

Edmund G. Brown Jr., Governor



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M E M O R A N D U M

DATE: April 8, 2013
TO: MRMIB Members
FROM: Jeanie Esajian 
Deputy Director for Legislation and External Affairs
SUBJECT: MRMIB Media Report for February – April 2013

The last 60 days was a light media period with regard to media requests of MRMIB. Reporters from the *California Health Report*, *California Healthline* and the *Sacramento Business Journal* contacted MRMIB staff on stories regarding the closure to new enrollment of the Pre-Existing Condition Insurance Plan and the MRMIB budget shortfall in the Healthy Families Program. However, significant media coverage continued on the transition of HFP subscribers to the Medi-Cal program.

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.

Monday, April 08, 2013

Groups Calling for Pause in Transition

by David Gorn

Children's advocates last week called for a pause in the transition of kids from the Healthy Families program to Medi-Cal managed care. At a legislative hearing Thursday, advocates said the state had promised a relatively seamless transition of 860,000 children to managed care, but that gaps in coverage have already occurred -- with the more-difficult phases of the transition yet to come.

The outcry was prompted, in part, when the families of an estimated 207 children who were receiving autism services through the Healthy Families program recently were told their coverage had to be stopped because of the state's Healthy Families transition.

"From the beginning, we've heard assurances that there would be no loss in coverage for children, but we're seeing it now," said Serena Kirk, senior policy associate at Children's Defense Fund California. She said the state's monitoring effort isn't working as well as it should be because it didn't deal with the problems of these 200 families until they'd already been refused services.

"This was not detected by monitoring efforts. What all these families have in common is these people were told literally days before their coverage stopped that they could not get these services. And they were told by their providers, not the state or the health plans," Kirk said. "We believe no children should be additionally transitioned until this issue is taken care of."

That sentiment was echoed by a number of children's advocates at the hearing.

"We urge a suspension of the transition of any kids until this problem is fully solved," said Kelly Hardy, director of health policy for Children Now. "We believe this is indicative of a larger problem. There's a lot of paper monitoring and reporting, but kids still have lost services. Parents called health lines, and kids still lost services."

About 600,000 children have made the transition to Medi-Cal managed care so far. The state has spent a lot of time and energy to make sure this transition goes smoothly, according to said Rene Mollow, deputy director of benefits and eligibility at the Department of Health Care Services.

"We've undertaken network adequacy reports and to the extent concerns have been raised we have been making changes," Mollow said at the hearing. "We're making sure we ensure the successful transition of these children."

Sen. Bill Monning (D-Carmel) said the number of transitions to managed care at DHCS -- Healthy Families, seniors and persons with disabilities, rural areas and the duals demonstration project -- has lawmakers concerned about continuity of care.

"With so many of these shifts," Monning said, "these are issues of paramount importance to us."

Beth Capell, legislative advocate for Health Access California, said the concern over 207 children is magnified by the knowledge that the next phases of the transition are expected to be more complicated.

"We suspect this is the tip of the iceberg," Capell said. "For Phase 3 and Phase 4, ... we have fear that we're going to see a repeat of the problems we saw in the seniors and persons with disabilities transition. I'm sure the department doesn't want to see that, but we fear we're setting ourselves up for that kind of situation."

Friday, April 05, 2013

Healthy Families Savings Goes from \$13M to \$137K

by David Gorn

At a legislative hearing yesterday, state officials said the estimates for savings have been reduced for the Healthy Families transition to Medi-Cal managed care.

According to the Legislative Analyst's Office, the original estimated general fund savings for the Healthy Families transition was \$13.1 million in 2012-13. The estimate has shrunk to \$137,000. Savings for next fiscal year -- 2013-14 -- were estimated at \$52 million and that estimate has been revised to \$43 million.

Scott Ogus, who represented the Department of Finance at yesterday's hearing, said there were several factors contributing to the revision. Delays in implementation by the Department of Health Care Services led to caseload changes. DHCS officials have said the department slowed down some of the early phases of the transition so children would have less disruption in continuity of care.

"The main reason for the erosions is because of caseload changes," Ogus said. "Those eye-popping numbers from \$13 million to \$137,000 are due to some of these delays."

Sen. Bill Emmerson (D-Redlands) was not pleased with the fiscal projections, coming on the heels of some recent access issues.

"Last year I opposed eliminating Healthy Families," Emmerson said at yesterday's hearing, "and all information I've seen since then confirms that [was the proper stance]. The latest network assessment shows much more limited networks than the Healthy Families network did."

Emmerson said the Legislature voted for Healthy Families elimination based on the money that would be saved from it. Significant savings have not materialized, he said.

"We were told last year, shifting it would save \$13 million, now we see we're paying an extra \$10 million in administrative costs. So the savings is practically zero," Emmerson said. "You say we're going to save \$42 million this year, and you can count me as a skeptic."

State officials also said yesterday savings estimates have also shown erosion for the duals demonstration project, now known as Cal MediConnect.

State officials said that's due, in part, to the smaller number of allowable participants in the eight-county demonstration project moving dual-eligibles (those eligible for Medicare and Medi-Cal coverage) into Medi-Cal managed care plans. Federal officials capped enrollment numbers in Los Angeles County and did not approve the state's request for a six-month lock-in for participants.

DHCS officials said they will submit an updated fiscal estimate for the duals project with the May budget revision.

