



The California Managed Risk Medical Insurance Board

1000 G Street, Suite 450
Sacramento, CA 95814
Phone: (916) 324-4695
Fax: (916) 324-4878

Board Members

Clifford Allenby, Chair
Richard Figueroa
Samuel Garrison
Ellen Wu

Ex Officio Members

Jack Campana
Diana S. Dooley
Secretary, Business,
Transportation and Housing
Agency

MEMORANDUM

DATE: February 13, 2013
TO: MRMIB Members
FROM: Jeanie Esajian 
Deputy Director for Legislation and External Affairs
SUBJECT: MRMIB Media Report for January – February 2013

The last month was a light media period with regard to media requests of MRMIB. However, there was significant media coverage on the transition of Healthy Families Program subscribers to the Medi-Cal program and related issues. There was also coverage of the Pre-Existing Condition Insurance Plan.

If you have any questions or comments regarding these articles, please feel free to contact me at (916) 324-0571 or at jesajian@mrmib.ca.gov.

Tuesday, February 12, 2013

Preventive Dentistry Plan Shows Results

by David Gorn

The dental outreach plan for the 860,000 California children in the Healthy Families program has shown strong results, including across-the-board improvement in health plans' prevention efforts, according to officials from the Managed Risk Medical Insurance Board, which oversees the program.

"Every one of our health plans showed improvement in terms of prevention," said Janette Casillas, MRMIB's executive director. "That means improvement in the number of oral exams, and in prevention efforts such as using sealant."

Among the report's highlights:

- About 90% of the children in Healthy Families who visited the dentist received a preventive dental service, such as fluoride treatment;
- Latino children in all dental plans visited the dentist at higher rates than other ethnic groups; and
- Families receiving dental care gave the program higher rating marks in the 2011/12 survey than they did the year before.

Casillas said there was an interesting addition to this year's annual Dental Consumer Assessment of Healthcare Providers and Systems survey. "We added a new question to the survey this year," Casillas said. "If they weren't getting preventive services, we asked them why. And most families' response is, because they didn't need it."

Parents tend to wait for their children to express pain before taking them to the dentist, Casillas said. The message they should be getting, she said, is that annual visits could mean the children won't be expressing tooth pain, because they won't have rotting teeth.

"We will be pushing this really hard for our families in our program, the need for an annual visit," Casillas said. "We have run some pilot projects, where we have dental vans, or we have dental clinics on the weekends and evenings. And those have shown good results."

Healthy Families, California's Children's Health Insurance Program, is being phased out. The 860,000 children being moved into Medi-Cal managed care programs will have to pay for fee-for-service dental coverage.

The strong numbers in the annual dental report follow a series of reports, including a recent issue brief from the Children's Partnership, that show a striking absence of prevention services in children's lives. So the success at MRMIB is particularly gratifying, Casillas said.

"This has been a really big focus for us," Casillas said. "As broadly as people talk about the [challenges inherent in the Healthy Families] transition, this has shown some really nice results."

LATINO TIMES

For One Family, ACA Brings Health and Hope



February 11th, 2013

SAN DIEGO, Calif. – Celisa Figueroa, 22, spends her days working full time at a coffee shop in San Diego to support herself and her two-year-old daughter. Still, she says without her mother's health insurance, she would not have been able to undergo a necessary dental procedure that would have set her back almost \$2000.

She is one of millions of young people across the country already benefiting from the health care reform law known as the Affordable Care Act (ACA).

Thanks to the ACA, passed in March 2010 and which allows, among other things, parents to keep kids on their health insurance policies up to age 26, Figueroa has been able to remain on her mother's plan. In addition to the dental work, she has also received treatments for chronic back pain, a condition that emerged following the birth of her daughter, and help with weight loss.

Figueroa's sister, Genea, has also benefited from the law. A single mother, she says she saved some \$4000 in medical expenses over the final two years that she was on her own mother's plan.

