



**The California Managed Risk Medical Insurance Board**  
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Secretary, Business,  
Transportation and Housing  
Agency

## MEMORANDUM

DATE: May 17, 2012  
TO: MRMIB Members  
FROM: Jeanie Esajian, Deputy Director for Legislation and External Affairs  
SUBJECT: MRMIB Media Report for April – May 2012

A handwritten signature in black ink, appearing to be "JE", located to the right of the "FROM:" line.

The last month was a light media period with coverage focusing on the following:

- Administration proposals for the Healthy Families Program
- PCIP subscriber stories

During the past month, two reporters contacted MRMIB. These reporters represented the following media outlets: the Center for Health Reporting (print and web) and the San Diego Union Tribune (newspaper).

Reporters also requested interviews with vetted PCIP subscribers. External Affairs provided reporters with these subscribers' contact information and facilitated interviews.

In addition to responding to media inquiries, External Affairs staff also issued two news releases announcing findings in the Healthy Families Program 2011 Dental Quality Report and the launch of the Spanish-language PCIP website. The news release announcing the Spanish-language PCIP website launch was also translated into Spanish and distributed to Spanish-language media statewide.

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](mailto:jesajian@mrmib.ca.gov).

# NEWS FROM MRMIB

The Managed Risk Medical Insurance Board

Contact: Jeanie Esajian  
(916) 324-0571  
(916) 275-7649

For Immediate Release  
May 8, 2012

## **PCIP Spanish-Language Website Launched** *Will Increase Cultural and Linguistic Access for Californians*

SACRAMENTO, CA – The Managed Risk Medical Insurance Board launched a new Spanish-language website for the Pre-Existing Condition Insurance Plan (PCIP). The website provides Californians who need their health information in Spanish, with the same information as the English-language website, to help improve the Latino population's access to the federally funded program. The Spanish website is available at [www.pcip.ca.gov/Home/?lang=es](http://www.pcip.ca.gov/Home/?lang=es).

"The Spanish-language website will increase Californians' access to information about the plan," said MRMIB Chairman Cliff Allenby. "MRMIB has always sought to administer its programs in a culturally and linguistically appropriate manner. This website launch is a continuation of that mission."

PCIP provides comprehensive health benefits to uninsured Californians who are unable to obtain coverage because they have or have had a pre-existing health condition. The plan is one of the first components of the health care reforms implemented under the Patient Protection and Affordable Care Act of 2010. California's PCIP is entirely funded by federal dollars and state-administered by MRMIB. California's PCIP opened on October 25, 2010, and has been the largest in the nation since November 2011 with a current enrollment of more than 10,000 subscribers. According to a March 2012 enrollment report, 8 percent of California PCIP subscribers are Latino.

Many of those enrolled in PCIP entered the program with serious health issues and are now getting much needed care for conditions such as diabetes, cancer and cardiovascular disease. Some subscribers reported that they delayed or went without treatment because they could not get health insurance until they enrolled in PCIP. The availability of the new PCIP coverage has allowed them to get the care they needed to treat and manage their conditions. Information about PCIP, including applications, can be found on the PCIP website ([www.pcip.ca.gov](http://www.pcip.ca.gov)) and through the PCIP toll-free line at (1-877-428-5060).

MRMIB is an independent appointed Board within the California Health and Human Services Agency. In addition to PCIP, MRMIB also administers the Healthy Families Program, the Access for Infants and Mothers Program and the Major Risk Medical Insurance Program. For more information about MRMIB, please visit [www.mrmib.ca.gov](http://www.mrmib.ca.gov). For more information about PCIP, please visit [www.pcip.ca.gov](http://www.pcip.ca.gov).