SANTA CRUZ GOOD TIMES

Diagnosis Undetermined

TUESDAY, 26 MARCH 2013 DAN WOO

Local patients and providers navigate the changing healthcare landscape

California's Healthy Families program was eliminated in Santa Cruz County on March 1, pushing thousands of children into Medi-Cal. Gov. Jerry Brown did away with the state's child healthcare plan—which served as the primary option for families who did not qualify for Medi-Cal, but could not afford private insurance—as part of a budget maneuver in 2012.

The change is one of the most visible markers that the Affordable Care and Patient Protection Act—commonly referred to as Obamacare—is actually changing the medical world.

The catch with this transition is that there is currently no mechanism in Medi-Cal to cover costs for dental, vision, or other services not seen in the business of medicine as central treatments.

Some local nonprofit healthcare providers are expanding their operations in preparation for 2014, when the most ground-shaking provisions of President Barack Obama's healthcare reforms move into action. In California, the 6.7 million people currently uninsured will also be required to get insurance through Medi-Cal, Covered California (the new state medical exchange), or buy other private insurance, according to Covered California's website.

Dientes Community Dental Care, for example, is adding a children's wing to their existing Live Oak facility and opening a new location on Freedom Boulevard. They anticipate being able to treat about 1,000 people every year at their new location, as well as 2,000 more children at their expanded original office. This is being made possible, in part, by a \$1.5 million grant from the federal government, but Dientes is currently in the process of raising the rest of the \$3 million needed for the expansion. They are half way to their goal, working through long-time donors and foundations in the area.

They currently have a waiting list of three months for an appointment with the exception of emergencies that must be addressed immediately.

Executive Director Laura Marcus says that there is no clear information about whether newly insured people in Medi-Cal or Covered California's plans would have any coverage for dental care. Dientes bills on a sliding scale according to income for uninsured patients, but says the bare minimum expense of \$800 or \$1,000 for a root canal and crown could keep some patients from getting care that could affect their overall health and quality of life.

“The new [private insurance] exchange will offer medical benefits but no dental care,” Marcus says. “They are still developing the exchange, and the feds may require the state cover children for dental.”

Covered California posted a press release stressing its commitment to making affordable dental plans available through their network on Feb. 26, but that part of their plan will not roll out until after the start of 2014.

“Processing the enrollment of individuals in Qualified Health Plans [and] offering essential health benefits is the system’s core functionality and Covered California’s first priority,” reads the post.

They do, however, have numbers on who can enroll in the Medi-Cal expansion as well their plans. People earning less than 138 percent of poverty level will be eligible for Medi-Cal. Anyone above this income level can buy into the Covered California network of providers. Those making less than 400 percent of the federal poverty category will receive discounted premiums on a sliding scale.

But local parent Camile Smith-Ballon is not convinced that the new system is going to catch the thousands of families in Santa Cruz County who had been covered under Healthy Families.

“I just received very preliminary paperwork about the future of our coverage and it explained almost nothing about the details,” says Smith-Ballon.

She was directed to Dientes for dental care by the United Way in 2009, around the same time she was enrolled in Healthy Families. This was after a divorce and being laid off from her job, which left her with a Cobra insurance plan when her son came down with appendicitis. Cobra is a government plan created in 1985 to cover people between the loss of employer-based healthcare and purchase of other coverage. When his infection was treated that March, Smith-Ballon was left with \$70,000 of a \$120,000 bill for a 10-day hospital stay.

“In April I was put on Healthy Families and he went back to have his appendix removed a few months later when [the] swelling had gone down,” she says. “Between Healthy Families and help from Good Samaritan Hospital, I owed nothing.”

Even if families are able to switch to Medi-Cal, she is concerned that they won't receive the same care they have been getting from Healthy Families, such as dental care.

Despite apparent complications, Leslie Connor, executive director of the Santa Cruz Women's Health Center, says the transition is a positive one overall. Santa Cruz was selected for the first phase of eliminating Healthy Families because the state decided there was less chance of issues such as doctors dropping patients in response to the coverage shift, according to the California Department of Health Care Services.

“We are not a particularly rural county and providers are closer together,” says Connor. “In some areas, to find another doctor nearby when your coverage is changed can be very difficult.”

The Santa Cruz Women’s Health Center is also branching out as it looks toward 2014, when healthcare reform's provisions really start sinking their teeth into the many layers that make up the current scheme. The center won an annual \$650,000 grant from the federal government in 2012 that will help them evolve with the changing landscape.

“We're going to be opening another clinic in Live Oak that will treat all ages and genders,” she says. By 2014 and 2015 they expect to be serving up to 10,000 people every year, up from about 5,200 currently.

Connor sympathizes with Californians who are alarmed with the murkiness of the healthcare reform details at the moment, but encourages patience.

“Our country has a very complicated healthcare system with a lot of run arounds and layers that allow companies to deny coverage,” she says. “Just because it's complicated doesn't mean it's wrong or that the government doesn't know what it's doing.”

Thursday, March 14, 2013

Healthy Families' First Phase Done, Now Comes the Harder Part

by David Gorn, California Healthline Sacramento Bureau

The transition of 860,000 children from the Healthy Families program to Medi-Cal plans has crossed a milestone, moving state officials into the second phase of a projected nine-month process.

Medi-Cal is California's Medicaid program.

The initial shift of 178,000 children went off without much of a hitch, Toby Douglas, director of the Department of Health Care Services, said at a legislative oversight hearing in Sacramento.

