

Amended The Managed Risk Medical Insurance Board 2010-11 Governor's May Revision Overview

The 2010-11 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 2010-11 provides a total of ~~\$1,276,831,000~~ \$1,276,806,000 for all of MRMIB's programs. Of this total amount \$12,660,000 is for state operations and ~~\$1,264,171,000~~ \$1,264,146,000 is for local assistance.

Total MRMIB 2010-11 Budget

MRMIB Budget by Fund Source*	
Fund Source	FY 2010-11
General Fund (GF)	\$117,237
Federal Funds (FF)	\$788,686
Special Funds and Reimbursements	\$370,908 \$370,883
Total Funds	\$1,276,831 \$1,276,806

**Dollars in thousands*

MRMIB 2010-11 State Operations

State Operations by Program*		
Program Title	Program	FY 2010-11
HFP	40	\$9,804
AIM	20	\$1,054
CHIM	50	\$495
MRMIP	10	\$1,307
Total State Operations – All Funds		\$12,660

State Operations by Fund Source*	
Fund Source	FY 2010-11
General Fund (GF)	\$2,769
Federal Funds (FF)	\$7,333
Special Funds and Reimbursements	\$2,558
Total State Operations – All Funds	\$12,660

**Dollars in thousands*

MRMIB 2010-11 Local Assistance

Local Assistance by Program*		
Program Title	Program	FY 2010-11
HFP	40	\$1,100,828
AIM	20	\$126,023 \$125,998
CHIM	50	\$1,674
MRMIP	10	\$35,646
Total Local Assistance – All Funds		\$1,264,171 \$1,264,146

Local Assistance by Fund Source*	
Fund Source	FY 2010-11
General Fund (GF)	\$114,468
Federal Funds (FF)	\$781,353
Special Funds and Reimbursements	\$368,350 \$368,325
Total Local Assistance – All Funds	\$1,264,171 \$1,264,146

**Dollars in thousands*

Note: Amended to correctly reflect the budget appropriations. (5/27/10 version incorrectly reflected AIM funding needs rather than appropriation.)

2010-11 Enrollment Levels by Program

Healthy Families Program

For the May Revision, MRMIB projects a year-end total enrollment of 964,866 subscribers. This is an increase of 55,218 subscribers compared to the 909,648 projected subscribers for the current year May Revision. This increase in enrollment results in a budget year total growth rate of 6.1 percent over the current year.

Access for Infants and Mothers Program

For the May Revision, MRMIB projects a total annual enrollment of 10,979 subscribers. This is an increase of 197 subscribers compared to the 10,782 projected subscribers for the current year May Revision. This increase in enrollment results in a budget year total growth rate of 1.83 percent over the current year.

Major Risk Medical Insurance Program

There is no change to the funding level of \$34,566,000 in Proposition 99 funds compared to the 2009 November Estimate.

County Children's Health Initiative Matching Fund Program

For the May Revision, MRMIB projects a total annual enrollment of 1,505 subscribers. This is a decrease of 16 subscribers compared to the 1,521 projected subscribers for the current year May Revision.

2010-11 Significant May Revision Budget Decisions

Healthy Families Program

- Withdraws the proposal to eliminate HFP if the administration fails to obtain a higher level of federal funding.
- Discontinues the proposal to reduce HFP eligibility from 250% FPL to 200% FPL.
- Implements certain CHIPRA requirements resulting in the need for increased local assistance funding, requiring trailer bill language (TBL) and resulting in the need for additional positions and state operations funding. Specifically, the revised budget:
 - A. includes funding for additional local assistance costs associated with several federal of the Children's Health Insurance Program Reauthorization Act (CHIPRA) mandates which include the following:
 1. Medicaid Managed Care Standards
 - A. Encounter and claims database – for health and dental
 - B. External Quality Review Organization (EQRO)
 2. Quality Management & Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey.
 3. Application of prospective payment system to CHIP services provided by Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs).
 - B. Proposes CHIPRA related TBL that would:
 1. Allow the Board to impose any sanction on, and provide notice and hearings to, the plans;

