Edmund G. Brown Jr., Governor

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MEMORANDUM

DATE: March 13, 2012

TO: MRMIB Members

FROM: Jeanie Esajian, Deputy Director for Legislation and External Affairs

SUBJECT: MRMIB Media Report for February – March 2012

The last month was a light media period with coverage focused on the following:

- California PCIP's enrollment and costs
- Administration proposals for the Healthy Families Program
- Mathematica's study of Health-e-App usage

During the past month, five reporters contacted MRMIB. These reporters represented the following media outlets: California Healthline (web), KQED San Francisco (radio), San Bernardino Sun and Bulletin (print), Inside Health Policy (web) and HealthyCal.com (web).

Reporters requested benefit and enrollment information for MRMIP and PCIP. They also requested PCIP subscriber interviews.

External Affairs provided reporters with requested information about MRMIB's programs and facilitated interviews with PCIP subscribers. External Affairs staff also distributed a press released announcing findings included in Mathematica's study of Health-e-App usage following a year of public access.

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.

NEWS FROM MRMIB

The Managed Risk Medical Insurance Board

Contact: Jeanie Esajian
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For Immediate Release
March 7, 2012

Web-Based Online Enrollment Tool Attracts 50,000 Users in First year

Application tool for Healthy Families also screens for Medi-Cal

SACRAMENTO, CA – A web-based online enrollment tool that allows low-income California families to apply for Healthy Families coverage for their children was used by more than 50,000 applicants in its first year of operation and its convenience may be responsible for attracting applicants that otherwise would not have shuffled through a paper application, a newly released study reports.

"This tells us that our focus on the use of technology to facilitate enrollment was the right direction and that this is how people want to be served," said Cliff Allenby, chairman of the Managed Risk Medical Insurance Board that oversees the Healthy Families Program. "This is a tool that can only make it easier for people to get health coverage now and into the future," noting that data reported that Health-e-App was so easy and convenient that one-quarter or 25 percent of users logged in and completed an application outside of normal business hours. Health-e-App also screens applicants for eligibility in Medi-Cal for Children and Pregnant Women programs.

The study released today, conducted by Mathematica Policy Research and funded by the California HealthCare and David and Lucille Packard foundations, found that once Health-e-App became publicly available in late 2010 (Spanish version in early 2011), it was used at a rate of 4,000-plus per month for a grand total of 50,425 for 2011. During this year, it became the method of choice for 42 percent of all HFP applicants. Health-e-App was originally developed more than a decade ago for use by trained application assisters.

"This method of application was quickly adopted by the public because of its ease of use and the fact that it gives instant feedback with a preliminary eligibility determination," said Janette Casillas, MRMIB Executive Director. "Almost immediately after the application is submitted online, the user receives a preliminary determination pending receipt of required supporting documents." Additionally, Ms. Casillas noted that the online application's take-up was immediate upon release, more than seven months before an official public outreach campaign began.

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Cliff Allenby, Chairman
Janette Casillas, Executive Director
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The Mathematica study found that use of Health-e-App was associated with a 14 percent increase in total applications submitted for processing from 2010 to 2011 and that 2011 growth in applications appeared to be entirely attributable to Health-e-App. Most Health-e-App users were female (81 percent) with household incomes below 200 percent of the federal poverty level who completed the application in English. Thirty-seven percent of them were 19 to 29 years old and 58 percent were 30 to 49 years old. Seventy-one percent of applicants who used Health-e-App lived in one of California's five most populous counties: Los Angeles, Orange, Riverside, San Diego and San Bernardino. The full report can be found here: http://mrmib.ca.gov/MRMIB/HFP/Health_E-App_IB1_030512.pdf

The research also stated that the rapid adoption of Health-e-App may have been by persons who would not otherwise have been attracted to apply for HFP through the existing paper application or by application assistance, thereby possibly increasing the number of Californians with health coverage. This will be examined in a future analysis of Mathematica data. Whether Health-e-App will result in more Californians having health coverage depends on the share of Health-e-App applications that result in HFP enrollment, according to the Mathematica study, which found that Health-e-App had a higher ratio of enrollments from applications than paper applications – 73 percent for Health-e-App versus 58 percent for paper. This also will be the focus of a future analysis.

The Healthy Families Program is California's version of the federal Children's Health Insurance Program and serves children up to age 19 who are from families with incomes from over 100 percent up to 250 percent of the federal poverty level. It is operated by the Managed Risk Medical Insurance Board, which is part of the California Health and Human Services Agency. In addition to HFP, MRMIB operates the Access for Infants and Mothers program, the Major Risk Medical Insurance Program and the Pre-Existing Condition Insurance Plan. For more information about MRMIB and its programs, please go to www.mrmib.ca.gov.