"We finished the first phase of the transition, Phase 1A and ... all indications are, it was a successful transition," Douglas said. He said only 1% of those 178,000 children had to switch primary care providers and "99.9%" of them stayed with their same health plan. "And looking at all other indicators we have for dental and mental health and substance abuse disorder services, as well as grievances and appeals," he said, "the indications are, it was very successful."

Children's health advocates were slightly less enthusiastic, grading the state's transition effort with a C-minus.

In part, that low grade reflects a Bell curve of difficulty in this transition, said Kelly Hardy, executive director of Children Now. That is, the first parts are the easy parts, she said, and given the lower degree of initial difficulty, the expectations for the first phases of the transition need to be a little higher.

"There have been no widespread problems in the first phase, but major disruptions in care were not expected in this first phase," Hardy said.

Surveys have shown a lack of understanding about the Healthy Families transition among providers, assisters and beneficiaries, according to Victor Perez, an Anaheim pediatrician who is on the state governmental committee of the American Academy of Pediatrics, which conducted one of those surveys.

"A rough analysis from a survey of our membership showed that we're seeing an estimate of about 85,000 kids who could face problems with access and quality," Perez said. "This is really only a rough gauge of what pediatricians are seeing in the transition. I think the number's likely to be higher, as we expect the need will be greater as the transition expands into more challenging populations of children."

Later Phases Generate Greater Concern

The first phase of the transition (1A, which is now completed; 1B, which started on Mar. 1; and 1C, scheduled to begin Apr. 1) involve providers who already deliver services at lower Medi-Cal rates. Phase 2, which also is scheduled to start Apr. 1, likely will have little disruption for children and their parents, because they're Kaiser Permanente members.

Those earlier phases involve large segments of the Healthy Families population -- about 664,000 children. The third and fourth phases (beginning Aug. 1) involve a relatively smaller number of 193,000 children, but that group represents the biggest concern to advocates and health officials.

"What's going to happen to the 125,000 children in San Joaquin County whose providers don't take Medi-Cal and are scheduled to transition in August?" said Melina Yang, health advocate for Lao Family Community Empowerment in Stockton. "What is the state's plan to make sure those children don't lose coverage?"

Overall, Douglas said, relatively few families will need to switch primary care providers. The goal, he said, is to make sure all families retain coverage and access to care.

"Our goal is to bring all the providers over," Douglas said. He predicted more than 80% of the Healthy Families children will not need to switch providers. Douglas said children who will have to change providers still will get access to care.

"Our goal is to have continued access to providers," Douglas said. "We can't guarantee their continuation with the same provider. But our No. 1 goal here is that they have continued access to a provider, that they have continuity of care."

Evaluation Plan Lacking, Advocates Say

Given that the initial phase of implementation has such a low-hanging-fruit aspect to it, there should be fewer snags and omissions in evidence, Hardy said.

For one thing, she said, the state did not present a draft design of its Healthy Families evaluation plan to the Legislature. "Lack of an evaluation plan makes it difficult to define success in this transition," Hardy said, "and for us to evaluate how it's going."

Some deadlines have been missed, and several red flags have arisen so far, she said. For example:

- "The state has not yet established electronic transfer of documents, and that deadline was Jan. 1," Hardy said.
- The deadline for an evaluation plan to be submitted to the Legislature was Jan. 31. DHCS did send a draft evaluation plan to CMS, and recently passed that document on to the Legislature.
- Children's advocates, in a Mar. 6 letter, said the DHCS plan failed to identify evaluation criteria or benchmarks, which was the whole point of developing a plan in the first place, the letter said. "We note that the draft evaluation design identifies seven

specific goals/objectives -- but provides no information on how those goals will be measured," the advocates' letter said. "In other words, there is no way to judge whether the transition is successful based on this plan."

- The first monthly monitoring report was released by DHCS on Feb. 15. "It does provide useful information, but is inadequate in several ways," Hardy said. "It lacks overall context about how the children are being affected by the transition. It deals mostly with [Phase] 1A and not subsequent phases. And it lacks meaningful information about outcomes." For example, she said, a small number of Healthy Families children -- 1,847 - - were unable to keep their primary care provider. What's troubling, she said, is that there was no follow-up attempt to see if those beneficiaries were able to find new providers, and if they were able to obtain care. "We think this shows a lack of curiosity that is uncharacteristic of the department," Hardy said.
- At the February meeting of the Managed Risk Medical Insurance Board, which oversees the Healthy Families program, the number of families who requested terminations jumped by 40%, as did the number of dis-enrollments due to nonpayment. That may mean people are misinformed about Healthy Families, she said. They may have heard that Healthy Families is ending, but not that they will get the same coverage in Medi-Cal, she said.

"We're not sure what those numbers are about, but more investigation is needed," she said. "The real human impact of these issues is concerning."

According to Perez, the access issue is the big concern. If children have difficulty finding a new provider, particularly in rural and underserved areas, he said, that could be far more than an inconvenience.

"Delay in assessment or treatment in children can mean a great deal," Perez said, "with significantly worse outcomes. For a small child, a delay of a couple of months in interrupted service can be a really long time."

That's something Douglas said everyone is committed to preventing.

"With every transition we do, we take what we've learned and [apply] it to future ones," Douglas said. "It's our responsibility to do this in a phased-in way, so we do this in a way that we do not have major impacts on our beneficiaries."

