

**STATE OF CALIFORNIA
MANAGED RISK MEDICAL INSURANCE BOARD
1000 G STREET, SUITE 450
SACRAMENTO, CA 95814**

**TITLE 10. INVESTMENT. CALIFORNIA CODE OF REGULATIONS
CHAPTER 5.8. MANAGED RISK MEDICAL INSURANCE BOARD
HEALTHY FAMILIES PROGRAM
AMEND SECTIONS 2699.6707; 2699.6711; 2699.6721;
2699.6723; 2699.6725; and 2699.6809.**

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Text proposed to be deleted is displayed in ~~strikeout type~~.

ARTICLE 3: HEALTH, DENTAL AND VISION BENEFITS

Section 2699.6707 is amended to read:

2699.6707. Annual or Lifetime Benefit Maximums.

- (a) There shall be no annual or lifetime financial benefit maximums in any of the coverage under the program.
- (b) The covered dental benefit for each subscriber is limited to fifteen hundred dollars (\$1,500) per benefit year effective July 1, 2009. The \$1,500 limitation shall not apply to dental benefits provided to a subscriber under the age of 21 who is determined by the California Children's Services Program (Health and Safety Code Section 123800 et seq.) to be eligible for dental benefits under that program and the particular services are authorized by the California Children's Services Program for the particular subscriber for the treatment of a California Children's Services Program eligible medical condition.

NOTE: Authority cited: Section 12693.21, Insurance Code. Reference: Sections 12693.21, 12693.60, 12693.615, 12693.63, Insurance Code.

Section 2699.6711 is amended to read:

2699.6711. Scope of Dental Benefits for Subscriber Parents.

- (a) The basic scope of benefits for subscriber parents offered by a participating dental plan must comply with all requirements of the Knox-Keene Health Care Service Plan Act of 1975, including amendments as well as its applicable regulations, and shall include all of the benefits and services listed in this section, subject to certain exclusions as listed in Section 2699.6713.

The covered dental benefit is limited to the benefit level for the least costly dentally appropriate alternative. If a more costly, optional alternative is chosen by the applicant, the applicant will be responsible for all charges in excess of the covered dental benefits.

The covered dental benefit for each subscriber is limited to fifteen hundred dollars (\$1,500) per benefit year effective July 1, 2009.

No other dental benefits shall be permitted to be offered by a participating dental plan as part of the program. The basic scope of dental benefits shall be as follows:

- (1) Diagnosis and Preventive Benefits
- (A) Initial and periodic oral examinations – oral examinations are benefits only twice in a benefit year.
 - (B) Consultations, including specialist consultations
 - (C) Roentgenology, limited as follows:
 - 1. Bitewing x-rays in conjunction with periodic examinations are limited to one series of four films in a benefit year.
 - 2. Full mouth x-rays in conjunction with periodic examinations are limited to once in a three-year period unless special need is shown.

3. Panoramic film x-rays are limited to once in a three year period.
- (D) Prophylaxis services, not to exceed two in a twelve month period.
- A third cleaning will be provided as a benefit for high-risk patients in the following categories:
1. Women who are pregnant
 2. Subscribers undergoing cancer chemotherapy
 3. Subscribers with compromising systemic diseases such as diabetes as determined to be medically necessary for appropriate dental care by the provider and approved by the plan.
- (E) Space maintainers, including removable acrylic and fixed band type.
- (F) Preventive dental education and oral hygiene instructions
- (2) Restorative Dentistry
- (A) Restorations, limited as follows:
1. Amalgam, composite resin, acrylic, synthetic or plastic restorations for treatment of caries. If the tooth can be restored with such materials, any other restoration such as a crown or jacket is considered optional.
 2. Composite resin or acrylic restorations in posterior teeth are optional.
 3. Micro filled resin restorations which are noncosmetic
 4. Replacement of a restoration is covered only when it is defective, as evidenced by conditions such as recurrent caries or fracture, and replacement is dentally necessary.
- (B) Use of pins and pin build-up in conjunction with a restoration.

- (C) Sedative base and sedative fillings.
- (3) Oral Surgery
- (A) Extractions, including surgical extractions.
 - (B) Removal of impacted teeth. Surgical removal of impacted teeth is a covered benefit only when evidence of pathology exists.
 - (C) Biopsy of oral tissues
 - (D) Alveolectomies
 - (E) Excision of cysts and neoplasms
 - (F) Treatment of palatal torus
 - (G) Treatment of mandibular torus
 - (H) Frenectomy
 - (I) Incision and drainage of abscesses
 - (J) Post-operative services including exams, suture removal and treatment of complications.
 - (K) Root recovery (separate procedure)
- (4) Endodontics
- (A) Direct pulp capping
 - (B) Pulpotomy and vital pulpotomy
 - (C) Apexification filling with calcium hydroxide
 - (D) Root amputation
 - (E) Root canal therapy, including culture canal, and retreatment of previous root canal therapy limited as follows.

Retreatment of root canals is a covered benefit only if clinical or radiographic signs of abscess formation are present, and/or the patient is experiencing symptoms. Removal or retreatment of silver points, overfills, underfills, incomplete fills, or broken instruments lodged in a canal, in the absence of pathology is not a covered benefit.

