

**Managed Risk Medical Insurance Board
May 23, 2012, Public Session**

Board Members Present: Clifford Allenby, Chairperson
Richard Figueroa
Samuel Garrison

Ex Officio Members Present: Jack Campana, Chairman of the Healthy Families
Advisory Panel
Mike Wilkening, Designee for the Secretary of the
Health and Human Services Agency
Shelley Rouillard, Designee for the Secretary of the
Business, Transportation and Housing Agency

Staff Present: Janette Casillas, Executive Director
Terresa Krum, Chief Deputy Director
Ernesto Sanchez, Deputy Director, Eligibility,
Enrollment and Marketing
Jeanie Esajian, Deputy Director, Legislative and
External Affairs
Tony Lee, Deputy Director, Administration
Laura Rosenthal, Chief Counsel, Legal
Ruth Jacobs, Manager, Benefits and Quality
Monitoring
Mary Watanabe, Manager, Benefits and Quality
Monitoring
Muhammad Nawaz, Manager, Benefits and Quality
Monitoring
Amanda Evans, Manager, Administration
Loressa Hon, Manager, Administration
Sara Soto-Taylor, Manager, Eligibility,
Enrollment and Marketing
John Maradik-Symkowick, Legislative
Coordinator, Legislative and External Affairs
Maria Angel, Executive Assistant to the
Board and the Executive Director
Heidi Holt, Board Assistant

Chairman Allenby called the meeting to order at 10 a.m. The Board went into Executive Session and resumed Public Session at 11:31 a.m.

REVIEW AND APPROVAL OF MINUTES OF APRIL 19, 2012 PUBLIC SESSION

The Board approved the minutes of the April 19, 2012, meeting as submitted.

The April 19, 2012 Public Session Minutes can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_3_Public_Minutes_4_19_12_Final.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (Including Healthcare Reform & Budget)

Jeanie Esajian reported on Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity, including Healthcare Reform and Budget. She described a number of documents in the Board packet concerning Healthy Families Program providers, health insurance exchanges, the provision of uncompensated care, proposed changes to the Massachusetts health care reforms, Medicaid spending, prevention of avoidable chronic illnesses and the Children's Health Insurance Program.

Chairman Allenby asked if there any questions or comments from the Board or the audience. There were none.

The documents on the Federal Budget, Legislation, et al., can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_4_MX-7001N_20120523_152556.pdf

EXTERNAL AFFAIRS UPDATE

Ms. Esajian reported on Agenda Item 5, the External Affairs Update. The reporting period was a light one for media contacts with the top areas of interest being the Administration's proposals for Healthy Families and requests to interview subscribers in the Pre-Existing Condition Insurance Plan. Two news releases were issued during that period on the 2011 HFP Dental Quality Report and the launch of the PCIP Spanish language website in English and Spanish.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The document on the External Affairs Update is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_5_External_Affairs_Update.pdf

STATE BUDGET UPDATE

Tony Lee reported on Agenda Item 6, the State Budget Update. He reported on the 2012-2013 Governor's May Revise budget and noted that the version of his report provided at the meeting varies from the earlier version mailed to the Board

last week. The earlier version is available to the public upon request. The May Revise continues to propose a reduction in the PMPM (per-member per-month) rates paid to HFP health, dental and vision plans to equal the average Medi-Cal rate of \$83.91, beginning October 1, 2012. In January, this rate was proposed to be at \$76.86. The May Revise also continues to propose a transition of HFP children to Medi-Cal from October 1, 2012 through June 30, 2013. Under the proposal, beginning October 1, newly enrolled HFP children would go directly into Medi-Cal, with the exception of infants with family incomes above 250 percent of the federal poverty level. It is estimated that there will be approximately 3,800 infants during the budget year in this category. Mr. Lee provided a table to illustrate the transfer schedule. He said the previously-proposed premium and co-payment increases are no longer included in the budget. In addition, the proposal reflects a slight decrease in the Managed Care Organization tax funding available for the budget year.

The May Revise budget continues to propose transitioning MRMIB's other programs – Access for Infants and Mothers, the Major Risk Medical Insurance Program and the Pre-Existing Condition Insurance Plan – to the Department of Health Care Services beginning July 1, 2013. No details have been provided to date on how the transition will occur.