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California Health and Human Services Agency

# NEWS FROM MRMIB

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Contactar a: Jeanie Esajian  
(916) 324-0571  
(916) 275-7649

Para publicación inmediata  
8 de mayo del 2012,

## **El Sitio Web en Español de PCIP fue Lanzado** *Aumentará el Acceso Cultural y Lingüístico para los Californianos*

SACRAMENTO, CA – La Managed Risk Medical Insurance Board (MRMIB) lanzó un nuevo sitio web en español para el Pre-Existing Condition Insurance Plan (PCIP). El sitio web les provee a los californianos que necesitan su información de salud en español, la misma información que el sitio web en inglés, para ayudar a mejorar el acceso de la población Latina al programa financiado por el gobierno federal. El sitio web en español está disponible en [www.pcip.ca.gov/Home/?lang=es](http://www.pcip.ca.gov/Home/?lang=es)

El Sr. Cliff Allenby, Presidente de la MRMIB dijo que el sitio web en español aumentará el acceso de los californianos a información sobre el plan. También agregó que la MRMIB siempre ha buscado administrar sus programas de una manera que sea culturalmente y lingüísticamente apropiada y que este sitio es una continuación de esa misión.

El PCIP provee beneficios de salud completos para californianos sin seguro médico que no pueden obtener cobertura debido a que tienen o han tenido un padecimiento médico preexistente. El plan es uno de los primeros componentes de la reforma de cuidado de salud implementada bajo la Ley de protección al paciente y cuidado de salud de bajo precio del 2010. El PCIP de California es completamente financiado por el gobierno federal y administrado a nivel estatal por la MRMIB. El PCIP de California se inauguró el 25 de octubre del 2010, y ha sido el más grande en la nación desde Noviembre del 2011, actualmente con más de 10,000 personas inscritas. Según un reporte de inscripción de Marzo del 2012, 8 por ciento de las personas inscritas en el PCIP de California son Latinos.

Muchas de las personas inscritas en PCIP entraron al programa con problemas serios de salud y ahora están recibiendo el tan necesitado cuidado para padecimientos como diabetes, cáncer y enfermedad cardiovascular. Algunas personas inscritas reportaron que no tuvieron tratamiento o lo postergaron porque no podían conseguir seguro médico hasta que se inscribieron en PCIP. La disponibilidad de la nueva cobertura de PCIP les ha permitido obtener el cuidado que necesitaban para tratar y manejar sus padecimientos. La información sobre PCIP, incluyendo las solicitudes está disponible en el sitio web de PCIP [www.pcip.ca.gov](http://www.pcip.ca.gov) y a través de la línea gratis de PCIP (1-877-428-5060).

La MRMIB es un Junta Directiva independiente dentro de la California Health and Human Services Agency. Los miembros de MRMIB son nombrados por el gobernador o por la Legislatura. Además de PCIP, la MRMIB también administra el Healthy Families Program, el Access for Infants and Mothers Program y el Major Risk Medical Insurance Program. Para más información sobre la MRMIB, favor de visitar [www.mrmib.ca.gov](http://www.mrmib.ca.gov) Para más información sobre PCIP, favor de visitar [www.pcip.ca.gov](http://www.pcip.ca.gov).

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# NEWS FROM MRMIB

The Managed Risk Medical Insurance Board

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Contact: Jeanie Esajian  
(916) 324-0571  
(916) 275-7649

For Immediate Release  
May 9, 2012

## Healthy Families Dental Plans Get High Marks For Quality, Access and Satisfaction

SACRAMENTO, CA -- Dental services provided to Healthy Families Program children showed consistent improvement in both access and quality in nearly every measure for which data was analyzed, according to an analysis of three years of data presented today to the Managed Risk Medical Insurance Board. The majority of subscribers also reported satisfaction with their dentists and dental plans.

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 covering the years 2008-10. This was an increase from the rate of 94 percent in 2009. The full report is available at [http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_050912/Agenda\\_Item\\_11.b.\\_2010\\_Dental\\_Quality\\_Report.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_050912/Agenda_Item_11.b._2010_Dental_Quality_Report.pdf)

"Since opening Healthy Families in 1998, the Board has worked with our dental plans to deliver high-quality services and access for our subscribers to ensure good dental health and habits that will last a lifetime," said Cliff Allenby, Chairman of the Board. "While we are pleased with the results from 2010, we continue to look for ways to improve the HFP dental program."

