



# CITY OF LONG BEACH

# R-11

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2525 GRAND AVENUE • LONG BEACH, CALIFORNIA 90815 • (562) 570-4000 • FAX: (562) 570-4049

October 14, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager, or designee, to execute all necessary agreements, and any subsequent amendments, between the City of Long Beach and the State of California Health Benefits Exchange (also known as "Covered California") to accept funding in the amount of \$225,267 for a nine-month period from October 1, 2014 to June 30, 2015, to facilitate outreach, enrollment, and retention into the insurance programs offered through Covered California, with an option for a one-year renewal and cash bonus contingent upon achieving enrollment goals (Bonus Pool = \$7,500 per 100 effectuated); and increase appropriations in the Health Fund (SR 130) in the Department of Health and Human Services (HE) by \$225,267. (Citywide)

## DISCUSSION

In 2010, the federal government enacted the Patient Protection and Affordable Care Act, which aims to increase the number of Americans with insurance and cut the overall costs of health care. Covered California was created by the State of California to develop an organized marketplace where eligible residents can buy health coverage. As of 2014, about 2.6 million Californians will qualify for federal financial assistance and an additional 2.7 million who do not qualify for assistance will benefit from guaranteed coverage through Covered California or from an insurance company in the individual market.

Covered California offers subsidized health care coverage in the form of premium assistance and cost-sharing reductions to individuals and families with incomes between 138 percent and 400 percent of the Federal Poverty Level (FPL) guidelines. The Long Beach Department of Health and Human Services (Health Department) is a Covered California Certified Enrollment Entity and, since October 2013, has conducted outreach and education to over 5,000 individuals and completed over 2,500 Covered California applications. The funding is to be used to expand outreach, enrollment, and retention activities to populations that continue to have high rates of uninsured. Those populations include, but are not limited to, Latino, African American, Asian American, young adults and Lesbian Gay Bisexual Transgender populations. The Health Department will focus on the following groups: populations with limited English proficiency; culturally diverse communities; families with mixed immigration status; restaurant and food service workers; small businesses; school workers; independent contractors; and childcare providers.

The percentage of uninsured Long Beach residents is estimated to be 22.3 percent, which is higher than the State level (18.5 percent). Health insurance coverage in Long Beach varies

considerably with age, income level, education status, and ethnicity. The percentage of uninsured Long Beach residents is highest (30.7 percent) in the population who are between the ages of 18 and 64. This age group is most likely to be in the workforce or continuing their post-high school education. Of the Long Beach population who are in the labor force, employed and unemployed, 29.9 percent are uninsured, which is more than 5 percent higher than the percentage for the California labor force. The ethnic group most likely to be uninsured is Hispanic or Latino, at 31.8 percent, followed by African-American at 19.8 percent, Asian at 19.2 percent, Pacific Islander at 18.1 percent, and White at 11 percent. The groups with the highest percentages of individuals lacking health insurance are those in the \$25,000 - \$50,000 income level (31.9 percent uninsured) and those in the 100-199 percent FPL range (35.7 percent uninsured). Nearly half (45.7 percent) of Long Beach residents with less than a high school education are uninsured, and 31.6 percent of residents with a high school diploma or GED are currently uninsured (U.S. Census, 2010).

This matter was reviewed by Deputy City Attorney Linda Vu on September 23, 2014 and by Budget Management Officer Victoria Bell on September 26, 2014.

TIMING CONSIDERATIONS

City Council action on this matter is requested on October 14, 2014, as the program start date is October 1, 2014.

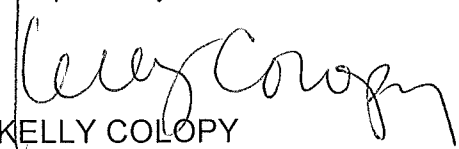
FISCAL IMPACT

The City will receive grant revenues in the amount of \$225,267 to offset expenditures of the same amount. An appropriations increase for this amount in the Health Fund (SR 130) in the Department of Health and Human Services (HE) has been included as part of the recommendation. Additionally, the program is eligible for a bonus payment of \$7,500 for each additional 100 effectuated enrollments provided that exceeds the contract enrollment goals, subject to the availability of that bonus funding. Should the Health Department receive the bonus, these additional funds will be used to cover costs incurred for the special enrollment periods and retention activities, including case management, for clients year-round. No match or in-kind service mandate is required, and there is no local job impact associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

  
KELLY COLOPY  
DIRECTOR  
HEALTH AND HUMAN SERVICES

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER