

Final Blue Shield Proposal

- Purpose of Funds

Funds from the implementation grant will be distributed to two organizations, Working Partnerships USA and the Santa Clara Family Health Plan, to jointly develop a pilot health plan for low-income employees of small businesses by providing staff support to complete the design of the program, initial marketing and community outreach to small employers, and start-up costs associated with initiation of plan operation.

- Project Description (2,000 characters):

- Provide a full narrative description of the proposed project, including the following information: (1) the need for this project as identified through relevant facts from the community, referencing statistics, research or evidence based models, (2) specific activities that will address each key objective and, (3) the individuals responsible for those activities

The three-share health coverage project seeks to address two major problems affecting the health care system in Santa Clara County: the growing number of uninsured adults, and the growing strain on the capacity of the public health care safety net to provide care for the uninsured. Between 2000 and 2004, health coverage among adults in California with incomes below 300% of FPL dropped from 38% to 35%, and the proportion of this population who were uninsured exceeded 38%. At the same time, public hospitals experienced a significant reduction in state revenues. Between 2002 and 2006, state funding for Santa Clara County services fell by more than 16%, with a disproportionate impact on health care.

To address the problems of the increased number of uninsured adults and resulting strain on the public health and hospital system, we have designed a three-share health coverage product which will offer health care at an affordable cost to uninsured low-income working adults in small businesses. This plan meets our critical objective; providing an affordable health coverage option for small businesses will have the effect of decreasing the number of uninsured adults in the county. The public safety net would serve as the provider network, allowing the county to receive revenue in the form of monthly premium contributions from individuals who are currently uncompensated care patients.

Three organizations will be responsible for the implementation of this project: the Santa Clara Valley Health and Hospital System (SCVHHS), which will provide services to the enrolled population and administer the program; the Santa Clara Family Health Plan (SCFHP), which will oversee marketing and enrollment; and Working Partnerships USA (WPUSA), which will oversee community outreach. All three organizations will be responsible for completing program design and initiating enrollment. Grant funding for implementation will be directed to WPUSA and SCFHP.

- Objective #1 (2,000 characters)
 - Please state the first key objective for the proposed project. We define objectives as specific, measurable, time bound, operational statements of the desired accomplishments of the program that are necessary to achieve its goal.

Objective #1: To implement a small business health coverage program for low-wage workers with initial enrollment goal of 5,000 and long-term potential of 20,000 members.

Based on extensive research over the last eight months, WPUSA, the SCFHP and the SCVHHS have developed a voluntary three-share health coverage model targeted at the low-income working adult population employed in small businesses. To be eligible for this program:

- An employer must have 50 or fewer workers.
- A worker must be between ages 19-64, work and live in Santa Clara County, have an income below 300% FPL, and be currently uninsured.

Financing for the plan will require premium contributions from workers, employers and the county health and hospital system. The county's contribution will be in the form of a discounted health plan.

Pending approval from the County Board of Supervisors in fall 2006, we will launch a pilot project in early 2007 with a target enrollment of 5,000. In preparation for initial enrollment, the following tasks must be completed:

- *Completion of program design details:* determining eligibility criteria, benefits and premium contributions.
- *Establishing policies and procedure for:* enrollment and eligibility, premium collection, communication/interface between health plan and network.
- *Execution of preliminary community outreach/marketing plan:* coordinating with local media to publicize program implementation, working with community and employer groups to generate significant interest and initial enrollments, and producing informational materials for employees/enrollees, employers, and the community.
- *Development of marketing plan for the first year:* creating a long-term marketing plan to reach the enrollment target of 5,000 adults in Santa Clara County.

Although 41,000 uninsured adults would be eligible for this program, a realistic expectation is that only 50% of employers will enroll. Therefore, at full implementation, this program would likely serve 20,000 adults.

- Project outcomes (2,000 characters):

- Briefly state the desired project outcomes. We define an outcome as a benefit or change resulting from actions taken. Outcomes can impact individuals, families, communities or larger populations both during and after program participation.

During this initial start up phase, our primary outcome will be to provide low-income small business employees with access to affordable health coverage through the development and launch of the three share program. To build a plan that is up, running, and enrolling participants by June 2007, our activities will include:

- Preparing materials: Create enrollment forms and eligibility criteria.
- Establishing benefit structure: Determine benefit package and descriptive materials for all adults enrolled.
- Executing initial community outreach plan: Develop employer and community outreach events and enrollment kickoff event. Kickoff will include recognizing the Blue Shield of CA Foundation for its role in funding the development of this program.
- Performing employer research: Coordinate ongoing employer stakeholder meetings and conduct research to ensure high small business take-up. Investigate working with brokers to market and sell the product.
- Constructing administrative structure: Develop systems, policies, and procedures, and identify and train staff.
- Launching program: Complete program details and initiate enrollment.

Our second, longer-term outcome is to build a sustainable program that will improve the fiscal health of the public safety net and decrease the number of uninsured. Monthly premiums and co-pays must produce sufficient funding to cover the county's cost of service delivery, while remaining affordable to workers and employers. We will also explore opportunities to secure resources from the City of San Jose, the state, or other sources. Once sustainability has been achieved, we will expand enrollment, with the ultimate outcome of providing health coverage to 20,000 uninsured residents.