- (F) Apicoectomy
- (G) Vitality tests
- (5) Periodontics
 - (A) Emergency treatment, including treatment for periodontal abscess and acute periodontitis.
 - (B) Periodontal scaling and root planing, and subgingival curettage, limited as follows: Five quadrant treatments in any 12 consecutive months.
 - (C) Gingevectomy
 - (D) Osseous or Muco-Gingival Surgery.
 - (E) Periodontal procedures which include cleanings are subject to the limitations as described in Subsection 2699.6711(a)(1)(D).
- (6) Crown, Jackets, Cast and Fixed Bridges
 - (A) Crowns, including those made of acrylic, acrylic with metal, porcelain, porcelain with metal, full metal, gold onlay or three-quarter crown, and stainless steel. Related dowel pins and pin build-up are also included. Crowns are limited as follows:
 1. Replacement of each unit is limited to once every five years.
 2. Crowns will be covered only if there is not enough retentive quality left in the tooth to hold a filling. For example, if the buccal or lingual walls are either

fractured or decayed to the extent that they will not hold a filling.

3. Veneers posterior to the second bicuspid are considered optional. An allowance will be made for a cast full crown.
- (B) Fixed bridges, which are cast, porcelain baked with metal, or plastic processed to gold, are limited as follows:
1. Fixed bridges will be used only when a partial cannot satisfactorily restore the case. If fixed bridges are used when a partial could satisfactorily restore the case, it is considered optional treatment.
 2. A fixed bridge is covered when it is necessary to replace a missing permanent anterior tooth and the patient's oral health and general dental condition permits.
 3. Fixed bridges used to replace missing posterior teeth are considered optional when the abutment teeth are dentally sound and would be crowned only for the purpose of supporting a pontic.
 4. Fixed bridges are optional when provided in connection with a partial denture on the same arch.
 5. Replacement of an existing fixed bridge is covered only when it cannot be made satisfactory by repair.
- (C) The program allows up to five units of crown or bridgework per arch. Upon the sixth unit, the treatment is considered full mouth reconstruction which is an optional treatment.
- (D) Recementation of crowns, bridges, inlays and onlays.
- (E) Cast post and core, including cast retention under crowns.
- (F) Repair or replacement of crowns, abutments or pontics.
- (7) Removable Prosthetics

- (A) Dentures, full maxillary, full mandibular, partial upper, partial lower, teeth, clasps and stress breakers, limited as follows:
1. Partial dentures are not to be replaced within five years unless:
 - a. It is necessary due to natural tooth loss where the addition or replacement of teeth to the existing partial is not feasible, there has been such an extensive loss of remaining teeth, or a change in supporting tissues, or
 - b. The denture is unsatisfactory and cannot be made satisfactory.
 2. The covered dental benefit for partial dentures will be limited to the charges for a cast chrome or acrylic denture if this would satisfactorily restore an arch. If a more elaborate or precision appliance is chosen by the patient and the dentist, and is not necessary to satisfactorily restore an arch, the patient will be responsible for all additional charges.
 3. A removable partial denture is considered an adequate restoration of a case when teeth are missing on both sides of the dental arch. Other treatments of such cases are considered optional.
 4. Full upper and/or lower dentures are not to be replaced within five years unless the existing denture is unsatisfactory and cannot be made satisfactory by reline or repair, the plan determines that there has been such an extensive loss of remaining teeth, or a change in supporting tissue that the existing appliance cannot be made satisfactory.
 5. The covered dental benefit for complete dentures will be limited to the benefit level for a standard procedure. The plan will pay the applicable percentage of the dentist's fee for a standard partial or complete denture up to a maximum fee allowance

(or established UCR fee). If a more personalized or specialized treatment is chosen by the patient and the dentist, the applicant will be responsible for all additional charges.

- (B) Office or laboratory relines or rebases, limited to one per arch in any 12 consecutive months.
 - (C) Denture Repair
 - (D) Denture adjustment
 - (E) Tissue conditioning, limited to two per denture
 - (F) Denture duplication
 - (G) Implants (appliances inserted into bone or soft tissue in the jaw usually to anchor a denture) are covered.
 - (H) Stayplates – provided as a benefit only when used to replace extracted anterior teeth for adults during a healing period.
- (8) Other Dental Benefits
- (A) Local anesthetics
 - (B) Oral sedatives when dispensed in a dental office by a practitioner acting within the scope of their licensure.
 - (C) Nitrous oxide when dispensed in a dental office by a practitioner acting within the scope of their licensure.
 - (D) Emergency treatment, palliative treatment.
 - (E) Coordination of benefits with subscriber's health plan in the event hospitalization or outpatient surgery setting is medically appropriate for dental services.
- (9) This part shall not be construed to prohibit a dental plan's ability to impose cost control mechanisms. Such mechanisms may include but are not limited to requiring prior authorization for benefits or providing alternative treatments or services.

ER-5-08 Healthy Families Program
Regulation Text for
The AB 1183 Trailer Bill to Increase Subscriber Premiums,
Establish Dental Benefit Cap, and Modify Vision Benefits

- (10) Participating dental plans shall be responsible for identifying subscribers under the age of 21 who have conditions for which they may be eligible to receive services under the California Children's Services (CCS) Program and shall refer these individuals to the local CCS Program for determination of eligibility. If a subscriber is determined by the CCS Program to be eligible for CCS benefits, participating dental plans shall provide primary care and services unrelated to the CCS eligible condition and shall ensure coordination of services between plan providers, CCS providers, and the local CCS program.
- (b) (1) The scope of dental benefits shall also include all dental benefits which are covered under the California Children's Services program (Health and Safety Code Section 123800 et seq.), provided the subscriber meets the medical eligibility requirements of that program, as determined by that program.
- (2) When a subscriber under the age of 21 is determined by the California Children's Services Program (Health and Safety Code Section 123800 et seq.) to be eligible for benefits under that program, a participating dental plan shall not be responsible for the provision of, or payment for, the particular services authorized by the California Children's Services Program for the particular subscriber for the treatment of a California Children's Services Program eligible medical condition. All other services provided under the participating dental plan shall be available to the subscriber.
- (c) If, pursuant to any Workers' Compensation, Employer's Liability Law, or other legislation of similar purpose or import, a third party is responsible for all or part of the cost of dental services to treat any bodily injury or sickness arising from or sustained in the course of any occupation or employment for compensation, profit or gain, the participating dental plan shall provide the services at the time of need, and the subscriber or applicant shall cooperate to assure that the participating dental plan is reimbursed for such services.
- (c) Coverage provided under the Healthy Families Program is secondary to all other coverage, except Denti-Cal. Benefits paid under this Program are determined after benefits have been paid as a result of a subscriber's enrollment in any other dental care program. If dental services are eligible for

reimbursement by insurance or covered under any other insurance or dental care service plan, the participating dental plan shall provide the services at the time of need, and the subscriber or applicant shall cooperate to assure that the participating dental plan is reimbursed for such services.

