

The Managed Risk Medical Insurance Board 2013-14 Governor's May Revision Overview

The 2013-14 Governor's May Revision for the Managed Risk Medical Insurance Board supports services to improve the health of Californians. The Governor's May Revision for Fiscal Year 2013-14 provides a total of \$242,331,000 for all of MRMIB's programs. Of this total amount \$12,660,000 is for state operations and \$229,671,000 is for local assistance. Please note budget reflected below does not include any PCIP funding since California PCIP will transition subscribers to the Federally-Administered PCIP on July 1, 2013. At this time, MRMIB is not clear what PCIP funding will remain with MRMIB.

Total MRMIB 2013-14 Budget

MRMIB Budget by Fund Source*	
Fund Source	FY 2013-14
General Fund (GF)	\$21,936
Federal Funds (FF)	\$117,725
Special Funds and Reimbursements	\$102,670
Total Funds	\$242,331

MRMIB 2013-14 State Operations

State Operations by Program*		
Program Title	Program	FY 2013-14
HFP	40	\$9,861
AIM	20	\$1,046
CHIM	50	\$495
MRMIP	10	\$1,258
Total State Operations – All Funds		\$12,660

State Operations by Fund Source*	
Fund Source	FY 2013-14
General Fund (GF)	\$2,425
Federal Funds (FF)	\$7,912
Special Funds and Reimbursements	\$2,323
Total State Operations – All Funds	\$12,660

MRMIB 2013-14 Local Assistance

Local Assistance by Program*		
Program Title	Program	FY 2013-14
HFP	40	\$55,853
AIM	20	\$130,243
CHIM	50	\$1,884
MRMIP	10	\$41,691
Total Local Assistance – All Funds		\$229,671

Local Assistance by Fund Source*	
Fund Source	FY 2013-14
General Fund (GF)	\$19,511
Federal Funds (FF)	\$109,813
Special Funds and Reimbursements	\$100,347
Total Local Assistance – All Funds	\$229,671

*State Operations budget does not reflect the HFP staff transition to DHCS

*Dollars in thousands

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2012-13 Current Year

Healthy Families Program (HFP)

The budget continues to assume that MRMIB will receive MCO tax to remedy the shortfall for 2012-13. If the MCO tax is not extended, the Administration will secure a supplemental appropriation to fund the deficiency in the current year.

2013-14 Budget Year

Significant Budget Assumptions/Proposals

Healthy Families Program (HFP)

The budget continues to propose the transition of HFP children to Medi-Cal beginning January 1, 2013. There continues to be changes in the transition phases, however, the budget contains control language that allows transfer of funds between DHCS and MRMIB budgets to ensure adequate funding.

Major Risk Medical Insurance Program (MRMIP)

The budget includes \$31.8 million to cover MRMIP and GIP costs in the budget year.

Pre-Existing Condition Insurance Plan (PCIP)

Following federal direction received on May 13, 2013, California PCIP will transition subscribers to the Federally-Administered PCIP on July 1, 2013. Please note the front cover sheet does not include any budget for PCIP since it is not clear what PCIP funding will remain with MRMIB.

2013-14 Enrollment Levels by Program

Healthy Families Program (HFP)

Based upon the proposal to transition Healthy Families subscribers to Medi-Cal, HFP children will continue to transition into Medi-Cal and the transition will be completed by September 1, 2013. The AIM-Linked Infants will be transitioned to the Medi-Cal on October 1, 2013. Therefore, HFP year-end enrollment will be 0.

Access for Infants and Mothers Program (AIM)

For 2013-14, MRMIB projects a total annual enrollment of 10,223 subscribers. The May Revision assumes no caseload growth in the budget year over the current year based on the current caseload trends.

Major Risk Medical Insurance Program (MRMIP)

The Major Risk Medical Insurance Program continues the enrollment target of 7,000 for calendar year 2013. In addition, the subscriber premium share of cost is reduced for MRMIP subscribers effecting on January 1, 2013 due to AB 1526. As of March 2013, there were 5,828 MRMIP subscribers and 15 subscribers on the waitlist.

Pre-Existing Condition Insurance Plan (PCIP)

Following federal direction received on May 13, 2013, California PCIP will transition subscribers to the Federally-Administered PCIP on July 1, 2013. As of April 30, 2013, there were 16,847 PCIP subscribers.

County Children's Health Initiative Matching Fund Program (CHIM)

For 2013-14, MRMIB projects a total annual enrollment of 22,332 subscribers. The May Revision assumes no caseload growth in the budget year over the current year based on the information provided by participating counties.

Proposed Timeline of Transition of MRMIB Remaining Programs

- AIM-Infants: 1. AIM-Linked Infants between 200-250% FPL in Phase 1, 2, and 3 Counties Transition to Medi-Cal August 1, 2013 with Phase 3 Counties.
2. AIM-Linked Infants between 200-250% FPL in Phase 4 counties, will transition to Medi-Cal with Phase 4 on September 1, 2013.
3. AIM-Linked Infants between 250-300% of FPL in ALL Counties will transition to DHCS on October 1, 2013.
- MRMIB and DHCS will work collaboratively to draft a Title XXI State Plan Amendment to establish a CHIP program under DHCS for AIM-linked Infants.
- AIM Moms: AIM contracts expire January 1, 2014. MRMIB will continue to administer the AIM program for the mothers until June 30, 2014 and on July 1, 2014 the program will be transitioned to DHCS where DHCS will become the executor of the AIM contracts. MRMIB and DHCS will work collaboratively to develop any necessary federal approvals and state plan amendments.
- CHIM: ACA requires that all CHIP eligibility that existed prior to ACA must continue or be in violation of the CHIP MOE. Therefore, California will be required to operate CHIM in its current three counties. MRMIB will continue to administer the CHIM program until June 30, 2014 and on July 1, 2014 the responsibilities of CHIM will be transitioned to DHCS. MRMIB and DHCS will work collaboratively to develop any necessary federal approvals and state plan amendments.
- MRMIP: The Administration is not proposing to eliminate MRMIP at this time. MRMIP will stay with MRMIB and continue to run as it currently does and on July 1, 2014, responsibility for MRMIP will transition to DHCS. MRMIB in 2013-14 will have to work with Covered California in order to share data and provide notification to subscribers of their options on in Covered California. While the program will remain open in 2013-14, it is voluntary. Many current subscribers may seek coverage through Covered California or the private market.
- PCIP: Effective July 1, 2013 the state will no longer operate a state-run PCIP program on behalf of the federal government. Those in the state-run PCIP program will transition to the federal program from July 2013 through December 2013 at which time PCIP is expected to sunset. Beginning January 1, 2014 the population served by PCIP will transition to Covered California or the private market. The federal government will be responsible for the transition of PCIP subscribers to Covered California. MRMIB will conduct program closeout activities of the state-run PCIP until June 30, 2014 and on July 1, 2014 any remaining closeout activities of PCIP will be transitioned to DHCS.
- Board: The Board will continue to operate throughout FY 2013-14 to oversee the remaining transition of Phase 3 and 4 of Healthy Families as well as the AIM-linked infants. They will also oversee AIM, CHIM, MRMIP and the closeout of state-run PCIP throughout 2013-14. It is anticipated the Board will be dissolved effective July 1, 2014 with remaining program activities transitioning to DHCS.
- Staff: MRMIB is working with Covered California to help those staff that work on the PCIP program find employment at Covered California. Staff that remain at MRMIB

administering the ongoing programs through 2013-14 until closeout will be transitioned to DHCS effective July 1, 2014.