Lastly, this program aims to demonstrate that a voluntary small business plan can attract large-scale participation by employers and workers in Santa Clara County. Successful implementation would provide a model that other California counties can replicate.

- Progress measured (2,000 characters):
 - Briefly describe how you will measure progress toward the stated outcomes.

The initial success of the three share program will be measured by our ability to launch the health plan, secure small business participants, and begin enrolling uninsured workers by June 2007. Prior to launching, we will need to complete

the program design, develop an administrative structure, and create an outreach plan to enroll eligible businesses and their workers.

Development of a sustainable program will be measured, first, by our progress towards our goal of 5,000 enrollees, which will indicate that both workers and employers find the plan affordable and valuable. Second, the fiscal impact on the SCVHHS should be positive and significant by the time this enrollment milestone is reached.

Finally, our progress towards creating a replicable model will be measured in a longer time frame. Once the 5,000-enrollee goal is reached, we plan to expand the program's scale with the eventual target of 20,000 enrollees. At this time we hope to begin disseminating information and providing technical assistance to other regions that are interested in the three share model.

- Dissemination of Outcomes (2,000 characters):
 - Briefly describe how project outcomes/impact will be shared with others.

Implementation of the three share health coverage program will be widely shared with local elected officials, the media and the broader community. In preparation for initial enrollment, all final program details regarding financing, benefits and administration must be approved by the County Board of Supervisors, at which point all data presented will be available to the public. In addition, WPUSA and the SCFHP will produce an initial community outreach and marketing plan that will include meeting with the San Jose Mercury News Editorial Board and developing employer and community outreach events to inform the general public about the program.

Once the program is launched, WPUSA, the SCVHHS and the SCFHP will monitor enrollment and produce a financial analysis to be presented to both the Board of Supervisors and to a program oversight committee. WPUSA will also collect additional information from employers and uninsured workers to produce a policy brief to assist other regions interested in a three share model. The brief will be published within the end of the first year of enrollment and distributed to stakeholders, other counties, officials, and funders.

- Project Key Objectives/ Grantmaking Priorities (2,000 characters)
 - Please describe how the key objectives for this project address our primary grantmaking priorities

The three share health coverage model seeks to execute two grant making priorities: creating a path toward universal health coverage and strengthening the public health safety net. This model creates an affordable and sustainable health coverage product targeted at a segment of the population with one of the highest uninsurance rates: low-income working adults. By building on the existing

employer-based system, it offers an affordable comprehensive program that workers and small businesses can join. If full enrollment is achieved this plan could enroll 20,000 uninsured low-income workers in Santa Clara County.

The three share health coverage program has also been developed with the goal of strengthening the public safety net. The county health and hospital system will serve as the provider network and will receive all premiums from workers and small businesses. In addition, the plan aims to reduce the number of uninsured patients currently enrolled in the county's ability to pay program. The ability to pay program is a discount fee-for-service program for low-income residents, from which the county receives little if any financial return for delivering services. Reducing the number of adults in the ability to pay program will improve the fiscal health of the public safety net.

Once the program is implemented, our goal is to ensure sustainability and offer our model to other regions interested in expanding coverage to adults. The coverage plan aims to generate a product that can maintain affordable premiums for all parties involved and gradually be expanded to cover all eligible workers. Once there is substantial enrollment in the program, it can serve as an example for other regions on how a local collaboration between small businesses, the public safety net and community groups can work together to provide coverage to uninsured working adults as the next step towards universal health care.

- Funding request: (2,000 characters)
 - Please provide a narrative description of the project budget including an explanation of those line-items for which you are requesting support from the Blue Shield of California Foundation.

Funding for the pilot project will be distributed between Working Partnerships USA and the Santa Clara Family Health Plan, and will be directed into three core areas: completing program design, execution of a preliminary marketing plan, and additional start-up costs related to initial enrollment.

Funding for plan design will include staff support to generate the structure of the pilot program, including determining benefits, eligibility requirements and enrollment materials, premiums for workers and employers, and staff support to obtain necessary licenses.

Roughly two-thirds of the requested funding for this project will be dedicated toward initial community outreach and marketing, which will be critical to launching the program. Outreach activities will include: production of sales and marketing materials, public relations and enrollment activities, outreach to small businesses and employer associations, and development of community relations and education materials. The Santa Clara Family Health Plan and Working Partnerships USA will together develop the community outreach and marketing materials and will also generate the marketing components of the full implementation plan to cover enrollment during the second half of 2007.

In addition to program design and marketing, funding will also be used for startup costs related to administration. The Santa Clara Valley Health Hospital System will be the designated administrator of the program and the Santa Clara Family Health Plan oversee enrollment and eligibility. Resources will be directed towards creating the enrollment and eligibility claims systems, developing employer/employee agreements and performing legal analysis.

In the first quarter of 2007, both organizations will work with the Santa Clara Valley Health and Hospital System, which will provide health services for plan participants, to prepare for the initiation of plan operation in June 2007.