

Edmund G. Brown Jr., Governor



The California Managed Risk Medical Insurance Board

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MEMORANDUM

DATE: May 22, 2013
TO: MRMIB Members
FROM: Jeanie Esajian 
Deputy Director for Legislation and External Affairs
SUBJECT: MRMIB Media Report for April – May 2013

Media inquiries increased over the last 30 days from previous reporting periods, with inquiries from *California Healthline*, the *Sacramento Business Journal*, *PBS* and the *Associated Press*. Media queries were on the issues of improved data utilization in the transition of Healthy Families Program subscribers to Medi-Cal, utilization of the Access for Infants and Mothers program, the transition of California PCIP subscribers to the federal PCIP and proposed legislation that affects California Public Records Act exemptions.

A news release on May 20 was issued during the reporting period on the transition of California PCIP subscribers to the federal PCIP.

Coverage during the period was on the PCIP subscriber transition, autism and dental services for HFP subscribers transitioned to Medi-Cal and the impact of the HFP transition, coupled with impacts of health care reform, on Ventura County agencies.

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.

NEWS FROM MRMIB

The Managed Risk Medical Insurance Board

May 20, 2013

For Immediate Release

Contact: Jeanie Esajian
916/324-0571

California's Pre-Existing Condition Insurance Plan Will Transition to Federal Program July 1

Subscribers in California's Pre-Existing Condition Insurance Plan will be transitioned to the federal government's plan on July 1, in a move to manage PCIP costs nationwide.

This decision by the Centers for Medicare and Medicaid Services ensures that California's PCIP subscribers will continue to receive benefits until the state's health benefit exchange, Covered California, becomes operational January 1, 2014.

"We have had a very positive collaboration with CMS in the opportunity to design and implement this important program for uninsured Californians with pre-existing conditions," said Cliff Allenby, chairman of the Managed Risk Medical Insurance Board, which oversees California's PCIP. "While this will be a change for our subscribers, it is a positive one in that it ensures their health coverage through year's end."

MRMIB staff will work closely with CMS to assure a smooth transition and will send subscribers an official Notice of Transition before May 31, 2013. A confirming Enrollment Letter from the National Finance Center with instructions on how to activate enrollment will be sent to subscribers by CMS on or about June 10. Both MRMIB's PCIP website, www.pcip.ca.gov, and the federal government's PCIP website, www.pcip.gov, will be updated to reflect the transfer.

Both the MRMIB and CMS subscriber notices will provide the toll-free number for the federal PCIP, 1-866-717-5826, which is operational Monday through Friday from 5 a.m. to 8 p.m. The federal PCIP TTY number is 1-866-561-1604.

California's PCIP opened for business on October 25, 2010. Although being the last state in the nation to begin PCIP operations, the state's program quickly became the largest in enrollment in the nation and currently has 17,177 subscribers. A total of 23,156 California's benefitted from PCIP coverage since its inception. California was among 27 states operating its own PCIP as a contractor to the federal government. The other 23 states were provided PCIP through the federally administered program.

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MRMIP

HFP

AIM

PCIP

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Sacramento Business Journal

May 21, 2013

California pre-existing condition plan transitioning to federal program

Kathy Robertson

Senior Staff Writer- *Sacramento Business Journal*

In a move to manage costs nationwide, thousands of people enrolled in California's Pre-Existing Condition Insurance Plan will transition to the federal government's plan on July 1.

The Affordable Care Act authorized the feds to spend \$5 billion on the program nationwide over the three-year gap until the launch of health insurance exchanges in 2014, but money is getting tight.

Beginning next year, health plans have to insure all takers, regardless of health condition, so the program will no longer be needed.

Movement of enrollees in the 27 states that run their own programs into the federal pool will ensure continued coverage through the end of the year. Beneficiaries in the other 23 states have been insured by the federal program all along.

The California plan is run by the Managed Risk Medical Insurance Board in collaboration with federal officials. California consistently reported the highest enrollment among state programs nationwide. There are 17,177 subscribers currently enrolled.

"While this will be a change for our subscribers, it is a positive one in that it ensures their health coverage through year's end," MRMIB chairman Cliff Allenby said in a news release.

Coverage may be more expensive though.

There are some significant differences between out-of-pocket costs in California and the federal standard. The annual deductible for in-network care in California is \$1,500, for example. The federal in-network deductible is \$2,000.

Enrollees will be notified of the upcoming change by the end of the month. A letter confirming enrollment in the federal program will come from the federal Centers for Medicare and Medicaid Services on or about June 10.

