating this waiver. We're gratified that California and CMS recognized the need to start that preparation now and are working to make our shared vision a reality. Our public hospitals stand ready to help lead a successful transformation in health care delivery for our state.

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CAPH represents 19 public hospital systems throughout California. These systems are located in 15 counties where more than 80% of the State's population lives, and provide a wide array of inpatient and outpatient services to nearly 2.5 million Californians each year.