

**Managed Risk Medical Insurance Board
December 14, 2011, Public Session**

Board Members Present: Cliff Allenby, Chairman
Richard Figueroa
Samuel Garrison
Ellen Wu, MPH

Ex Officio Members Present: Mike Wilkening, Designee for the Secretary of the
Health and Human Services Agency
Shelley Rouillard, Designee for the Secretary of
Business, Transportation & Housing Agency
Jack Campana, Chairman of the Healthy Families
Advisory Panel

Staff Present: Janette Casillas, Executive Director
Terresa Krum, Chief Deputy Director
Ellen Badley, Deputy Director, Benefits &
Quality Monitoring
Ernesto Sanchez, Deputy Director, Eligibility,
Enrollment & Marketing
Jeanie Esajian, Deputy Director, Legislative &
External Affairs
Laura Rosenthal, Chief Counsel, Legal
Loressa Hon, Manager, Administration
Tony Lee, Acting Deputy Director, Administration
Seth Brunner, Senior Staff Counsel, Legal
Jenny Phillips, Senior Staff Counsel, Legal
Jordan Espey, Staff Services Analyst, Legal
John Symkowick, Legislative Coordinator,
Legislative & External Affairs
Larry Lucero, Manager, Eligibility
Ruth Jacobs, Assistant Deputy Director, Benefits &
Quality Monitoring
Sarah Swaney, Manager, Benefits & Quality
Monitoring
Donna Lagarias, Research Program Specialist,
Benefits & Quality Monitoring
Naomi Almendarez, Staff Services Analyst,
Benefits & Quality Monitoring
Maria Angel, Executive Assistant to the Board and the
Executive Director
Brandon Walker, Board Assistant

Public: Elizabeth Abbott, Director of Administrative Advocacy,
Health Access

Chairman Cliff Allenby called the meeting to order at 10:01 a.m. The Board went into Executive Session and resumed the public items at 11:13 a.m.

Chairman Allenby recognized audience member John Ramey and noted his appreciation that Mr. Ramey was present after an extended absence from Board meetings.

REVIEW AND APPROVAL OF MINUTES OF OCTOBER 19, 2011 AND NOVEMBER 16, 2011 PUBLIC SESSIONS

The minutes of the October 19 and November 16 meetings were approved as submitted.

The October 19, 2011 Public Session Minutes are located here http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_3_--_Public_10-19-11_FINAL.pdf; and the November 16, 2011 Public Session Minutes can be found here http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_3_--_Public_11-16-11_FINAL.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (Including Healthcare Reform & Budget)

Jeanie Esajian reported on Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity, including Healthcare Reform and the Budget.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The documents on the Federal Budget, Legislation, et al., can be found at: http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_4_Federal_Update_12-14-11.pdf

EXTERNAL AFFAIRS UPDATE

Ms. Esajian reported on Agenda Item 5, the External Affairs Update. The last 30 days were a fairly moderate period for media activity. The main focus was on the higher utilization rate of the Pre-Existing Condition Insurance Plan presented at the Board's last meeting. An op-ed piece in the *Los Angeles Times* written by a PCIP subscriber sparked the interest of a major media outlet. Staff is currently working with that outlet and hopes to see a major piece before the next Board meeting; some PCIP subscribers may be featured in the anticipated coverage.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

Janette Casillas noted the aforementioned op-ed piece by the *L.A. Times* had been widely circulated to management of the Centers for Medicare and Medicaid

Services; CMS sent an acknowledgement and kudos to the Board through staff for working on the program's design and for the complimentary discussion in the article concerning the courteousness of the California PCIP's Call Center.

The document on the External Affairs Update is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_5_%20EA%20Update_12-14-11.pdf

STATE BUDGET UPDATE

There was no State Budget Update.

STATE LEGISLATION

There was no State Legislation Update.

PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE

Enrollment Report

Ernesto Sanchez reported on Agenda Item 8.a, the Enrollment Report for the Pre-Existing Condition Insurance Plan. As of yesterday, PCIP enrollment was at 6,168. In the month of November, there were 813 new subscribers. There are no major changes in the demographics of the program. The expectation is that, when the November enrollment data is published by the federal government, it will show that California has the largest enrollment of any PCIP in the nation.