"Health care is something that is very important," says the older sibling, who works part time in a nearby shoe store, "but difficult to obtain." Now 26, too old to remain on her mother's plan, she says she's unable to afford health care for herself and her six-year-old daughter.

"To be able to have health insurance at my work," she explains, "you have to work a certain number of hours ... [Previously] I was under my mother's insurance, but now it is difficult for me."

According to a report put out by the non-profit Commonwealth Fund, "Young, Uninsured, and In Debt," adults between the ages of 19 and 29 make up the largest segment of the population who go without health insurance for the longest periods of time. With passage of the ACA, it found,

some 6.6 million adult children under 26 have been able to remain on their parents' health insurance.

For Geneva, 2014 – the scheduled date for full implementation of all parts of the ACA – can't come soon enough. Recalling her own experience, she says her daughter, who was born premature, was kept in the hospital on an incubator for over a month. "Fortunately at that time, I had health insurance ... Without that, I could have lost my baby."

The sisters' mother, Christy Figueroa, 45, works as an administrative assistant in the San Diego Community College District. "I have been blessed," she said, "because my family is protected by my health insurance."

In addition to covering her two daughters, Figueroa's plan has also allowed other members of her family – six in total, including four daughters and her husband, Rogelio Pettis, whom she married three years ago – to receive needed medical care.

The family is among some 50 million uninsured U.S. citizens that experts say will benefit from the ACA once it goes into effect.

Likewise, providers will be restricted from turning away or charging excessive rates for those with pre-existing conditions – such as asthma or diabetes. For now, the law includes a Pre-Existing Condition Insurance Plan (PCIP), administered by the states and the federal government, which provides health insurance to those who have been rejected by private companies and have gone without health insurance for at least six months.

As of September, some 12,821 California residents had registered for PCIP, according to HealthCare.gov.

As for Christy Figueroa, the new law is a shift in the right direction.

Before marrying, she says her husband paid \$500 a month for an insurance policy for himself and his daughter, Marjalesa. "Imagine," she says, "if I didn't have health care and my family had to enroll in my husband's policy. Wow, what would that have cost?"

Spanish speaking readers can learn more about the Affordable care Act by watching "[Health Care Reform Comes to the Public](#)," produced by the the Kaiser Family Foundation, or by visiting the website [CuidadoDeSalud.gov](#), which allows used to estimate how much they will have to pay for insurance under the new law and what kinds of benefits are available to them. Low income families who may be eligible for subsidies can learn more [here](#).

This article was made possible by a grant from The California Endowment, and was produced as part of New America Media's series on the Affordable Care Act.

Viewpoints: All options need to be on table for Medi-Cal dental program

Barbara M. Aved

Special to The Bee

Published Wednesday, Feb. 06, 2013

The lack of timely and appropriate access to dental care for low-income children and adults is one of the most overlooked problems of California's health care system. It can also be life-threatening when not addressed.

The challenges facing California policymakers will become more substantial as the state embarks on a massive expansion of Medi-Cal, the state's public insurance program for the poor.

California is readying itself to significantly expand its Medi-Cal dental program starting next year as part of President Barack Obama's signature health care law and the state's ambitious plan to transition more than 875,000 children out of the Healthy Families program into Medi-Cal.

This will result in roughly half of California's children receiving dental care through a Medi-Cal managed plan. With these extensive changes looming, this year will be pivotal to shape the future of dental care for children in California.

Two recently released reports highlight the significant challenges facing children's oral health in California and the need for state policymakers to implement innovative ways to meet these challenges.

"Without Change It's The Same Old Drill: Improving Access to Denti-Cal Services for California Children Through Dentist Participation" by my consulting firm examined the state's Medi-Cal dental fee-for-service program and the extent that private dentists participate in the program. The other, "Fix Medi-Cal Dental Coverage: Half of All California Kids Depend Upon It" from the Children's Partnership, raised alarms about the impact that newly enrolled children will have on the state's strained dental care system.