MRMIB's projects year-end enrollment in HFP to be 878,112, an increase of 5,200 or 0.6 percent over the current year. MRMIB projects steady enrollment for the remainder of MRMIB's programs except for PCIP. The May Revise budget funded by source showed slightly more than \$1 billion in total MRMIB funding, with \$15.8 million designated for state operations and the remainder for local assistance. If the Governor's proposed HFP rate reductions were not realized, local assistance funding needs would increase by nearly \$700 million. If only the "bright line" children, those from families with incomes up to 133 percent FPL (Federal Poverty Level), were transitioned to Medi-Cal, an additional \$500 million would be needed.

Earlier in the week, the Senate Budget Subcommittee voted two to one to reject the Administration's proposal to shift HFP children to Medi-Cal, as well as to reject trailer bill language requiring MRMIB to reduce HFP rates. Instead, the Subcommittee voted to adopt trailer bill language to shift HFP children up to 133 percent HFP to Medi-Cal beginning October of this year, which was the recommendation made last February by the Legislative Analyst's Office and similar to action taken by the Assembly last April. The Assembly has not yet acted upon the rate reduction proposal. The Senate Budget Subcommittee also voted three to zero to reject the Administration's proposed transfer of all MRMIB programs to DHCS and to eliminate MRMIB. The Assembly has not yet acted on these proposals.

Finally, Mr. Lee indicated that he had provided the Board with the Administration's new trailer bill language related to MRMIB and the CalHEERS project for the California Health Benefit Exchange.

Chairman Allenby asked if there were any questions or comments from the Board or audience. There were none.

Janette Casillas clarified that the document related to Agenda Item 6 is more comprehensive than the one originally mailed to the Board.

The MRMIB 2012-2013 Governor May Revise document is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_State_Budget_Update_5.23.12.pdf

STATE LEGISLATION

Update on State Legislation

John Maradik-Symkowick reported on Agenda Item 7.a, the Update on State Legislation. Staff is currently monitoring several bills that are on Suspense File in the Assembly Appropriations Committee. These bills will be heard the Thursday and Friday following the Board meeting and have until June 1 to pass out of their house of origin. Three bills in the Assembly Appropriations Committee Suspense File are of particular interest to the Board. AB 1526 by Assembly Member Monning would allow applicants to the Major Risk Medical Insurance Program to submit a letter from a licensed healthcare provider as proof of a pre-existing condition and would eliminate the annual and lifetime benefit limits without affecting subscriber rates. The Board currently has a support position on this bill. SB 961 by Senator Hernandez and AB1461 by Assembly Member Monning will be heard from the Appropriations Committee Suspense File as well.

The State Legislative Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_7.a_Legislative_Summary.pdf

SB 961 (Hernandez) and AB 1461 (Monning): Individual Market Guarantee Issue of Health Coverage

Mr. Maradik-Symkowick reported on Agenda Item 7.b, SB 961 (Hernandez) and AB 1461 (Monning): Individual Market Guarantee Issue of Health Coverage. As amended April 9, these identical bills would implement several insurance market reforms contained in the Affordable Care Act. Beginning in 2014, these bills would prohibit health care service plans and health insurers from imposing pre-existing condition exclusions and would require that they offer coverage on a guaranteed issue basis to all otherwise eligible individuals who apply, regardless of health status. These bills would further require health care service plans and insurers to use modified community rating for individual coverage, using only the factors of age, geographic region and family size when establishing premium rates. These bills also would require healthcare service plans and health insurers to limit enrollment to initial and annual open enrollment periods, as well as special enrollment periods resulting from triggering events, such as loss of coverage, marriage, birth, adoption or court order. The legislation also would specify that ACA-grandfathered plans are not subject to many of the requirements just described.

Mr. Maradik-Symkowick stated staff's recommendation that the Board support this legislation. He indicated that this legislation is likely to increase significantly the

number of Californians who are able to access affordable and comprehensive healthcare coverage, including currently uninsurable individuals with pre-existing conditions. Such an expansion would advance the mission of MRMIB and its legislative principles, adopted in March of 2006, regarding individuals with pre-existing conditions.

Chairman Allenby thanked Mr. Symkowick for his presentation and asked if there were any questions or comments from the Board or the audience. There were none.

The Analysis of State Legislation of SB961 and AB1461 can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_7.b_AB_1461_SB961_Analysis.pdf

PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE

Enrollment Report

Prior to reporting on Agenda Item 8.a, the PCIP Enrollment Report, Ernesto Sanchez said that staff was working on a request made last month by Board member Richard Figueroa for information on whether disenrolled MRMIP subscribers subsequently enrolled in PCIP. Mr. Sanchez said staff hoped to provide that information at the June Board meeting.