Healthy Families is California's federal/state Children's Health Insurance Program, also referred to as CHIP. Through two-thirds federal and one-third state funding, HFP provides comprehensive health, dental and vision services for children from birth through age 18 whose family income is from just above 100 percent to 250 percent of the federal poverty level. Currently, nearly 870,000 children across California are subscribers in the Healthy Families Program. Subscribing families pay premiums and co-payments to enroll their children in the program. Results of the 2010 report are derived from data submitted by MRMIB dental plans and from a survey of HFP member families on their satisfaction with their dentist and dental plans. The results of these surveys are provided to subscribers during open enrollment to help them better compare dental plans and are also available at [www.mrmib.ca.gov](http://www.mrmib.ca.gov).

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California Health and Human Services Agency

The quality of dental services provided through Healthy Families has long been a focus of the Board, noted Janette Casillas, MRMIB Executive Director. "The Board's commitment to oral health is very strong and to that end, California's HFP participates in the national Dental Consumer Assessment of Health Plans and Systems (D-CAHPS®), we believe as the only public health program in the nation to do so."

The Board also launched an 18-month oral health initiative in July 2010 called *Healthy Smiles – Healthy Families* to improve access to diagnostic, preventive and treatment services, integration of medical and dental services and to increase the value of MRMIB's investment in oral health care. The Board's emphasis on improving children's oral health is underscored by the clear expectations set forth in its contracts with dental plans on annual visits, oral health examinations and preventive dental services, continuity of care and treatment and prevention of caries.

For 2010, the Healthy Families 2010 Dental Quality Report found that 60 percent of continuously enrolled children visited the dentist, while this number jumped to 73 percent for the 250,000 children enrolled in Delta Dental, HFP's top performing dental plan. HFP "open network" plans, which are Delta Dental and Premier Access Dental, recorded a 73.4 percent annual dental visit rate by subscribers. The open network plans are those that allow members to select any dentist from the plan's network and providers in the network are paid on a fee-for-service basis by the dental plan. "Primary care" plans pay most dentists a set fee per month regardless of services the member receives. These plans include Access Dental, Health Net Dental, SafeGuard Dental and Western Dental. When first enrolled, HFP subscribers are in primary care model plans for the first two years and then may move into an open network model plan, consistent with the CalPERS dental plan enrollment model.

Continuity of care was evident in that more than 80 percent of HFP children enrolled for two years who had an exam and/or cleaning in 2009, also had the same service in 2010. The report also contains county-by-county data on the annual dental visit measure that ranges up to 85 percent for open network plans and up to 58 percent for primary care plans.

In the consumer survey portion of the report, nearly 91 percent of families surveyed reported that their child had a regular dentist. A total of 96 percent of families in an open network plan reported their child had a regular dentist versus nearly 88 percent for primary care plan families. Dentist satisfaction was above average as well, with nearly 82 percent of open network plan subscriber families ranking their dentist above average (8-10 on a scale of 10) and 63 percent of primary care plan subscriber families ranking their dentist in the same manner. Finally, for dental plan satisfaction, 75 percent of open network plan subscribers of Delta Dental and 62 percent of Premier Access Dental subscribers ranked their plan above average (8-10 on a scale of 10).

The Managed Risk Medical Insurance Board is an independent board within the California Health and Human Services Agency dedicated to improving the health of Californians by increasing access to affordable, comprehensive and quality health care coverage. In addition to Healthy Families, MRMIB operates the Access for Infants and Mothers Program, the Major Risk Medical Insurance Program and the Pre-Existing Condition Insurance Plan.