Children's health: California's shift from Healthy Families to Medi-Cal may harm kids

By Shelley Kessler and Anne Wilson
Special to the Mercury News
March 4, 2013



Beatrice Guerriero-Marin, second from left, and her children wait to see pediatrician Brian Blaisch, Monday, July 9, 2012 at his office in Oakland, Calif. (D. Ross Cameron/Staff)

Protecting the health of California's children is an ongoing priority, even as we deal with state budget deficits and realignment of government spending. As a cost-saving measure, state policymakers are moving 875,000 children who were receiving health coverage through the California Healthy Families Program to the Medi-Cal program.

We are concerned that the state has not done all the necessary planning to ensure children's ongoing access to health care services. State and federal lawmakers have already expressed serious apprehensions about this transition and have urged the state to move slowly and cautiously to protect children's health.

Before Jan. 1, 3.7 million children were enrolled in Medi-Cal. The first phase of the transition from Healthy Families to Medi-Cal added nearly 200,000 children to the rolls, including 46,000 Bay Area children in Alameda, San Francisco, San Mateo, and Santa Clara counties.

Medi-Cal offers a more comprehensive benefits package, but families may have difficulties accessing providers. While children will not lose insurance coverage as a result of the move, the transition may cause disruptions for families, and some children may have difficulty finding a doctor or dentist.

In particular, legislators and health advocates are concerned that there may not be enough doctors and dentists enrolled in the Medi-Cal program in all geographic areas to provide health services for the children moving from Healthy Families as well as for children currently enrolled in Medi-Cal. Information is so incomplete that we don't know if Bay Area counties are among those at serious risk.

Payment rates for doctors in the Medi-Cal program are lower than in Healthy Families, so some providers may not accept former Healthy Families patients. Children who move to Medi-Cal

during later phases may have difficulty finding a doctor and may experience a disruption in care. Families may also have difficulty finding a dentist because some dentists who participated in Healthy Families do not participate in Medi-Cal's program.

The California Department of Health Care Services issued the first required monthly report to the Legislature on Feb. 15, finding that there have been no identified widespread problems due to the transition, which is good news. However, the state's report fails to provide critical information and context that would better inform the Legislature and the public about the impact of this transition on children and their families.

The state should use what it has learned from the rollout of the first phase and put in place a robust monitoring system to identify problems and create a plan to solve them before moving forward with future transition phases.

In the coming months, more than 650,000 additional children will be moved to Medi-Cal, including children in counties where the number of doctors and dentists is severely limited. The state's own pre-transition report identified several health plans where the state has "significant concerns" about whether there are enough doctors and has delayed transitions for those health plans. However, the state has not outlined a plan to fix the identified problems before children are transitioned to Medi-Cal.

State officials should consider slowing the transition to allow time to identify and address any problems that arise and guarantee access to adequate health care for our children.

It's up to us to hold California legislators accountable and ensure that every child in our state has timely access to doctors and dentists when they need care. Let's all resolve to monitor this Healthy Families transition closely so that not a single child falls through the cracks.

Shelley Kessler is executive secretary of the San Mateo Labor Council, and Anne Wilson is CEO of United Way of the Bay Area. They wrote this for this newspaper.

DAILY REPUBLIC

FAIRFIELD-SUISUN, CALIFORNIA

Partnership HealthPlan begins Medi-Cal transitions

By **Barry Eberling**

March 02, 2013

FAIRFIELD — Partnership HealthPlan of California has begun the work of moving 2,000 beneficiaries from the state's Healthy Families program to Medi-Cal in Solano, Yolo, Napa and Sonoma counties.

California is phasing out Healthy Families as part of Gov. Jerry Brown's effort to streamline state health care programs to save money, a Partnership HealthPlan press release said. With a few exceptions, Medi-Cal will provide the health care services formerly provided by Healthy Families, it said.

Dental services will be offered through the state's Denti-Cal program and behavioral health services through each county's mental health department.

"We have tried to ensure that as many of our members can keep their current primary care providers as possible," Partnership HealthPlan Chief Executive Officer Jack Horn said in a press release. "Continuity of care is critically important, so we are doing the best we can to ensure that current treatments and therapies aren't interrupted and that our members can continue to see their current doctors whenever possible."

Another 13,000 Healthy Families Kaiser members will be transitioned April 1 and another 15,000 people who have coverage through Healthy Families commercial plans will make the move in August.

"We're here to help," Horn said. "PHC is dedicated to making this state-mandated switch as seamless as we can."

Oral emergency

Low-income kids' dental care not so golden in the Golden State

By Evan Tuchinsky

February 28, 2013

As **National Children's Dental Health Month** comes to a close, low-income families in California face a mixed bag of oral-health news.

Good news: Officials report strong positive results from outreach efforts to the 860,000 children in the Healthy Families state insurance program.

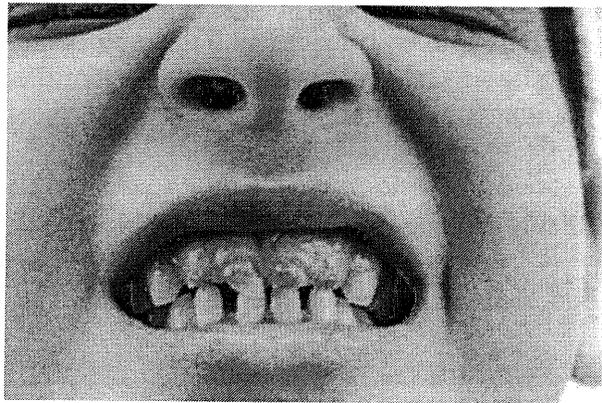
Bad news: California is preparing to shift those children to Medi-Cal, which already faces shortfalls in the quality of care and number of providers.