Both studies illustrate how California faces a continuing challenge of achieving and maintaining enough dentists willing to accept Medi-Cal, and offer clearly demonstrated solutions for responding. But who is listening?

The state is moving to expand dental coverage and access for individuals – adding more people into a delivery system that already isn't meeting existing needs – while at the same time planning

to cut the fees paid to dental providers. You can't have it both ways if the goal is to see that kids get dental care.

California has an adequate number of dentists, at least in urban areas, according to the state. However, the first study found that less than 25 percent of family dentists participate in Medi-Cal, down 40 percent since 2003. Why? Ninety-seven percent of dentists who don't accept Medi-Cal said the number one reason is the inequitable reimbursement rates – California's rates are the 49th lowest in the nation.

Unlike large health care systems that can shift costs to help cover no-pay and low-pay patients, dentists, who typically practice solo or with a partner, cannot as a small business afford to sustain a practice with Medi-Cal's unreasonably low reimbursement rates coupled with burdensome enrollment and claims submission processes. "I'd rather see a kid for free than bother with Medi-Cal," responded one of the recently surveyed dentists.

Rate cuts are clearly not the way to recruit and incentivize additional providers, especially in serving a high-risk and sometimes challenging patient population. Persistent low fees – on top of planned provider rate decreases – will likely result in a continuing shrinkage of the private practice dental provider network in California.

Increasing investments in the program is difficult during tight fiscal times, but some states have shown it is possible to make improvements with limited dollars. States that have increased dentists' participation in public programs have maximized the extent to which their Medicaid requirements and utilization mirror those of commercial insurance.

The goal of the state's Medi-Cal dental program is to provide a system of dental care for children who depend on Medi-Cal to meet their dental care needs. But the status quo is not working. Last year, half of the children with Medi-Cal dental benefits did not see a dentist. We need bold action.

The perfect storm is approaching. The state needs to partner with the dental profession and other stakeholders to put all options on the table and implement solutions to the challenges facing the system. California children deserve no less.

© Copyright The Sacramento Bee. All rights reserved.

Monday, February 4, 2013

As Healthy Families Deficit Rises, Tax Pressure Rises With It

by David Gorn, California Healthline Sacramento Bureau

The Healthy Families program has run out of money, according to state health officials. The deficit currently stands at almost \$100 million and will keep rising every month, according to Janette Casillas, executive director of the Managed Risk Medical Insurance Board, which oversees Healthy Families.

Gov. Jerry Brown's administration is pursuing two ideas for refilling the coffers: reinstatement of a recently expired tax on managed care organizations and an appropriation bill if the MCO tax isn't revived.

"The Healthy Families Program budget shortfall [is currently estimated] at \$33 million general fund," Casillas said. That figure does not include \$15 million the state has used from the general fund to help make Healthy Families ends meet, Casillas said. The sum of those two figures -- \$48 million -- represents half of what the state is missing. California's share of Healthy Families funding is matched by the federal government so the state is almost \$100 million short.

That amount -- reflecting a shortfall of less than two months -- will increase, Casillas said.

Health plans serving Healthy Families need to wait for payment until the deficiency is resolved, said Diana Dooley, state Secretary of Health and Human Services.

"We have a deficiency process every year," Dooley said. "They will be paid, as happens whenever there's a deficiency. Ultimately, they will be paid."

Healthy Families, California's Children's Health Insurance Program, serves 860,000 children. The state is shifting beneficiaries from Healthy Families to Medi-Cal managed care plans and eventually intends to eliminate Healthy Families. The deficit does not affect the transition or the program's beneficiaries.

Since 2009, the Healthy Families program has relied on some of its funding from the MCO tax, which expired despite the Brown administration's effort last year to reinstate it.

"It has to do with a failure to extend the MCO tax," Dooley said. "So now there will be a deficiency that will be met through the deficiency process."