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# Los Angeles Times

Healthcare reform is about lives, not just politics

**If health insurers can keep denying coverage to anyone, millions of Americans could be left to fend for themselves in a system that openly discriminates against the sick and leaves many destitute.**

David Lazarus

April 13, 2012

Dale Berman doesn't just have a rooting interest in the Supreme Court upholding the healthcare reform law. You could say his life depends on it.

Berman, 54, of Burbank is a freelance photographer who has had Crohn's disease his entire life. Crohn's is a severe intestinal disorder that can cause intense pain and a variety of complications. Berman has had to undergo three operations and has been hospitalized on numerous occasions.

He's also watched as his insurance costs have steadily increased over the years, forcing him to seek refuge in government programs for "high-risk" patients who are unable to receive affordable coverage from private-sector insurers.

Berman is now in California's federally funded Pre-Existing Condition Insurance Plan, created by the healthcare reform law as a temporary refuge for people awaiting establishment of so-called insurance exchanges in 2014 and the prospect of insurers not being able to deny coverage to anyone.

That prospect, and the exchanges themselves, are now in jeopardy if the Supreme Court decides to throw out a requirement that most people buy coverage, as many now fear. If that happens, the entire reform law could crumble.

Millions of people like Berman could then find themselves at Square One, left to fend for themselves in a healthcare system that openly discriminates against the sick and leaves many destitute as the bills pile up.

"It's terrifying," he told me. "I don't sleep at night thinking about what could happen."

We probably won't know until the end of June how the court will rule on healthcare reform. But judging from the tenor of questions posed by most of the conservative justices, it seems highly possible that the insurance mandate will be declared unconstitutional and that the rest of the law will be sent back to Congress for a rewrite.

Considering it took almost 20 years for Democratic lawmakers to find the wherewithal to tackle healthcare since the last time they got burned by conservatives on this issue, it's hard to imagine much willingness to attempt a do-over, at least any time soon.

Not to be alarmist, but this could be the last stab at healthcare reform many of us will see in our lifetimes.

Berman's experiences with the healthcare system are instructional for what's at stake.

Most people with preexisting conditions have to rely on landing a job with group coverage if they want health insurance. But people with Crohn's often have difficulty with full-time jobs because of the unpredictability of their disease. They're sometimes incapacitated for days at a time.

Berman said he was able to enroll in 2003 in a plan offered by a photographers trade association. The plan initially cost \$3,500 a year and came with a \$2,500 deductible.

By 2008, however, the plan's annual rate had more than tripled to about \$12,300, and Berman was informed that it would jump again in 2009 to roughly \$18,000.

"That would have been nearly half my income at the time," he said. "I couldn't afford to pay it."

So Berman turned instead to California's Major Risk Medical Insurance Program, the state's insurer of last resort for people with chronic conditions. His annual premium ran more than \$13,000 and coverage was capped at \$75,000 a year.

Berman was hospitalized at UCLA in 2010 for an intestinal blockage. While he was there, a hospital staffer stopped by his bedside and informed him that his treatment would surpass his \$75,000 insurance cap.

"They wanted to know how I was going to pay for everything," Berman recalled. "I was dehydrated. I was weak. I'd lost a lot of weight. But all I could do was check myself out of the hospital to save money."

It was a frightening moment. As Berman made his way home that day, the only thought in his mind was, "This is how the system is supposed to work?"

So he switched again, this time to the Pre-Existing Condition Insurance Plan, or PCIP, which costs only about \$4,500 a year and has no limit on how much treatment will be covered annually. To be eligible for the program, Berman had to forgo health insurance for six months, but he decided the risk was worth it.

"I was lucky," he said. "I didn't need to be hospitalized during that time."

More than 9,000 Californians are in PCIP, but the plan was always intended to be a temporary stopgap. Once the insurance exchanges are up and running, people in the program would shift to policies offered by private insurers that, under the terms of the healthcare reform law, would be prohibited from turning anyone away.

But what happens if the reform law is cut down by the Supreme Court? Where would PCIP participants go?

