



**New Models of Health Care Coverage for California Farm Workers
Stakeholder Advisory Group Meeting
Monday, March 10, 2014, 10 am to 2 pm
UCSF Fresno Medical Education Center, Fresno, CA**

Meeting notes

I. Introductions: *Joel Diringer, Facilitator*

- Contents of Packet
 - Agenda, List of attendees, one-page summary of farmworker health issues, Legislative Fact Sheet on SB1005, slides from Ed Kissam's presentation. All are available on <http://diringerassociates.com/farmworker-health/>
- Idea of the group is to have a dialogue and everyone should participate

2. Group Updates: Affordable Care Act Implementation in Ag Community- All

- Participants were asked to talk about what is happening in the ag community on coverage issues.
- Bob Severs of Managed Care systems: has put together a plan for a grower in Bakersfield which had a "Skinny Plan" wrapped around in a Bronze level plan to be implemented June 1. The Ag community is struggling with Mini-Med Plans and trying to determine what would be compliant.
- Patrick Pine, RFK Health plan: hearing different things from different states. There is marketing of new Skinny Plans. One approach is to offer a minimum value 60% actuarial equivalent plan with the expectation that there will be little take-up by employees, and to provide a "skinny" benefit of preventive coverage. Employers may not be aware of provisions such as determining large employers – e.g. controlled group and subsidiary rules.
- Lilia Chagolla, Central CA Alliance for Health: Express Lane enrollment has resulted in 2,282 new enrollees into Medi-Cal through Cal Fresh,
- Megan Roehl, Cong. Jim Costa: Congressman Costa has been communicating with HHS re: need for continued waivers for ag plans.
- Megan Jacobsen, CA Grape and Tree Fruit League: members are preparing to be in compliance with ACA, but compliant plans are proving more expensive for both workers and employers. Employers are not sure what to offer and how to be in compliance. Regional differences in ag (e.g. seasons, worker hiring) make it difficult to generalize. Labor shortages have prompted employers to be more competitive.
- Rick Senneway, Paramount Farming: they are trying to find ways to provide health care to employees in geographically isolated areas with few providers. Paramount has on-site clinics in Delano and Lost Hills with doctors, nurses and health educators, preventive and primary services.
- Aracely Navarro: CA Primary Care Association: conducting outreach, education and enrollment, particularly for mixed status families.
- Shelly Manhire, United Ag: they converted their previously waived plans to compliant plans on January 1, 2014.
- Hilary Frazer, Institute for Health Policy Solutions: there are vast differences between counties in indigent care programs, realignment funding and coverage of undocumented.
- Gabrielle Lessard – Nat. Immig. Law Center: looking for stories of any ICE activities related to ACA.

- Ed McClements, Barkley Insurance provided a background of the coverage definitions and penalties: A Skinny Plan is one that covers only preventive services, but may not cover other things such as pharmacy or hospital coverage. They may meet the definition of minimum essential coverage.
 - There are several penalties
 - 2 that impact employers-
 - \$2,000 penalty per full time employee (exempting first 30 employees) assessed on large employer if they do not offer minimum essential coverage and a single employee accesses subsidies on the Exchange
 - \$3000 subsidy level per employee who accesses subsidies if the employer's coverage is either not affordable to employee (i.e. exceeds 9.5% of employee income), or is not adequate (i.e. does not meet 60% actuarial value).
 - Employee penalty – individual mandate if employee does not have minimum essential coverage – minimum of \$95 or 1% of income in 2014; increasing in later years.
 - Concern by employers that ICE enforcement can be triggered by IRS Audits. For example, when the IRS audits ACA compliance they may find that many social security numbers do not match up. Gabrielle Lessard from NILC believed that ICE audits would not be allowed under the ACA.

