

COLAB SAN LUIS OBISPO COUNTY

WEEK OF APRIL 28-May 4, 2013

NO BOARD OF SUPERVIORS MEETING ON APRIL 30

WATER RESOURCES ADVISORY COMMITTEE MEETING OF WED. MAY 1, 1:30 PM To Hear PASO WATER RECS.

(See Page 6 For Details)

Board of Supervisors Meeting of April 23, 2013 (Completed)

Item 20 - Sole Source Contract with Intelegy Corporation of San Ramon to Implement Obama Care (Affordable Care Act) Call Center. The Board approved a contract with a consultant (Intelegy of San Ramon) to help the County develop a call center to sort out new clients who will need to be directed to the appropriate health coverage program as a result of Obama Care. The Board was not interested in considering alternatives, such as contracting with an existing call center for the service.

Background: The County is gearing up to implement Obama Care, which officially starts on January 14, 2014. One category of potential participants involves those who will be newly eligible for Medi-CAL. There are sub-programs and choices, and clients must receive assistance on how to choose the appropriate version. The \$152,000 contract will provide consulting services to the County on how to establish and run a call center to provide the service and do the client sorting. The Board letter indicated that 50 County employees will be trained to function within the new call center. It is not clear what becomes of their current duties.

Obama Care Implementation Complex and Risky: The best explanation of the mandated sorting process, which we have seen, is contained in a publication of the Deloitte Consulting firm entitled *Health Insurance Exchanges: A Strategic Perspective*. The states are required to create exchanges to assist individuals and small organizations to navigate the new system. The County has to be equipped to interact with the State exchange, which has not yet been established. The State of California routinely fails to operate complex programs within stipulated deadlines. It will be interesting to see what happens here, since the whole new system must be in operation by January 2014. The portion of the Deloitte paper, reproduced below on the next 2 pages, illustrates the complexity and risk of having the State and counties attempt to implement the ACA over the next 8 months. On Thursday, April 25, 2013, national news sources were reporting that Health Secretary Kathleen Sebelius and members of both parties in Congress were expressing doubts. Some have called for the President to suspend the program.

Overview of requirements

Section 1311 of ACA requires each state to establish an exchange to serve two markets by 2014: the individual market and the small group market (up to 100 employees). States intent on setting up their exchanges must demonstrate their capabilities specific to basic functions set forth in the proposed rule released July 11, 2011 including enrollee support services, oversight of health plans offered through the exchange (known as qualified health plans [QHPs]), operation of websites, and risk management. If the Secretary of the U.S. Department of Health and Human

Services (HHS) determines that a state will not have an exchange operational by 2014, the Secretary of HHS must establish and operate the exchange in that state.

Anticipated coverage

According to the Deloitte Center for Health Solutions analysis, "The Impact of Health Reform on Health Insurance Coverage," up to 65 million individuals may be covered through health insurance exchanges if employers elect to drop ESI after 2016, or if other market factors drive reduction of traditional coverage (Figure 1).

Figure 1: projected enrollment in millions (% of total) under scenarios A-D in year 2020¹

Health insurance market segment	Scenario								Range
	A	B1	B2	B3	C	D1	D2	D3	
ESI, excluding Small Business Health Options Program (SHOP)	128 (39%)	118 (36%)	104 (32%)	76 (23%)	124 (38%)	129 (39%)	132 (40%)	133 (41%)	76–133
SHOP	21 (6%)	19 (6%)	18 (5%)	13 (4%)	20 (6%)	21 (6%)	21 (6%)	21 (7%)	13–21
Individual, excluding health insurance exchanges	3 (1%)	4 (1%)	5 (2%)	7 (2%)	3 (1%)	4 (1%)	3 (1%)	4 (1%)	3–7
Health insurance exchanges	27 (8%)	35 (11%)	45 (14%)	65 (20%)	23 (7%)	31 (9%)	24 (7%)	28 (8%)	23–65
Medicaid	51 (16%)	51 (16%)	51 (16%)	51 (16%)	51 (16%)	51 (16%)	51 (16%)	51 (16%)	51
Medicare	61 (19%)	61 (19%)	61 (19%)	61 (19%)	61 (19%)	61 (19%)	61 (19%)	61 (19%)	61
Uninsured	34 (11%)	38 (12%)	43 (13%)	53 (16%)	44 (13%)	29 (9%)	33 (10%)	29 (9%)	29–53
Total	327	327	327	327	327	327	327	327	–
% covered by commercial plans (group + individual)	54%	54%	53%	49%	52%	55%	54%	57%	–

Source: Deloitte analysis, "The Impact of Health Reform on Health Insurance Coverage"

¹ Not all numbers add due to rounding

Scenario A — "Intended results": baseline

Scenario B — "Unintended results": employers drop coverage

Scenario C — "Unintended results": no individual penalty

Scenario D — "Unintended results": delays/changes to original legislation

No one knows for sure how exchange enrollment will play out — there are simply too many variables that might influence participation including the effectiveness of the individual mandate in encouraging coverage, health cost

inflation that might influence employer decisions, or delays in implementing ACA. Nonetheless, state participation in operating exchanges is required by 2014 with potential enrollment an unknown.