Jeanie Esajian, a spokeswoman for the state program, declined to speculate.

"We think this discussion is very premature," she said. "We have no reason to believe we won't be transitioning people to the exchange after 2013."

The plan has already received \$347 million in federal funds for the year, Esajian said. Funding for next year and beyond has yet to be allocated.

If the reform law collapses, there doesn't seem to be any mechanism for PCIP funds to continue flowing from Washington. Nor does it seem likely that the exchanges would work as intended if insurers are no longer required to cover anyone who comes calling.

That would give people like Berman few choices. He could turn once again to his photography association for coverage, but the annual cost had soared to more than \$25,000 by last year for the HMO version and \$36,000 for the PPO plan.

The state's high-risk plan, meanwhile, is currently charging about \$13,300 for people in Berman's position and still has that \$75,000 annual spending cap.

So Berman, like so many others with preexisting conditions (myself included), is watching the Supreme Court closely. He's paying particular attention to Justice Anthony Kennedy, whom many regard as the swing vote on the issue.

"My whole financial future is in Kennedy's hands," Berman said.

Healthcare reform isn't an abstract legal issue. It isn't a political game. It's a very real concern for millions of Americans, in some cases a life-or-death matter.

The justices should keep that in mind.

*David Lazarus' column runs Tuesdays and Fridays. He also can be seen daily on KTLA-TV Channel 5. Send your tips or feedback to [david.lazarus@latimes.com](mailto:david.lazarus@latimes.com).*

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## Millions await Supreme Court ruling on health law

By Janet Lavelle

Tuesday, May 1, 2012



*Beth Ann Levendoski, (left) who had spinal surgery, works with physical therapist Norma Rouillard. Levendoski has the Pre-Existing Condition Insurance Plan. — John Gastaldo*

### **Beth Ann Levendoski**

Levendoski, 57, has a degenerative orthopedic condition that has required six major spinal surgeries and regular medical care over the past 40 years. After two 10-hour surgeries a year ago to repair spinal fractures and a compressed spinal cord, she's learning to sit and walk again with the help of physical therapy several times a week.

She's had health insurance to cover the latest surgeries and therapy because of the Affordable Care Act, which created the \$5 billion Pre-Existing Condition Insurance Plan.

Previously, Levendoski had gone bankrupt after paying thousands of dollars in medical bills because she had been denied coverage due to her pre-existing medical condition.

The federal program launched in 2010 as a temporary measure until 2014, when the act bans insurers from denying coverage to adults with pre-existing conditions.

But that ban dovetails with the key issue facing the Supreme Court — the mandate requiring most people to have health insurance starting in 2014. The law anticipates insurers could handle

the higher costs of chronically ill policyholders because they would be subsidized by the expanded pool of healthy policyholders.

But opponents say the individual mandate is an unconstitutional expansion of congressional power.

Even lawyers for the federal government told the Supreme Court that if the insurance mandate goes, mandatory coverage for pre-existing conditions should go, too.

For now, the federal program subsidizes premiums so participants pay about the same as a healthy person for a standard insurance plan.

More than 50,000 people nationwide, including 9,000 Californians, are enrolled. Levendoski, a San Carlos resident, pays a monthly premium of \$447.

“I’m on disability and barely able to pay that and my deductible,” she said. “But I’m extremely grateful to have it. I probably would have become a paraplegic without the last surgery.”

From Washington, D.C., to San Diego, millions of people already receiving new services from the Affordable Care Act are in wait-and-see mode until late June, when the U.S. Supreme Court is expected to decide the fate of the federal health care overhaul law.

Democrats and Republicans say lawmakers are making no contingency plans for the possibility the court could strike down part or all of the law as unconstitutional.

And if that happens, it’s even unclear whether existing programs would continue until their funding runs out, or be halted immediately.

Obama administration officials have taken their lead from the president, who said last month that he wasn’t spending much time looking at contingencies because he expects the law to be upheld.