Jack Campana asked if any analysis has been done on the two percent reported as Spanish speakers among PCIP subscribers and noted that this population was higher among subscribers of the Major Risk Medical Insurance Program and Healthy Families. He asked about outreach efforts to Spanish-speaking communities.

Mr. Sanchez said the language demographic refers to the language the subscriber prefers for written correspondence. He said the Latino population in the program is larger than the segment that requested communication in Spanish and that the Latino population is a bilingual population.

The PCIP Enrollment Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_8.a._-_PCIP_Enrollment_Report_for_November_2011.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 8.b, the PCIP Administrative Vendor Report. The administrative vendor met all performance standards for processing applications and for phone performance standards for the months of October and November.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience.

Beth Abbott complimented the Board on its major PCIP outreach campaign but expressed disappointment that enrollment numbers were not higher. The Low-Income Health Program recently launched in Los Angeles County went from 60,000 to 100,000 enrollees after two months of outreach effort. While there are major differences between LIPH and PCIP, Health Access wants everyone who is not insured to be covered and said Health Access is fully supportive of California's receiving additional federal funding that may be reallocated from other states.

Board Member Richard Figueroa pointed out that LIPH is free to subscribers and PCIP is not.

Board Member Ellen Wu said assumptions should not be made about who is eligible for PCIP because the Board does not have a good profile of PCIP subscribers in terms of demographics, preferred language and even how many Californians are eligible. This means any and all outreach strategies are important.

Ex-Officio Member Shelley Rouillard said the requirement of six months without health coverage is a difficult barrier for potential applicants to cross.

The PCIP Administrative Vendor Performance Report is located at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_8.b._-_PCIP_Adm_Vendor_Board_Report_November_2011.pdf

Third Party Administrator Performance Report

Sarah Swaney reported on Agenda Item 8.c, the Third-Party Administrator Performance Report. She stated that the third party administrator did not meet the performance standard for ID cards sent within 10 days of receiving enrollment information from the Administrative Vendor. The level met was 54.7 percent and was a one-time aberration because of the network change that occurred this month.

The full PCIP TPA Performance Report document with data on all performance measures is located at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_8.c._PC_IP_TPA_Performance_Report.pdf

Utilization Reports

Ms. Swaney reported on Agenda Item 8.d, PCIP Utilization Reports, which included data for the third quarter of 2011 and also cumulative data from the beginning of the program in California. Ms. Swaney reviewed the data in the report, for which the link is provided below. Mr. Allenby commented on Ms. Swaney's report concerning cost and utilization of generic drugs. According to Ms. Swaney, generics accounted for 74 percent of utilization, and brand name drugs 26 percent; and generics accounted for 37 percent of costs and brand name

drugs 63 percent. Chairman Allenby recalled that the last quarterly report showed brand-name drug costs in the low 70 percent, with generics the reverse. He indicated that there seems to be a trend change.

Ms. Casillas noted that the subsequent chart contained information from program inception through September and also showed a blending of data, with brand name drugs accounting for 61 percent of the cost and generics accounting for 39 percent. She indicated that this is good.

Ms. Rouillard said that the trend has been going down because at the beginning of the program the utilization was almost exactly the reverse. Ms. Rouillard indicated that it is good that people are using more generics than brands and the cost is going down.

Ms. Swaney acknowledged Naomi Almendarez of MRMIB's PCIP unit for the preparation of the utilization reports.

Mr. Figueroa noted that the third highest diagnosis category for hospitalization was for pregnancy. With the new law the Governor signed, that would be expected to change because pregnancy coverage would become part of all benefit packages for the first time as long as the subscriber had the coverage before becoming pregnant. PCIP may still have subscribers with an unplanned pregnancy, but over time, this diagnosis category will go down because more individual policies will have maternity coverage as they should have had all along.

Chairman Allenby asked if there were any other questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The PCIP Utilization Reports are located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_8.d_PC_IP_Utilization_Report_Inception-3rd_%20Quarter_2011.pdf

Update on New Network

Ellen Badley reported on Agenda Item 8.e, Update on New Network. Ms. Badley reported that staff has been working closely with the PCIP third party administrator since early December on the transition of subscribers to the new First Health Network. In conjunction with that, staff is monitoring continuity of care requests from subscribers who are entitled to request continuity of care if they meet certain criteria, including acute condition, serious chronic condition, in treatment for a terminal illness or a scheduled surgery or a procedure pending. To date, 67 subscribers have requested continuity of care, with 38 approved. Those not approved have generally lacked documentation to show that the request meets the required criteria.

