

**Managed Risk Medical Insurance Board  
February 16, 2011, Public Session**

- Board Members Present: Cliff Allenby (Chairman)  
Richard Figueroa  
Sophia Chang, MD, MPH
- Ex Officio Members Present: Katie Marcellus, Designee for the Secretary of  
the California Health and Human Services  
Agency  
Jack Campana, Chairman of the Healthy  
Families Advisory Panel  
Tim LeBas, Designee for the Secretary of  
Business, Transportation and Housing Agency
- Staff Present: Janette Casillas, Executive Director  
Laura Rosenthal, Chief Counsel  
Shelley Rouillard, Deputy Director, Benefits &  
Quality Monitoring  
Ernesto Sanchez, Deputy Director, Eligibility,  
Enrollment & Marketing  
Jeanie Esajian, Deputy Director, Legislative &  
External Affairs  
Teresa Krum, Deputy Director, Administration  
Loressa Hon, Manager, Administration  
Thien Lam, Manager, Eligibility, Enrollment &  
Marketing  
John Symkowick, Legislative Coordinator,  
Legislative & External Affairs  
Sarah Soto-Taylor, Supervisory Manager, Special  
Projects Eligibility, Enrollment & Marketing  
Don Rodriguez, Contract Analyst,  
Administration  
Tony Lee, Manager, Administration  
Brian Warren, Manager, Benefits & Quality  
Monitoring  
Ruth Jacobs, Assistant Deputy Director,  
Benefits & Quality Monitoring  
Seth Brunner, Senior Staff Counsel, Legal  
Heather Wallace, Senior Staff Counsel, Legal  
Jordan Espey, Staff Services Analyst, Legal  
Maria Angel, Executive Assistant to the  
Board and the Executive Director  
Heidi Holt, Office Technician, Benefits & Quality  
Monitoring
- Speakers: Lucinda Ward, Vision Services Plan (VSP)  
John Ramey, Local Health Plans of California  
Beth Abbott, Director of Administrative Advocacy,  
Health Access  
Verne Brizendine, Blue Shield of California

Chairman Cliff Allenby called the meeting to order at 10 a.m., and then convened the Executive Session. The Public items resumed at 11:40 a.m.

## **REVIEW AND APPROVAL OF MINUTES OF JANUARY 19, 2011 PUBLIC SESSION**

Chairman Allenby said the minutes of the January 19, 2011, Board meeting were received this morning and would be acted upon at the February meeting.

## **FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (INCLUDING HEALTH CARE REFORM, ECONOMIC STIMULUS & BUDGET)**

Jeanie Esajian, Deputy Director for Legislation and External Affairs, reported on Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity.

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 for the Federal Budget, Legislation & Executive Branch Activity update are located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_4\\_Fed%20Budget\\_Legis\\_and\\_Exec\\_Branch\\_Activity.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_4_Fed%20Budget_Legis_and_Exec_Branch_Activity.pdf)

## **STATE BUDGET UPDATE**

Terresa Krum, Deputy Director for Administration, reported on Agenda Item 5, State Budget Update.

### Update on Hearings

Three savings proposals have been introduced for MRMIB and two budget hearings have been held to date. The Senate heard MRMIB items on January 26 and the Assembly heard the items on February 1. Neither body took action on the three reduction proposals. However, the proposal for establishment of the PCIP positions, which were only administratively established for this year, was approved by both committees, funding the PCIP positions through the term of the program.

### First 5 Funding in Current Year

On January 26, the First 5 Commission met and approved \$81.4 million of Prop. 10 funding for the current year. The Board is very grateful to the Commission because the Prop. 10 money, along with federal funds, accounts for about 20 percent of the Healthy Families Program budget.

### Managed Care Organization (MCO) Fees in Current and Budget Year for HFP

The Administration is proposing continuation of the managed care organization fees in the 2011-12 Budget. This will help make up for the shortfall created because the First 5 Commission does not have funds to assist HFP in the budget year.

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.

Lucinda Ward of Vision Service Plan spoke on the proposal to terminate the HFP vision program. VSP has been working with the Senate and Assembly Budget Sub-Committees on two proposals.

The primary proposal is to retain as much of the current benefit level as possible so that eye exams and glasses can be provided to children. For this option, VSP will bring most services in-house, providing a package of frames for the children to choose from. Processing will be at the Sacramento VSP Ophthalmic Laboratory. The materials will be stocked there so prescriptions can be sent electronically to VSP and the glasses can be made and sent right out to the doctor. With that proposal, there would be a savings to the General Fund of about 33 percent. That is VSP's recommended proposal because it keeps the benefits fairly intact. As part of this proposal, VSP is also looking at ways to reduce administrative costs.

Under the second proposal, HFP would cover an eye exam and offer discounts for materials. There would be no coverage for glasses. This is not VSP's recommended proposal. It would save about a 65 percent in General Funds; however, children would not get glasses.

Ms. Ward indicated that VSP had been asked about the possibility of incorporating the vision exam into the medical plans. She suggested that this is not a good option because a child will incur two copayments: one for the initial doctor's visit and one for the visit to the eye care professional to whom the child is referred. She also stated that children frequently do not receive care for vision problems because a problem has not been identified. With the benefit of a vision plan, patients receive a full, comprehensive eye exam and become aware of vision problems.