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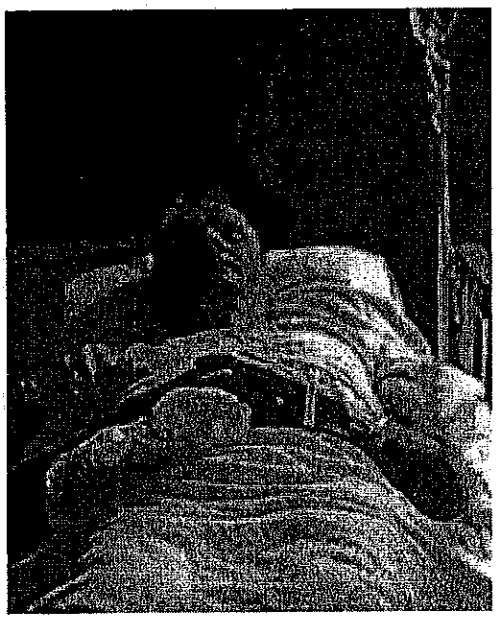
THE CALIFORNIA REPORT
Produced by KQED

February 24, 2012 | 5:08 PM | By Lisa Aliferis

High-Risk Insurance Pool Helps ... But What About Cost?

FILED UNDER: Money, Policy, Reform, Health Care Reform, Pre-Existing Condition Insurance Plan, Uninsured

By: Kamal Menghrajani



Because people who enroll in the pool have been uninsured, there is pent-up demand for health care, experts say. (D. Sharon Pruitt: Flickr)

Thousands of California's sickest residents are already benefitting from the federal health care law. The Affordable Care Act says that people cannot be denied health insurance for a pre-existing condition. Until the law goes into full effect in 2014, the government has created a bridge program to help–the Pre-Existing Condition Insurance Plan, or PCIP. But this high-risk insurance program is proving to be much more expensive than expected.

California is spending three times more than anticipated to insure the people who have enrolled in this program. Before the program launched in 2010, California projected that the program would cost about $12,000 a year for each member. But a year later the administrators of the program determined it was costing more than $37,000 per patient.

According to a report [PDF] from the White House, the cost of care for PCIP patients across the country is twice as much as originally projected.

As the Washington Post reports:

Those who have enrolled in the program are projected to have significantly higher medical costs than the government initially expected. Each participant is expected to average $28,994 in medical costs in 2012, according to the report, more than double what government-contracted actuaries predicted in November 2010. Then, the analysts expected that the program would cost $13,026 per enrollee.

Looking beyond costs, thousands of people across California are being helped by this plan. Some had been denied coverage because they carry a diagnosis of cancer, heart disease, or kidney failure. Others found that the only insurance they could get was excessively costly, with rates of thousands of dollars per month.

When Gabe Chavez, a 39-year-old father of two from Alameda, was first diagnosed with Type II diabetes, he was only worried about treatment, because he had health insurance.

"All the horrible stories hit your mind. I'm going to die. I'm going to lose a leg." He knew it would be important to change his lifestyle and felt comforted by his doctor's support. "You know, it's treatable," he told me.

But then Chavez's company was sold, and the new owners did not provide health insurance. So he went looking for coverage on his own, making innumerable phone calls to insurance providers. "I would say, on a daily basis, I spent two to three hours."

He went on like this for eight months.

"Everyday, I would call and see if I could get insurance. I even tried to get it from another state. I exhausted every avenue I could find."

But nobody would provide insurance at a reasonable price. He was paying around $160 to cover his wife and two kids under Blue Cross. To get coverage for himself would have cost an additional $1,200.

Finally, Chavez heard about California's Pre-Existing Condition Insurance Plan and after going for months without insurance, he was able to get coverage for doctor visits and the medications he needed.

Currently, 6,861 Californians are enrolled in the program. By law, they must have been previously uninsured for 6 months or more. This gap in coverage might be the reason why insuring them is so costly.

"Because they haven't had health care for a while, they have this pent-up demand," says Jeanie Esajian, a spokesperson for the state governmental group that runs PCIP here.

"They need medical tests, have surgeries they put off, maybe they have a chronic condition they couldn't quite get under control," Esajian told me.