Chairman Allenby asked if there were any questions or comments from the Board.

Mr. Figueroa asked whether there was a specific point in time by which subscribers have to request continuity of care or trigger the continuity of care

provision, or whether it is ongoing. Ms. Badley said it was her understanding that subscribers can continue to resubmit requests. Subscribers received information on the continuity of care process in the notice about the network change.

Returning to the Third Party Administrator Performance Report, Ms. Rouillard asked why the percentage was so low in the report concerning ID cards sent. Ms. Badley said staff was working to ensure that the ID cards went out with the new network information, and therefore did not want to send ID cards out with the old program information and then send new ID cards out with new program information. For this reason the cards were held in November and sent in December.

Chairman Allenby asked if there were any questions or comments from the audience. There were none.

Federal PCIP Allocation

Ms. Casillas reported on Agenda Item 8.f, the Federal PCIP Allocation. She reminded the Board of past discussions about staff's observations about of average claim costs and analysis concerning enrollment trends. She referred to previous conversations about whether to conduct more frequent monitoring or engagement with the federal government about observations and concerns regarding the total \$761 million allocation for California. Ms. Casillas indicated that staff has expressed these concerns to the federal government orally and in written correspondence regarding concerns about enrolling individuals if there are not sufficient funds to cover them through the duration of the program. Staff is concerned about conducting enrollments and then either closing the program or, more importantly, having to disenroll subscribers. As a result, staff has requested written direction from the federal government, since MRMIB is the federal government's contractor. MRMIB's contract with the federal government in essence runs year-to-year contract; an amendment each year renews the contract for the following year.

Ms. Casillas indicated that the amendment for 2012 is awaiting her signature. In addition, as a result of California's conversations with the federal government, the federal government increased California's 2012 PCIP allocation from just over \$229 million to just over \$347 million. The contract amendment reflects this annual allocation increase and also includes a provision that allows California to use any unspent 2011 dollars in 2012. Staff believes there are sufficient dollars to carry the program over. Therefore, the Board and staff can cease discussions at this time about enrollment caps or concerns, and can continue outreach efforts with no slow-down to enroll everyone who comes through the door and is eligible for PCIP. Ms. Casillas stated that this is good news and that she will be signing the contract.

Ms. Casillas indicated that staff will continue to monitor and manage enrollment, enrollment trends and enrollment numbers and provide weekly reporting to the federal government. This is a requirement for all states, in order to allow the federal government to conduct a more refined assessment of the dollars that have been allocated to states and of whether the states will actually need those dollars for the duration of PCIP. If not for 2013, there may be a future reallocation of

unspent dollars. Ms. Casillas also reiterated the complimentary email CMS sent to staff regarding the California PCIP.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were questions or comments from the audience. There were none.

Other Implementation Issues

Ms. Casillas stated that there was nothing more to report.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Mr. Sanchez reported on Agenda Item 9.a, the Enrollment Report. A total of 161 new subscribers enrolled in the last month, bringing overall enrollment to slightly more than 6,400. There is room for more subscribers with the program's enrollment cap set at 8,000. There are no people on a wait list.

The MRMIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_9.a._._%20MRMIP%20Board%20Report%20Summary%20for%20June%202011.pdf

Update on Enrollment Cap and Waiting List

Mr. Sanchez reported on Agenda Item 9.b, the Update on Enrollment Cap and Waiting List. Program demographics have not significantly changed and there are no applicants on a waiting list.

The MRMIP Enrollment Cap and Waiting List Update document is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_9.b_MR MIP_Weekly_12_monthWaitlist.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 9.c, the Administrative Vendor Performance Report. The administrative vendor met all performance standards regarding processing applications and performance of the toll-free lines.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The MRMIP Administrative Vendor Performance Report chart is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_9.c._._MRMIP_Adm_Vendor_Perf_for_June_2011.pdf

HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT

Ms. Casillas reported on Agenda Item 10, Healthcare Reform Under the Affordable Care Act. She provided an overall update on healthcare reform activities as they pertain to the Board's programs. Ms. Casillas continues to work in collaboration with the Health Benefit Exchange Board, the Exchange Board's staff and, director, and the Department of Health Care Services. There are ongoing work group meetings on activities relative to the procurement processes for different contracts and contractors for various activities.