VSP is working diligently, has lined up several different partners to testify, and will continue to try to save the program. Ms. Ward thanked the Board for its support. Chairman Allenby thanked Ms. Ward for efforts to save HFP's vision benefit.

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.

## **EXTERNAL AFFAIRS UPDATE**

Ms. Esajian reported on Agenda Item 6, the External Affairs Update. The period of mid-January through mid-February was a moderate media period spurred by four news releases issued by staff. These included the recognition of HFP high-performing plans, the results of MRMIB's Dental Quality Evaluation and the Health-e-App Spanish language launch. Those releases generated a significant amount of media coverage.

During the month, staff also initiated use of online alerts to gather all news written about the Board and its programs. There were several examples in the Board's packet. Whenever MRMIB or any of its programs are mentioned in an article, these are captured through the use of online alerts. In some cases, staff would not otherwise have been aware of the articles. Staff will continue to use these alerts.

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

Mr. Figueroa asked about a note from the U.S. Health and Human Services Department Region IX Director received this morning regarding a large PCIP meeting later in the month. Ms. Esajian said that this would be discussed in the PCIP Agenda Item.

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

The document for the External Affairs Update can be located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_6.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_6.pdf)

## **STATE LEGISLATION**

John Symkowick, Legislative Coordinator, presented Agenda Item 7, State Legislation Update. There have been no changes to the MRMIB Legislative Summary since the last Board meeting, although staff continues to monitor activity as legislation is introduced and amended. Staff will provide an update at the next meeting.

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.

John Ramey, representing the Local Health Plans of California, indicated that the basic health plan option available under the federal health reform legislation may come before the California Legislature this year. The Local Health Plans of California believe that the State should closely examine the basic health plan option. This option would remove individuals between 133 and 200 percent of the federal poverty level from the Exchange and establish a separate program for them; the federal government would fund up to 95 percent of what the coverage or subsidy would have cost in the Exchange.

The Local Health Plans of California believe this option would provide a richer benefit for lower income individuals than would be available through the Exchange, for a reduced contribution; this would become an important key to participation in health care reform for this group. It would provide an enrollment option and continuity of care and build on existing infrastructure at MRMIB and in the Healthy Families Program. These individuals, at 134 to 200 percent of the federal poverty level, are essentially the parents of Healthy Families children. MRMIB has long sought to expand the Healthy Families Program to whole families in this income range. This option would provide for administrative efficiency and would meet federal requirements that managed care plans be involved and that there be competition amongst health plans in the program. All of this currently exists in the Healthy Families Program. Also, a basic health plan option would not expose safety net providers who have cared for this population to the broader competition in the Exchange.

Mr. Ramey indicated that removing this population from the Exchange is not insignificant because the population probably constitutes 20 to 25 percent of the potential Exchange population. Doing this in California would depend on the fiscal estimates demonstrating what could be accomplished with 95 percent of what would be the cost for these individuals in the Exchange. Mr. Ramey suggested that the funds available through this proposal might improve Healthy Families Program premium rates and at the same time offer a richer benefit. Plans and providers alike would see that as a very positive development. On the other hand, if fiscal estimates indicate that it is impractical to think that this richer benefit could be offered for the 95 percent, then a basic health plan may not be beneficial for California.

Mr. Ramey asked the Board to work with his group to develop this concept. His group believes the California Legislature must enact a basic health plan in 2011, if there is to be one in California. By 2012, health plans will be working with the Exchange on coverage and will need to know who the covered population will be. The Local Health Plans of California asked that MRMIB help develop the fiscal estimate. Mr. Ramey also asked the Board to consider using its own resources to develop this fiscal estimate and suggested that, as the potential administering agency, MRMIB would have the most credible estimate.

Chairman Allenby said that the population Mr. Ramey was discussing arguable could have better outcomes than the general Exchange population because they are generally younger and would opt out of the program when their children age out of Healthy Families. Mr. Ramey said that as long as the population's income was less than 200 percent of the federal poverty level, these individuals could theoretically remain in the program as low-income single adults.

Katie Marcellus, the designee of the Secretary of the California Health and Human Services Agency, asked whether the basic health plan could be designed as an add-on to the Medicaid Program, as well as being operated through MRMIB. Mr. Ramey said the Local Health Plans of California felt it should be located at MRMIB because of the basic federal requirement that there be competition among health plans; he indicated that this does not exist in the Medi-Cal Program in all counties. Ms. Marcellus recollected that the federal requirement was for competition "to the extent possible." She indicated that the state does not yet have federal guidance on this issue and that the benefits and the basic health plan would have to be at least "essential health benefits" as defined by federal law. She and Mr. Ramey discussed the feasibility of conducting an actuarial analysis at this stage, before federal guidance has been issued. Ms. Marcellus expressed concerns. Mr. Ramey said that the Local Health Plans of California are not requesting exact numbers but ranges. They believe there is sufficient information to develop an actuarial estimate within the appropriate ranges because of the definitions that already exist. Chairman Allenby said the Board would determine whether this could be researched. However, he indicated that the information needed to determine whether a plan is feasible is not yet known. Janette Casillas, Executive Director, noted that clear documentation of assumptions would be important.