The change in insurance coverage is slated for Sept. 1. At that point, 5 million children—around half of the state's population of children—will be part of the Medi-Cal system.

Medi-Cal, the state's Medicaid plan, reimburses physicians and dentists at among the lowest rates in the nation—and a lower rate than Healthy Families, the state's Children's Health Insurance Plan. As a result, parents with only Medi-Cal as their insurance tend to have a difficult time finding private practices—in pediatrics and dentistry—that will accept their children.

That has a significant impact on these families. According to a recent report from The Children's Partnership (TCP), a national advocacy organization, around half of the under-21 enrollees in the Medi-Cal dental program Denti-Cal received no dental check-ups or treatment in 2011.

As report author Jenny Kattlove told Southern California Public Radio station KPCC: "Families are really struggling to access dental care. ... Oftentimes they have to wait months even just to get an appointment and/or they have to travel great distances to get care."



Read the report:

To see the full version of "Fix Medi-Cal Dental Coverage," go to www.childrepartnership.org/publications and click on the "Download the Issue Brief" link.

When children don't get that care, particularly preventative treatments, tooth decay may develop into a chronic condition that can become serious enough to warrant a trip to the emergency room.

"California's Medi-Cal dental system is already struggling to serve children and is unprepared for what's to come," Wendy Lazarus, founder and co-president of The Children's Partnership, said in a news release announcing the report. "California's kids deserve real access to quality dental care—not a false promise of it."

The TCP report (titled "Fix Medi-Cal Dental Coverage") says that in 2005, the last year for which data were available, around one in four children, from newborns to 11-year-olds, had not been to a dentist—ever. Not surprisingly, nearly three in four experienced tooth decay by the time they reached third grade.

"A key reason children enrolled in Medi-Cal do not access dental services is the limited number of dentists who will treat them," the report continues. "In fiscal year 2009-2010, only 35 percent of dentists in California treated children enrolled in Medi-Cal. Of those, only a quarter saw 80 percent of the children, demonstrating that there is a limited supply of dentists willing to treat significant numbers of children."

TCP makes a number of recommendations to state officials, including:

- Educate families about their dental benefits and how to access care.
- Address barriers—such as language, cultural, and transportation barriers—that families face in accessing dental care for their children.
- Target strategies toward particular populations of children who have difficulty accessing dental care, such as young children and those with special health-care needs.
- Improve reimbursement rates.
- Simplify the bureaucratic processes for dental providers to enroll and participate in Medi-Cal.
- Explore creative ways—such as teledentistry, new workforce models and school-based strategies—to connect children to care.

In terms of the recommendation's "workforce models," TCP suggests the state expand the roles of dental assistants and dental hygienists in areas underserved by dentists.

Finally, to oversee needed changes, the TCP suggests creating a statewide office of oral health.

"This is a unique moment in history when we have the opportunity and imperative to make a significant difference," the report concludes. "If tapped into skillfully, the transition of children enrolled in the Healthy Families Program into Medi-Cal and the implementation of ACA [the federal Affordable Care Act] offer an opportunity to create new solutions that ensure all children in California—especially underserved children—receive the dental care they need."

Medi-Cal officials may want to look to Healthy Families for guidance. California Healthline reports that the state's Managed Risk Medical Insurance Board (MRMIB), which oversees the program, cites progress in dental measures.

Among the most promising findings:

- Around 90 percent of Healthy Families children who visited a dentist “for any reason” received a preventative treatment, such as fluoride or sealant, as part of the visit.
- Families gave their child's dentist, the dental staff and access to dental care a higher rating in the 2011-12 survey than in the 2010-11 survey.

Interestingly, the MRMIB found, Latino children visited the dentist at significantly higher rates than other ethnic groups, while American Indian/Alaskan Native children received dental services at the lowest rate.

Janette Casillas, executive director of the MRMIB, told California Healthline that the annual survey had an interesting addition this time: “If they weren't getting preventive services, we asked them why. And most families' response is because they didn't need it.” Instead, they tend to wait for children to have pain before going to the dentist.

“We will be pushing this really hard for our families in our program, the need for an annual visit,” Casillas continued. “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.”

Hopefully state officials are paying attention, as nearly a million children leave Healthy Families for Medi-Cal.

In the meantime, teledentistry—one of the recommendations of The Children's Partnership—is getting a major trial run in the Bay Area. HealthyCal.org reports that 11 organizations are teaming up to offer remote evaluations by dentists for children and adults in need.

Under the pilot program, called the Virtual Dental Home Demonstration Project, patients will have their teeth examined by dental assistants and hygienists. Portable imaging equipment will scan the patients' mouths; those scans, along with medical history and notes from the on-site providers, will be uploaded to a secure website. Dentists will review the files and suggest treatment plans, or make a referral to a local dentist for more complex cases.

Solano, Napa, Sonoma, Yolo poor kids healthcare switch starts Friday

Times-Herald staff report

February 26, 2013

The transition of this region's Healthy Families program participants to California's Medi-Cal program starts March 1, plan officials announced.