“We are confident the law is constitutional and continue to devote energy into ensuring that the benefits of the law are applied to Californians and people across the country,” said Keith Maley, a spokesman for the U.S. Department of Health and Human Services said.

Having pushed for the law to be repealed or overturned, Republicans also are sitting tight.

“There have been no provisions made” for programs that have already started and have funding, said Fred Tayco, spokesman for Republican Rep. Brian Bilbray.

A key provision of the Affordable Care Act — the individual mandate that requires most Americans to have health insurance beginning in 2014 — is the central issue facing the Supreme Court. (The law provides subsidies to help middle-income people pay the premiums and expands Medicaid to include more lower-income Americans.)

During arguments in front of the Supreme Court in March, opponents of the mandate said that if it is declared unconstitutional, then the entire act should be struck down because Congress didn’t design the rest of the law to function without the mandate.

Attorneys for the federal government argued that the mandate is constitutional, but that if it is struck down then most of the rest of the law is unrelated and should remain standing. Federal attorneys argued that without the mandate, only two other provisions also should go: one banning insurers from refusing to cover someone with a pre-existing condition and another preventing higher premiums for people based on their medical history.

Still, a dozen provisions of the act were launched in 2010, with many aimed at requiring insurers to expand coverage. The new requirements included allowing parents to keep children on family policies until age 26, banning lifetime caps on coverage, exempting preventive health services from co-pays and deductibles, and banning insurers from denying coverage to children with pre-existing conditions.

The law also launched a 50-state, \$5 billion program called the Pre-Existing Condition Insurance Plan. The program provides insurance for adults who have been denied coverage because of an ongoing condition, with subsidies to keep premiums on par with standard policies. To date, 50,000 Americans, including 9,000 Californians, have enrolled.

The program would run until 2014, when the individual mandate starts. The idea is that once insurers have a large pool of new, healthy policyholders, they could handle the higher cost of insuring people with pre-existing conditions without raising their premiums.

#### STATE FUNDING RECEIVED

California has received nearly \$550 million in federal funding to operate the Pre-Existing Condition Insurance Plan through 2012, but funding hasn't been authorized for 2013, said Jeanie Esajian, spokeswoman for the program in California. "We don't have any reason to believe we're not going to be continuing to operate the program to its end date" in 2014, she said.

In 2011, many of the new provisions focused on Medicare reforms, including no co-pays for preventive care such as annual checkups, cancer screenings and health risk assessments; and a phased plan through 2019 to close the Medicare Part D "doughnut hole" — the gap between basic and catastrophic coverage when seniors must pay full price for a prescription. Pharmaceutical companies were required to discount brand-name drugs and federal subsidies would help cover the cost of generics.

This year, new provisions include using Medicare payments as leverage to push hospitals to improve quality, cut costs and publicly report more health outcomes.

In August, new insurance policies cover women's health services including checkups; screening for pregnancy-related diabetes and HPV; counseling on sexually transmitted diseases and domestic violence; and contraceptives without out-of-pocket charges.

#### SOME GROUPS EXEMPTED

Faced with protest from religious employers who provide insurance to workers, the law exempts religious groups from providing contraceptive coverage in employee health plans or subsidizing the cost of contraception. Instead, the cost of free contraceptive care is shifted to the insurance company the religious employer uses for its health plan.

California law already requires insurance policies with prescription drug benefits to include contraceptive services, with an exclusion for religious employers who meet specific criteria.

One experimental program new this year is Pioneer Accountable Care Organizations, which started in January with 32 health systems nationwide. Sharp HealthCare is a participant in the program, which is aimed at better coordinating a patient's care among between their doctors, the hospital and other providers. Accountable Care Organizations that meet certain quality measures and cost -savings get a share in those savings. Federal officials hope the program saves Medicare \$1.1 billion over five years.

"We're still going full steam ahead on the Pioneer ACO and the quality measures," said Sharp spokesman John Cihomsky. "We're not delaying anything that's required of us."