NOTE: Authority cited: Sections 12693.21 and 12693.755, Insurance Code.
Reference: Sections 12693.21, 12693.63, 12693.755 and 12695.64, Insurance Code

Section 2699.6721 is amended to read:

2699.6721. Scope of Vision Benefits.

- (a) The basic scope of benefits offered by a participating vision plan must comply with all requirements of the Knox-Keene Health Care Service Plan Act of 1975, including amendments as well as applicable regulations, and shall include all of the benefits and services listed in this section, subject to the exclusions listed in Section 2699.6723. No other vision benefits shall be permitted to be offered by a participating vision plan as part of the program. The basic scope of vision benefits shall be as follows:
 - (1) Examinations: Each subscriber shall be entitled to a comprehensive vision examination, including a complete analysis of the eyes and related structures, as appropriate, to determine the presence of vision problems or other abnormalities as follows:
 - (A) Case history: Review of subscriber's main reason for the visit, past history, medications, general health, ocular symptoms, and family history.
 - (B) Evaluation of the health status of the visual system; including:
 - 1. External and internal examination, including direct and/or indirect ophthalmoscopy;
 - 2. Assessment of neurological integrity, including that of pupillary reflexes and extraocular muscles;

3. Biomicroscopy of the anterior segment of the eye, including observation of the cornea, lens, iris, conjunctiva, lids and lashes;
 4. Screening of gross visual fields; and
 5. Pressure testing through tonometry.
- (C) Evaluation of refractive status, including:
1. Evaluation for visual acuity;
 2. Evaluation of subjective, refractive, and accommodative function; and
 3. Objective testing of a patient's prescription through retinoscopy.
- (D) Binocular function test.
- (E) Diagnosis and treatment plan, if needed.
- (F) Examinations are limited to once each twelve month benefit period, beginning July first of each year.
- (2) When the vision examination indicates that corrective lenses are necessary, each subscriber is entitled to necessary frames and lenses, including coverage for single vision, bifocal, trifocal, lenticular, tinted, photochromic, and polycarbonate lenses as appropriate.
- Frames and lenses are limited to once each twelve month benefit period, beginning July first of each year.
- (3) Contact lenses shall be covered as follows:
- (A) Necessary contact lenses shall be covered in full upon prior authorization from the vision plan, for certain conditions. These conditions may include the following:
1. Following cataract surgery;

ER-5-08 Healthy Families Program
Regulation Text for
The AB 1183 Trailer Bill to Increase Subscriber Premiums,
Establish Dental Benefit Cap, and Modify Vision Benefits

Page 12 of 21

2. To correct extreme visual acuity problems that cannot be corrected with spectacle lenses;
 3. Certain conditions of Anisometropia; and
 4. Keratoconus.
- (B) Elective contact lenses may be chosen instead of corrective lenses and a frame at a maximum benefit allowance of \$110, which includes examinations, fittings and lenses.
- (C) Contact lenses are limited to once each twelve month period, beginning July first of each year.
- (4) A low vision benefit shall be provided to subscribers who have severe visual problems that are not correctable with regular lenses. This benefit requires prior approval from the participating vision plan. With this prior approval, supplementary testing and supplemental care, including low vision therapy as visually necessary or appropriate, shall be provided.
- For subscriber parents, the covered person is required to pay a \$5 copayment for any approved Low Vision services.
- (5) Participating vision plans shall be responsible for identifying subscribers under the age of 21 who have conditions for which they may be eligible to receive services under the California Children's Services (CCS) Program and shall refer these individuals to the local CCS program for determination of eligibility. If a subscriber is determined by the CCS Program to be eligible for CCS benefits, participating vision plans shall provide services unrelated to the CCS eligible condition and shall ensure coordination of services between plan providers, CCS providers, and the local CCS program.
- (b) (1) The scope of vision benefits shall also include all vision benefits which are covered under the California Children's Services Program (Health and Safety Code Section 123800 et seq.), provided the subscriber meets the medical eligibility requirements of that program, as determined by that program.
- (2) When a subscriber under the age of 21 is determined by the California Children's Services Program to be eligible for vision

benefits under that program, a participating vision plan shall not be responsible for the provision of, or payment for, the particular services authorized by the California Children's Services Program for the particular subscriber for the treatment of a California Children's Services Program eligible medical condition. All other services provided under the participating vision plan shall be available to the subscriber.

- (c) If, pursuant to any Workers' Compensation, Employer's Liability Law, or other legislation of similar purpose or import, a third party is responsible for all or part of the cost of vision services to treat any bodily injury or sickness arising from or sustained in the course of any occupation or employment for compensation, profit or gain, the participating vision plan shall provide the services at the time of need, and the subscriber or applicant shall cooperate to assure that the participating vision plan is reimbursed for such services.
- (d) Coverage provided under the Healthy Families Program is secondary to all other coverage, except Medi-Cal. Benefits paid under this Program are determined after benefits have been paid as a result of a subscriber's enrollment in any other vision care program. If vision services are eligible for reimbursement by insurance or covered under any other insurance or vision care service plan, the participating vision plan shall provide the services at the time of need, and the subscriber or applicant shall cooperate to assure that the participating vision plan is reimbursed for such services.