He also announced that Sarah Soto-Taylor had been appointed Assistant Deputy Director for the Eligibility Division.

Mr. Sanchez reported that, as of the day prior to the Board meeting, there were 10,683 subscribers enrolled in PCIP. In the month of April, nearly 1,100 new subscribers joined the plan. Nearly 12,000 subscribers have been enrolled since the program's inception. There were no major changes in demographics.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Enrollment Report is located at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_8.a_PCIP_Enrollment_Report_for_April_2012.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 8.b, the Administrative Vendor Performance Report. The administrative vendor met all performance standards for processing applications, eligibility determinations, forwarding applications to MRMIB and handling appeals, as well as the customer service performance standards for the toll-free line. The Administrative Vendor met all requirements for quality and accuracy of determinations and adjudications for the month of March. The Administrative Vendor processed one request for an independent external review within the required 30-day period. Subscribers have made two additional requests to date and will be reported on in the future.

Chairman Allenby asked if there were any questions or comments from the Board or audience. There were none.

The PCIP Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_8.b_PCI_P_Adv_Vendor_Board_Report_April_2012.pdf

Third Party Administrator Performance Report

Mary Watanabe reported on Agenda Item 8.c, the PCIP Third Party Administrator Performance Report. The TPA met all performance standards for the month of April 2012.

Chairman Allenby asked if there were any questions or comments from the Board or audience. There were none.

The PCIP Third Party Administrator Performance Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_8.c_TP_A_Performance_Report.pdf

Other Program Updates

No program updates were reported.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Mr. Sanchez reported on Agenda Item 9.a, the MRMIP Enrollment Report. A total of 128 new subscribers enrolled in the program during the prior month, bringing enrollment at the end of April to nearly 6,000. There is room for more than 2,000 additional subscribers in the program and enrollment is open. The report does not reflect any change in demographics. Mr. Sanchez also indicated that the MRMIP subscriber population tends to be slightly older than the PCIP subscriber population.

Chairman Allenby asked if there were any questions or comments from the Board or audience. There were none.

The MRMIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_9.a_MRMIP_Board_Report_Summary_for_April_2012.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 9.b, the MRMIP Administrative Vendor Performance Report. The Administrative Vendor met all performance standards for eligibility determinations and the toll-free line.

Chairman Allenby asked if there were any questions or comments from the Board or audience. There were none.

The MRMIP Administrative Vendor Performance Report can be found here:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_9.b_MRMIP_Adm_Vendor_Perf_for_April_2012.pdf

Semi-Annual Enrollment Estimate

Mr. Lee reported on Agenda Item 9.c, the MRMIP Semi-Annual Enrollment Estimate. He indicated that staff provided the Board with the latest PricewaterhouseCoopers analysis of MRMIP revenue, expenses and enrollments for fiscal year 2012-2013. MRMIP enrollment has declined slightly since the enrollment target was raised to 8,000 in May of 2011, due largely to the implementation of PCIP with its lower premiums and more generous benefits. In completing the analysis, PwC used the both the accrual and the cash basis. PwC indicates that, based on the accrual basis, MRMIP has the capacity for up to 11,000 subscribers during fiscal year 2012-13. However, based on cash basis analysis, PwC indicated the potential for a shortfall using the higher 11,000 enrollment figure unless additional revenues are collected. Since raising the enrollment cap to 11,000 would be a moot point, because enrollment has not reached the current cap of 8,000, PwC recommended MRMIB retain the 8,000 enrollment cap at this time.

Chairman Allenby asked if there were any questions or comments from the Board and audience. There were none.

The MRMIP Semi-Annual Enrollment Estimate is located here:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_9.c_MRMIP_Semi-Annual_Enrollment_Estimate.pdf

2011-12 Third Quarter Financial Report

Amanda Evans reported on Agenda Item 9.d, the MRMIP 2011-12 Third Quarter Financial Report. As of July 1, 2011, the fund balance was \$17.1 million. Revenues received so far total \$32.9 million, for a \$50 million balance. Actual expenditures through March were \$19.5 million for a current total balance of \$30.5 million. Ms. Evans indicated that projected expenditures are expected to be \$19.1 million, leaving a fund balance on June 30 of \$11.4 million.

Chairman Allenby asked if there were any questions or comments from the Board or audience. There were none.