Tuesday, May 21, 2013

Administrative Change for High-Risk Subscribers

by David Gorn

The Pre-Existing Condition Insurance Plan (PCIP), a federally-funded, state-run interim program, is moving from state to federal oversight for the rest of the year.

A high-risk pool for people unable to secure health care insurance under pre-Affordable Care Act rules, PCIP is temporary because the new federal reform law prohibits insurers from denying coverage based on pre-existing conditions.

Now the "state-run" part of that program is also on its way out, as California will shift control and management of the program to federal officials, according to administrators at the Managed Risk Medical Insurance Board (MRMIB), which currently runs PCIP in California.

"It's important for subscribers to understand what is happening," MRMIB executive director Janette Casillas said. "They will be transitioning to a federal program for the last six months of the year."

Federal officials made the move to cut costs nationally, and make sure all PCIP provider rates are set at Medicare reimbursement levels.

Federal officials ended new enrollment in PCIP starting on Mar. 3. Existing enrollees are still covered, however, and will be till the end of 2013, Casillas said.

"Subscribers will get a notice from us first," Casillas said. That notification will go out this week. "Then the federal government will be sending them a welcome notice in mid-June. Then CMS will take over providing health care services starting July 1," she said.

The federal move ensures that California PCIP enrollees will receive services until the changeover in 2014 to Covered California, the state's health benefit exchange.

California has the largest pool of PCIP subscribers in the nation, about 17,000

Autistic children losing services in state health insurance transition, parents say

By Sandy Kleffman

skleffman@bayareanewsgroup.com

Posted: 04/28/2013 04:00:00 PM PDT

Updated: 04/28/2013 04:45:46 PM PDT

When 4-year-old Catalena DiBattista learned her autism therapist would not return, her lips began to quiver and her eyes welled with tears.

"She was very sad" before the service was temporarily restored, said her mother, Pamela. "She loves Miss Alana."

She and other parents of autistic children have been on a roller-coaster ride since the state began transitioning to Medi-Cal some 860,000 children who received low-cost health, dental and vision care through its soon-to-be-defunct Healthy Families program. The shift is expected to save California nearly \$64 million this year.

While the number of families affected is small, their plight underscores the huge changes on the horizon for health care consumers as they navigate ongoing state and federal health care reforms.

Parents say they were promised the move would not disrupt services for autistic children.

But many now say they feel betrayed after weeks of conflicting or unclear answers about whether their children can continue a popular and effective therapy, applied behavioral analysis, that can cost \$20,000 to \$50,000 a year.

Catalena's therapy has been discontinued and restarted twice -- and is now scheduled to end again Tuesday.

"It's been a nightmare," said Karen Fessel, executive director of the Lafayette-based Autism Health Insurance Project, which helps families obtain coverage. "Nobody's been able to give them straight answers."

A coalition of children's advocacy groups has asked the state to suspend the transition, planned in phases throughout the year, until this issue is resolved. "The parents that we've talked to are just beside themselves -- this is a matter of their child being able to function in the world," said Kelly Hardy, director of health policy for Children Now, an Oakland-based national advocacy group.

The behavioral therapy methods vary but typically involve intensive one-on-one sessions to teach social and behavioral skills using rewards and, often, play therapy. Many children make great progress, particularly when young, but that window can close as they age, experts say. That is why disruption in services so upsets parents.

"You can miss the window of opportunity entirely," said Kristin Jacobson, co-founder and president of Autism Deserves Equal Coverage, based in Burlingame.

It's difficult to estimate how many children could be affected. Advocates say 200 statewide were told they will no longer be eligible for the therapy, and about 400 children receive it through Healthy Families. A state agency spokesman said it was trying to determine the number affected.

All told, about 10,000 children with an autism spectrum disorder are in the Healthy Families program and many may seek behavioral therapy at some point, Jacobson estimated.

On April 22, Health Care Services director Toby Douglas told a legislative committee that although the therapy is not covered in Medi-Cal managed care plans, parents can reapply for it through the 21 regional centers that the state contracts with to coordinate services for people with developmental disabilities.

Because of stricter regional center criteria, however, Jacobson estimates that as many as three-fourths of autistic children will not be eligible for behavioral therapy. That leaves parents with few or no options because most cannot afford the costly therapy.

Tony Cava of the California Department of Health Care Services said the state is working to ensure children get the care they need.

Catalena improved significantly since beginning therapy in July, her mother said. Her speech blossomed and she is learning better ways to deal with what can be three-hour tantrums.

In a moment DiBattista will never forget, about a month ago Catalena called her "Mommy" for the first time without prompting.

"She wanted to show me her art project that she was very proud of," her mother said. "I was in tears. I dropped the broom and hurdled over a chair."

