



2012 FEDERAL ANNUAL REPORT

Background:

Federal law requires states to annually assess the operation of the state Child Health Insurance Program (CHIP) and Medicaid (Medi-Cal in California) Expansion under Title XXI to determine progress made in reducing the number of uninsured, low-income children. This process is called the Federal Annual Report or FAR. The Healthy Families Program is California's separate CHIP and is operated by the Managed Risk Medical Insurance Board.

Content of Report:

The FAR provides a snapshot of HFP and Medi-Cal, with any changes that have occurred in the program during the reporting period, which is the federal fiscal year of October 1, 2011 – September 30, 2012.

The FAR provides a broad view of HFP during the federal reporting period, including information about the following areas:

- Program changes,
- Performance measurement and progress in 10 out of a possible 24 voluntarily reported physical and mental health measures,
- Data on enrollment and status of uninsured children compared to past years,
- Establishment of strategic objectives and performance goals, and
- Assessment of state plan and program operations in the areas of outreach, crowd-out, eligibility, enrollment, renewal and retention, dental reporting, program integrity, cost sharing and program financing.

The report also contains a section for states to report challenges and accomplishments identified during the reporting period.

Challenges:

The greatest challenge was the political and administrative process that led to the enactment of legislation to transition HFP subscribers to Medi-Cal, followed by negotiations and planning for the transition. The complexity of the transition process was very challenging, not only to the Board, but to the Department of Health Care Services, which operates Medi-Cal; the California Health and Human Services Agency; HFP stakeholders and children's advocates.

The first phase of the transition includes children enrolled in HFP plans in counties that have the same HFP and Medi-Cal contracted health plans. Subsequent phases include counties in which HFP plans are sub-contractors to a Medi-Cal managed care plan and counties in which there

are no Medi-Cal plans (fee-for-service). The final transition phase will begin no sooner than September 1, 2013.

The state's ongoing budget crisis and a resulting decrease in General Funds available for HFP was an additional challenge during the reporting period. Although the Managed Care Organization tax revenue supported HFP through state fiscal year 2011-12, this tax expired June 30, 2012. Efforts to extend the tax failed in the Legislature, leaving a shortfall in HFP for state fiscal year 2012-13.

Accomplishments:

- A three-year study finalized during the reporting period demonstrated that dental services provided to HFP children showed consistent improvement in both access and quality in nearly every measure for which data was analyzed. The report was finalized in May for the years 2008-10. Nearly 97 percent of HFP children who were continuously enrolled for 11 consecutive months and visited a dentist in 2010 also received a preventive dental service, such as an examination, cleaning or fluoride treatment, according to the Healthy Families Program 2010 Dental Measures Report. Additionally, the majority of subscribers reported satisfaction with their dentists and dental plans and nearly 91 percent of surveyed families reported that their child had a regular dentist.
- In May 2012, MRMIB published its report on the results of the 2011 Consumer Assessment of Health Plan Survey and Young Adult Health Care Survey. Data from these surveys allowed MRMIB to evaluate plan performance based on a subjective evaluation. HFP family ratings indicated general satisfaction with their plan, care, doctors and specialists.
- MRMIB contracted with Health Services Advisory Group (HSAG), an external quality review organization, in November 2011. HSAG completed compliance reviews for health plans.
- In December 2011, MRMIB conducted an 18-month oral health quality improvement project with grant funding from the California HealthCare Foundation and the David and Lucile Packard Foundation. This project brought a diverse group of state and national experts together with stakeholders to develop strategies to improve access to diagnostic, preventive and dental treatment services for children under age seven.
- In October 2011, MRMIB received a planning grant from the DentaQuest Foundation to develop strategies to improve oral health access through medical-dental collaboration and financing and/or contracting strategies. Oral health stakeholders provided input to identify access challenges and effectiveness strategies to improve oral health access. The implementation of this grant was transitioned to the non-profit children's group Children Now in light of the planned transition of HFP subscribers to Medi-Cal in 2013.
- In July 2012, Health-e-App implemented the anytime plan transfer, which meant that transfers between plans were no longer limited to open enrollment or the first three months of program enrollment. Also in July 2012, new online HFP forms and functions were launched. These included the Annual Eligibility Review (AER), Add-A-Person, Program Review and Continued Enrollment forms. The new online forms are in English with a Spanish version slated for the next federal fiscal year.
- Health-e-App reached a significant milestone during the reporting period, when more than 100,000 public users and 80,000 additional users assisted by Certified Application

Assistants used the online system to apply for health coverage for more than 345,000 children since launch in December 2010.

The full 2012 Federal Annual Report for California can be downloaded at:
http://www.mrmib.ca.gov/MRMIB/HFP/2012_FAR.pdf