That could be a sticky process because of the complexity of reinstating the MCO tax.

Numerical, Political Hurdles in Reinstating Tax

Reinstating a managed care tax requires a two-thirds vote in the Legislature, which will require Republican support if the governor can't line up every Democratic vote in the supermajority Legislature. Ironically, Republican lawmakers four years ago were fully behind the MCO tax to support Healthy Families, but support has eroded because the state is phasing out the program.

A tax on managed care companies still could pass -- assuming it has the support of the health plans -- but there seems to be some political arm-wrestling in Sacramento over how the money from that tax would be spent.

Patrick Johnston, president and CEO of the California Association of Health Plans, said insurers could support reinstating the MCO tax, but he hoped it would augment coverage and not just go into the existing Medi-Cal fund.

"The state owes the plans, and we expect the plans will be paid for covering children in Healthy Families," Johnston said.

"The state has a cash flow problem, and we expect the state to resolve it and that the plans will get paid. I mean, it's clearly not a dispute about the plans being owed," he said. "So now the state has the option of internal borrowing or seeking a supplemental appropriation."

Internal borrowing is an unlikely fix, Casillas said.

"We would refer to this as a need for a supplemental appropriation," Casillas said. "Borrowing internally was not an option for us, although that was explored. Collectively, we had explored the possibilities or options, given that the MCO tax expired and was not reinstated. It is apparent we will need a supplemental appropriation, where a bill goes to the Legislature and asks for X amount of money."

Casillas pointed out that MRMIB is stuck in an unusual position because the state's budget relies on an extension of the MCO tax, but those dollars aren't coming into Healthy Families. Basically, part of the Healthy Families budget is funded with money that doesn't exist, once the MCO tax expired.

Measuring the shortfall is made more complicated by the transition of children from Healthy Families to Medi-Cal managed care plans. Enrollment will decline every month, so the monthly additional deficiency must be determined based on changing numbers of enrollees.

"It's very odd that I find myself -- that the program finds itself -- in this position," Casillas said. "We will have to figure out each month and see how that deficiency is growing, even though it's growing off a declining enrollment base."

Health Plans Can Wait

Johnston said health plans will wait for the state to resolve its deficiency. "Just like with anyone else, timely payment is better than late payment," he said. "But the health plans have contracts with the state to provide services, and we'll count on the state honoring its obligation to pay according to the contracts. What the state does internally to manage its cash flow is its problem."

Johnston likened it to selling a car, where the seller doesn't ask how the buyer is going to come up with payment. "Whether you get it from checking or savings is your decision-making process. My expectation is that you'll make the payment. I mean, you don't turn to me and say, 'How do you think I should get the money?'"

The real question is whether the governor can muster the political capital to reinstitute the MCO tax. When the Healthy Families program was in financial trouble in 2009 and was about to restrict enrollment, the health plans were the ones that came up with the idea of the MCO tax, Casillas said.

The state likely needs health plan support to make the reinstatement of the MCO tax palatable to Republicans. However, the health plans association has ideas about how the money should be spent that may differ from the Brown administration's.

All of that makes a bit of a political minefield, so Johnston paused from the discussion, to carefully consider his words.

"We will await further guidance," he finally said.

Health Plan Backing

According to Johnston, health plans would support reinstatement of the MCO tax as long as it all doesn't go in the general Medi-Cal pot, but is spent at least in part on beefing up services for seniors and the disabled.

"We would consider a renewal of the MCO tax to supplement the Medi-Cal program and contribute to its long-term integrity," Johnston said. "Medi-Cal is underfunded in many areas, including seniors and persons with disabilities, so a tax on Medi-Cal plans that would draw down federal funds should use the money to supplement and not supplant existing funding."

Although the Brown administration has not said publicly where it wants the MCO money to go, Johnston said the state is considering putting all the money from the MCO tax into the general Medi-Cal fund and he doesn't think that's right.