There are regularly scheduled steering committee meetings between the directors of all three departments, as well as with the Administration, to address different issues that challenge the work group members. This moves issues upward for policy direction. Most of the efforts, and the most recent efforts, concern a draft RFP that the Exchange Board will release at the next Board meeting. According to Ms. Casillas, the original timeline, which Ms. Casillas previously reported to the Board, stated that the draft RFP would be released for public comment on December 20th with comments due from the public by December 30th. The Exchange Board has acknowledged the short timeframe for public comment with regret, but is trying to meet a very difficult implementation date.

Chairman Allenby said the implementation date seems like a long time from now, but it is really a very short time period. Ms. Casillas concurred and said the Exchange Board wants to award a contract in April 2012.

Ms. Casillas indicated that MRMIB and the other departments have been involved in an effort by the California HealthCare Foundation to address the basic health plan. CHCF has put together a meeting with the Department of Health Care Services, the Exchange, MRMIB, legislative staff, researchers, Mercer, the Institute for Health Policy Solutions, and Manatt to talk about the individual analyses that had been done and to try to reach consensus about assumptions and about whether implementation would have a negative impact for the Exchange. Both Mercer and the Institute of Health Policy Solutions stand behind their respective analyses.

Ms. Casillas explained that there was some discussion about where the Basic Health Program would reside : the Exchange, Department of Health Care Services or MRMIB. It is difficult to have that conversation until there is a conclusion about whether a basic health plan is good for California or not. The estimates are that 725,000 people are likely to enroll into a basic health program and 1.8 million lives into an Exchange. It appears that people think the estimates for the basic health are probably good numbers but may not be in agreement about whether the estimated 1.8 million enrollment is good for the Exchange. Ms. Casillas stated that the issue is not just the numbers, as the Board knows in running PCIP. The Exchange enrollment would be an older, possibly sick or less healthy population, because those that will go into a basic health plan are assumed to be healthier lives –in all likelihood, the parents of children in the Healthy Families Program. They are still of childbearing age and still fairly healthy, and every exchange would want to have those healthy lives as the basis of their program.

Mr. Figueroa said that one of the inevitable major issues of disagreement is the extent to which the unsubsidized lives are counted in the Exchange enrollees. The “glue”, so to speak, is the subsidized lives since they are more likely to enroll in the Exchange than unsubsidized lives. This is relevant in competing against the outside market, and will factor into the risk games, benefit selection activities and benefit packages. He indicated that It will be interesting to see how the numbers settle out and where the subsidized lives go.

Ms. Casillas agreed and said that the California HealthCare Foundation will continue to work on the project, engage all the participants that were in the room, and, if possible, try to develop some logical next steps so that the participants can at least agree on some basic assumptions. This gathering was never intended to be a meeting where decisions were made or direction was given; but was more in the spirit of regrouping on this issue. There will be more to come on this topic and CHCF will be engaging the entire work group as well.

Mr. Figueroa asked whether anyone in the work group has any idea of when the federal government might issuer regulations on the basic health plan. Ms. Casillas said that Manatt has been involved with many other states concerning dialogue about exchanges, as well as the basic health plan. Manatt also has been participating in dialogues with the states and the federal government. Manatt did not expect regulations on the basic health plan expected any time soon.

Ms. Casillas said MRMIB also has been participating in small group meetings led by the Exchange in collaboration with MRMIB and the Department of Health Care Services. The small group is meeting with a variety of plans, providers, advocates, agents, brokers and a variety of groups in California, soliciting input on what success would look like for these individuals in 2014, 2016 and 2019. Additionally, the Exchange has developed with MRMIB’s input, a series of questions in order to obtain written input from these external groups.

The meetings include dialogue about three important issue: a successful model for outreach and marketing; how to assure maximum enrollment and retention; and finally, the role of navigators, agents and brokers. It is an open dialogue conducted in meetings that last between an hour and a half and two hours.