Chairman Allenby thanked Mr. Ramey for his comments. Mr. Ramey provided the Board with a one-page description of his proposal. Mrs. Casillas said that, since the document was presented to the Board, it would be posted on the MRMIB website.

The State Legislative Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_7\\_State\\_Legislative\\_Report.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_7_State_Legislative_Report.pdf)

## **PRE-EXISTING CONDITION INSURANCE PLAN (PCIP)**

### **Enrollment Report**

Ernesto Sanchez, Deputy Director of Eligibility, Enrollment and Marketing, reported on Agenda Item 8.a, the PCIP Enrollment Report. As of yesterday, there are 1,532 enrollees in the program. In the month of January, 291 subscribers were enrolled, which was about a 26 percent increase in enrollment. The ethnic and gender breakdowns are consistent

along with the age categories. There was a slight increase in the number of subscribers who speak English as the primary language. The top ten counties have not changed.

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 PCIP Enrollment Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_8.a\\_PCIP\\_Enrollment\\_Report\\_for\\_Jan\\_2011FINAL.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_8.a_PCIP_Enrollment_Report_for_Jan_2011FINAL.pdf)

#### Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 8.b, the Administrative Vendor Report. The administrative vendor met all four categories of performance requirements: application processing eligibility determination and forwarding of applications, appeal processing, data transmissions to the third party administrator and telephone line standards. The administrative vendor met the quality and accuracy standards, the six standards for eligibility determinations, application screenings, appeal adjudications and electronic transmissions of data. There was nothing to report on any benefit appeals to date.

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 PCIP Administrative Vendor Performance Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_8.b\\_PCIP\\_Admin\\_Vendor\\_Board\\_Report\\_Jan\\_2011FINAL.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_8.b_PCIP_Admin_Vendor_Board_Report_Jan_2011FINAL.pdf)

#### Third Party Administrator (TPA) Performance Report

Brian Warren, Benefits and Quality Monitoring Division Manager for PCIP Benefits reported on Agenda Item 8.c, the Third Party Administrator Performance Report. The third-party administrator met or exceeded the vast majority of the performance standards by a healthy margin. However, the TPA did not meet the performance standards for the customer service call center answer time and the provider technical support call center answer time.

After learning of this, staff met with the TPA. The TPA has submitted a corrective action plan and has made internal adjustments to allow for quick redirection of staff as call center workload increases. Managers will monitor this very closely on a daily basis. So far in February, the TPA has performed at a rate that is on track to exceed the performance standards for the month of February.

Staff previously stated that the Board would be provided with the performance reports for the Pharmacy Benefits Manager (PBM) on a quarterly basis. The data received from the PBM indicates that they are performing well, however information sufficient to compare the PBM's performance with the standards in the contract was not received this month. Additional information is being requested from the PBM, and the performance standards will be reported next month.

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.

Shelley Rouillard, Deputy Director for Benefits and Quality Monitoring, said one of the issues for the TPA HealthNow is that talk time with PCIP subscribers is about double that for the commercially insured population served. TPA staff is on the phones with PCIP subscribers or potential subscribers anywhere from eight to nine minutes, compared to a standard of four minutes for the usual book of business. So, that is affecting performance. Staff is working with the TPA to ensure that enough resources are available so that answer times improve.

Mr. Figueroa said the Board wants PCIP participants to be notified of this effort. Chairman Allenby agreed.

The PCIP TPA Performance Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_8.c\\_TPA\\_Performance\\_Report.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_8.c_TPA_Performance_Report.pdf)

### Outreach Update

Mr. Sanchez reported on Agenda Item 8.d, the Outreach Update. The report details efforts leading up to the October launch of PCIP, including the go-live date of October 25 and two mass mailings to a broad range of constituencies, including enrollment entities, certified application assistants (CAAs), community-based organizations, clinics and hospitals and agents and brokers. The mailings included the PCIP outreach flier, frequently asked questions and a sample template newsletter article. Staff also established a process to ask agents and brokers for input as to how staff can help support promotion of the program.

In November, staff launched the beginning of the \$50 application assistance payments for successful enrollment of an individual in PCIP. In December, the PCIP website was launched. In December, another promotional article was included in the CAA newsletter, and in January, a PCIP Facebook page was launched. A first webinar for agents and brokers was conducted. In early February, MRMIB External Affairs Office began working with legislative partners to develop a PCIP outreach and messaging program partnership to help legislators reach out to constituents. Regionally targeted PCIP subscriber stories will be presented to the news. A second scheduled PCIP webinar is coming up and Twitter will be launched by month's end.

Mr. Sanchez said that working with chronic disease associations includes mailings to these groups; linking with a public affairs person at each organization to create a partnership; and providing PCIP fliers, template newsletter articles, frequently asked questions, Facebook link and webinar material. In March, staff will reach out to 189 community-based organizations around the state

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 PCIP Outreach Update document can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_8.d\\_PCIP\\_Outreach\\_Activities.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_8.d_PCIP_Outreach_Activities.pdf)

Office of AIDS

Mr. Sanchez reported on Agenda Item 8.d.i, the Office of AIDS report. Last month staff provided the Board with an overview of a PCIP policy letter that was released by HHS, as well as an HHS letter to Ryan White grantees. MRMIB is talking with the Office of AIDS about an opportunity to partner with OA and the AIDS Drug Assistance Program, potentially making use of third-party payments for premiums.