Meanwhile, insurers generally won't say what they will do if the Affordable Care Act is struck down.

"As long as the Affordable Care Act is on the books, health plans will continue to focus on successfully implementing the law so that it will meet the goal of reducing the ranks of the uninsured," said Patrick Johnston, president and chief executive of California Association of Health Plans. "It is premature to speculate about the Supreme Court's ruling or any scenarios should the law change."

Robert Zirkelbach, spokesman for the trade group America's Health Insurance Plans, said the national organization is focusing its efforts on emphasizing the "inextricable linkage" between the individual mandate and the act's requirements for expanding coverage.

"We are not going to speculate on what the Supreme Court will ultimately decide or what the industry will do in response to their ruling," he said.

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# CAPITOL WEEKLY

THE NEWSPAPER OF CALIFORNIA GOVERNMENT AND POLITICS

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## Fighting Brown's plan to eliminate Healthy Families

By Wendy Lazarus | 05/07/12 12:00 AM PST

Health care for nearly a million California kids hangs in the balance as the Senate completes its budget deliberations. Over the next two weeks, the Senate has an opportunity to do what the Assembly Budget Subcommittee did: protect kids from the elimination of California's Healthy Families Program.

Any Californian who cares about children ought to tune in to Governor Brown's proposal to terminate California's 14-year-old Healthy Families Program. One in every eleven California kids gets routine checkups, treatment when they are sick, and dental and vision care thanks to Healthy Families. The Governor has proposed to close the doors of the Healthy Families Program and transfer the nearly 900,000 children in Healthy Families into California's already overstretched Medi-Cal program.

The Governor proposes that this transition occur over a brief nine-month period, starting in October 2012. That's very little time to get Medi-Cal prepared to receive so many new kids and get them set up properly in a new health care program.

By any measure, Healthy Families is highly successful. The numbers speak for themselves—and they extend beyond improved health status. California children who are newly enrolled in Healthy Families have been shown to have a nearly 63% improvement in performance and paying attention in class. Studies also show Healthy Families has substantially improved kids' access to needed health care and produced meaningful improvements in their physical, mental, and social well-being.

Why, then, would anyone propose eliminating a program that has proven its effectiveness and is working so well for so many kids? The stated reasons are to save money (a projected \$64 million in FY 2012-2013, according to the Governor's budget) and to simplify state programs by having one less program for families to navigate. However, the nonpartisan Legislative Analyst reports that these anticipated savings are questionable at best.

With regard to program efficiency, families are already facing difficulties finding a doctor or dentist who will take their kids under Medi-Cal. So Medi-Cal needs to shore up the network of doctors for the children it already serves before stretching its capacity to add almost 900,000 more children. The Urban Institute, a well-respected national research organization, recommended against eliminating Healthy Families based on its independent analysis of the proposal with regard to access, ease of use for families, and uncertain impacts on kids.

What happens now? California policymakers will decide the fate of children who rely on Healthy Families in May and June as part of the state budget process. And as early as August, parents could begin receiving notifications of the upcoming changes. If past experience is any indication, these notices will cause immediate concern, confusion, and potential disruption of care for hundreds of thousands of kids.

Instead of this overreach that could hurt many children, leaders for kids have suggested a common sense, incremental approach. We recommend moving 200,000 of the approximately 900,000 Healthy Families kids into Medi-Cal—those kids who, based on the new federal health reform law, will be enrolled in Medi-Cal with their families by January 2014. As part of this more gradual shift, state leaders could and should take steps to ensure there are sufficient doctors and dentists to provide real access to care in Medi-Cal. Then, based on evidence of what is working best for kids over the next few years, well-informed decisions can be made regarding where the rest of the Healthy Families kids should be placed as health reform gets implemented in California. Doctors, faith leaders, United Ways, and many others back this incremental approach.