Chairman Allenby said that the start-up of HIPC could be used an example of how not to treat agents and the difficulties that had caused. Ms. Casillas said that this MRMIB history has been mentioned at the meetings. MRMIB does not pay agents or brokers the same type of fee that they get for selling individual or group policies. When PCIP was implemented, the Board followed that policy decision in not paying agents or brokers in the same manner that they are paid for selling commercial policies. Agents and brokers discussed concerns about this. However, the agents and brokers also complimented MRMIB once again on the design and the success of PCIP from their point of view, because they now have a program to offer to clients who are uninsurable. They also have complimented and made comments about call center staff, specifically commenting on their knowledge, patience and courteousness. When call center staff said they did not have an answer, they called back with the information.

Ms. Casillas stated that, at the same time, MRMIB has heard a few comments in this forum and elsewhere about lack of transparency concerning how enrollment and retention are done and what the rules are for this process. There have been concerns and comments made about the “black box” or the proprietary system used. Ms. Casillas told the Board that she has repeatedly explained that this is not an issue because the vendor does not make independent decisions, but rather implements policy based on MRMIB’s direction. If there are questions about this, they should be addressed to MRMIB; it is not about a proprietary system.

Ms. Casillas suggested that, because the Board has always valued transparency in conducting its business and policy discussions, and because future Exchange discussions will focus more on the construction of its systems, the MRMIB Board could consider release of the Healthy Families business rules on the MRMIB website. The Board and staff have always said that this system is based on the business rules that staff wrote and that run and govern the program, eligibility, open enrollment, operations, etc. She indicated that this would be a perfect opportunity to post the business rules on the website so individuals can download them, rather than respond to individual inquiries.

Chairman Allenby and Mr. Figueroa said they were supportive of the idea of posting the HFP business rules.

Ms. Casillas said MRMIB has always taken its oversight responsibilities very seriously and has used a very hands-on approach, regardless of who the vendor was. So, while the vendor does the system design and the coding based on MRMIB’s business rules, staff has always maintained a very active and hands-on participation in system and user acceptance testing. Staff conducts independent tests and independent case development, obtains results independent of the vendor, and has always felt very confident about the system. Chairman Allenby and Board Members Figueroa and Wu agreed with the suggestion of Ms. Casillas to post the HFP Business Rules.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Mr. Sanchez reported on Agenda Item 11.a, the Enrollment and Single Point of Entry Report. Nearly 24,000 new children were enrolled into the Healthy Families Program with total enrollment at slightly under 873,000. There are no major changes in demographics or in the top five counties of enrollment. Approximately 35 percent of the applications were made through Health-e-App in November.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The HFP Enrollment and Single Point of Entry Report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_11.a._._HFP_November_2011_Summary_FINAL_TL_COMments.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 11.b, the Administrative Vendor Performance Report. The Administrative Vendor met all performance standards for the month of November for Single Point of Entry (SPE), toll-free lines, processing applications of Healthy Families, data transmissions to the plans and the Healthy Family Members Only line. The Administrative Vendor also met all quality and accuracy performance standards for both SPE and the Healthy Families Program.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The HFP Administrative Vendor Performance Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_11_b. -
- HFP Adm Vendor QA 2011 10.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_11_b_-_HFP_Adm_Vendor_QA_2011_10.pdf)

Health-e-App Reports

Larry Lucero reported on Agenda Item 11.c, the Health-e-App reports, and provided follow-up on items from the last Board meeting. The follow-up items included a request from Mr. Figueroa for information on the ethnicity of applicants using the Health-e-App system. Although the Healthy Families application does not capture applicants' ethnicity, it does capture the ethnicity of the applicant children this information is contained in a new Board report, the Applied Children Ethnicity by Application Language Report. The report shows that, although 38 percent of the English-language Health-e-App users did not provide the ethnicity of applicant children, the highest reported ethnicity were Hispanic, at 25 percent, with those reporting their ethnicity as White second at 12 percent.

Mr. Lucero also reported that the 13 posted reports that relate to Health-e-App generally fall into four categories: applicant profile information such as age and gender; geographic information about the counties where users come from and city and county where the applications were submitted; application disposition information such as ineligibility status or screening outcomes; and web statistics such as flash page hits and utilization hours. The hyperlink for Health-e-App agenda items will take the public directly to all Health-e-App reports on the MRMIB website.

Addressing another follow-up item from the previous meeting, Mr. Lucero said that Health-e-App reports going back to December 2010 have been posted to the MRMIB website. Furthermore, more than 105,000 Health-e-Apps have been submitted since the Health-e-App's inception in December of 2010.