"A tax on Medi-Cal plans must meet the task of being used for Medi-Cal programs, and we think this added money should augment existing funds to fund particular areas that have struggled, most recently the transfer of elderly and frail beneficiaries to Medi-Cal managed care programs will need additional support," Johnston said.

"Health plans have not opposed the MCO tax, but where the money goes always matters," he said. "We would hope that our voice would matter."

The deadline for resolving the issue is June 15, assuming the budget is passed on time.

Tuesday, January 29, 2013

Managed Care Tax Key in Healthy Families Shortfall

by David Gorn

The Healthy Families program is short by almost \$100 million, according to California health officials. That number will rise, officials said, because the current deficit only covers the program's operation for January and half of December.

The problem is restricted to this year, however, since the roughly 860,000 children in Healthy Families -- California's federally subsidized Children's Health Insurance Program -- are being moved into Medi-Cal managed care plans. This year's transition is planned in four phases. The first phase began Jan. 1.

"This (the funding shortfall) doesn't have anything to do with the transition," said Diana Dooley, Secretary of Health and Human Services. "It has to do with a failure to extend the MCO (Managed Care Organization) tax."

Health plans will be paid for Healthy Families care and services, Dooley said. Every year, she said, the Managed Risk Medical Insurance Board makes an estimate of the money it will need for Healthy Families. Sometimes that estimate is off and this time was way off because of expiration of the MCO tax, she said.

"MRMIB has routinely had deficiencies," Dooley said. "We have a deficiency process every year. Sometimes they're right and sometimes they're wrong. There will be a deficiency [this year] that will be met through the deficiency process."

The MCO tax -- a fee paid by managed care plans -- expired at the end of 2012. The state tried to reinstate the MCO tax last legislative session, and hopes to revive it during the current session. The task is made more difficult because the state needs a two-thirds legislative vote to pass it.

The Healthy Families deficiency started in the latter part of December, according to Janette Casillas, MRMIB's executive director. She said the deficit, which hit \$33 million, does not include \$15 million that the state is currently appropriating. The general fund deficit plus the state's additional draw of \$15 million are matched by federal dollars, so the total shortfall is just under \$100 million, Casillas said.

The health plans know payment will come and they will wait for it, said Patrick Johnston, executive director of the California Association of Health Plans.

Casillas said the idea of the MCO tax came from the health plans in 2009, as a way to buoy a struggling Healthy Families budget. Johnston said CAHP would support reinstating the MCO tax, under the right circumstances.

"Previously, the dire condition of the budget resulted in a threat to the Healthy Families program. They were talking about reducing or cutting the program," Johnston said. "The solution was having a tax on Medi-Cal managed care organizations ... but now that Healthy Families has been transitioned into Medi-Cal, [the same] tax generated on Medi-Cal managed care plans should go to where the money is most needed."

That means using MCO tax money to supplement programs -- such as seniors and persons with disabilities -- rather than just funding Medi-Cal generally, Johnston said.

"They have the ability to fashion a bill, and if they get the two-thirds vote, then that's up to them," Johnston said. "But since the health plans are the ones being taxed, people will ask about our opinion, and we have a position on that. That's all good public policy discussion, we expect to be part of it."

Thursday, January 24, 2013

So Far, Healthy Families Transition Going Smoothly

by David Gorn, California Healthline Sacramento Bureau

Given the immense amount of worry and concern over the planned shift of 860,000 kids out of the Healthy Families program and into Medi-Cal managed care plans, there has been surprisingly little turmoil throughout the start of the first phase of that transition.

Healthy Families is California's Children's Health Insurance Program, and Medi-Cal is the state's Medicaid program.

"Phase 1 has gone extremely smoothly," said Jane Ogle, deputy director for the Department of Health Care Services. "It's going the way we thought it might. We're really just moving from one payer source to another. So it's gone very, very quietly."