Since kids don't vote and don't have a lot of political clout, it's not surprising that relatively little attention has been paid so far to the proposed dismantling of a highly successful kids' health program. Kids face a huge risk that their vital interests will be overshadowed as legislative leaders and the Governor wrestle with budget decisions that involve far bigger dollars. Our state's littlest people deserve to have the rest of us watch out for their interests.

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Ed's Note: Wendy Lazarus is founder & co-president of The Children's Partnership. She has been an advocate for children, nationally and in California, for more than three decades.

Brown's proposal on child health meets strong opposition

Posted By [Dan](#) On May 8, 2012 @ 10:17 pm In [Associated Press, California Health Report](#) | [No Comments](#)

**By Daniel Weintraub**  
**California Health Report**

Gov. Jerry Brown's proposal to shift nearly 1 million children from subsidized private insurance into the state Medi-Cal program is running into a wall of opposition from children's advocates, health care providers and faith-based groups.

Brown included the proposal to eliminate the state's Healthy Families program in his January budget and is expected to stick with it when he releases his revised budget next week.

But the coalition of 40 groups opposing his plan is backing an alternative that seems likely to win more support among the Democrats who control the Legislature and will be writing the final version of next year's spending plan. The coalition includes Children Now, the Children's Defense Fund, the California Medical Association, PICO and many other groups.

The option backed by the coalition would preserve Healthy Families but move about 200,000 children between the ages of 6 and 18 into Medi-Cal next year.

Those children – from families with incomes below 133 percent of the federal poverty level – are already scheduled to be moved to Medi-Cal in 2014 as part of the implementation of the federal Affordable Care Act, if the health reform law passed two years ago survives a challenge pending in the US Supreme Court.

“We're concerned that the governor's proposal is being driven by questionable estimates of budget savings, rather than ensuring that these children get the best health services possible,” said Kelly Hardy, who monitors health policy issues for Children Now, a non-profit group.

“Without sufficient preparation, we think this could undermine the successful Healthy Families program as well as the health and welfare of the kids currently enrolled in Medi-Cal.”

Both Medi-Cal and Healthy Families are joint state and federal programs offered to low-income families, but they serve different populations in different ways.

Medi-Cal, which serves adults and children from families at or below the poverty level, serves some children through managed care plans and others with fee-for-service reimbursements to individual doctors and hospitals that agree to care for the poor. Families are not required to pay any premiums for their coverage. Generally, the federal government matches each dollar the state spends on the program.

Healthy Families is aimed at children up to 19 years old in families that don't qualify for Medi-Cal and have incomes up to 250 percent of the poverty level, or about \$46,000 for a family of

three. Families are given private insurance and pay premiums on a sliding scale, according to their income. The federal government provides \$2 for each dollar the state spends.

Because Medi-Cal rates are lower than what the state pays in the Healthy Families program, Brown is hoping to save about \$64 million next year by cutting rates paid to the managed care plans under Healthy Families in October and then shifting all of the children into Medi-Cal by the middle of 2013.

But the non-partisan Legislative Analyst's Office has suggested that Brown's hoped-for savings might be overly optimistic. The office also questions whether the move can be accomplished without disrupting care for the children involved.

One problem with the governor's proposal is that the managed care plans serving Healthy Families children now might not agree to a 25 percent reduction in their fees. That would leave those children without coverage until they could be transitioned into Medi-Cal.

But even once the affected kids are shifted to Medi-Cal, there might not be enough doctors to serve them. In many counties without managed care where Medi-Cal clients see individual doctors on a fee-for-service basis, there is already a shortage of participating doctors, which makes it difficult for people to get an appointment. Adding still more potential patients to that program could overwhelm it.

Hardy said it would make more sense to start slowly, moving only those children who are already scheduled to be shifted a year later as part of the Affordable Care Act.

"Then we need to do some rigorous evaluation about Medi-Cal's capacity to handle an influx of new kids, and sign up adequate networks of providers to handle those kids," she said. "We've been able to get a lot of weight behind the view that we should wait on the majority of the children."