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.

Board Member Sophia Chang, M.D., asked whether outreach through the Office of AIDS needed to be reviewed by the federal Health and Human Services Agency. Mr. Sanchez explained that anything that changes MRMIB's current federally-approved proposal would have to be reviewed. This idea is the subject of very preliminary discussions and staff has not yet submitted anything for review.

Disease Associations is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_8.d.ii\\_35\\_Chronic\\_Disease\\_Associations.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_8.d.ii_35_Chronic_Disease_Associations.pdf)

#### DHHS Outreach Update

Ms. Esajian reported on Agenda Item 8.d.iii, the HHS Outreach Update. She discussed an up-coming Sacramento outreach event, to be held February 24, sponsored by the HHS Region IX, the Department of Managed Health Care, MRMIB and the Insurance Commissioner. She indicated that speakers for this event would include Richard Popper and Eliza Bangit, both senior HHS officials; Herb Schultz, from HHS Region IX; and Janette Casillas, MRMIB Executive Director.

Mr. Figueroa and Chairman Allenby indicated that Mr. Schultz wanted to make sure that everyone would be invited and that the auditorium's 300 seats would be filled.

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, Director of Administrative Advocacy at Health Access, expressed concern that a third-party vendor would be told that phone calls of eight to nine minutes exceeded the expectation that calls be four minutes. She indicated that both Social Security and Medicare got into the exact same situation, where calls were taking too long and therefore were not being answered quickly. She said that, as a result, the parent agency required that these calls be shortened, and said that this resulted in a decline in the quality of the answers given. She said that this is an issue that bears care. Because this is a new program, people don't understand this very well. It is very natural for calls to take longer. She urged the program to be cautious and to allow greater flexibility so enrollment will grow.

Ms. Rouillard agreed with Ms. Abbott. Ms. Rouillard said that her earlier comment was not about pressuring the TPA to get through the calls more quickly, but about ensuring that the TPA had enough resources, knowing that the calls would take longer, so that there also was still sufficient staff to answer new calls.

Mr. Figueroa clarified that the TPA did not initially have a sense of how long it would take to answer the calls for PCIP subscribers. The TPA may have staffed for a normal call length and then found that the calls were double that length. Ms. Rouillard said that this was correct. Mr. Figueroa explained that staff was now going back to the TPA and saying that preparations should be taken to staff for calls that are double the previous expectation. Ms. Abbot said that this was gratifying to hear but was concerned that the vendor would make assumptions to deal with the performance standard, so caution must be taken to not misinterpret what the Board is saying. Ms. Rouillard said TPA representatives were present and were hearing the discussion.

### Other Implementation Issues

Mrs. Casillas said there were no other implementation issues to report.

## **MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE**

### Enrollment Report

Thien Lam, Operations Division Manager, reported on Agenda Item 9.a, the Enrollment Report. As of February 1, there were more than 6,900 subscribers enrolled in MRMIP. More than 150 individuals were new subscribers. The subscribers' demographic information remains comparable to the previous month.

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 Enrollment Report can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_9.a\\_MRMIP\\_Enrollment\\_Summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_9.a_MRMIP_Enrollment_Summary.pdf)

### Update on Enrollment Cap and Waiting List

Ms. Lam reported on Agenda Item 9.b, the Update on Enrollment Cap and Waiting List. As of February 12, there were 37 people on the waiting list, solely because of deferred enrollment.

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 Update on Enrollment Cap and Waiting List is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_9.b\\_MRMIP\\_Enrollment\\_Cap\\_Waiting\\_List.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_9.b_MRMIP_Enrollment_Cap_Waiting_List.pdf)

### Administrative Vendor Performance Report

Ms. Lam reported that the administrative vendor met all of the performance standards.

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

Mr. Figueroa noted that the Board is finally seeing the beginnings of a downward trend in enrollment. Ms. Lam said there was a slight decline in enrollment because of PCIP.

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

The MRMIP Administrative Vendor Performance Report can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_9.c\\_MRMIP\\_Admin\\_Vendor\\_Perf\\_for\\_January\\_2011.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_9.c_MRMIP_Admin_Vendor_Perf_for_January_2011.pdf)

### Financial Report

Tony Lee, Administrative Services Division Manager, presented Agenda Item 9.d, the MRMIP Financial Report. The beginning balance for the fund on July 1, 2010 was \$21.7 million. The revenue estimated to be collected during this fiscal year was \$34.2 million. The actual expenditure through December 31, 2010, was \$10.2 million. The projected expenditure for the remainder of the fiscal year is \$41.5 million, leaving a balance of approximately \$4.2 million at the end of this fiscal year. As noted, \$4.2 million will be needed for costs associated with Major Risk Medical Insurance Program and the Guarantee Issue Program reconciliation for the upcoming fiscal year.