The transition started Jan. 1, moving 197,000 children to Medi-Cal managed care plans. So far, according to DHCS officials, the telephone complaint hotline has been pretty quiet.

The call center at the Managed Risk Medical Insurance Board, which ran Healthy Families, has been busy. MRMIB officials report more than 36,000 calls in December 2012 and about 7,000 calls during the first week of January.

Most calls were in response to notices about the Healthy Families transition mailed over the past few months. Ogle pointed out that there was no spike in calls so far in January compared to calls in December.

"We haven't seen any uptick in call volume at all," Ogle said, adding that she hasn't yet heard any complaints about access. "We call all of our health plans daily," she said, "and we haven't heard anything. It's just not there. We would hear it or DMHC (Department of Managed Health Care) would hear it, and ... nothing."

Children's health advocates say it's a little early to make any judgments but they hope the relatively quiet transition so far means there are relatively few problems.

"That's what we're trying to assess right now," said Kristen Golden Testa, director of the California Health Program for The Children's Partnership. She said several provider groups are conducting surveys of their members to see what providers are

experiencing, and that data hasn't come in yet. "I'm not sure I would rely on the call center and complaint lines because on the ground is where we'll hear it," she said.

Ogle and advocates agree that the first phase is the easier part.

Smooth Till Summer?

In the first phase, Ogle said, children "didn't change physicians, and these are basically healthy children. So there aren't the coordination-of-care issues here."

The second phase launches April 1, with another 273,000 children making the switch. Ogle thinks that transition will be similar to the first phase, with a relatively low level of controversy or challenge. The third and fourth phases, beginning in August, will be the bigger challenge, she said, even though they have a combined total of about 191,000 children, which is smaller than either of the first two phases.

"The first phase will go smoothly, and the second one, which is primarily Kaiser children, should go smoothly, too," Ogle said. "When we get into Phase 3, that's where some people might have to pick a new primary care provider."

Serena Kirk, a senior policy associate at Children's Defense Fund, said there will be two real tests of the transition: What happens in August, when Phase 3 begins, and what happens to children when they first start seeking medical care under the new program.

"We don't have a complete sense yet [of the transition], but it has seemed good so far," Kirk said. "While we haven't seen any red flags in the past few weeks, we also haven't been anticipating problems for this phase. So we remain somewhat concerned."

Kirk said it's unlikely that any problems with access will crop up until those kids visit the doctor.

"We won't have a true sense of how they access care until they need care, and then we'll get a better sense," she said.

One big marker of transition effectiveness will come next month with the state's first monthly report to CMS, Golden Testa said. She hopes provider and advocacy groups will have their own survey information by then.

"We'll hopefully get some responses around the surveys," she said. "We don't want to wait for the monthly report in mid-February."

Health Net Not Ready

Before the state launched the transition Jan. 1, the Department of Managed Health Care conducted a network adequacy assessment. One of the insurers, Health Net of

California, said it would not be ready by Jan. 1 so DHCS officials allowed Health Net to delay moving its Healthy Families children.

Children's Defense Fund's Kirk said that was a good sign.

"First and foremost, if the network isn't ready, whatever needed to be done should be done," Kirk said. "That's the responsible way to do that."

In planning seminars and stakeholder input sessions before the transition, questions about what would happen if a health plan wasn't ready for the transition came up often. Kirk said health officials often wouldn't directly answer that question.

"So we were a little wary from that," Kirk said. "The fact that they did the right thing, the responsible thing, that's good, and it's how we hope the transition will continue. The bottom line is the outcomes for these kids, so having them wait was the right thing to do."

An issue brief released last week by the Palo Alto-based Lucile Packard Foundation for Children's Health urged state officials to take proactive measures to avoid children losing access to care in the shift to Medi-Cal.