State role

As shown in Figure 2, exchanges aim to provide and enable consumer choice and affordability. The main functions of an exchange, laid out in ACA, include:

- Certifying, recertifying, and decertifying QHPs
- Assigning ratings to each QHPs on the basis of relative quality and price
- Providing consumer information on QHPs in a standardized format
- Creating an electronic calculator to allow consumers to assess the cost of coverage after application of any premium tax credits and cost-sharing reductions
- Operating a website and toll-free telephone hotline offering comparative information on QHPs and allowing consumers to apply for and purchase coverage if eligible
- Determining eligibility for the exchange, tax credits and cost-sharing reductions, and other public health coverage programs, and facilitating enrollment of eligible individuals in those programs
- Determining exemption from the individual mandate
- Establishing a Navigator program to assist consumers in making choices about their health care options

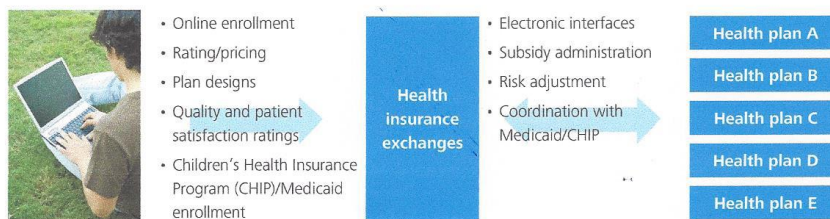
Health plan role

ACA outlined the several criteria plans must meet in order to be deemed a QHP. Figure 3 provides an overview of the requirements, as well as the requirements for the plan sales, distribution, and enrollment. (For additional health plan details, see *Minimum requirements for health plan participation under the Summary of proposed rule section*.) One key component that has yet to be defined is the minimum essential health benefit package. Per ACA Section 1302, the essential benefits must cover at least the following categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

The Institute of Medicine (IOM) will make recommendations on what benefits should be required in QHPs in September; HHS will begin to collect public comments on the issue shortly thereafter.

Figure 2: exchanges offer standardized products following basic functions prescribed by HHS



Public Comment Item - San Luis Obispo County Employees Association (SLOCEA)

Praises Supervisors' Legislative Aides. SLOCEA General Manager Kimberly Daniels (the head union rep. of the County's biggest employee group) appeared at public comment to chastise unnamed others who had raised questions about the structure, pay, and benefits of the Board members' legislative assistants. These are at will non-civil service political appointments that provide the Supervisors with help in conducting research and resolving constituent issues. It is not clear what prompted a union rep. to defend political appointees. It may have been a *Cal Coast News* guest opinion piece back in March, which criticized the growth of the salaries over the years and questioned the need for the positions. Daniels was effusive in her praise of these appointees, whom she characterized as some of the hardest working employees in the County.

The Real Issue: Prior to the 1970's, most professionally managed local governments did not provide their city council members and county supervisors with personally appointed political assistants. The idea was that the elected members should make policy and leave the execution to their apolitical professional administrator, city manager, CEO (whatever). The spread of the legislative aide system has severely compromised the ideal nationally and has fractured the organizational integrity of hundreds of jurisdictions (mostly those over 100,000 in population). The situation is famous and infamous in LA County, where each supervisor has up to 60 aides. In larger jurisdictions some of the more senior "aides" function as literal commissars by filtering information and giving orders to department heads and staffers further down in the bureaucracy. A theoretical phone conversation:

Leg. Aide: Supervisor X is very concerned about the new Steak House CUP (Conditional Use Permit).

Planner III: We are still working on the report to the Planning Commission.

Leg. Aide: I'll come down and look at it. It's in our district.

The Planner III's Choices:

1. *No, you may not see it until it's complete and placed on Commission's agenda, and everyone has equal access. Please don't ask me this.*
2. *Please call the Planning Director about this. It's not in my authority to show you incomplete staff work that has not been approved by the Director.*
3. *Please call the County Administrator about this. It's not in my authority or in my Director's authority to show you incomplete staff work that is not equally available to the other four supervisors, the applicant, and the opponents.*
4. *No, I'll e-mail it to you so you don't have to come down here, but please don't share it with anyone else.*

5. *I'll have to get back to you.*

6. *I'll give you a copy tonight at happy hour. A lot of the technical staff will be there in case you have questions or suggestions.*

What is the communications policy in San Luis Obispo County about inquiries from leg aides to staff at different levels? Is there one? What do the Board members think?