Shortly before she turned 3, Catalena was diagnosed with a milder form of autism known as "pervasive developmental disorder -- not otherwise specified." Regional centers typically don't provide behavioral therapy for children with this diagnosis, Jacobson noted.

With the recent disruptions in her therapy, DiBattista said she is seeing signs that Catalena is regressing. "She's started with the screaming and screeching again, and she's kind of stopped using her words."

Fourteen-year-old Owen Carlson of Livermore also has been diagnosed with pervasive developmental disorder. His mother, Alice Mayall, started pushing for behavioral therapy in July after hearing about a new state law requiring private insurers to cover it.

Owen was authorized to receive the therapy in mid-March, but Medi-Cal will not cover it and neither will the Regional Center of the East Bay.

Mayall said that on Jan. 1, a letter from the state told her: "Your child will continue to have all of the same services during this move. Your child's coverage will not be interrupted."

Added Mayall: "Someone was either knowingly dishonest or negligently dishonest."

Thursday, April 25, 2013

Autism, Dental, Mental Health Focus of Transition Concerns

by David Gorn, California Healthline Sacramento Bureau

Daniel Harris, age 4, is just one of 600,000. But he's an important one, and not only to his mom. Daniel is one of the first kids in California to have lost insurance coverage for certain health care services as a result of the state's transition from Healthy Families to Medi-Cal managed care.

Daniel has autism, for which he had been getting treatment through the Healthy Families program. His mom, Rachel Harris, said he was showing marked improvement in the applied behavioral analysis program.

"We were on a really good path with him," Rachel Harris said, "and we were starting to see improvements. It sounds like a small thing, but he could sit down long enough to play a board game. That's big for us."

"I don't know what we'd do without it," Rachel Harris said.

Under the first phase of the transition, 600,000 Healthy Families children were moved into Medi-Cal managed care plans. In the next transition phase, set to begin May 1, the remaining 260,000 children will be moved into managed care plans by the end of the year, according to [the state's timeline](#).

Healthy Families is California's Children's Health Insurance Program, and Medi-Cal is its Medicaid program.

Of the first set of beneficiaries who have transitioned, 207 families will not be able to receive autism services known as applied behavioral analysis -- or ABA therapy -- through Medi-Cal managed care plans.

Families transitioning from Healthy Families to Medi-Cal managed care could still qualify for ABA coverage, but not through managed care plans. California has contracted with private not-for-profit companies to operate 21 regional centers to provide or coordinate services for Medicaid beneficiaries with developmental disabilities, including autism.

However, regional centers have different eligibility criteria than Healthy Families. About three out of four kids getting ABA therapy in Healthy Families would likely not qualify at regional centers, according to autism advocates.

The loss of coverage for ABA therapy is the first indication that services have changed because of the transition. Some state officials and children's advocates are concerned about coverage for other services, particularly mental health services and dental care.

There is also concern that the Department of Health Care Services may be looking at an inaccurate picture of the transition because of incomplete feedback from beneficiaries.

Autism Treatment Just Getting Started

In 2011, California passed a law requiring that private health plans cover ABA therapy, effective July 2012. In September 2012, the Department of Managed Health Care issued an emergency regulation ordering Healthy Families to also cover the service.

An estimated 10,000 kids in Healthy Families have autism, but only about 400 had started receiving ABA therapy by Jan. 1, 2013, the day the state began to dismantle Healthy Families.

Kristin Jacobson, co-founder and president of Autism Deserves Equal Coverage, a not-for-profit advocacy group, said, "There's another 9,600 children, roughly, who were in Healthy Families and may have qualified for ABA treatment who aren't getting it now at all."

ABA therapy is intensive and costly, \$20,000 to \$50,000 a year, according to Jacobson. She said the therapy is "cost-effective in the long run, but the short-term cost is what DHCS is looking at here."

If the state extended the ABA benefit to all 10,000 Healthy Families children who might qualify for it, that would be an additional cost of up to \$500 million a year.

"That's a big incentive, short-term, for the state to deny services," Jacobson said.

According to Toby Douglas, director of DHCS, it's not about denying autism services, it's about what is allowable to ask Medi-Cal managed care plans to cover.

"Under Medi-Cal, autism is a carved-out benefit. It's not part of Medi-Cal managed care," Douglas said.

Dental Concerns Center on Lower Reimbursement Rates

Access to dental care is a different kind of looming problem, said Kelly Hardy, director of health policy for Children Now, an advocacy organization. The issue, she said, is that coverage under Medi-Cal managed care has a lower provider reimbursement rate than the Healthy Families program did.