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 Financial Report can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_9.d\\_MRMIP\\_Financial\\_Statement.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_9.d_MRMIP_Financial_Statement.pdf)

## **HEALTHY FAMILIES PROGRAM (HFP) UPDATE**

### Enrollment and Single Point of Entry Report

Sarah Soto-Taylor, Supervisory Manager, Special Projects, reported on Agenda Item 10.a, the Enrollment and Single Point of Entry Report. As of the end of January 2011, there were 865,062 subscribers in HFP. Just over 20,000 new subscribers entered the program. There was no significant change in ethnicity, gender, top five counties of enrollment, or the spoken language of applicants. A new data element in the report beginning this month is statistics related to Health-e-App. CAA users represented nearly 3,000 of the 22,000 applications that were processed in January. More than 4,300 individuals used public access to submit applications during the month. The percentages of applications processed without assistance rose slightly for the month. Last month, there were 75 percent; this month it is a little over 77 percent. Also, the number of applications forwarded from Single Point of Entry to Medi-Cal has risen. Last month the number was around 22 percent and this month it is just over 25 percent.

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

Mr. Figueroa noted that the public user numbers may grow over time. He said that it would be interesting to figure out what the users' experience is and what type of measures could be used.

Mr. Figueroa characterized this interface as a test for the Exchange for this income population. Mrs. Casillas said it would be interesting, if an increase is seen in applications going to Medi-Cal, to see whether those came through the Health-e-App.

Dr. Chang asked whether Health-e-App had been launched in Spanish yet. Ms. Soto-Taylor said that it had. Dr. Chang said it was interesting to note that there were no Spanish users yet. Ms. Soto-Taylor indicated that this would be covered further in Agenda Item 10.c., but that the numbers had to do with the timing of the launch and the processing time frames.

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 is located at:  
[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_10.a\\_HFP\\_Enrollment\\_Summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_10.a_HFP_Enrollment_Summary.pdf)

#### Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 10.b, the Administrative Vendor Performance Report. The Administrative Vendor met all of the performance standards related to the single point of entry 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 can be found at:  
[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_10.b\\_HFP\\_Admin\\_Vendor\\_QA\\_2011-01.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_10.b_HFP_Admin_Vendor_QA_2011-01.pdf)

#### Health-e-App Update

##### Enrollment and Launch of Spanish Version

Ms. Soto-Taylor reported on Agenda Item 10.c, Enrollment and Launch of Spanish Version of Health-e-App. On January 31, the Spanish version of Health-e-App Public Access was launched. The English version of the system was brought down on Friday, January 28 in order to launch the Spanish version. Both the English and the Spanish versions of Health-e-App were available to the public and certified application assistants the morning of the January 31. There were no reported incidents or problems with the upgrade.

On the day of the launch, 35 Spanish users (28 of them CAAs) and seven public users, logged into the system. For the month of February, staff began gathering statistics on applications processed and received. A total of 4,290 applications were received through Single Point of Entry (SPE); so far this represents approximately 42 percent of all applications received at SPE. There is an average of about 306 applications daily. Nearly 4,300 applications have been received at SPE for the month of February. Of those, 498 were submitted in Spanish by CAAs and 43 by public users. There is a four-day processing time.

To increase awareness of the availability of the Spanish Health-e-App, e-mail blasts were sent to all certified application assistants and call center scripts were updated to reflect the new application. Press releases were sent to various media outlets and have resulted in some coverage of the launch. The enhancements will include the annual eligibility reviews and the ability to add a child to an existing case. This will occur in the spring. Concurrently, staff is working on adding new functionality to allow online enrollment for the Access for Infants and Mothers Program. This should be completed in the early summer.

Staff will reformat the monthly reports to include Health-e-App Public Access statistics. Staff and MRMIB's foundation partners are finalizing an outreach campaign to promote the program.

Staff will continue to monitor all call center activities for comments received from both CAAs and public users. No major functionality or technology issues have been experienced

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

Mr. Figueroa asked whether there was a strategy in place to encourage public users to use the internet or the 800 number or both? Ms. Soto-Taylor said both are used and that if someone is on the phone with the call center, the call center staff can help the caller begin the online application process. Another option is to provide the caller with the online link. Program materials have been modified to include the Health-e-App URL. Even without an outreach campaign, there has been a lot of uptake and staff is pleased with the English version usage. However, more work needs to be done on the use of the Spanish language version. Mr. Figueroa noted that Health-e-App pops up in a Google search of HFP.

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

#### Authorization of Inter-Agency Agreement with First 5 California to Fund HFP Enrollees Ages 0-5

Chairman Allenby indicated that this item had been removed from the agenda.

#### 2011-12 Model Health and Dental Plan Contract Amendment Language

Shelley Rouillard, Deputy Director for Benefits and Quality Monitoring reported on Agenda Item 10.e, the 2011-12 Model Health and Dental Plan Contract Amendment Language. Ms. Rouillard walked the Board through the two contracts and noted some of the changes made since the original Board presentation in January. After the original presentation, separate conference calls were held with the health and dental plans to gain initial reactions and walk through the intent of much of the contract language. Plans also were invited to submit written comments. Many plans and a couple of associations submitted comments.

