



The California Managed Risk Medical Insurance Board

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May 20, 2008

To: Managed Risk Medical Insurance Board Members

From: Lesley Cummings, Executive Director

Subject: Adoption of Final Regulation Package for the HFP to Medi-Cal Bridge Deletion

The purpose of this letter is to request approval of the Board to adopt the final Healthy Families Program (HFP) Medi-Cal Bridge Deletion Regulations.

In 2002, the Centers for Medicare and Medicaid Services (CMS) approved the bridge as a component of the parental waiver under Title XXI. The parental waiver expired on January 24, 2007. CMS offered to extend the parental waiver through June 30, 2007, conditioned upon a change in federal financial participation from 65/35 to 50/50 retroactive to the date the bridge was implemented. The state chose instead to grant presumptive eligibility (PE) for children who were screened during annual eligibility review as potentially eligible for Medi-Cal.

Under Title XIX of the Social Security Act, the state has authority to provide presumptive eligibility (PE) to children who appear to be eligible for no-cost Medi-Cal. Under PE, Medi-Cal fee-for-service benefits are provided to children pending an eligibility determination. The federal financial participation for Medi-Cal is 50/50.

The Committee on Budget authored legislation [Assembly Bill 203 (Chapter 188, Statutes of 2007)], and made statutory changes needed to implement the May Revision proposal to replace the HFP to Medi-Cal "Bridge" with a Medi-Cal presumptive eligibility program for children. This legislation included language to make the regulatory changes on an emergency basis.

On September 19, 2007, the Board adopted the proposed regulations to delete the HFP to Medi-Cal Bridge. This regulation change was submitted to the Office of Administrative Law and was approved as emergency regulations on November 30, 2007.

Subsequently, on November 5, 2007 the Board adopted proposed emergency regulations to establish disenrollment and waiting list regulations for HFP. OAL approved the emergency regulations and they were incorporated into Title 10 of the CCR effective November 30, 2007. The disenrollment and waiting list regulations will not become permanent until the Board has adopted them and the rulemaking is submitted to, and approved by, OAL. The only overlap between the regulations adopted by the Board on November 5 and the HFP to Medi-Cal Bridge deletion is Section 2699.6611. Specifically, the later disenrollment and waiting list regulations added material to Section 2699.611 (unrelated to the bridge deletion) and consequently re-numbered a cross-reference in the bridge deletion portion of the regulation. Therefore, the final bridge deletion regulations includes the language amended in the regulation by the disenrollment and waiting list package but does not make any other changes in the original text of the bridge deletion package.

The changes that were made by the HFP to Medi-Cal Bridge deletion regulation are underlined or strikethrough only; the changes made by the HFP Disenrollment/Waiting List regulations that have been incorporated into the HFP to Medi-Cal Bridge text are double underlined or strikethrough.

The HFP to Medi-Cal Bridge deletion regulations were heard in public hearing on April 21, 2008. One individual presented testimony at the public hearing and two (2) written comments from the public were received. One comment was regarding a possible 10% provider rate cut in Medi-Cal. MRMIB cannot address this concern as the Board does not have authority over the Medi-Cal Program; therefore staff rejected the comment. The second comment requested the addition of new regulations that would require a plan to notify the subscriber's primary care physician in writing that a child was found by the program to be eligible for Medi-Cal coverage. This comment was rejected as MRMIB's oversight is limited to the process of granting Medi-Cal PE for these children.

The regulations deleting the Bridge from HFP to Medi-Cal are currently in effect, but will not become permanent until MRMIB submits the rulemaking certification binder to OAL and receives approval to permanently adopt these regulations. The substantive regulation language relative to the HFP to Medi-Cal Bridge deletion has not changed since it was first approved by the Board and adopted by OAL as emergency regulations. In order to submit the certification to OAL, the Board must adopt the final regulation language. The final version of the regulation, Deleting the Bridge from HFP to Medi-Cal is included in Agenda Item 8.1.2. which is attached to this letter.