"We certainly heard [advocates'] concerns early on, and we structured the transition to take all of those concerns into account," Ogle said. "I think the fact that we listened carefully has helped. This was all done and designed to address the concerns of the advocates."

If DHCS officials are correct, and the first seven months of the transition go smoothly, Kirk said she hopes it will give officials the breathing room to make a more specific contingency plan for the start of the more-difficult Phase 3 in August.

Golden Testa said she'd like nothing better than the state to be 100% right about its ability to smoothly move 860,000 children out of Healthy Families and into Medi-Cal.

"There's still a lot to be seen," Golden Testa said. "Let's hope they're right."

INDIAWEST

Your Global Indian Community

January 17, 2013

Pre Existing Condition Insurance Plan (PCIP)

By Sunny Sethi



Affordable Care Act (ACA) that passed in 2010 wanted states to run a Health Insurance Exchanges where an individual can apply for health insurance and can not be denied due to pre-existing conditions. States were given the option to run their own Exchange or the Federal Govt will run the exchange for the states that opt out of the program. The Exchange needs to start operating effective Jan 1st 2014.

PCIP is California's temporary federal risk program for health insurance. The main goal of the PCIP is to provide insurance to the people who have pre-existing conditions but they have some strict guidelines for people to be eligible.

What does PCIP Covers:

The PCIP covers a broad range of health benefits, including primary and specialty care, hospital care, and prescription drugs. All covered benefits are available for you, even to treat a pre-existing condition. We also provide preventive care (paid at 100%, with no deductible) when you see an in-network doctor and the doctor indicates preventive diagnosis. Included are annual physicals, flu shots, routine mammograms and cancer screenings. The Pre-Existing Condition Insurance Plan will cover a broad range of health benefits, including primary and specialty care, hospital care, and prescription drugs. All covered benefits are available for you, even if it's to treat a pre-existing condition. Premiums are based on subscriber age and region of residence in California.

Monthly Premium: \$428 for a 50 year old subscriber in San Francisco

Annual Deductible:

Medical \$1,500 in-network / \$3,000 out-of-network
Brand Name Prescription Drugs \$500 in-network / \$500 out-of-network

Annual Out of Pocket Maximum: \$2,500 in-network / no maximum out-of-network

To qualify for PCIP, you must:

- Have a pre-existing medical condition.
- Be a U.S. citizen, or live in the U.S. legally
- Have been without health coverage for the last 6 months
- You must have a pre-existing condition, have been denied individual health insurance coverage within the past 12 months, or have been offered individual health insurance coverage at a premium rates higher than the California Major Risk Medical Insurance Program (MRMIP) preferred provider organization (PPO) within the last 12 months.

You are NOT eligible for PCIP coverage if:

- You have other insurance coverage, even if it doesn't cover your medical condition
- You're enrolled in a state high risk pool
- You have Medicare, Medicaid, CHIP, VA or TRICARE coverage
- You have job-based coverage, including COBRA, or continuation of coverage, even if it's about to end
- You have a limited benefit plan

Please note that as per the new Health Care Reform Law, Children under age 19 cannot be denied by any insurance company. Also, effective July 1st 2012 all California Health Insurance Plans have maternity coverage.

Healthy Families' Demise Sparks Fears Of Coverage Abyss

Friday, 11 January 2013 07:22

By Chris Levister

"We are assured and feel confident that we've put in place the primary and specialty networks to take care of these children."

Yolanda Wilburn of Highland with sons Matthew and DeShaun wait to receive health services during a June 2012 free clinic in San Bernardino.



That's Jane Ogle, deputy director of health care delivery systems for the California Department of Health Care Services responding to the controversial shuttering of Healthy Families.

On January 1, California started dismantling Healthy Families, a popular health care program for low-income children by shifting nearly 200,000 young people into the massive Medi-Cal program, a move many health advocates fear will disrupt their care.