Chairman Allenby asked if there were any questions or comments from the Board.

Mr. Figueroa commended staff for the quick follow-up and stated that the reports represented a tribute to the data system the program uses and noted the ability to provide statistics by city within a county. Mr. Lucero said the data could be "sliced" in a variety of ways.

Mr. Figueroa added that the ability to capture data at this level would be useful for micro-targeting of paper application and Health-e-App use in conjunction with outreach efforts in a particular geographic area, in order to measure the effects over time. Mr. Lucero noted that now there are 12 months of Health-e-App data that will be collapsed by quarter or nine-month periods. Mr. Figueroa noted that people who have wanted more information on how Health-e-App is going now can track and review data through access to this database.

Chairman Allenby asked if there were any questions or comments from the audience. There were none.

The HFP Health-e-App Reports are located at:

http://www.mrmib.ca.gov/MRMIB/Health_e_App_Reports1.shtml

Appointment of Advisory Panel Members: a Subscriber and a Subscriber with Special Needs

Chairman Allenby said that Agenda Item 11.d, Appointment of Advisory Panel Members, required a motion to appoint Liliya Walsh as the representative from an eligible family with a child with special needs and Jan Schumann as a representative from the subscriber population. The motion was moved, seconded and unanimously adopted.

The HFP Memo Recommending Appointments of Advisory Panel Members is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_11.d_HFP_Advisory_Panel.pdf

Authorization to Amend Maximus, Inc. Contract to Conduct Analysis of the Effectiveness of the Health-e-App

Chairman Allenby introduced Agenda Item 11.e, Authorization to Amend Maximus, Inc., Contract to Conduct Analysis of the Effectiveness of the Health-e-App. He asked for a motion to adopt the resolution included with Agenda Item 11.e authorizing an amendment to the Maximus Agreement for the purpose of studying the Health-e-App Public Access System.

Mr. Figueroa asked if a third party was paying for the analysis. Mr. Sanchez said that funding from the California HealthCare, David and Lucille Packard, and Tides foundations were funding the analysis, along with the use of associated FFP (federal financial participation).

Board Member Ellen Wu asked if the agreement was with Maximus. Ms. Casillas said the funding would be through the Maximus contract and that would allow MRMIB to match the federal dollars. When the Board receives grants to conduct activities that are of interest to consumers, advocates and stakeholders, such as Health-e-App, this process is used when there is no budget or state dollars allocated for that purpose. However, staff has oversight of the project budget and the entire process.

Chairman Allenby called for discussion after the motion was made and seconded. Mr. Figueroa asked about the timing of this project. Mr. Sanchez said the project will result in a series of reports published by Mathematica over the next year or so, so it will be a series of study briefs, the first of which will look at pure demographics of Health-e-App users. There also may be a report on tracking as Mathematica gets into more depth on the project. He said the timeline is being worked out with the project funders. Ms. Casillas said the project outline, questions, survey and timeframe were shared with the Exchange, as will outcomes when available.

Chairman Allenby asked if there was further discussion. Hearing none, he called for the question and the motion was unanimously adopted.

The HFP Resolution Amending Maximus, Inc. Contract to Conduct an Analysis of the Effectiveness of the Health-e-App is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Brd_Res_12-14-11_Max_HeAp.pdf

2010 Healthcare Effectiveness Data and Information Set (HEDIS) Report

Donna Lagarias presented Agenda Item 11.f, the 2010 Healthcare Effectiveness Data and Information Set (HEDIS) Report. She said MRMIB has a decade of experience with HEDIS as its first report was in 1999. MRMIB can look over time at what has happened with the program. For immunization and well-care visits, the long view over the last decade shows improvement of approximately one percent annually for each of those measures. It seems like slow progress, but it is meaningful to 5,000 or 10,000 children annually.

Ms. Lagarias stated that, in this year's report, one large health plan had a problem with data and this skewed some of the results. In looking at the data without this particular health plan over the past four years – 2007, 2008, 2009 and 2010 – the large health plans improved in six out of nine measures every single year, and have improved in the other three measures for three out of the four years. The small plans had difficulty with consistent improvement, and improved over four years in two of those nine measures. However, the small, local plans excel at well-care visits. By separating large and small plans and looking at the percentages for well-care visits, the small plans are 10 percent beyond the large plans in delivery of well-care services; this is very important. Ms. Lagarias thanked and congratulated Kaiser Community Health Group, serving San Diego County; Cal-Optima in Orange County; and Contra Costa Health Plan for their excellent service.