NOTE: Authority cited: Sections 12693.21 and 12693.755, Insurance Code.
Reference: Sections 12693.21, 12693.65, 12693.66 and 12693.755, Insurance Code.

Section 2699.6723 is amended to read:

2699.6723. Excluded Vision Benefits.

- (a) A vision benefits plan offered under this program shall exclude:
 - (1) Any benefits specified as excluded within Section 2699.6721.
 - (2) Any benefits in excess of limits specified in Section 2699.6721.

- (3) Services, supplies, items, procedures or equipment, which are not medically necessary as determined by the plan, unless otherwise specified in Section 2699.6721.
- (4) Any benefits that were received prior to the subscriber's effective date of coverage.
- (5) Any benefits that were received subsequent to the time the subscriber's coverage ends.
- (6) Benefits that are not obtained in compliance with the rules and policies of the subscriber's vision plan.
- (7) Orthotics or vision training and any associated supplemental testing.
- (8) Aniseikonic lenses.
- (9) Plano lenses.
- (10) Tinted or photochromic lenses unless otherwise deemed medically necessary.
- ~~(10)~~(11) Two pairs of glasses in lieu of bifocals, unless medically necessary and with the prior authorization of the vision plan.
- ~~(11)~~(12) Replacement or repair of lost or broken lenses or frames.
- ~~(12)~~(13) Medical or surgical treatment of the eyes.
- ~~(13)~~(14) Eye examinations required as a condition of employment.
- ~~(14)~~(15) Any additional costs over and above the plan's frame allowance, as specified in subsections 2699.6725(a)(2) and 2699.6725(b)(2).

NOTE: Authority cited: Sections 12693.21 and 12693.755, Insurance Code.
Reference: Sections 12693.21, 12693.65 and 12693.755, Insurance Code.

Section 2699.6725 is amended to read:

2699.6725. Share of Cost for Vision Benefits.

(a) A participating vision plan shall require copayments for benefits provided to subscribers utilizing the services of the vision plan's panel of approved providers subject to the following:

- (1) Examinations: \$5 copayment per examination.
- (2) Frames and lenses: \$5 copayment, for frames with lenses, or for frames or lenses when purchased separately. No additional copayment for tinted, or photochromic lenses when otherwise deemed medically necessary, or polycarbonate lenses.

A frame allowance of \$75 is provided by the vision plan. The subscriber is responsible for any costs exceeding this allowance.

The following options are considered cosmetic and any costs associated with the selection of these options will be the financial responsibility of the applicant.

- (A) Blended lenses (bifocals which do not have a visible dividing line);
 - (B) Contact lenses except as specified in Section 2699.6721(a)(3);
 - (C) Oversized lenses (larger than standard lens blank to accommodate prescriptions);
 - (D) Progressive multifocal lenses;
 - (E) Coated or laminated lenses;
 - (F) UV protected lenses.
 - (G) Other optional cosmetic processes.
 - (H) A frame that costs more than the plan's allowance.
- (3) Necessary contact lenses, as defined in Subsection 2699.6721(a)(3): No copayment.
 - (4) Elective contact lenses: an allowance of \$110 will be provided by the vision plan toward the cost of an examination, contact lens

evaluation, fitting costs and materials. This allowance will be in lieu of all benefits including examination and material costs. The subscriber is responsible for any costs exceeding this allowance.

(5) Low vision benefits:

- (A) Supplementary testing: No copayment; and
- (B) Supplemental care: \$5 copayment.

(b) Services from providers not included in the vision plan's panel of approved providers:

When a subscriber obtains services from a provider not included in the vision plan's panel of approved providers, the applicant will be responsible for paying the provider for all services and materials received at the time of their appointment. The participating vision plan will reimburse the applicant within fourteen (14) calendar days after receipt of the paid itemized bill or statement, according to the schedule of allowances as follows:

(1) Professional fees:

- (A) Vision exams - up to \$35.00

(2) Materials:

- (A) Each single vision lens - up to \$12.50 or a pair of single vision lenses up to \$25.00.
- (B) Each bifocal lens - up to \$20.00 or a pair of bifocal lenses up to \$40.00.
- (C) Each trifocal lens - up to \$25.00 or a pair of trifocal lenses up to \$50.00.
- (D) Each lenticular lens - up to \$50.00 or a pair of lenticular lenses up to \$100.00.
- (E) Frame - up to \$40.00
- (F) Tinted or photochromic lenses when otherwise deemed medically necessary – up to \$5.00

- (G) Polycarbonate lenses - up to \$10.00.
 - (H) Each pair of necessary contact lenses - up to \$250.00
 - (I) Each pair of elective contact lenses - up to \$110.00.
Determination of whether contact lenses are necessary or elective when obtained from providers not included in the vision plan's panel of approved providers will be the responsibility of the vision plan. Reimbursement for elective contact lenses is in lieu of all benefits, including examination and materials.
- (3) Low vision benefits: Low vision benefits obtained from a provider not included in the vision plan's panel of approved providers will be reimbursed in accordance with what the participating vision plan would pay a provider included in the vision plan's panel of approved providers for this benefit.
- (c) No deductibles shall be charged to subscribers for vision benefits.
 - (d) For subscriber parents who receive vision services from one of the participating member doctors, covered services as described are provided with no additional out-of-pocket costs after an applicable copayment. Additional services selected for cosmetic purposes are the financial responsibility of the patient.
 - (e) No copayments shall apply if the applicant has submitted acceptable documentation as described in Section 2699.6600(c)(1)(GG) that the applicant or the subscriber is American Indian or Alaska Native. However, there is no limitation on the payments required under Subsection (b) above.