And this is just the first phase of the transition away from the program. By August, the nearly 900,000 people in the program will be shifted into Medi-Cal. The move is expected to save the state about \$58 million in health care costs in 2013-14 and more than \$70 million a year when Healthy Families is fully phased out.

Although the children moving to Medi-Cal, the state's Medicaid program, will not lose basic health coverage, health advocates and many physicians who care for children are concerned that the young people and their families will have a hard time finding a specialist who accepts Medi-Cal patients or, for the same reason, find it difficult to find a primary care doctor.

They fear some children will even get lost in the shuffle dealing with the much larger Medi-Cal program, which covers more than 7 million people.

"We're very concerned kids will get lost in transition. We're worried about the change impacting the continuity of care for these kids," said Carmella Gutierrez, president of Californians for Patient Care, a statewide advocacy group.

"The devil is always in the details, and we don't want one of those details to be a child that gets overlooked," she said. The Healthy Families program is California's version of the federal State Children's Health Insurance Program (SCHIP).

Healthy Families provides low-cost health insurance to children of families whose incomes are too high to qualify for Medi-Cal, but are below 250 percent of the Federal Poverty Level (about \$40,200 for a family for three).

Healthy Families covers a range of health care services including physician visits, hospital care, prescription drugs, home health, dental, and mental health services through managed care plans.

As of September 2011, 850,000 children were enrolled in Healthy Families at a cost of more than \$950 million in fiscal year 2010. Healthy Families was created in July 1998 as part of the State Children's Health Insurance Program (S-CHIP).

Originally approved for a ten-year period, S-CHIP is jointly funded by federal and state governments and administered by the Managed Risk Medical Insurance Board (MRMIB).

Faced with the state budget crisis, Gov. Jerry Brown in late June 2012 signed a bill that effectively ended the Healthy Families program.

The Brown administration argues that moving Healthy Families kids into Medi-Cal will save the state millions largely because the state pays doctors significantly less in Medi-Cal than in Healthy Families.

Medi-Cal also provides better coverage for some kinds of treatment, such as mental health care, with lower premiums.

But critics say those advantages are illusory — the state's low rates have driven so many doctors and hospitals out of Medi-Cal that it's becoming increasingly difficult for patients to obtain treatment, particularly in rural areas.

To avoid potential chaos created by making the change all at once, the state Department of Health Care Services is dividing the move into four groups.

The first group includes children who are least likely to experience any disruption in health care because they are in managed-care plans that also offer Medi-Cal coverage.

Families will receive at least 60 days notice from the state. Because of the passage of the federal Affordable Care Act, the Healthy Families program would have disappeared

anyway in 2014, with some children finding coverage under an expanded Medicaid program. Their families will be able to buy subsidized care through health exchanges being set up under the new law.

"This way, we get to move those kids early and make sure we're doing this correctly and seamlessly as possible," Ogle said.

The federal health law does provide primary care doctors with payment increases this year, but advocates argue that the funding for those increases is guaranteed for only two years. Some doctors who do not accept Medi-Cal, they say, may be reluctant to sign up. In addition, a recent state court ruling opens the possibility to additional Medi-Cal rate cuts.

The governor's plan not only forces Healthy Families patients to move to Medi-Cal, but it also would require doctors to accept Medi-Cal's monthly reimbursement – an average cut of nearly 20 percent.

Healthy Families doctors receive a monthly average of \$103 per patient. They would receive an average of \$84 per patient if they decide to make the switch to Medi-Cal, but California Medical Association spokeswoman Molly Weedn said the reimbursement often can be much less.

"Rates that physicians are reimbursed for a Medi-Cal patient are less than what a large pizza costs," she said. "It's really incredible that a physician can be reimbursed \$18, \$20 (per month)."

A survey referenced by the Legislative Analyst's Office asked pediatricians who now provide care to Healthy Families patients, but not Medi-Cal patients, if they would be willing to make the switch. The February 2012 report said 29 percent would not and 46 percent were not sure.