Healthy Families is a low-cost insurance plan for children and teens, providing health, dental and vision coverage to those without insurance who didn't qualify for free Medi-Cal.

Some 2,000 Solano, Napa, Sonoma and Yolo county residents enrolled in the Healthy Families plan from Partnership HealthPlan of California are being transferred into the partnership's Medi-Cal plan, the announcement notes. They are being mailed new member packets that explain plan coverages, rights and responsibilities, officials said.

Partnership CEO Jack Horn said that "continuity of care is critically important, so we are doing the best we can to ensure that current treatments and therapies aren't interrupted and that our members can continue to see their current doctors whenever possible."

Another 13,000 Healthy Families Kaiser Permanente members will be transitioned April 1, and 15,000 more with coverage through commercial plans, will switch in August, officials said. For information, call (800) 863-4155.

THE REPORTER, Vacaville, CA

California's Healthy Families program phase out begins Friday in Solano, Napa, Sonoma and Yolo counties

By Reporter Staff
February 26, 2013

The process of phasing out California's Healthy Families program and moving those who benefit from it into the state's Medi-Cal program will begin Friday in Solano, Napa, Sonoma and Yolo counties.

The roughly 2,000 members enrolled in the Healthy Families plan offered by Partnership HealthPlan of California will be transferred into PHC's Medi-Cal plan in what's known as Phase 1b of the Healthy Families transition. Current Healthy Families beneficiaries are being mailed new member packets from PHC during this phase, welcoming them into the Medi-Cal program and explaining their coverages, rights and responsibilities under the plan.

"We have tried to ensure that as many of our members can keep their current primary care providers as possible," said Jack Horn, PHC's CEO. "Continuity of care is critically important, so we are doing the best we can to ensure that current treatments and therapies aren't interrupted, and that our members can continue to see their current doctors whenever possible."

The phasing out of the Healthy Families program is part of Gov. Jerry Brown's effort to streamline state healthcare programs to save money. With a few exceptions, most healthcare services provided by the Healthy Families program will continue to be offered through managed care Medi-Cal. Dental services will be offered through the state's Denti-Cal program and behavioral health services will be offered largely through each county's mental health department.

Future phases of the transition into PHC's managed care Medi-Cal health plan will include another 13,000 Healthy Families Kaiser members transitioning on April 1 and another 15,000 members who have coverage through Healthy Families commercial plans transitioning in August.

"We're here to help," Horn said. "PHC is dedicated to making this state-mandated switch as seamless as we can. We have hired additional staff, contracted providers, made changes to our I.T. infrastructure and we have a Care Coordination team that will help our members with any health issues they have during the transition and beyond."

HealthCal.org

Federal Pre-Existing Condition Insurance Plan suspends enrollment, California soon to follow

February 25, 2013

**By Callie Shanafelt
California Health Report**

Health-care seekers visiting the federal Pre-Existing Condition Insurance Plan website February 16th were met by a window with large red letters reading “Enrollment Suspension.” The plan has stopped adding new subscribers and state administrators of the plan will do the same March 2nd.

The program was created as a stopgap to cover people without insurance due to a pre-existing condition until they can no longer be denied in 2014 thanks to federal health reforms. By imposing a mandate that everyone have health insurance, legislators were also able to forbid insurers from denying coverage. The rationale is that companies can afford the risky patients if they also have additional healthy patients.

But the very reason for the bridge program is also preventing it from reaching its goal—covering these patients is too expensive.

“PCIP enrollees have serious and expensive illnesses with significant and immediate health care needs,” reads the website’s notification.

Congress authorized a limited pot of money for the program, and administrators project that if they add to the more than 100,000 current enrollees, the money may not last until the 2014 transition.

California was the last state to start a Pre-Existing Condition Insurance Plan and it quickly became the largest in the nation with more than 15,000 currently enrolled.

“We’ve had phenomenal growth, which demonstrates there is phenomenal need in California,” said program spokeswoman Jeanie Esajian.

Patients with pre-existing conditions who are participating in the plan agree with Esajian.

“The only thing I have that can give me health insurance is Obamacare and that’s it,” said 31-year-old enrollee Scott Palmason.

Palmason moved to Los Angeles in 2004 to pursue his dream of performing in improvisational theatre. He’s been able to support himself working various office jobs throughout the city.

“I have not run into a job situation in almost seven years that offers insurance,” Palmason said.

Potential employers told him that with the poor state of the economy, he was lucky to get \$10 an hour without benefits.

In 2007, Palmason paid \$2,000 for a 20-minute hospital visit during an asthma attack. A couple years ago he decided to get individual coverage and avoid potential huge hospital bills in the future.

But Palmason has Wolff-Parkinson-White syndrome, which sends an extra electrical current through his heart on occasion.

“It’s not life threatening, it was uncomfortable as a kid,” Palmason said. “It’s basically tapered out, in the last five years I’ve never had it happen.”

He applied to five different insurance companies but all of them rejected him because of the syndrome. One added that his asthma prevented coverage and another said that at 5’10’ and 240 pounds he was overweight.

One company told him that if he paid out-of-pocket to have an expensive surgery and went six months without a Wolff-Parkinson-White episode he could qualify.

Eventually an insurance broker told him a commercial insurer would never cover him and he should try the state’s Pre-Existing Condition Insurance Plan.

“I applied and I was immediately accepted,” Palmason said. Now he pays \$218 a month and easily found a doctor near his house.