NOTE: Authority cited: Sections 12693.21 and 12693.755, Insurance Code.
Reference: Sections 12693.21, 12693.65 and 12693.755, Insurance Code.

ARTICLE 4. RISK CATEGORIES AND FAMILY CONTRIBUTIONS

Section 2699.6809 is amended to read:

2699.6809. Determination of Family Contribution for the Program.

- (a) Family child contributions for the program shall consist of one of the following:
- (1) A flat fee in each county for a family value package:
- (A) Seven dollars (\$7) per subscriber child with a maximum required contribution of fourteen dollars (\$14) per month for subscriber children with annual household incomes after income deductions of up to and including 150 percent of the federal poverty level.
- (B) Through ~~June 30, 2005~~ January 31, 2009, nine dollars (\$9) per subscriber child with a maximum required contribution of twenty-seven dollars (\$27) per month for subscriber children with annual household incomes after income deductions greater than 150 percent and up to and including ~~250~~ 200 percent of the federal poverty level; these rates are also applicable for subscribers who entered the program as AIM infants. On and after ~~July 1, 2005~~, these rates apply only for February 1, 2009, twelve dollars (\$12) per subscriber children with annual household incomes after income deductions greater than 150 percent and up to and including 200 percent of the federal poverty level child with a maximum required contribution of thirty-six dollars (\$36) per month.
- (C) ~~On and after July 1, 2005~~ Through January 31, 2009, fifteen dollars (\$15) per subscriber child with a maximum required contribution of forty-five dollars (\$45) per month for subscriber children with annual household incomes after income deductions greater than 200 percent and up to and including 250 percent of the federal poverty level; these rates are also applicable, through the first year of eligibility, for subscribers who entered the program as AIM infants and for those AIM infants whose annual household income after deductions remains above 200 percent of the federal poverty

level after each Annual Eligibility Review. On and after February 1, 2009, seventeen dollars (\$17) per subscriber child with a maximum required contribution of fifty-one dollars (\$51) per month.

- (2) A flat fee in each county for a family value package that includes a community provider plan:
- (A) Four dollars (\$4) per subscriber child with a maximum required contribution of eight dollars (\$8) per month for subscriber children with annual household incomes after income deductions of up to and including 150 percent of the federal poverty level.
 - (B) ~~Through June 30, 2005~~ January 31, 2009, six dollars (\$6) per subscriber child with a maximum required contribution of eighteen dollars (\$18) per month for subscriber children with annual household incomes after income deductions of greater than 150 percent and up to and including ~~250~~ 200 percent of the federal poverty level; these rates are also applicable for subscribers who entered the program as AIM infants. On and after July 1, 2005 February 1, 2009, nine dollars (\$9) per subscriber child with a maximum required contribution of twenty-seven dollars (\$27) per month. ~~these rates apply only for subscriber children with annual household incomes after income deductions greater than 150 percent and up to and including 200 percent of the federal poverty level.~~
 - (C) ~~On and after July 1, 2005~~ Through January 31, 2009, twelve dollars (\$12) per subscriber child with a maximum required contribution of thirty-six (\$36) per month for subscriber children with annual household incomes after income deductions of greater than 200 percent and up to and including 250 percent of the federal poverty level; these rates are also applicable, through the first year of eligibility, for subscribers who entered the program as AIM infants and for those AIM infants whose annual household income after income deductions remains above 200 percent of the federal poverty level after each Annual Eligibility Review. On and after February 1, 2009, fourteen dollars (\$14) per subscriber

child with a maximum required contribution of forty-two dollars (\$42) per month.

- (b) Family parent contributions for the program shall consist of one of the following:
 - (1) A flat fee in each county for a family value package:
 - (A) Ten dollars (\$10) per month per subscriber parent with an annual household income after income deductions of up to and including 150 percent of the federal poverty level.
 - (B) Twenty dollars (\$20) per month per subscriber parent with an annual household income after income deductions greater than 150 percent and up to and including 200 percent of the federal poverty level.
 - (2) A flat fee in each county for a family value package that includes a community provider plan:
 - (A) Seven dollars (\$7) per month per subscriber parent with an annual household income after income deductions of 150 percent of the federal poverty level.
 - (B) Seventeen dollars (\$17) per subscriber parent with an annual household income after income deductions of greater than 150 percent and up to and including 200 percent of the federal poverty level.
- (c) Applicants who pay in advance the amount of three (3) months of family child contributions shall receive the fourth consecutive month of coverage for a subscriber child with no family child contributions required.
- (d) Applicants who pay in advance the amount of three (3) months of family parent contributions shall receive the fourth consecutive month of coverage for a subscriber parent with no family parent contributions required if the subscriber child contributions (if applicable) are also paid in advance, at the same time for the same three month period.
- (e) Applicants who pay the family child contributions (if applicable) and the family parent contributions (if applicable) by electronic fund transfer or scheduled credit card payment shall receive a twenty-five (25) percent

ER-5-08 Healthy Families Program
Regulation Text for
The AB 1183 Trailer Bill to Increase Subscriber Premiums,
Establish Dental Benefit Cap, and Modify Vision Benefits

discount off the monthly combined total of the family child contributions and family parent contributions.

- (f) If the applicant is applying for children in more than one household, the income of the household with the lowest annual income after income deductions will be used to determine the family contributions.
- (g) If an applicant has a family contribution sponsor, family child contributions and/or family parent contributions that are to be paid by the family contribution sponsor for any twelve (12) consecutive months in the program shall be established based on subsections (a) and (b) above.
- (h) If an AIM infant is enrolled in a different health plan from his or her siblings until the Open Enrollment period after the AIM infant's first birthday, the family child contribution will be the family child contribution for the siblings, plus the contribution rate for one more child at the same rate, up to the maximum required contribution.