"Healthy Families dental providers aren't willing to make the switch over because it doesn't pay well," Hardy said. "There's very little incentive for them when there isn't enough payment to keep the lights on."

According to Hardy, the Medi-Cal rate is about 40% of dentists' usual and customary rate. "Healthy Families paid a little better, between 50% and 60% of the usual rate. Also, Healthy Families is better for them in terms of the paperwork, and it's easier to deal with."

DHCS officials have determined there will be enough dentists to handle the demand.

"Our assessments indicate that network adequacy for all dental plans is sufficient," said Norman Williams, deputy director of communications for DHCS. "We expect that our dental managed care plans will continue to improve and meet expectations for providing quality dental care to Medi-Cal members."

DHCS' prediction of an adequate network may be off, according to Hellan Roth Dowden, project manager for Teachers for Healthy Kids, because many of the providers who accept Medi-Cal patients only see them on a part-time basis. She said more surveys need to be done to properly evaluate whether children are actually getting care.

"There's little evidence-based data on what's happening with these kids," Dowden said. "We still have many concerns about how this is going."

Number of Kids Getting Mental Health Treatment Questioned

At a board meeting last week of the Managed Risk Medical Insurance Board, which oversees the Healthy Families program and has been involved in its transition to DHCS, concerns were raised about some of the numbers around the transition.

"The numbers that the department calls out appear to be quite understated," said Janette Casillas, MRMIB's executive director.

For instance, she said the number of children getting mental health care seems lower than the Healthy Families numbers.

"Most mental health services go through our health plans," Casillas said. "Only those children who have or are suspected to have SED diagnoses -- that is, seriously emotionally disturbed diagnoses -- those children are served at the county health departments. But the majority of mental health-type services are provided in our health plan. And the number of children they've noted, 418, is actually quite low."

MRMIB board member Richard Figueroa asked Casillas to clarify: "Are you saying the amount of prior authorizations [in Healthy Families] don't match on the approval side, the Medi-Cal side?"

"Yes," Casillas said. "There are certainly many more in our [mental health] program than 418 children."

In a written response, DHCS spokesperson Williams said:

"It is important to note that the reported numbers of unique children served do not represent the actual number served and do not represent mental health services provided through Medi-Cal

managed care plans. The numbers as currently reported are under-representative because there is a time lag between the time a mental health plan service is rendered and when the claim is submitted to Medi-Cal. Mental health plans have 12 months from the month of service to submit a claim, although most mental health plans submit claims before the 12-month limit. Until claims submission is complete or nearly complete for a given month, any data reported will under-represent the number of beneficiaries served by mental health plans."

Casillas also said the extremely low number of complaints being logged over the transition doesn't seem to add up. In the normal course of business at Healthy Families, she said, there are concerns and complaints from beneficiaries, and that level of grievance would likely rise with a complicated transition.

Getting complaint and grievance feedback is important, Casillas said, so the department can know just where to direct its attention. "We may not be using every data source that's available," Casillas said. "It's important to understand where we need to allocate our resources."

One possible data source, Casillas said, is the health plans. Because much of the written material sent to beneficiaries includes the suggestion to contact health plans with any questions, it's likely that many complaints or service issues would show up at the plan level. Casillas said phone volume data from health plans are missing from the state's reports.

Continuity of Care Concerns Advocates, Parents

Overall, the Healthy Families transition has gone relatively smoothly, given the large number of children being moved to Medi-Cal managed care, Jacobson said.

"While they're saying that 0.1% of Healthy Families' [beneficiaries] have had difficulty with this transition, I would say 100% of people with autism have had difficulty with this transition," Jacobson said. "We can't lose this entire population to some kind of rounding error."

For Rachel Harris, the question is not over policy or politics, it's over how she's going to get her son access to a therapy that has shown promise.

"Since those services were cut off [on April 1], we've seen a regression already," she said. "There's an increased level of aggression. He bit his younger brother. He jetted out into a parking lot."

Rachel Harris said it's difficult being a parent of a kid with autism "because you come to the humbling realization that you can't give them everything they need," she said. "I need help. I need to figure out what will help Daniel, we need to learn this treatment and implement it at home. I'm hopeful we will get these services reinstated, in some way. It's going to be devastating to us, and to other families, to not have this therapy."

Monday, April 22, 2013

Complaints, Specialty Services at Issue in Healthy Families Transition

by David Gorn

State health officials said some of the official numbers may be a little low in monitoring the transition of children from Healthy Families to Medi-Cal managed care plans.

At last week's meeting of the Managed Risk Medical Insurance Board, MRMIB executive director Janette Casillas said that, having overseen the Healthy Families program for so long, she sees some anomalies when looking at recent transition-monitoring numbers from the Department of Health Care Services.