If he met Obama today he said he would tell the President he saved his life, he said. “I never quite understood what it was like to have other people make decisions for you and your body,” Palmason said.

More than a quarter of the current California Pre-Existing Condition Insurance Plan enrollees live in Los Angeles County like Palmason. Fifty-seven percent of enrollees are white and 96 percent are English-speakers. Nearly 45 percent of all participants are between 50 and 64 years old. Premium payments range between \$107-\$557 a month.

The program has averaged more than 1,200 new enrollees a month since its inception. With ten months left in the year, a potential 12 thousand more Californians would have signed up before the transition in 2014.

The California Managed Risk Medical Insurance Board administers the federal program in the state. Last Friday they received a notice that they have 15 days left until they have to close enrollment.

Californians can still enroll in the state Major Risk Medical Insurance Program, but the premiums are higher and there is a yearly limit of \$75,000 and a lifetime limit of \$750,000.* There are currently more than 5,500 Californians in the program but there is also a cap of 7,000 enrollees.

If Palmason had enrolled in the state program, he would have paid more than \$350 a month for Kaiser insurance and \$645 a month for a PPO plan. Since he was already enrolled, the federal program will cover him until he switches to a commercial insurer through the private marketplace or the state exchange in 2014.

“This program literally saved me from having to be in a situation where I would have to make very difficult decisions,” Palmason said.

** The story has been updated. An earlier version stated incorrectly that the lifetime limit on the state Major Risk Medical Insurance Program was \$175,000.*

Monday, February 25, 2013

Officials Dispute Suggestion of 'Wrong' Estimate

by David Gorn

Managed Risk Medical Insurance Board officials last week bristled at the suggestion that MRMIB somehow made a bad estimate of its budget that resulted in a \$116 million general fund shortfall in the Healthy Families program. With an additional \$216 million in federal money that hasn't come to California because of the shortfall, the total deficit now amounts to \$332 million, according to MRMIB executive director Janette Casillas.

Casillas, at a MRMIB board meeting last week, responded to state officials' comments that the shortfall stemmed from a mistaken estimate for how much money would be needed for the Healthy Families program in 2013.

"Our forecasting and budget assumptions have been right on every time," Casillas told the board. "But what has occurred here is not a challenge with budgeting or forecasting, but with the budget process itself. We know what we need, it's not about making wrong assumptions."

The real problem, Casillas said, was the state budget counted on money from a tax on managed care organizations that has expired.

"This year's state budget presumed the extension of the MCO tax," Casillas said, "and when it did not go through, there were no actions to backfill those dollars."

MRMIB, which oversees Healthy Families, has not been able to pay health plans for services provided since the end of December. Each month, that deficit has grown, and now the Legislature is considering a budget appropriation to replace that \$116 million in general fund money, which would satisfy the \$332 total deficit for 2013, Casillas said.

That assumes the transition of 860,000 children from Healthy Families to Medi-Cal managed care programs goes as scheduled, Casillas said. Any setbacks in timing could make that shortfall bigger, she said.

MRMIB board member Richard Figueroa told Casillas he appreciated the clarity she brought to the estimating process.

"We've tried to be good stewards of the state's money, and good business partners with the state," Figueroa said. "And unfortunately we find ourselves in this awkward position."

Figueroa said it's up to the Legislature and the governor to work out how the health plans get paid.

"People have been loathe to talk about the gorilla in the room," Figueroa said. "That's the MCO tax. And I'm certainly hopeful the Legislature and governor can reach some accommodation on this soon. We apologize to the plans for the situation we find ourselves in."

Casillas said the health plans, so far, have been relatively forgiving.

"It is quite uncomfortable and the plans have been understanding, but they have bills to pay, and they provided services. And they want and need their payments," Casillas said.

The Legislature did appropriate an extra \$15 million this month, to bring the shortfall down to its current level, Casillas said.

"We acknowledge receipt of \$15 million, and we appreciate that. We will begin shortly to make payments with that \$15 million," she said. "But the current shortfall is still at \$116 million general fund, with another \$216 million federal [dollars], so we're still short \$332 million."

Thursday, February 21, 2013

Deadline Set to End Federal High-Risk Pool

by David Gorn

Managed Risk Medical Insurance Board officials yesterday outlined plans to deal with the federal announcement that the Pre-existing Condition Insurance Plan will not accept new applicants after March 2.

The federal PCIP program will continue to provide coverage for enrollees through the end of the year. The program will no longer be needed in 2014 when the Affordable Care Act provision that insurers may not deny coverage because of pre-existing conditions takes effect.

Janette Casillas, executive director of MRMIB, which runs the federally funded plan, said some prospective enrollees could apply for a similar, state-funded program called the Major Risk Medical Insurance Program.

But there's money only for a limited number of Californians, she said.

"We still have our major-risk insurance program," Casillas said, "although we do have a benefit cap there."

Casillas said there is an enrollment cap of 7,000 beneficiaries in the state high-risk program. Right now, there are 5,737 people enrolled in that program, she said, and that doesn't leave a lot of room to add new applicants.

But it's something, Casillas said.

"It could fill up quickly, that's true," she said. "What happens then is, we would establish a waiting list, as we've done before with MRMIP."

Last month, 877 Californians applied for federal coverage. Assuming the stream of PCIP applicants remains constant and those people apply for and are admitted to MRMIP, the state program could fill up within two months.