As a result of these interactions and internal staff discussions, a number of model contract provisions were modified from those presented at the January meeting.

Ms. Rouillard reviewed the changes in the model health plan contract. Changes from the

draft presented in January included the following: re-wording of the provision concerning approval for changes to a plan's geographic coverage area; deletion of a redundant provision concerning plan responsibilities to provide services for children who are eligible for California Children's Services (CCS); substitution of the word "educate" for "support" in a provision describing plan responsibilities toward parents and guardians of children receiving mental health or substance abuse services; deletion of a previously-proposed provision requiring plans to track and report time from a mental health referral to receipt of services; deletion of certain requirements because the plans' Memoranda of Understanding (MOUs) with counties are not being amended at this time; a decision to go back to the current requirement that plans report families who reach the \$250 copayment maximum rather than reporting copayments for every family; deletion of the requirement that plans monitor copayments on a quarterly basis; a requirement that plans notify subscribers of the copayment maximum in the plan Evidence of Coverage and in a notice during the third quarter; continued reliance on families to inform the plans when they reach the \$250 copayment maximum; a requirement that plans inform their providers about the availability of standardized screening tools at a discounted rate instead of a requirement that plans report children's Body Mass Index; modification of the starting date for plan reports of encounter and claims data; modification of the dates for reporting loss ratios to conform to the new October to September benefit year.

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 of Health Access said it was not surprising that plans would object to the change in the requirement to report referrals for mental health services. She referenced a state law requiring timely access to care and appropriate and timely referrals. Regulations have been written but they permit a one-year delay in implementation. Ms. Abbott stated that plans should be getting accustomed to this type of reporting and that the Board should be cautious about giving the plans a reprieve on reporting responsibilities concerning timely access to care, when the plans should be doing this in other lines of business.

Chairman Allenby thanked Ms. Abbott for her comments and asked Ms. Rouillard to check with the Department of Managed Health Care (DMHC). Ms. Rouillard said she would. Ms. Rouillard said the staff has concerns about this as well and that this issue was raised in the evaluation that APS Healthcare did on mental health services. There could be additional costs associated with this for the plans, and given the current fiscal situation in the state, this is one of those areas in which that the staff felt it couldn't move forward at this time.

Mrs. Casillas said that, with the current fiscal constraints, the staff is looking for balance. Mr. Figueroa concurred. Mrs. Casillas said the staff is looking toward the regulators to pave the way and staff intended to work closely with them and the program's health plan partners to achieve compliance.

Chairman Allenby asked if there were any other questions from the audience.

Verne Brizendine of Blue Shield of California thanked the Board and staff for the changes to the model contract. He pointed to a few outstanding concerns, including reporting about the copayment maximum to every member in the third quarter and making refunds to members who had exceeded the \$250 co-payment cap. He objected to issuing refund checks to subscribers who exceeded the copayment maximum if it involved a minimal

amount of overpayment. He suggested instead crediting the overpayment toward a subscriber's next month's premium. Mr. Brizendine also stated that plans were concerned about sending the third quarter report without a dollar value. He suggested instead setting a level of copayments to determine which families will get a notice. He also expressed concerns about requiring providers to work with families on payment plans for copayments and stated that the plan could not track that.

Chairman Allenby asked if that process would work and if staff could look at that. Ms. Rouillard said staff could look into the question.

Regarding the third quarter notice, Mr. Figueroa said the Board was trying to make the process easier for the plans by not requiring the notice be personalized to include a specific copay amount because of the understanding that it was not possible for plans to track individual copayments. Mr. Brizendine said the only way the plans know is if the subscriber notifies the plan. Mr. Brizendine asked if the notification could be put in a member newsletter. Ms. Rouillard said the notice could also be mailed or emailed. He asked the staff to consider his comments on the other points he made.

Chairman Allenby asked if there were any other comments from the audience.

Mr. Figueroa said that, at some point, there should be some electronic solution to the copayment tracking issue so that families know when they are getting close to the cap. When the Exchange is up and running or if Medi-Cal if copayments are instituted, this will be a problem for those programs as well.

Ms. Rouillard reported on the dental plan model contract. The main change is in the minimum performance level section. Last month staff proposed establishment of a minimum performance level for each of the eight measures that the dental plans report. A process also was included for a corrective action plan if the plans were not able to meet the minimum performance levels. Based on discussions internally, with the plans and with the Board, staff has modified the minimum performance standards, which are shown in the contract in Attachment XX.

The minimum performance levels being proposed are set at 80 percent of the Healthy Families weighted average for 2009, the most current reported year. The lone exception is the overall utilization of dental services for children enrolled for one year. This is a high priority measure to hold plans accountable. For this measure, referred to as OUDS-1, staff proposed that dental HMOs have a minimum performance level of 50 percent, which means that half of the children must see a dentist or receive dental services in the first year in the plan. For dental EPOs, the standard is 65 percent. All dental HMOs in the plan will have to do some extra activities in order to be able to meet that 50 percent standard. The program goal is that every child be seen at least once a year by a dentist in the Healthy Families Program. However, getting to that point is a process that must begin somewhere, so the minimum performance level is that half the children be seen annually.