Chairman Allenby asked if there were any questions or comments from the Board.

Ex-Officio member Shelley Rouillard commended Ms. Lagarias and all who worked on the report. Ms. Rouillard asked what staff was going to do to address the data problem with Anthem Blue Cross. Ms. Casillas said that, while there was an error in the Anthem Blue Cross data for HFP, the plan did not report errors in Medicaid data. MRMIB staff put in a request for replacement data, which is why

the report was not presented at last month's Board meeting. However, Anthem Blue Cross was not able to comply with the request. Ms. Casillas stated that, in the next agenda item, staff would discuss changes to the model contract and that this may be an area where it is possible to deviate from the model contract and look at specific contract language by plan, whether in the area of data reporting or any other area. Staff will bring suggestions and ideas to the Board at the next meeting.

Ms. Rouillard said that Anthem is so large that when Anthem data goes down so much, it brings the whole program down and affects California's comparison to national data. Ms. Casillas said staff has expressed this concern to Anthem Blue Cross. Ms. Rouillard asked whether there had been a similar problem with Medicaid data. Ms. Casillas said she understands that the Medi-Cal program has not published its data, but that it will be published and compared to HFP data. Ms. Rouillard said the Anthem Blue Cross data was a big problem but she was not pleased with Blue Shield's consistently low data for some measures. Perhaps Blue Shield should also be considered for a plan-specific contract change.

Mr. Figueroa noted that HFP rates for mental health and substance abuse treatment are below national averages and that this confirms what has been seen in other reports. He indicated that staff is still trying to talk to the County Mental Health Directors Association about what is happening in that arena.

Mr. Figueroa said that there appears to be room for improvement in the Combination three for child immunization status, although performance is above average for Combination 10 and immunization of adolescents. Improvement could be made in the areas of lead screening and testing for pharyngitis. He asked whether the data for testing of pharyngitis was affected by the Anthem Blue Cross data anomaly. Ms. Lagarias said that this was not affected by the data anomaly and that the HFP results were lower than Medicaid. She described it as an issue for low-income parents who are anxious to get their kids back into the classroom so that they can keep their jobs. This is an added issue that could possibly explain why Medicaid programs seem to be higher than HFP. Mr. Figueroa noted that, on that particular measure, HFP is at half the rate of commercial insurance, which is higher than Medicaid. Ms. Lagarias said parents with commercial insurance parents are different from low-income parents in the job jeopardy they face if they have to stay home for a period of time with their children.

Ms. Casillas said that there always has been concern regarding the low mental health utilization in HFP and that it is not an accurate reflection of the needs of HFP children. Staff has a meeting scheduled with the County Mental Health Directors Association to discuss this. Also in this report, a notation has been added that, when Mental Health Utilization Report data is considered along with HEDIS data, it would show an increase of about 5.6 percent. This is nowhere near the need for HFP children, but it does tie the two data points together. Additionally, staff is looking at some type of addendum or executive summary to the Mental Health Utilization Report to tie it and the HEDIS data together. This analysis and staff concerns will be discussed with the County Mental Health Directors Association. While this is not a new issue, it is new in that HFP now has a Maintenance of Effort (MOE) requirement. While Medicaid children have access to

these services because they are in an entitlement program, in essence, with the MOE, HFP is an entitlement program as well. In the discussion with the County Mental Health Directors Association, this issue will be brought up to see whether they have any thoughts, ideas or opinions about that and/or any suggestions for an alternative method; whether the Board should be looking at doing something different and, if so, what would that be and what it would take to accomplish.

Ms. Lagarias noted that, if large and small plans are separated out, the large plans report much higher rates than the smaller plans, and it doesn't appear there is any difference in what the smaller plans are doing based on a quick look at the encounter data. It appears to be partly a data reporting issue, especially for the small plans, because the data show the majority of small plans giving fewer or no services compared to the larger plans. She suggested adding an addendum to the Mental Health Report with all these considerations in mind.