No Board of Supervisors Meeting on Tuesday, April 30, 2013 (5th Tuesday)
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The Board normally meets on the first four Tuesdays of each month. April 30th is a fifth Tuesday.

No SLOCOG Meeting on Wednesday, May 1, 2013
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There will be a Regional Transit Authority meeting but no SOLCOG meeting, which deals with the broader policy issues, which from time to time impinge on “smart growth,” taxes, and regulatory matters.

Las Pilitas Quarry Workshop of Thursday April 25, 2013 (Completed)

The County Planning Department and its Environmental Impact Report consultant held a presentation workshop at the Santa Margarita Elementary School to present the Draft Environmental Impact Report (DEIR). Several hundred people attended. Most were opposed to the project. Truck traffic appears to be the biggest objection. The Planning staff kept the crowd focused on the DEIR process and content. There were several professional types (perhaps attorneys in the audience taking notes). One asked several questions about expert disagreements over technical information and conclusions in the EIR. In other words, what happens if something is proven wrong and the conclusions change? Would the EIR have to be re-circulated? This could foretell a set of delaying tactics.

One speaker tried to front out Supervisor Arnold by asserting that she was the swing vote on the issue. She pointed out that like everyone else; she was there to hear the information. Former Supervisor Patterson was in attendance but did not speak.

The Planning staff estimates that the issue will reach the Planning Commission in September 2013. If the Commission's decision is appealed, it will go to the Board of Supervisors.

Please see last week's Weekly Update for a full discussion. The DEIR may be accessed at:

<http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/oster.htm>

San Luis Obispo Water Resources Advisory Committee (WRAC) Meeting of Wednesday, May 1, 2013 - 1:30 PM, County Library Auditorium, 995 Palm Street, SLO.
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Paso Robles Water Basin Blue Ribbon Advisory Committee. The Committee will present its recommendations to the WRAC for remediation of the Paso Water Basin decline. One key recommendation is for the creation of a water management district in the north County that would have the potential to regulate water use and future expansion of use. One idea has been to meter private wells and to restrict annual consumption to a percentage below normal average use (a reduction to 65% has been mentioned). As of this writing the WRAC Agenda and materials had not been posted, so it is difficult to know exactly what is being proposed. Reportedly Sue Luft, who has taken a leadership role on the Committee, supports the creation of a regulatory district. According to the San Luis Obispo Tribune, she was quoted as saying “Ultimately it will have to have teeth.”

Wonder who will be bitten?

Would the regulatory water management district board be elected or appointed?

The WRAC may well agree and forward the recommendation with its endorsement to the Board of Supervisors.

San Luis Obispo Integrated Regional Water Management Plan (IRWM)

A vast and complex water resources planning effort involving extensive meetings, focus groups, and a large committee (The Regional Water Management Group) is moving forward on the creation of an updated IRWN. The Public Works Department and a consultant are leading the \$1 million grant state bond-funded effort and are performing the staff work. The draft plan sets forth goals and implementation strategies for management of all water resources in San Luis Obispo County. The Plan goals are divided into major subject headings, including:

1. Water Supply
2. Flood Management
3. Groundwater Monitoring and Management
4. Ecosystem and Watershed
5. Water Resources Management and Communication

The summary of the Water Supply section suggests the regulatory potential inherent in the document and its subsequent implementation:

Water Supply Goal

Maintain or improve water supply quantity and quality for potable drinking water, fire protection, and agricultural production needs with a focus on addressing limitations, vulnerabilities, conjunctive use and water use efficiency.

Objectives:

1. *Maximize the accessibility to water supplies already available to the Region through the utilization of existing infrastructure and development of new infrastructure and agreements.*
2. *Provide adequate and sustainable water supplies and infrastructure to meet water demands in all communities.*
3. *Support projects aimed to improve existing public water systems to meet current Title 22 Drinking Water Quality Standards.*
4. *Develop and implement water management plans in communities of all sizes and water uses consistent with CWC requirements.*
5. *Develop and implement programs and alternative conservation measures/ practices to increase water use efficiency in all water use sectors.*
6. *Plan for potential regional impacts of climate change on water quantity and quality and greenhouse gas emissions.*
7. *Actively seek funding opportunities to ensure that all disadvantaged communities and designated low-income census blocks have adequate and safe drinking water supplies.*
8. *Diversify water supply sources, including the use of recycled and desalinized water.*
9. *Support sustainable potable water supply programs for rural residents.*
10. *Support access to sustainable water quality and supply programs for agriculture.*

It appears that there will be a RWMG meeting on June 5, 2013 from 9AM to 12 PM at the County Library Community Room to consider the draft.