Chairman Allenby asked if there were any comments from the audience.

Ms. Abbott expressed the view that, despite past enthusiasm about having new accountability standards, now in establishing model contracts staff is going to expect only minimum performance with no consequences if plans do not meet that. She stated that staff should act like these standards matter and hold plans accountable as part of entering into a relationship of providing services to this clientele. As these standards are being

ratcheted up, as staff has expressed the desire to do for some time, there should not be an effort to weaken the standards or “wink” that they will not be enforced. She stated that she found this very disturbing, but that perhaps this was a misunderstanding and that is not staff’s intention. She stated that, if dental performance has been poor, there should be an effort to shore that up with seriousness and dedication, and stringent application of standards.

Chairman Allenby thanked Ms. Abbott for her comments.

Mrs. Casillas also thanked Ms. Abbott and offered a clarification that, with due respect, the staff proposals are not “a wink or a nod.” This is very serious and the staff has been working on oral health quality for several years, looking for different approaches and consulting with experts. MRMIB has been very fortunate to have foundation support in some of the projects most recently launched in the area of oral health. Staff does take this seriously and minimum standards are minimum standards and there is the expectation that the plans take them seriously as well. Staff will be asking for a plan of correction, regardless of what the standards are in all of these categories. At the same time, the staff is focusing on overall utilization, to get every child in at least once. This is a first of many steps.

Mrs. Casillas stated that the contract proposes language which gives staff the opportunity not only to work with a plan or ask for a plan of correction but also to limit or halt plan enrollment. The Board also has the authority to terminate the contract early or mid-year and redirect those children to other plans that are performing at or above those standards. So, this is very serious. The Board has many, many projects on oral health. For staff to move forward with contract standards that are not taken seriously would be a very sad waste of public funds considering all the other efforts that are being undertaken.

Mr. Figueroa noted that in Executive Session prior to the meeting, the Board reviewed the potential contracting strategies and related matters and discussed the issue of what the penalties would be for non-performance and what steps would be taken to ensure that the Board and the plans are serious and understand the steps being taken on dental utilization.

The link that contains all of the documents in relation to Agenda Item 10.e is as follows:  
[http://www.mrmib.ca.gov/MRMIB/agenda\\_item\\_10.e\\_2011\\_12\\_Plan\\_Contract\\_Amendment.html](http://www.mrmib.ca.gov/MRMIB/agenda_item_10.e_2011_12_Plan_Contract_Amendment.html)

#### CHIP Reauthorization Implementation

##### Implementation Update

There was no information to report on this Agenda Item.

#### Quality Strategy and External Quality Review Organization (EQRO) Solicitation Update

Ms. Rouillard provided an update on the quality strategy and EQRO solicitation, which are requirements under CHIPRA. These are Medicaid Managed Care standards that need to be applied to CHIP. Staff has contracted with Mercer as a consultant to help with this activity. Mercer has been interviewing health plans and Medi-Cal Managed Care

representatives and collecting information from these sources about what should be the elements in the Board's quality, assessment and improvement strategy. Mercer representatives have attended the Advisory Committee on Quality meeting, which will be reported on later in today's meeting, as well as the Healthy Families Advisory Panel. Mercer will also be talking with the CCS medical director and county mental health department directors to get input on how to improve quality for carve-outs.

Mercer is drafting a strategy and the first draft is due to staff on February 22. This will be presented to the Board in May.

With regard to the EQRO solicitation, a request for information was posted for response in January. Six responses were received, and Mercer identified eight other vendors that do this type of work, so the full solicitation will be sent to those entities as well. By mid-March the staff plans to present the EQRO solicitation to the Board for the first viewing, with the final viewing at the April meeting. During May and June, the proposals will be evaluated, with the intent to present a finalist to the Board in June, followed by a contract for the new benefit year beginning October 1, 2011.

Ms. Rouillard acknowledged and thanked Rita Marowitz, who oversees quality improvement for Medi-Cal Managed Care, as an invaluable resource to the process. Ms. Marowitz gave a presentation to the Advisory Committee on Quality about Medi-Cal's quality activities and has provided some great insights into the work of the EQRO.

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.

#### Update on the Advisory Committee on Quality

Ms. Rouillard reported that there was good participation with 20 people attending the January 27 meeting. The main focus of the meeting was the quality strategy. Staff presented the findings from the 2009 HEDIS report and Ms. Marowitz gave a presentation on Medi-Cal Managed Care's quality strategy to provide the group with some context. The discussion focused on the importance of measuring outcomes to the extent possible, and how some of the process measures used in HFP achieved good outcomes. The committee wants to ensure that staff looks at disparities by race, ethnicity and language both plan-by-plan and for the overall Healthy Families population.

The committee considered that public reporting is important and wants staff to focus on improvement of plan performance. There was some discussion about whether staff should be benchmarking plans' performance to commercial or Medi-Cal plans. The general feeling of the group was that the Healthy Families population is more like Medi-Cal's population than commercial populations, but the consensus was that HFP plans should be held to the highest standards possible. The committee also discussed clinical significance, not just statistical significance. For example, if teen pregnancy is reduced at a school from 10 children to one, that's clinically significant, but may not be statistically significant. These are the kinds of things that will be considered in developing the strategy. Overall, it was a good discussion with good ideas and staff looks forward to incorporating them.