Mr. Figueroa asked what the timeframe was for Anthem Blue Cross to provide the data so the HEDIS report could be corrected. Ms. Rouillard said the problem, as she understood it, was that when Anthem did the sample for chart review, there was an error in sampling and the sample included Medi-Cal children along with HFP children. Ms. Badley said when the HFP children were separated out from the sample, there were not enough of them to do the chart review for HFP; however, there were enough Medi-Cal children for the sample for Medi-Cal. So instead of a score of 68 last year, they ended up with a score of 26 this year..

Ms. Wu said the explanation was helpful, but wondered why, since HEDIS is done regularly across business lines, the health plans would not have data gathering down to a system. Ms. Badley said MRMIB staff has been assured by Anthem that this problem has been solved and will not be an issue for 2011 data.

Ms. Casillas said she could go higher in the Anthem Blue Cross organization if the Board wishes, in order to solve the problem and get the needed data this year. Chairman Allenby directed Ms. Casillas to do what she needed to do to get the job done.

Ms. Rouillard said the correct data is needed because it will affect how HFP is viewed in national comparisons.

Chairman Allenby asked if there were any other questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The HFP 2010 HEDIS Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/agenda_item_11.f_HE DIS_2010-11.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/agenda_item_11.f_HE_DIS_2010-11.pdf)

HFP Model Health, Dental & Vision Contract Amendments: 1st Viewing

Terresa Krum presented Agenda Item 11.g, HFP Model Health, Dental and Vision Contract Amendments: First Viewing. She noted that most of the changes are technical in nature so the document presented to the Board is a summary. A

redline version containing the current language will be posted to the MRMIB website with the summary. In addition to changes to the model contract, there will be specific language proposed to some health plans, depending on the issue that staff has with that particular plan.

Chairman Allenby asked if there were any questions or comments from the Board.

Ms. Wu asked why the requirement to report each year on current and planned activities on the screening and awareness of obesity was eliminated. She said some members of the Quality Health Advisory Group would not be happy about that. Ms. Lagarias responded that the deletion was because this information was not used for any purpose although it was collected for a long time.

Ms. Rouillard said it is part of a fact sheet package that the plans fill out describing what they are doing around obesity issues. That data resides in the Program Policy and Operations Unit, but hasn't historically come to the Quality and Monitoring Unit.

Chairman Allenby asked Ms. Casillas if staff could review this matter. She said that they would.

Mr. Figueroa said that, now that the law has changed the definition of what is included as a preventive benefit under the ACA to cover more obesity screening and treatment services, there likely will be more data to collect on that in the future because the federal law. The U.S. Preventative Services Task Force has increased obesity-covered services, which means this will be provided free even in the private sector. This data element will start getting more highlighted, generally, because it is going to be much more prevalent in private insurance than it has been before.

Chairman Allenby asked if there were any questions or comments from the audience. There were none.

The HFP Model Health, Dental & Vision Contract Amendments: 1st Viewing, can be found at:

http://www.mrmib.ca.gov/MRMIB/agenda_item_11.g_Model_Health_Dental_Vision_Contract_Amendment.html

CHIP Reauthorization Implementation

There was nothing to report.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Mr. Sanchez reported on Agenda Item 12.a, the Enrollment Report. A total of 847 new women were enrolled in the last month, bringing current enrollment to slightly over 6,900. There were no major changes in ethnicity, the counties represented or the plans.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The AIM Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_12.a._-_AIM_Nov_2011_summary.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 12.b, the Administrative Vendor Performance Report. The contractor met all performance standards regarding the processing of applications, data transmissions and the AIM toll-free line standards, as well as quality and accuracy standards for processing the eligibility and determination screening program.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The AIM Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Agenda_Item_12.b._-_AIM_Adm_Vendor_Perf_Nov_2011_Summary.pdf

CONTRACT AUTHORIZATIONS

Authorization to Contract with Entities to Provide Actuary and Audit Services

Chairman Allenby introduced Agenda Item 13, Authorization to Contract with Entities to Provide Actuary and Audit Services. He requested a motion to adopt the resolution included with Agenda Item 13.a, authorizing one or more actual actuarial services contracts.

The motion was moved by Mr. Figueroa and seconded by Ms. Wu. It was unanimously adopted.

The Resolution to Contract with Entities to Provide Actuary and Audit Services can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121411/Brd_Res_12-14-11_Actuary.pdf

Chairman Allenby wished the Board and audience a happy holiday and adjourned the public meeting at 12:23 p.m.