The MRMIP 2011-12 Third Quarter Financial Report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_9.d_MRMIF_Financial_Statement.pdf

Other Program Updates

No Program Updates were reported.

HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT

Ms. Casillas indicated that there had been considerable activity, including the California Health Benefit Exchange's collaboration with the Department of Health Services and MRMIB. This communication and collaboration was around the Exchange's contracting for, and design of, the CalHEERS project, the new enrollment system. Given the timeframes and challenges in quickly implementing the system, the Exchange considered using the Federal Partnership Model. However, the model fell short of the Exchange Board's expectations, including its orientation toward consumers, so the Exchange is moving forward to design and implement CalHEERS. At its meeting the previous day, the Exchange Board had announced its expectation to submit a Level II grant by June 30, 2012. This grant would provide budget funding for the next year. However, it now appears that states have the option to request modification of existing Level I grants to support the next year's activities. Amending a Level I grant allows states to maintain eligibility for a subsequent Level II grant. The Exchange now expects to take this approach, which could yield an additional 25 percent more funding than the original Level I request.

At the previous day's meeting, the Exchange contractor, Ogilvy Public Relations, presented its draft Outreach and Education Report. The public may comment on this draft report using the Exchange Board's website. Ms. Casillas described the report as a broad analysis of how the Exchange could conduct outreach, including a broad media campaign and social media. The report contains a component on branding the Exchange as a new entity, and other components that would affect Medi-Cal and the Healthy Families Program. In addition to the branding component, the report discusses how individuals apply for coverage through Medi-Cal expansion for adults, the Medi-Cal children's program and Healthy Families. She said HFP is covered in the report, with analysis and recommendations.

Chairman Allenby asked whether these plans would change if the Exchange decided in the future to become a partner with the federal program. Ms. Casillas said she believed it would not, because of the various partnership options within the Federal Partnership Program. For example, the state could partner with the federal government on just the enrollment component, which would not affect outreach.

Ms. Casillas indicated that Richard Keith and Associates, a subcontractor of Ogilvy Public Relations, also presented a draft report, including recommendations, to the Exchange Board. The draft proposes a vision for the navigator and the assister programs, another area where MRMIB will likely offer input. She said the State would need to find funding for outreach and enrollment activities; some of those activities would be on behalf of HFP. Therefore, MRMIB continues to collaborate with the Exchange to determine what outreach will look like, how it will be funded, and what costs are attributed to MRMIB as opposed to DHCS. MRMIB also is continuing to share information about its experiences and lessons learned in outreach, enrollment, branding and media campaign activities.

Since both these reports affect MRMIB, Ms. Casillas recommended that the Board include discussion of these reports on its June 20 agenda. This would allow Board members to hear public comment that would assist them in guiding Ms. Casillas' input to the Exchange on the Board's behalf. Ms. Casillas told the Board that she notified Peter Lee, Executive Director of the Exchange, that the Board would hear public comment in order to guide MRMIB's input on issues relating to MRMIB's programs.

Going back to Exchange's modified Level I grants, Mr. Figueroa stated that asking for more funding would be preferable to asking for less, if there is a choice.

Ms. Casillas also reported that the AB 1296 stakeholder work groups led by DHCS met twice. MRMIB staff presented information on the data elements needed in the joint application and an HFP operational overview, including administrative vendor operations. DHCS is the lead agency on AB 1296 implementation. DHCS will hold three meetings in June to address presumptive eligibility in Medi-Cal, the annual renewal process and the application form. DHCS must report to the Legislature on these activities by July 2.

The Exchange will wait until its June 12 Board meeting to discuss the service center, which is similar to MRMIB program call centers. MRMIB is engaged with the Exchange on this activity because MRMIB operates call centers and wants to collaborate with the Administration and DHCS about what those services should look like under healthcare reform. MRMIB staff is also developing an assessment and recommendations about transitioning PCIP and/or MRMIP subscribers who are eligible for the Exchange, and will discuss this issue with the Exchange. MRMIB will make recommendations on timeframes, numbers and types of letters and how to best serve the population. The state currently has very little information about these individuals' income and family size. This process could involve transition of data fields, pre-population of the application, a postage envelope that goes straight to the Exchange, or other approaches depending on what works best. Staff will develop a recommendation and present these ideas to the Exchange.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Sarah Soto-Taylor reported on Agenda Item 11.a, the Healthy Families Program Enrollment and Single Point of Entry Report. At the end of April, 873,924 children were enrolled in the program, including 26,943 new subscribers. There were no notable changes in demographics from last month. Latinas continued to comprise the largest segment of the HFP population at 47.2 percent. Los Angeles County had the largest concentration of the HFP population at 25.3 percent, and 53.1 percent of applicants designated English as their spoken language. The Single Point of Entry processed a total of 24,214 applications last month through the Single Point of Entry, a decrease of 3,147 from the previous month. There were no