NOTE: Authority cited: Sections 12693.21 and 12693.755, Insurance Code.
Reference: Sections 12693.21, 12693.43, 12693.53 and 12693.755, Insurance Code.

**Summary and Response to Public Comments
The AB 1183 Trailer Bill to Increase Subscriber Premiums,
Establish Dental Benefit Cap, and Modify Vision Benefits**

Four (4) Public Comments were received from one (1) organization on behalf of six (6) organizations:

1. National Health Law Program (NHeLP)

Specific Comments and Responses

The commenter representing itself, Health Rights Hotline, Neighborhood Legal Services' Health Consumer Center of Los Angeles, California Pan-Ethnic Health Network, Central California Legal Services' Fresno Health Consumer Center, and United Ways of California commented on the implementation of AB 1183 which authorized a cap on dental benefits to \$1,500 per benefit year, eliminated certain types of lenses and increased premiums for certain Healthy Families Program (HFP) categories. The commenter proposed adding exceptions to the dental cap similar to those in Medi-Cal. Additionally, the commenter advocates including language to clarify the exclusion of non-medically necessary tinted photochromatic lenses. The commenter opposes an increase in HFP family contribution amounts.

Comment 1: No Section cited

The commenter suggests AB 1183 authorizes, but does not require, the Managed Risk Medical Insurance Board (MRMIB) to establish a cap on dental coverage provided in a HFP benefit year. Tooth decay is the number one disease for American children; moreover, left untreated dental health conditions cause pain and can lead to infections throughout the body. The \$1,500 dental cap would make many dental services unaffordable for most HFP families.

Response:

AB 1183, Chapter 758, Statutes of 2008 contained measures to address the State's fiscal situation. In this context, the Legislature provided that the Board may establish a dental cap. AB 1183 was the Trailer Bill associated with the 2008-09 Budget Act, which appropriated funds for Health Families based on the understanding that MRMIB would establish this annual limit on dental benefits. Therefore, the Board implemented the dental cap at \$1,500 per year. The suggestion is something that MRMIB may consider in the future depending on funding, but it rejects the comment at this time.

Comment 2: No Section cited.

If a dental cap is implemented, the commenter requests that exceptions be added beyond the CCS exception, similar to those in the Medi-Cal program. The commenter recommends that emergency dental services and dental services for pregnant women, as well as dentures, maxillofacial and complex oral surgery, maxillofacial services including dental implants and implant-retained prostheses and services provided in long term care facilities not be subject to the \$1,500 annual dental cap. The commenter cites several studies to show the importance of dental care for pregnant women and the impact on the babies of the lack oral health care provided to pregnant women.

Response:

As noted above, the Board has determined that the \$1,500 dental cap is necessary at this time. The Board has the ability to amend the regulations in the future if circumstances warrant and its budget provides funding for a change. For that reason, MRMIB rejects the comment.

Comment 3: No Section cited

The commenter acknowledges that AB 1183 exempts from coverage tinted or photochromatic lenses unless medically necessary. The commenter expresses concerns that the exclusion is too broad and that medical necessity determinations would be left up to each plan. The commenter suggests that additional language be added to the regulations to clarify circumstances in which tinted or photochromatic lenses would be covered.

Response:

Section 19 of AB 1183 specifically excludes tinted or photochromatic lenses unless medically necessary. "Medically necessary" is the specific exemption provided in this statute. For this reason, MRMIB rejects the comment.

Comment 4: No Section cited

The National Health Law Program (et al, letter is signed on behalf of several organizations) has made a comment on the proposed changes to the Healthy Families Program (HFP) regulations which increases the premium for HFP families with an income between 150%-200% of the Federal Poverty Level (FPL) by \$3 per child per month, and HFP families with an income between 200%-250% of FPL by \$2 per child per month. The National Health Law Program expressed concern that raising premiums will decrease affordability and enrollment in the program. They request that the

premium increases not be enacted, especially for families with incomes between 150%-200% of FPL.

Response:

Although we understand the National Health Law Program's concern, Assembly Bill 1183 (Chapter 758, Statutes of 2008) Sections 17, 18 and 19 amended Insurance Code section 12693 et. seq. to increase monthly family contributions.

Therefore, MRMIB is rejecting the comment.

Board of
Directors

April 20, 2009

Donn Ginoza, Chair
California Public
Employment
Relations Board

Cliff Allenby, Chair
Managed Risk Medical Insurance Board
P.O. Box 2769
Sacramento, CA 95812-2769
FAX: (916) 445-0898

Byron Gross,
Vice-Chair
Hooper, Lundy &
Bookman

**RE: Adoption of Regulations Authorizing the Managed Risk
Medical Insurance Board to Establish a Dental Cap, Exclude
Tinted and Photochromatic Lenses and Increase Healthy
Families Program Premiums**

Lola FitzPatrick,
Treasurer
Consumer
Representative

Dear Mr. Allenby:

Elisabeth Benjamin
Community Service
Society of New York

The National Health Law Program, with Health Rights Hotline and Neighborhood Legal Services' Health Consumer Center of Los Angeles and other undersigned organizations, is writing to express its concerns regarding adoption of the proposed regulations impacting the Healthy Families Program ("HFP") at the April 20th public hearing. These regulations seek to establish a dental cap, exclude tinted and photochromatic lenses and increase HFP premiums.

Daniel Cody
Reed Smith, LLP

Jean Hemphill
Ballard Spahr
Andrews & Ingersoll

The National Health Law Program (NHeLP) is a national public interest law firm that seeks to improve access to quality health care services for America's working and unemployed poor, people of color, children, the elderly and individuals with disabilities. As an organization with over thirty years of experience working with low-income children, NHeLP knows how critical it is that California's children get a healthy start.