3. Legislative and regulatory Updates:

ACA Large Employer Rules

- Joel gave a brief update. The “pay or play” mandate for midsize employers (50-99 FTEs) has been delayed until 2016; for the large employers (100+ FTEs) the mandate begins 2015. The latest IRS regulations also seemingly exclude seasonal employees who customarily work less than six month in a year from the definition of full-time employee and are not required to be offered health coverage. This will obviously have an effect on seasonal farmworkers, but the full impact is unclear.
- To re-cap the regulations concerning seasonal workers.
 - Seasonal workers are excluded from the calculation of full-time employees used to determine if an employer has 50+ full time employees which would make them subject to the “pay or play” requirements. Under the ACA, firms will not be considered to be large employers if their workforce exceeds 50 FTEs for less than 120 days in a year due to seasonal employees.
 - Under the new IRS regulations, it appears that seasonal workers who are expected to work less than six months are not considered full-time employees who must be offered coverage.

State Legislation on covering undocumented Californians (SB1005- Lara)

- Lawrence Cooper of Senator Ricardo Lara's office joined by teleconference to discuss SB1005 which would provide coverage through an expansion of Medi-Cal and Covered California to undocumented residents with state-only funds. This will provide coverage to approximately 1 million residents. Their goal was to avoid a patchwork of programs and incorporate the undocumented into the existing statewide structures. UCLA is developing cost estimates which will include analysis of funds that are already being spent for coverage. Questions were asked about confidentiality and whether single payer options were considered. There were also comments that perhaps paying for care directly for undocumented may be preferred over a coverage model.

4. Updated data on agricultural worker coverage from National Agricultural Workers Survey (NAWS)

- Ed Kissam provided an updated analysis of California data from NAWS.
 - Overall, more than half (57%) of FW's are left totally out in the cold in 2015, and in 2016 slightly less than half (46%) are.
 - 15% of FW's in the Western U.S. might need to be offered a policy by their employer in 2015, about 33% in 2016 (at least for part of the year).
 - The 17% who already get insurance from their employers are concentrated among the older demographic groups who are most steadily employed so it's unlikely the mandate improves numbers of FW's covered.
 - The NAWS data on the legal status of workers in different demographic groups suggests that these older FW's, more likely to have chronic health problems, will fall under the employer mandate and have access to Covered California or Medi-Cal.
 - The model estimating sub-groups of farmworkers which ACA rules impact in different ways highlights the overall problem of intermittent coverage, especially for the one-quarter or so of California farmworkers who work for more than one employer.

5. Group Discussion: Pros and Cons of Limited Benefit Plans and Should We Focus on "Care" or "Coverage?"

- Shelly Manhire of United Ag distributed copies of a November 2013 sign-on letter signed by 21 Democratic members of the California congressional delegation urging HHS Secretary Kathleen Sebelius to grant an extension of the waiver granted to ag benefit trusts.
- The group discussed the value of the capped plans which provided affordable, but limited benefits with little up-front cost for accessing services and no or low deductibles. Conversely, the ACA compliant plans have deductibles of up to \$6350 with limited "first dollar" benefits, and copays that would be significant for low income workers. Premiums for the compliant plans are much higher both for the employer and the workers and may provide less benefit for the workers.
- Attendees expressed the need for ag to develop alternatives or substitute ways of providing coverage and care rather than solely seeking exemptions from ACA mandates. These alternatives would potentially provide preventive and primary care at little cost to workers, possibly through community health centers or retail clinics and non-physician providers (e.g. nurse practitioners, physician assistants and pharmacists) coupled with catastrophic coverage. It was also suggested that the Healthy San Francisco model might be alternative model. Given farmworker's limited access to services due to physical isolation, language, cultural and financial barriers, it is critical to limit up-front costs for primary care services while making expanded coverage affordable for both employers and employees. One obstacle is that under the present rules – providing a clinic for farm workers such as is the case for Paramount or Reiter will not provide any credit for compliance under the Affordable Care Act which is a deterrent to these approaches since the employer can still be penalized despite funding such approaches.

6. Next steps:

- Preparation of Capitol briefing on Ag Health Coverage Issues in Spring 2014. It was recommended that the briefing include recommendations for alternative care and coverage models for ag workers. All are welcome to submit ideas to Joel. Paul Mills of UCSF Fresno offered to assist with health status data.
- The Capitol briefing will be combined with an Advisory Group Meeting.

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