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.

### Oral Health Quality Improvement Project Update

Ms. Rouillard said a contract was executed with the Center for Health Care Strategies to assist staff with an oral health quality improvement project. The project is being funded by the California HealthCare Foundation. This effort was launched with all HFP dental plans at a meeting on February 9. All the dental plans were present. The goal was to finalize activities the group will undertake to improve the quality of oral health to kids in Healthy Families. Several advisory group members, including national dental experts, Jim Crawl, Paul Glassman and Alan Finkelstein, helped the plans understand the national perspective and some of the cutting-edge activities that have been going on in oral health.

MRMIB's priority for this improvement project is on young children, from birth to age six, with an emphasis on getting young children to the dentist. Four Southern California counties will be the focus of the project. These are: Los Angeles, Ventura, Santa Barbara and San Luis Obispo. These four counties represent about 38 percent of the Healthy Families population. All of the dental plans are present in those four counties and 11 of the health plans are present as well. The project also will target general dentists with education and training on serving young children, as there are many general dentists that are not comfortable with that population. The staff also wants to collaborate with community partners, such as First 5, Head Start, WIC (Women, Infants, Children) and other community organizations that are also working on oral health.

Dr. Crawl, chair of the Department of Pediatric Dentistry at UCLA School of Dentistry, presented a national overview on improving oral health through various strategic interventions. There has been an increase in early childhood caries, and caries levels in California children are up to twice the national average. An age one dental visit should be a priority and primary care providers should be involved in oral health as well. Dr. Crawl discussed a concept called risk-based targeting and explained that the cost of the first dental visit significantly increases as a child gets older. If a child is seen before age one, the cost is around \$260. By the age of five, it has climbed to approximately \$550. So, the sooner a child begins seeing a dentist, the less expensive it is and the earlier the development of good health habits begin.

Each dental plan did a presentation, highlighting ideas and activities surrounding an area of the change package. Presentations were made on provider engagement, patient self-management, family education, community engagement, data exchanges, health information technology and payment and alignment of incentives. Over-arching themes for the day included linking medical and dental care services and costs. The dental plans considered it very important to get information about medical data that is related to dental care. Once the process of obtaining encounter data begins, this can be analyzed to determine if there are emergency room or surgery services related to dental services.

Another theme of the day was to focus on the dentists who were willing to treat young children and then work with those dentists. The group also discussed the use of care managers to help families use and understand dental benefits. The group also discussed the importance of incentivizing dentists to see young children and waiving prior authorization requirements for dentists who serve that population. Those were all ideas the plans identified and discussed.

The plans are going to identify internal priorities, which will be discussed with the whole group, so that the group can come up with priorities for the whole effort. Staff of the Center for Healthcare Strategies will be talking with each plan this month. MRMIB staff will meet with all the plans shortly thereafter to nail down plan commitments in mid-April. In the meantime, staff will be reaching out to other stakeholders, including First 5, the clinic association, dental schools, community- and school-based clinics, etc. This was an exciting, good day. Mrs. Casillas attended for part of the morning and the process is off to a good start.

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.

## **ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE**

### Enrollment Report

Ms. Lam reported on Agenda Item 11.a, the AIM Enrollment Report. In January, there were more than 900 new subscribers enrolled in the program. The program has more than 6,990 total subscribers enrolled. There were no notable changes to the demographic information of the subscribers. The percentage of enrollment in specific counties did not experience significant increases.

Los Angeles, San Diego and Orange continue to be the top three counties of enrollment, which reflects almost 48 percent of the enrolled population. The health plans subscribers are enrolled in did not significantly change compared to the prior month.

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\\_021611/Agenda\\_Item\\_11.a\\_MRMIP\\_Enrollment\\_Summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_11.a_MRMIP_Enrollment_Summary.pdf)

### Administrative Vendor Performance Report

Ms. Lam reported on Agenda Item 11.b, the AIM Administrative Vendor Report. The administrative vendor continued to meet to all of the seven areas of performance, quality and accuracy standards.

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\\_021611/Agenda\\_Item\\_11.b\\_AIM\\_Adm\\_Vendor\\_Perf\\_January\\_2011\\_Summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_11.b_AIM_Adm_Vendor_Perf_January_2011_Summary.pdf)

### Financial Report

Mr. Lee reported on Agenda Item 11.c, the AIM Financial Report. The beginning balance on July 1, 2010, was \$7.3 million. The revenues estimated to be collected during this fiscal year are \$50.5 million. Actual expenditures through December 31, 2010, were \$23.6 million. Anticipated expenditures for the remainder of this fiscal year are \$31.7 million, leaving a fund balance of about \$2.4 million at the end of this fiscal year.

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 Financial Report can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_021611/Agenda\\_Item\\_11.c\\_AIM\\_Financial\\_Statement.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021611/Agenda_Item_11.c_AIM_Financial_Statement.pdf)

Chairman Allenby asked if there was any further business to bring before the Board. Mrs. Casillas said there was not.

The meeting was adjourned at 1:11 p.m.