The question then will be: How will new applicants with pre-existing conditions get health insurance during the last six or seven months of 2013?

They likely won't, Casillas said.

"Individuals will seek care in community clinics, but basically those people are all looking at out-of-pocket fee-for-service," Casillas said.

For Californians with high-risk conditions, that could be a lot of out-of-pocket money, Casillas said.

"We thought this could happen, and it has," Casillas said. "All I can say is, the federal government has decided now is the time."

Sacramento Business Journal

Feb 21, 2013, Updated: Feb 22, 2013

Pre-existing benefits program looks at changes

As the federal program serving Californians with pre-existing medical conditions prepares to wind down by the end of the year, people covered by the insurance pool may see some benefit changes.



Kathy Robertson

Senior Staff Writer- *Sacramento Business Journal*

As the federal program serving Californians with pre-existing medical conditions prepares to wind down by the end of the year, people covered by the insurance pool may see some benefit changes.

The Affordable Care Act authorized the feds to spend \$5 billion on the program nationwide over three years and money is getting tight. States have some flexibility in how they structure benefits, and some state-based programs — including California — offer benefits with lower out-of-pocket costs than the federal standard.

In an effort to control program costs, the federal government has asked states to study the feasibility of changing current benefits to be consistent with the federal standard by April 1 or as soon as possible thereafter.

“We will look at the feasibility of changing the benefit structure to be consistent with the federal standard,” said Jeanie Esajian, spokeswoman for the Managed Risk Medical Insurance Board that oversees the Pre-existing Condition Insurance Program in California. “The result of the assessment will be presented to the board at a future meeting.”

There are some significant differences between out-of-pocket costs in California and the federal standard. The annual deductible for in-network care in California is \$1,500, for example. The federal in-network deductible is \$2,000.

California has managed the costs well so far, a financial analysis of the program shows. The state has received almost \$473 million from the feds so far and raised \$56 million in premiums from beneficiaries for total revenue of \$529 million. Almost \$476 has been incurred in claims costs and \$53 million in administrative costs, for total expenses of \$529 million.

Sacramento Business Journal

Feb 20, 2013

No more applications for pre-existing conditions program



Kathy Robertson
Senior Staff Writer- *Sacramento Business Journal*

The federal program serving Californians with pre-existing medical conditions is in its final year of operations, so no new applications will be processed after March 2.

Authorized by the Affordable Care Act, the Pre-Existing Condition Insurance Program was designed to serve as a bridge in coverage until other provisions take effect in 2014 that prevent insurance companies from charging more or denying coverage to people with pre-existing health conditions.

Federal health authorities have announced plans to close enrollment in order to manage the balance of the original \$5 billion in federal funding allocated to the program so people already enrolled would continue to be served until 2014.

Operated by the Managed Risk Medical Insurance Board, the California program is the largest of its kind in the nation, with more than 16,000 subscribers.

Executive director Janette Casillas will present details about the enrollment suspension and its effect on the state program at a board meeting today in Sacramento.

San Francisco Chronicle

February 16, 2013

Obama admin winds down plan for 'uninsurables'

By Ricardo Alonso Zaldívar, Associated Press

WASHINGTON (AP) — Citing financial concerns, the Obama administration has begun quietly winding down one of the earliest programs created by the president's health care overhaul, a plan that helps people with medical problems who can't get private insurance.

In an afternoon teleconference with state counterparts, administration officials said Friday the Pre-Existing Condition Insurance Plan will stop taking new applications. People already in the plan will not lose coverage.

Designed as a stopgap solution until the law's full consumer protections are in effect next year, PCIP has served more than 135,000 people, a lifeline for patients with serious medical problems such as cancer and heart failure. But Congress allocated a limited amount of money, and the administration's technical experts want to make sure it doesn't run out.

Health and Human Services Department spokeswoman Erin Shields Britt said PCIP has "provided needed security to some of our nation's sickest people."

The plan covers people who have had problems getting private insurance because of a medical condition and have been uninsured for at least six months. Premiums are keyed to average rates charged in each state, which means they're not necessarily cheap, often amounting to several hundred dollars a month for middle-aged individuals.

"We're glad this program was here and able to help," said Amie Goldman, who oversees the program in Wisconsin. "I'm certainly disappointed we won't be able to serve everyone who has a need for this coverage."

Starting next January 1, insurance companies will no longer be able to turn anyone away because of poor health. At the same time, the federal government will begin subsidizing coverage for millions of individuals who have no access to employer plans. That means many of the people currently in the PCIP program may end up with lower premiums once the government's financial help is factored in.

The enrollment suspension will take effect immediately in 23 states where the federal government administers the program, Goldman said. Residents of states that run their own programs may have longer. Wisconsin residents, for example, have until March 2 to apply.

Enrollment around the country has been lower than expected, partly because some people could not afford the premiums. But individual cases have turned out to be costlier than originally projected.

In documents provided to the states, the administration said the program has spent about \$2.4 billion in taxpayer money on medical claims and nearly \$180 million on administrative costs, as of Dec. 31. Congress allocated \$5 billion to the plan.

"From the beginning (the administration) has been committed to monitoring PCIP enrollment and spending closely and making necessary adjustments in the program to ensure responsible management of the \$5 billion provided by Congress," PCIP director Richard Popper wrote in a memo. "To this end, we are implementing a nationwide suspension of enrollment."

The sole exception: program beneficiaries who move to another state will still be able to get coverage in their new home.