2. Give MRMIB new statutory authority to provide enrollment options to health plans subscribers such as through an interagency contract with DHCS to provide benefits through Medi-Cal's fee-for-service system;
 3. Give MRMIB authority to enter into an inter-agency agreement with DHCS to use Medi-Cal's existing structure for payment of prospective payment rates to federally-qualified health centers (FQHCs) and rural health centers (RHCs); and
 4. Authorize plans to provide encounter and claims medical information and records back to January 1, 2006.
- Proposes the addition of eleven two-year limited term CHIPRA positions to support the implementation of the CHIPRA mandates.
 - Assumes that First 5 California Children and Families Commission (CCFC) will provide of up to \$81,400,000 to pay for health care services for HFP enrollees up to age 5 years through the end of 2010-2011.
 - Budgets the following from the Managed Care Organization (MCO) tax established by AB 1422, Chapter 157, Statutes of 2009, \$147,000,000 for 2009-10 and \$124,918,000 for 2010-11. MRMIB will use this amount and 2009-10 carryover of \$61,310,000 to reduce the need for General Fund support for HFP in 2010-2011. In addition, it now appears that up to an additional \$11 million in MCO tax may be available for MRMIB in 2010-11.
 - Moves the effective date of previously proposed premium increase of \$14 per child for Category B from July 1, 2010 to September 1, 2010 and proposes a premium increase of \$18 per child for Category C effective September 1, 2010. In addition, trailer bill language (TBL) is proposed that would establish the following premium schedule.

		Current Premium	September Premium Increase	New Premium
Category A	1 Child	\$7	+\$0	\$7
	2+ Children	\$14	+\$0	\$14
Category B	1 Child	\$16	+\$14	\$30
	2 Children	\$32	+\$28	\$60
	3+ Children	\$48	+\$42	\$90
Category C	1 Child	\$24	+\$18	\$42
	2 Children	\$48	+\$36	\$84
	3+ Children	\$72	+\$54	\$126

- Proposes to increase co-payments for emergency room visits from \$15 to \$50 and establishes an inpatient hospital co-payment of \$100 per day (\$200 maximum). The savings associated with these changes are achieved through a 2.2% reduction in rates paid to plans and will be effective February, 2011 contingent upon approval of a waiver by CMS and conforming co-payments in Medi-Cal. In addition, trailer bill language (TBL) is proposed that would implement this change.
- Continues to propose elimination of the vision benefit, but revises the effective date of the elimination of vision coverage as a benefit in Healthy Families from July 1, 2010 to September 1, 2010. In addition, trailer bill language (TBL) is proposed that would eliminate vision plan coverage.

Access for Infants and Mothers Program

- Withdraws the proposal to eliminate AIM if the administration fails to obtain a higher level of federal funding.
- Reduces funding for AIM due to the decrease in Cigarette and Tobacco Surtax Revenues (Proposition 99) in 2010-11. The funding provided is insufficient to fund caseload through 2010-11 even at existing plan rates. (MRMIB is negotiating plan rates now.) Therefore, the Board must consider closing to new enrollment effective May 1, 2011 or implement some other proposal to reduce costs or increase revenue. Historically AIM has had a surplus of \$1 to \$2 million that has been available for unexpected surges in enrollment or claims. Any balance remaining is carried forward and used to reduce the next year's funding need. With the reduced funding in 2010-11, it is unlikely that there will be any balance available to carry forward, thereby increasing 2011-12 funding needs as Proposition 99 revenues continue to decline.

Major Risk Medical Insurance Program

- Withdraws the proposal to eliminate MRMIP if the administration fails to obtain a higher level of federal funding.
- Provides \$34,566,000, the same amount proposed in January. This is more than the appropriation of \$33,387,000 in the current year because of an increase in penalties on health plans.