In a sense, Chavez dodged a bullet. He was able to maintain his health during the time he did not have insurance. He now pays $350 a month for coverage, a rate he says he can afford. For him, though, a psychic burden is eased. He had been worried about all kinds of complications–including a diabetic coma. "I just didn't want to die," he says. "Health is probably one of the most important things, next to marriage and family. And you want to say healthy for them."

Los Angeles Times

On politics in the Golden State

Poor children could lose medical coverage in budget plan

February 17, 2012 | 5:35 pm

The state Legislative Analyst's Office said Friday that fewer poor children will get the medical care they need under Gov. Jerry Brown's budget proposal.

Brown plans to save $64 million by phasing out the Healthy Families program, which provides low-cost healthcare to almost 900,000 poor children. These children would be enrolled in the state's Medi-Cal program, which covers fewer costs.

The LAO said moving the children into Medi-Cal could help streamline the state's healthcare programs, but it raised concerns that some doctors may stop seeing children after the switch.

"There would likely be some pediatricians . . . who would not serve these children once they transitioned to Medi-Cal," said the LAO's report.

-- Chris Megerian in Sacramento

Twitter: @chrismegerian

SACRAMENTO BUSINESS JOURNAL

Online Healthy California coverage application drives enrollment

Date: Wednesday, March 7, 2012, 11:22am PST

Kathy Robertson
Senior Staff Writer - *Sacramento Business Journal*

A web-based online enrollment tool that allows low-income California families to apply for Healthy Families coverage for their children may be responsible for attracting folks who would not have shuffled through a paper application, a new study reports.

The new application process was used by more than 50,000 applicants in its first year, becoming the enrollment method of choice for 42 percent of all applicants for the government program for children in low-income families.

The online application was used in 56 of California's 58 counties in its first year, including all four in the Sacramento region. Placer and El Dorado counties were in the top third for use of online app as a share of all applications. Sacramento was in the middle third; Yolo in the bottom third.

The study, released Wednesday, was conducted by **Mathematica Policy Research** and funded by the California Health Care and David and Lucille Packard foundations. The study found that once Health-e-App became publicly available in late 2010 — and the Spanish version in early 2011 — it was used at a rate of 4,000-plus per month for a total of 50,425 in 2011.

"This tells us our focus on the use of technology to facilitate enrollment was the right direction and that this is how people want to be served," Cliff Allenby, chairman of the Managed Risk Medical Insurance Board that oversees the Healthy Families Program, said in a news release.

The Mathematica study found use of the app was associated with a 14 percent increase in total applications from 2010 to 2011 — and that 2011 growth in applications appeared to be attributable entirely to the app.

Most users were females with household incomes below 200 percent of the federal poverty level who completed the application in English.

The research also found use by people who would not otherwise have been attracted to apply for Healthy Families through the existing paper application or by application assistance, possibly increasing the number of Californians with insurance coverage.

Click here for a PDF of the report from Mathematica.

A service of the California HealthCare Foundation
CaliforniaHealthline
The Daily Digest of News, Policy & Opinion
March 08, 2012 - Topic: Childrens Health Coverage

Study Links Health-e-App to Spike in Healthy Families Enrollment

An online application tool could be responsible for boosting enrollment rates for Healthy Families, according to a study by Mathematica Policy Research, the *Sacramento Business Journal* reports. Healthy Families is California's Children's Health Insurance Program.

The study was funded by the David and Lucille Packard Foundation and the California HealthCare Foundation. CHCF publishes *California Healthline.*

Health-e-App became publicly available in late 2010, and the Spanish version of the tool went live in early 2011.

Study Findings

The study found that in 2011 Health-e-App was used by 50,425 applicants in 56 of the state's 58 counties. According to the study, the online enrollment process was used for 42% of all applications last year.

Use of Health-e-App was associated with a 14% increase in total Healthy Families applications from 2010 to 2011. Researchers said that the growth in applications appears to be entirely attributable to the online tool.

The study also found that the online tool attracted residents who otherwise would not have applied for Healthy Families coverage.

Healthy Families Response

In a news release, Cliff Allenby -- chair of the Managed Risk Medical Insurance Board, which oversees the Healthy Families program -- said the study "tells us our focus on the use of technology to facilitate enrollment was the right direction and that this is how people want to be served" (Robertson, *Sacramento Business Journal*, 3/7).

Read more: http://www.californiahealthline.org/articles/2012/3/8/study-links-healtheapp-to-spike-in-healthy-families-enrollment.aspx?p=1#ixzz1owld5DIV