





## Health Insurers Owed \$271 Million

by Angela Hart (Guest Contributor)

May 31, 2013

State officials this week said the Healthy Families program owes \$271 million in services already provided by its network of 20 health care insurers and the program needs legislative help to fix the problem.

Healthy Families' overall shortfall is projected to be \$366 million for the year, a deficit caused by expiration of the managed care organization tax in December. Last week, the Senate budget subcommittee on Health and Human Services delayed a vote on the MCO tax.

"The Legislature failed to extend the MCO tax, therefore MRMIB did not have sufficient cash to pay for the Healthy Families program invoices," said Tony Lee, deputy director for administration at the Managed Risk Medical Insurance Board, which oversees the Healthy Families program. Lee spoke Wednesday at the monthly MRMIB board meeting.

"MRMIB has contacted all of our Healthy Families program plans as well as our administrative vendors to let them know that payments would be delayed while MRMIB works with the [Brown] Administration to seek remedy," Lee said.

Movement likely will come in the next few weeks, as the Legislature and the governor hammer out details of the budget. Managed care organizations have said they would support an MCO tax if the money funds Medi-Cal programs. The Brown Administration has been pushing for MCO revenue to go into the general fund, which funds Medi-Cal as well as other state programs.

Roughly 860,000 Healthy Families children are being transitioned to Medi-Cal managed care plans. Since the four-phase transition started in January, 614,224 children have made the switch to Medi-Cal managed care. Healthy Families enrollment is currently 154,069 children, according to MRMIB officials. Many families disenrolled or were dropped from the program for non-payment, MRMIB officials said.

Board member Richard Figueroa said one of the most pressing issues now for MRMIB is to oversee as smooth a transition as possible.

"We're trying to make sure children transition appropriately," Figueroa said. "And we're doing whatever oversight we can to ensure quality of care and access to care under the new program."

MRMIB executive director Janette Casillas said the agency is working hard to come up with a quick resolution of the payment problem.

"We have been working with the [Brown] Administration and the Legislature in resolving MRMIB's budget shortfall," Casillas said. "We are very appreciative of our Healthy Families plan partners and vendors for their patience as we collectively work toward a solution."

Elizabeth Abbott, director of administrative advocacy for **Health Access**, a not-for-profit legislative research and advocacy group, raised another Healthy Families issue at the MRMIB meeting this week. She said the state needs to communicate a specific provision about coverage more clearly to Healthy Families beneficiaries: Some patients can remain in their current provider network even if that provider does not accept Medi-Cal patients, Abbott said.

"If your child is undergoing a serious course of treatment, you can delay, because of the continuity of care issue, up to 12 months, and for a newborn, up to 36 months," Abbott said. "We think it's a really critical notice to give to families."

That information could be included in the 60-day notices sent out by the Department of Health Care Services, Abbott said.

"If you don't tell consumers about this provision, they are very unlikely to exercise this provision," Abbott said. "It's really important."

San Francisco Chronicle

## Laura Shumaker

Writer and Autism Advocate



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### Autism in California: A proposed fix for the the MediCal insurance gap

About a month ago, I reported that there was a glitch in the system that prevented children covered by MediCal from getting ABA therapy.

I have an update:

#### The Problem:

Over 200 children with autism spectrum disorder (ASD) transitioning from Healthy Families to Medi-Cal were informed that they were no longer be able to access critical behavioral health services once transferred to a Medi-Cal health plan. Their services were abruptly discontinued. Families who called the state's help lines have been unable to resolve the problem and access these services.

#### The Proposed Fix:

A Senate subcommittee last week proposed a **\$50 million solution** to temporarily address the lack of coverage for ABA under **Medi-Cal**. The new proposal would appropriate \$50 million to make sure Medi-Cal children with autism are able to receive applied behavioral analysis treatment – known as ABA therapy – through the end of 2013. The assumption is that ABA therapy will be available as an essential health benefit under the Affordable Care Act starting in 2014.

"Clearly this item is to bridge a gap of service," said **Sen. Bill Monning** (D-Monterey), chair of the Senate Budget Subcommittee on Health and Human Services, at a hearing last week.

Medi-Cal covers autism services through contracted regional centers around the state, but the eligibility criteria to receive ABA therapy is much more stringent than under the Healthy Families plan. An estimated 75% of children who were eligible under Healthy Families would not qualify for the same services under Medi-Cal. The percentage who do qualify may be even lower than 25%, according to **Melissa Cortez-Roth**, legislative advocate for Autism Speaks. "Not everyone who qualifies for Healthy Families who will be losing coverage qualifies for coverage at a regional center," Cortez-Roth said. "Only a fraction of those children qualify for the regional centers."