"My observation in reviewing the monitoring is that the data appears to be understated," Casillas said, referring to the low number of complaints and grievances DHCS has reported it received during the transition. Casillas said the few complaints received by the department could mean the bulk of complaints are going elsewhere.

"I know, just from running the children's program, you get complaints of all sorts. And if you look at the [written DHCS] material, they always say if you have questions, call your health plans," Casillas said. "But what's missing is the phone volume from the health plans. That's a good data point that's not in these reports, and we need to see: Are there areas where we need to devote more resources?"

Casillas said she has always been impressed by the help desk at the Department of Managed Health Care, and its ability to code the complaints it receives. She suggested those methods could be used by health plans.

She also said the number of children receiving autism, dental and mental health services seems low. Given the more than 600,000 children who have made the transition so far, there should be more than 418 of those children receiving mental health services, Casillas said.

"The numbers that the department calls out appear to be quite understated," she said. "... The majority of mental health-type services are provided in our health plan, and the number of children they've noted -- 418 of them -- is actually quite low."

Rene Mollow, deputy director of benefits and eligibility at DHCS, said the department has conducted a beneficiary survey as a CMS requirement of approval, and it will continue to expand on those survey results, which were generally positive, she said.

"I do appreciate the comments [at the MRMIB board meeting]," Mollow said. "We take very seriously the work to transition the Healthy Families kids." For the survey, she said, "about 10,000 calls were made, but we didn't get a lot of responses on that. The survey will be an ongoing process. It is something required of us, and we are doing that."

As for the concerns about access to specialty services, "We have been working hard to follow up in terms of health care services," Mollow said. "In terms of autism, we are continuing to get new information and a better assessment of what services they're getting. This issue is very important to us."

Casillas said "My concern is, we may not be using every data source that's available to us. It's important to understand where we need to allocate our resources."

VENTURA COUNTY STAR

County agencies readying for health care reform deluge

By Tom Kisken
April 21, 2013

Nearly 50,000 more Ventura County residents people could receive Medi-Cal services under federal health care reform in a deluge starting Jan. 1, county officials projected Tuesday.

The expansion of the state and federally funded program for low-income residents means Medi-Cal in the area could grow from 113,000 residents to 150,000 or 160,000 by the middle of 2015, officials told the county Board of Supervisors in a session on the Affordable Care Act.

Open enrollment in the insurance marketplace created by reform — Covered California — begins in October and lasts six months. During that period, as many as 1,000 people a month could come to a county Human Services Agency site a month to sign up in addition to those who enroll directly through Covered California, said Barry Zimmerman, human services agency director.

The Affordable Care Act was signed into law three years ago and has already brought changes that allow parents to cover adult children longer and stop insurance companies from revoking coverage retroactively. The biggest provisions start Jan. 1. They include a ban on denying coverage based on pre-existing conditions, government subsidies to defray coverage costs and mandates on people and many businesses to obtain or provide coverage or face fines.

Zimmerman and Dr. Bob Gonzalez, director of the Ventura County Health Care Agency, told supervisors they were preparing for the flood of people who want coverage and care. Zimmerman cited staff increases designed to handle increase Medi-Cal enrollment. Gonzalez talked about improvements and expansions to the county's network of hospitals and clinics.

Supervisor Kathy Long urged the agencies to continue their efforts, work closely with each other and focus on informing the public on what's coming.

"The pressures on us are tremendous," she said.

The Ventura County Health Care Plan, which covers county employees and is run by the health care agency, has applied to be one of a handful of plans sold on the Covered California exchange to area residents. Gonzalez said a decision on the application should come in the next two months.

Reform also means about 12,000 people covered by the county's Access Coverage Enrollment program, known as ACE, will be transitioned to other insurance programs. Most of them will end up in the expanded Medi-Cal system.

In California, the Healthy Families program that covered children not previously eligible for government insurance is being eliminated. In Ventura County, that means about 20,000 children will be transitioned to Medi-Cal in August.

"We're getting there," Zimmerman said of preparations. "There's a lot of unknowns."

One unknown is how many people will decide that even subsidized coverage is too expensive. Projections from UC Berkeley and UCLA estimated as many as 70,000 of 100,000 uninsured people in Ventura County could remain uncovered despite the Affordable Care Act.

County supervisors worried that Covered California enrollment efforts, according to Zimmerman, could at least initially rely heavily on phone calls rather than online systems. They also urged county agencies to keep up their preparations for reform and help people through the transition.

"The public is going to be very confused," said Long.