notable changes in the application statistics, with 65 percent of applications submitted on paper and nearly 35 percent submitted online through Health-e-App. A total of 74.9 percent of applications received at SPE were processed with Certified Application Assistants. Finally, 73.8 percent of applications received through SPE were forwarded to HFP.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP Enrollment and Single Point of Entry Report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_11.a_HFP_April_2012_Summary.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 11.b, the Administrative Vendor Performance Reports for the months of March and April. The administrative vendor met all performance standards in SPE, processing all applications at the contractual level and meeting all toll-free line performance standards. In HFP, the vendor also met all standards for eligibility determination, program reviews, appeals, data transmissions and the toll-free line standards. For March, the administrative vendor met all quality and accuracy performance standards in SPE, as well as in HFP for application screening, eligibility determination, adjudication of appeals and toll-free line standards.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP Administrative Vendor Performance Report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_11.b_HFP_Adm_Vendor_QA_2012-04.pdf

2011 Consumer Assessment of Health Care Providers and System (CAHPS) Survey, and Young Adult Health Care Survey (YAHCS) Results

Muhammad Nawaz reported on Agenda Item 11.c, the 2011 Consumer Assessment of Health Care Providers and System (CAHPS) Survey and the Young Adult Health Care Survey (YAHCS) Results. MRMIB monitors the quality of health care providers for more than 800,000 children annually. Additionally, using CAHPS, MRMIB also surveys member opinions on services received from the 24 HFP health plans. The last CAHPS survey was conducted in 2007. Funding was not appropriated for the survey for 2008, 2009 and 2010. However, funds became available in 2011 for both surveys based on the federal requirement to conduct the survey annually. The YAHCS survey, which MRMIB conducts, is not a federal requirement.

The CAHPS survey reports parents' opinions on the healthcare received by their children; YAHCS surveys adolescents aged 14 to 18 on their experience with their healthcare providers. No major changes were evident in comparing data results from the 2007 and 2011 CAHPS and YAHCS surveys. The CAHPS survey had a

57 percent response rate and the YAHCS survey had a 30 percent response rate. Overall, the 2011 CAHPS and YAHCS survey results showed increases in scores for the categories of “Getting Care Quickly” and “Customer Service” as compared to 2007. This may be attributed to the Department of Managed Health Care’s new Timely Access Regulation that became effective in January 2010.

CAHPS ratings were generally higher for HFP subscribers who did not have a chronic condition than for subscribers who had a chronic condition. Kaiser Foundation Health Plan was among the top five health plans overall, consistent with the 2010 HEDIS scores. While HFP subscribers with chronic medical conditions were generally less satisfied with the services they received and with their care, 87 percent were satisfied with their doctors’ communications. Ninety-one percent of families receiving services through California Children’s Services reported no problems obtaining treatment for their children.

A total of 5,811 teens responded to the YAHCS survey, with more than three-quarters, or 78 percent reporting satisfaction with the care they received. Nearly 92 percent of respondents reported that they never had a problem understanding their doctors, even though they spoke different languages from their doctors. A total of 78 percent of respondents said their doctor usually or always explained things in a way they could understand. Additionally, 54 percent reported receiving counseling and screening related to diet, weight and exercise. Approximately 18 percent reported receiving counseling and screening for prevention of risky behaviors and about the same percent reported receiving counseling and screening related to depression, mental health and relationships. Mr. Nawaz indicated that these two statistics were important information.

Although some CAHPS scores dropped from the last survey, most HFP subscribers reported general satisfaction with their health plan and providers. The CAHPS and YAHCS surveys results assist MRMIB by providing insight into the experiences and views of HFP subscribers. This survey information, coupled with other sources of data, helps MRMIB identify areas for improvement.