Marilyn Holle
Protection &
Advocacy Inc.

Proposed Dental Cap

Lucinda Horne
Consumer
Representative

Existing law requires the dental benefits provided under the Healthy Families Program to be consistent with those dental benefits provided to state employees, except as provided. AB 1183 authorizes, but does not require the board to establish a cap on the amount of dental coverage provided under the Healthy Families Program in a given benefit year.

Ninez Ponce
UCLA School of
Public Health

Janet Varon
Northwest Health
Law Advocates

We are opposed to the proposed \$1500 dental cap and urge the Managed Risk Medical Insurance Board (MRMIB) not to implement it. Oral health is an integral part of overall health. Serious dental health conditions cause severe pain and when left untreated can lead to

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infections throughout the rest of the body.¹ Oral health problems may lead to diabetes, heart disease, and stroke.² Moreover, tooth decay is the number one disease children in America suffer from today.³ Dental pain resulting from tooth decay prevents children from participating in daily activities such as attending school; collectively, children miss millions of hours of school each year because of dental-related illness.⁴ The proposed cap would place children's oral health, and as a result their general health, in jeopardy.

The \$1500 cap will make many medically necessary dental services unaffordable for most HFP families. According to the California Health Interview Survey, currently, 6.5% of families, or 42,000 beneficiaries, cannot afford needed dental care through Healthy Families with no cap and lower premiums.⁵ Instituting the cap will ensure that more children go without needed dental care and suffer the harsh health repercussions. Families that do opt for care over the \$1500 cap may enter into medical debt, which can ruin families' credit, force families into bankruptcy, and, in extreme cases, cause families to lose their housing.

The new Child Health Insurance Program Reauthorization Act (CHIPRA) requires that states provide dental coverage in their separate Child Health Insurance Programs and the coverage offers benefits equivalent to one of a number of benchmark plans.⁶ Currently, Healthy Families models itself on a benchmark plan, the state employee plan. Rather than offering enhanced benefits at this time, MRMIB would, by instituting a cap, move in the opposite direction and violate the goal of CHIPRA legislation to broaden access to dental care to adequately cover beneficiaries' needs.

If a cap is implemented, we would like to see exceptions added beyond the CCS exception. We encourage MRMIB to include exceptions similar to the ones in Medi-Cal. In Medi-Cal, the following services are not subject to the cap of \$1800 on adult beneficiaries: emergency services, pregnancy-related services and services for other conditions that might complicate the pregnancy, dentures, maxillofacial and complex oral surgery, maxillofacial services, including dental implants and implant-retained prostheses, and services provided in long-term care facilities.⁷ We recommend that the Healthy Families Program include these and/or other exceptions to the dental cap.

Young pregnant children enrolled in Healthy Families should not be subject to a dental cap. Dental care is crucial for pregnant women and their babies. Women are more likely

¹ Centers for Disease Control and Prevention, Division of Oral Health, Children's Oral Health Overview, available at <http://www.cdc.gov/OralHealth/topics/child.htm>.

² Office of the Surgeon General, U.S. Department of Health and Human Services, Links Between Oral and General Health Fact Sheet (May 2000) available at http://www.cdc.gov/OralHealth/publications/factsheets/sgr2000_fs4.htm.

³ Centers for Disease Control and Prevention, Division of Oral Health, Children's Oral Health Overview, available at <http://www.cdc.gov/OralHealth/topics/child.htm>.

⁴ Office of the Surgeon General, U.S. Department of Health and Human Services (May 2000) Children's Oral Health Fact Sheet, available at http://www.cdc.gov/OralHealth/publications/factsheets/sgr2000_fs3.htm.

⁵ 2007 California Health Interview Survey, available at <http://www.chis.ucla.edu>.

⁶ See H.R. 2, § 501(a)(amending 42 U.S.C. § 1397cc).

⁷ See Welfare and Institutions Code § 14080(a).

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to experience dental problems while pregnant.⁸ Pregnant women who do not receive dental care may be more likely to have premature, low weight babies.⁹ Pregnant women pass on decay causing bacteria to their children.¹⁰ Thus, limiting the amount of dental coverage a pregnant teenager can receive can negatively affect the health of both her and her child at crucial points in both of their development. We urge MRMIB not to apply the dental cap to pregnant Healthy Families beneficiaries.

Proposed Exclusion of Tinted Photochromatic Lenses

AB 1183 and the proposed regulations exempt tinted and photochromatic lenses from Healthy Families vision benefits package. While we understand that such lenses are not often needed by Healthy Families-enrolled children, we are concerned that the outright exclusion is overbroad. The accompanying language "unless otherwise deemed medically necessary" does not offer sufficient guidance on when children needing tinted or photochromatic glasses will be able to obtain them because elsewhere in the regulations, medical necessity is left to be determined by the health plan.¹¹ We recommend that additional language be included in the regulations to clarify circumstances in which tinted or photochromatic lenses will be covered.

Proposed Increase in Premiums

AB 1183, enacted in 2008, increases family contribution amounts in Healthy Families. While we understand that these regulations conform to the statute, we seek here to emphasize their impact on low-income families whose children are enrolled in the program. Increasing Healthy Families premiums would likely lead to a decrease in enrollment in the program. It is well established that low income families sometimes have to choose between medications and food or health insurance and food.¹² In these in these times when parents are losing their jobs, having hours and wages cut and trying to keep food on the table, any increase in premiums can make the difference between a child being insured and not.

⁸ *Id.*

⁹ Office of the Surgeon General, U.S. Department of Health and Human Services, Links Between Oral and General Health Fact Sheet (May 2000) *available at* http://www.cdc.gov/OralHealth/publications/factsheets/sgr2000_fs4.htm.

