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CenCal Health: A Model of Managed Care in Santa Barbara County Since 1983

Marking Its 35th Year, the Health Plan Now Serves 1 in 4 County Residents

Recognized by Harvard for Innovating the U.S. Medicaid Program

Santa Barbara, CA – October 2, 2018 – A 1983 experiment in health care in Santa Barbara County gave birth to a health plan recognized by **The Ford Foundation** and **Harvard University** for its innovation and efficiency. That plan – originally called the *Santa Barbara Health Initiative* – is now known as [CenCal Health](#), the first local-control Medicaid program of its kind in the nation. This fall, CenCal Health marks its 35th year providing care to [Medi-Cal](#) (California’s Medicaid program) recipients in Santa Barbara County, and, for the past decade, in San Luis Obispo County. Some of the core plans and programs with which CenCal Health has served members during its 35-year history on the Central Coast include *Access for Infants & Mothers/Prenatal Plus 2*, *Healthy Families*, *Healthy Kids*, *In Home Supportive Services (IHSS)*, *Multipurpose Senior Services*, and *Mental Health Benefits*.

“I think the No. 1 accomplishment of CenCal Health is that we demonstrated that you can both save taxpayer dollars and improve health outcomes in the Medi-Cal program,” said CenCal Health CEO **Bob Freeman**. “Our longevity is the result of building upon what we’ve learned over time, working together with local doctors and other providers to assist them in delivering care to our members, and treating them all as a priority. The result of this has been excellent health care, delivered in a timely and efficient manner.”

By the 1980’s, [Medicaid](#) costs in the U.S. had skyrocketed and the quality of patient care was deemed low. This was primarily due to a decline in participation by physicians, who found Medicaid regulations and paperwork both difficult and time consuming. The *Santa Barbara Health Initiative* brought local administration to the Medi-Cal management process, streamlining the operation and assigning patients to primary-care physicians who were adequately and efficiently compensated, which in turn brought more doctors into the network. This strategy improved care for patients and helped cut government costs, at a minimum of 5%.

Approximately 91 cents of every dollar CenCal Health receives is spent on benefits and services for members, contrasting sharply with commercial health plans. And today, CenCal Health's contracted network includes safety-net providers, medical groups, clinics, private practice physicians, premier health systems and hospitals.

"I appreciate that CenCal Health is so easy to work with," said **Dr. Peter Statti**, a long-time network physician. "The short response time, timely payments, and free online billing system are exemplary. By and large, working with CenCal Health has been very positive these last 35 years.

In 1986, the *Santa Barbara Health Initiative* was selected as a finalist in an *Innovations in American Government* award program, sponsored by the Ford Foundation and Harvard University. A 1993 editorial in the **Santa Barbara News-Press** on the 10th anniversary of the Initiative suggested that the "wave of the future, managed care, has been here all along". In 2008, CenCal Health established its health care operation in San Luis Obispo County.

CenCal Health further increased its reach on the Central Coast with new programs and services for new members when in 2014, under the [Affordable Care Act](#), California expanded Medi-Cal eligibility for some low-income adults. These adults are often "the working poor" – people who have low paying jobs like those in retail, housekeeping, food service or grounds maintenance, and are not offered health insurance through their employer. Some of these individuals have never had access to care. Today, roughly one in four Santa Barbara County residents and one in five San Luis Obispo County residents are members of CenCal Health.

At CenCal Health, members are assigned a primary care physician, and can seek medical care preventatively, instead of using local emergency rooms for health care where it is the most expensive. CenCal Health works with its providers to deliver not only basic preventive care but to impart vital services such as cancer screenings, immunizations, and health education. The agency also coordinates the care for its severely ill members such as those in need of organ transplants. "It's a comprehensive health plan for our members," said CenCal Health Chief Medical Officer **Takashi Michael Wada, MD MPH**. "CenCal Health provides access to high quality care, locally delivered and expertly managed."

Based on health outcome and process measures, CenCal Health has been found to be one of the top performing Medi-Cal plans in the state, according to the **Healthcare Effectiveness Data and Information Set or HEDIS®**. (HEDIS is a registered trademark of the National Committee for Quality Assurance [NCQA]). Overall results reported in 2018 mark the best performance that the agency and its network of physicians have achieved since CenCal Health began annual reporting in 2000, with its Santa Barbara County plan ranking 5th out of 53 county or region-specific Medi-Cal Managed Care plans.

CenCal Health currently partners with approximately 90% of local doctors or over 1,500 physicians and other providers, and delivers comprehensive health coverage to nearly 180,000 men, women and children in two counties. “Reflecting on our 35th year, I know all of us at CenCal Health feel most proud of the service we provide daily to people in need,” said Dr. Wada. “People who have left us messages like, *‘If I could say more than the words thank you for all that you have done for me, I would. You saved my life.’*” Its member comments like this that will keep us going for another 35 years.”

About CenCal Health

Serving the community since 1983, CenCal Health provides comprehensive health coverage to nearly 180,000 men, women and children enrolled in Medi-Cal. This regional health plan partners with over 1,500 local physicians and other providers to deliver quality patient care to approximately 1 in 4 residents of Santa Barbara County and 1 in 5 residents of San Luis Obispo County. CenCal Health also collaborates with community-based organizations to address social determinants of health while increasing members’ access to medical care and reducing costs. The oldest Medicaid managed care plan of its kind, CenCal Health is a not-for-profit agency that employs close to 250 people at offices in both Santa Barbara and San Luis Obispo. For more information, visit cencalhealth.org.

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