**Toby Douglas**, director of the Department of Health Care Services that has orchestrated the Healthy Families transition, said the Senate subcommittee's plan might be difficult to implement. "We do just want to raise a couple concerns," Douglas said. "First of all, we are concerned about the fiscal estimate. Given that this needs to be built into the plans, this would have to be built into the plans' rates. ...We are concerned it may underestimate the cost for our plans." The second concern, Douglas said, is timing. "Any change to our plans requires contractual changes,

as well as building in the rates," Douglas said. "And we need to get approval from our federal partners, including amendments to our 1115 waiver to add this benefit, which will take several months." Douglas said July 1 was not "a realistic implementation date."

The state's Department of Finance raised similar concerns. "As this proposal is unfunded, we have some concerns about the impacts it will have on the general fund reserve," said Scott Ogus, representing the finance department. "We're concerned about the capacity of the reserve to absorb this significant augmentation of expenditures." According to **Dan Chick**, director of government affairs at Health Net, the Medi-Cal managed care plans may not have enough providers in-network to handle the proposal. "Whether we even have enough ABA providers in our network, I will go and check on that, but it is a bit concerning to know, if we don't have this type of network established, we would have to do so in such a very short period of time," Chick said. The trailer bill language passed subcommittee on a bipartisan 3-0 vote.

Stay tuned...

Posted By: Laura Shumaker | May 31 at 12:05 pm

## **Health insurance for high risk Californians to shift to federal program**

by: Helen Cutner

May 24, 2013

**There will be thousands of people in the state with serious medical conditions who will be affected.**

Beginning in July, there will be about 17,000 people with serious medical problems in California who will be shifting out of a state run health insurance stopgap program and into a federal plan.

**This will help to make sure that their coverage continues until the healthcare reforms become effective next year.**

This, according to an announcement that has been made by officials in the state. The state board responsible for overseeing the California Pre-Existing Condition Insurance Plan also stated that its participants would still be receiving benefits from the federal government until next year. At that point, the health insurance exchange in the state – called Covered California – will go into effect. The healthcare reforms from President Obama state that from that time, insurers will be required to accept all applicants.

**State officials will also be working with the Centers for Medicare & Medicaid Services to make sure everyone has health insurance coverage.**

The goal is to assist those who are not able to find health insurance coverage anywhere else until the healthcare reforms are implemented. This transition program will be critical to the financial and medical futures of many people who are currently considered to be uninsurable, that is, they have applied for coverage but have either been rejected due to pre-existing conditions, or they have been quoted astronomical rates.

According to the Managed Risk Medical Insurance Board chairperson, Cliff Allenby, "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." Allenby's organization is responsible for overseeing the health insurance plan for individuals with pre-existing conditions.

There are 18 total states in the country, California being one of them, in which the program has been temporarily taken on by the federal government until the start of 2014. The funding for those states was capped at \$5 billion, but they are now beginning to run low on funds because providing health insurance for those patients is a more expensive venture than had initially been predicted. The state law specifically said that no funds from California could be used to pay for the program.

**Inside Bay Area/Oakland Tribune**

## **Feds take over California high-risk insurance program**

Associated Press

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SACRAMENTO -- About 17,000 Californians with serious medical problems will be moved from a state-run stopgap health insurance program to a federal plan starting in July, ensuring they will have no break in medical coverage until the national health care reforms kick in next year, state officials announced this week.

The state board that oversees the California Pre-Existing Condition Insurance Plan said participants will continue receiving benefits from the federal government until 2014. That's when the state's health benefit exchange, known as Covered California, goes online, and insurers will be required to accept all applicants, regardless of medical history, under President Barack Obama's health care law.

State officials said they will work with the Centers for Medicare & Medicaid Services to ensure benefits for people who cannot get health care coverage elsewhere. The transition program has become a lifeline for the so-called uninsurables -- patients who applied for insurance but were turned down because of such pre-existing conditions as cancer or heart disease.

"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," said Cliff Allenby, chairman of the Managed Risk Medical Insurance Board, which oversees the pre-existing condition insurance plan, in a statement.

California is among 18 states in which the program is being taken over temporarily by the federal government. The money available to the states was capped at \$5 billion, but the pot is running out because the care for the beneficiaries turned out to be more costly than expected. California law also stipulated that no state money could be used in the program.

About 100,000 people participate nationwide.

While health coverage will continue, state officials said out-of-pocket costs could rise. For example, the state's annual in-network deductible is \$1,500 for each member but \$2,000 under the federal program. Preventive care and doctor's office visits are fully covered by both.

Starting next year, subsidized private insurance will be available through Covered California, and the state is working on an expanded version of Medicaid for low-income people. At the same time, virtually all Americans will be required to carry a health insurance policy or pay a fine.

