



2010 FEDERAL ANNUAL REPORT

Background:

Federal law requires states to annually assess the operation of the state Child Health Insurance Program (CHIP) and Medicaid Expansion under Title XXI (Medi-Cal in California) to assess the progress made in reducing the number of uncovered, low-income children. This process is called the Federal Annual Report or FAR. In California, the CHIP program is the Healthy Families Program (HFP) 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 (October 1, 2009 – September 30, 2010).

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

- Program changes
- Performance measurement and progress in 9 out of a possible 23 voluntarily reported physical and mental health performance measures
- Data concerning enrollment and status of the uninsured compared to past years
- Establish strategic objectives and performance goals
- Assessment of the state plan and program operations in the areas of:
 - Outreach
 - Crowd-out
 - Eligibility
 - Enrollment
 - Renewal
 - Retention
- Program financing
- Program challenges and accomplishments

Challenges and accomplishments identified in the 2010 FAR include:

Challenges: The state's fiscal environment affected the Healthy Families Program in a number of ways, including:

- The need to institute higher premiums for subscribers and families with incomes above 150 percent of federal poverty level.
- An increase in health, dental and vision plan co-pays for non-preventive services, including medications and emergency room services was instituted for subscribers with incomes above 150 percent of federal poverty level.
- A new requirement that, subject to certain exceptions, new subscribers must enroll in dental managed care plans for the first two years of enrollment, effective November 1, 2009.
- Establishment of the only waiting list in the program's history imposed from July 17, 2009 through September 17, 2009. The impact of the waiting list continued into the reporting period, with the wait list finally cleared by November 2009.

Accomplishments:

- Enrollment continued to grow toward the pre-wait list level.
- The program implemented citizenship verification through California vital statistics birth records.
- The program achieved mental health and substance abuse parity by eliminating limits on inpatient days and outpatient visits for mental health and substance abuse treatments.
- Grants from private foundations enabled MRMIB to undertake two quality improvement projects for 1) oral health and 2) a quality assessment and improvement strategy, including a process to contract with an external quality review organization.

The full report is more than 400 pages and is available at:

http://www.mrmib.ca.gov/MRMIB/Fed_Rpts.html