Historically, the surveys included 900 subscribers from each plan. However, because of the wide variation in plan enrollment, smaller plans were over-sampled and larger plans were under-sampled. A proportionate sample size to better represent the health plans’ population has already been selected for the 2012 survey.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP CAHPS and YAHCS Report is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_11.c.pdf

Approval of 2012-13 Health, Dental & Vision Plan Contract Amendments and Extensions

Ms. Casillas presented Agenda Item 11.d, Approval of the 2012-2013 Health, Dental & Vision Plan Contract Amendments and Extensions. Staff recommends

that the Board give the Executive Director the authority to extend the health, dental and vision plan contracts and the State-Supported Services contracts, and the authority to negotiate and approve these contracts as they are concluded. Ms. Casillas noted that implementation of the contracts and the benefit year would be delayed.

Chairman Allenby asked for a motion to adopt the four resolutions included in Agenda Item 11d, authorizing the extension of the Healthy Families State-Supported Services and health, dental and vision contracts listed in the attachments to the resolutions.

The motion was made, seconded and unanimously approved by the Board.

The Resolution Approving 2012-13 State Supported Services and Health, Dental & Vision Plan Contract Amendments and Extensions can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_11_d_H_FP_Resolutions.pdf

2012-13 Plan Coverage Area Grid

Agenda Item 11.e was not presented.

Designation of Community Provider Plans for 2012-13

Chairman Allenby said Agenda Item 11.f, Designation of Community Provider Plans for 2012-13, would require a motion to authorize the Executive Director to designate community provider plans for 2012-13 and report back to the Board at the June meeting.

The motion was made, seconded and unanimously adopted.

Update on Prospective Payments System (PPS)

Amanda Evans reported on Agenda Item 11.g, Update on Prospective Payment Systems (PPS). Ms. Evans said CHIPRA mandates supplemental reimbursement or wrap-around payments for Federally Qualified Health Centers, Rural Health Clinics and Indian Health Centers. The process includes an interim payment through claiming, with a final reconciliation or wrap-around payment that ensures the clinics are compensated for their costs. As part of that mandate, MRMIB was required to pay these claims retroactively to October of 2009. This process has been implemented and is underway. More than 839 claims were adjudicated and more than \$395,000 paid retroactively. More than 219,000 current year claims were processed and \$19.8 million paid for a total of approximately \$21.8 million.

Approximately 224 claims are currently in process of being denied or returned to the clinics for review or resubmission. Additionally, not all retroactive claims have been received. The plan is to process them as they are received. These retroactive claims will be accepted through June 30, 2012, at the same time that current claims are received. MRMIB is permitting this time frame to ensure that the clinics serving HFP children have plenty of time to submit the retroactive

claims. The wrap-around reconciliation process will begin in July and will be audited by DHCS.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. Mr. Figueroa commented on the amount of work involved in this project and Mr. Allenby indicated that this would not be a recurring workload.

CHIP Reauthorization Implementation

No CHIP Reauthorization Implementation updates were reported.

Other Program Updates

No Program Updates were reported.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Ms. Soto-Taylor reported on Agenda Item 12.a, the AIM Enrollment Report. At the end of April 2012, 7,135 women were enrolled in AIM. The largest ethnic group was Latinas, representing 35.8 percent of the population. Los Angeles County continued to represent the largest segment of the AIM population, at 29.4 percent. A total of 45.3 percent of AIM subscribers were enrolled in the Anthem/Blue Cross HMO.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_12.a_AIM_Apr_2012_summary.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 12.b, the Administrative Vendor Performance Report. The Administrative Vendor met all performance standards in the areas of eligibility determination, data transmission and operation of the toll-free line for April 2012. For March 2012, the administrative vendor met all quality and accuracy performance standards for eligibility determinations of AIM applications.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM Administrative Vendor Performance can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_12.b_AIM_Adm_Vendor_Perf_Apr_2012_Summary.pdf

2011-12 Third Quarter Financial Report

Ms. Evans reported on Agenda Item 12.c, the 2011-12 Third Quarter Financial Report. The beginning fund balance on July 1, 2011, was \$14 million. Projected revenues are \$54.8, for a total of \$68.8 million. Actual expenditures as of March 2012 were \$40.5 million, leaving a fund balance of \$28.3 million. Final quarter expenditures are anticipated to total \$17.3 million, which leaves an estimated fund balance of \$10.9 million.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

Ms. Casillas announced that Ms. Evans was the newly appointed Operations, Contract and Rate Negotiations Manager.

The AIM 2011-12 Third Quarter Financial Report is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_052312/Agenda_Item_12.c_AIM_Financial_Statement.pdf

Chairman Allenby asked if there was any further business to bring before the Board. Ms. Casillas said there was not.

The meeting was adjourned at 12:24 p.m.