¹⁰ California Dental Association, Pregnancy Fact Sheet, *available at* <http://www.cda.org/popup/Pregnancy>.

¹¹ See Tit. 10 CCR § 2699.6703.

¹² See, e.g., Shelly Curtis, Food Insecurity: Family Problem, Community Challenge, Northwest Public Health 11 (Spring/Summer 2008) (finding that "When times are tight, some families and individuals have to make the choice between paying for heat and medicine or paying for food."); Gail G. Harrison et al., Food Security Among California's Low-Income Adults Improves, But Most Severely Affected Do Not Share in Improvement, UCLA Health Policy Research Brief 9 (June 2007) (finding that "Given the direct connection between paying for health insurance and maintaining food security, policymakers must guarantee affordable health care to low-income individuals and families.").

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Already, in California there are over 155,000 children who are eligible but not enrolled in Healthy Families.¹³ This is 22.7% of all uninsured children in California.¹⁴ Cost is a factor for these families, as it is clearly shown that children living in lower income households were less likely to have a usual source of medical care.¹⁵ Raising the premiums will result in more eligible children who are not enrolled in Healthy Families.

The proposed premium increases are significant, especially for the poorest families, those between 150%-200% of the federal poverty level. For those families between 150%-200% of the federal poverty level, the proposed raise in premiums is a 33% increase over current rates for the family value package. Families with incomes between 200%-250% of the federal poverty level will experience a 13.33% increase over current rates for the family value package.

For those families between 150%-200% of the federal poverty level in the Community Provider Plan, the proposed raise in premiums is a 33% increase over current rates. This is a large increase for the poorest families that the program serves. Families with incomes between 200%-250% of the federal poverty level in the Community Provider Plan will experience 16.67% increase over current rates.

These increases will make Healthy Families inaccessible and unaffordable for some of California's poorest children, especially those below 200% of the federal poverty level: It has been shown that 14.6% of children below 200% of the federal poverty level were uninsured in 2005, compared with 5.1% of all children above the federal poverty level.¹⁶

The proposed premium savings are outweighed by the long term costs to both California and its children. It is well established that children without insurance have worse health outcomes than their insured peers.¹⁷ Sicker children lead to higher long-term healthcare costs. Much of this cost will be borne by California, wiping out the projected premium savings.

¹³ E. Richard Brown et. al., Nearly 6.4 Million Californians Lacked Health Insurance in 2007 – Recession Likely to Reverse Small Gains in Coverage, UCLA Health Policy Brief 4 ex. 4 (Dec. 2008).

¹⁴ *Id.*

¹⁵ See, e.g., Sue Holby et. al., Health of California's Adults, Adolescents and Children: Findings from CHIS 2005 and CHIS 2003 California Health Interview Survey 82 (2008) (finding that "Children living in households below 200% FPL were less likely to have a usual source of medical care than children in households at or above 300% FPL.").

¹⁶ See, e.g., David Grant & Samantha Kurosky, Trends in the Health of Young Children in California, UCLA Health Policy Brief 1 ex. 1 (2008).

¹⁷ See, e.g., California Healthcare Foundation, Myths & Facts: Do the uninsured get care when they need it?, <http://calhealthreform.org/content/view/41/> (finding that "[u]ninsured children also lack access to care and experience worse health outcomes. Because uninsured patients lack routine care, their chronic conditions are often poorly managed, increasing the likelihood of serious, acute complications. Once hospitalized, they receive treatment for acute needs but probably don't receive appropriate follow-up care, resulting in worse health outcomes over the long term."); see also Jack Hadley, Insurance Coverage, Medical Care Use, and Short-Term Health Changes Following an Unintentional Injury or Onset of a Chronic Condition, 297 JAMA 1073 (2007).

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Additionally, by increasing premiums and potentially reducing enrollment, these changes decrease the amount of federal dollars that California receives. For each dollar that the state spends on Healthy Families, it draws down two federal dollars.¹⁸ Thus, by each dollar of decreased spending and funding in the Healthy Families Program, California is losing two federal dollars.

Overall, the proposed increase in premiums will likely result in more low-income children losing coverage in extremely challenging economic times, poorer health outcomes and higher healthcare expenditures for these children, and a loss of some federal dollars. These proposed premium increases should not be enacted, especially for families between 150%-200% of the federal poverty level.

Sincerely,



Manjusha P. Kulkarni

On behalf of:

Ann Rubinstein
Health Rights Hotline

Dennis Hsieh
Neighborhood Legal Services' Health Consumer Center of Los Angeles

Marty Martinez
California Pan-Ethnic Health Network

Monica Blanco-Etheridge
Central California Legal Services' Fresno Health Consumer Center

Judy Darnell
United Ways of California

¹⁸ Jennifer R. Kincheloe & E. Richard Brown, UCLA Center for Health Policy Research, Who Signs Up? Family Participation in Medi-Cal and Healthy Families: Report to the California Program on Access to Care 20-21 (2005).

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**MANAGED RISK MEDICAL INSURANCE BOARD
RESOLUTION**

After considering the public comments submitted to the Board, the Board hereby approves the final adoption of regulations to implement AB 1183 Trailer Bill to increase subscriber premiums, establish a dental benefit cap, and modify vision benefits, Regulation Package R-5-08.

* * * * *

CERTIFICATION

I, Lesley Cummings, Executive Director of the Managed Risk Medical Insurance Board, do hereby certify that the foregoing action was duly passed and adopted by the Managed Risk Medical Insurance Board at an official meeting thereof on May 20, 2009.

Dated this 20th day of May, 2009.

Lesley Cummings, Executive Director
Managed Risk Medical Insurance Board