

Legislative Actions on MRMIB Budget

Program	Issues	2012 Governor's May Revision	Senate Budget Subcommittee	Assembly Budget Subcommittee	Difference
HFP	Transition Healthy Families Program (HFP) to Medi-Cal	<p>The Governor's January Budget proposed to shift all HFP children into Medi-Cal over a nine-month period beginning in October 2012. Approximately 878,000 eligible enrollees would move to Medi-Cal in phases between October 2012 and June 2013.</p> <p>The updated estimates in the May Revision for the transition and rate reduction proposals result in a total savings of \$48.6 million General Fund savings (the January estimate was \$64.4 million General Fund savings).</p>	<p>Rejected. 2-1.</p> <p>On May 21, 2012, the Senate Budget Subcommittee voted to adopt placeholder trailer bill language to shift HFP children with incomes under 133% of the federal poverty level (or in families with Modified Adjusted Gross Income under 138% of the FPL) to Medi-Cal beginning October 2012.</p> <p>On June 8, 2012, subcommittee staff clarified that consistent with transition of only the bright line children to DHCS, funding for MRMIB was to be revised to include MCO tax for 2012-13 and a commensurate reduction in General Fund.</p>	<p>Rejected. 3-1.</p> <p>On April 16, 2012, the Assembly Budget Subcommittee voted to reject the Governor's January Proposal and adopt placeholder trailer bill language to shift HFP children with incomes under 133% of the federal poverty level to Medi-Cal.</p> <p>On June 8, 2012, subcommittee staff clarified that consistent with transition of only the bright line children to DHCS, funding for MRMIB was to be revised to include MCO tax for 2012-13 and a commensurate reduction in General Fund.</p>	No.
HFP	Healthy Families Plan Rate Reduction	<p>The Governor's January Budget required the Managed Risk Medical Insurance Board (MRMIB) to negotiate managed care health plan capitation rates for children receiving health care services in the HFP at a statewide weighted average capitation rate that is less than or equal to the statewide average capitation rate established by the Department of Health Care Services (DHCS) for health benefits for children up to age 19 in the Medi-Cal program.</p> <p>The updated estimates in the May Revision for the transition and rate reduction proposals result in a total savings of \$48.6 million General Fund savings (the January estimate was \$64.4 million General Fund savings).</p>	<p>Rejected. 2-1.</p> <p>On May 21, 2012, the Senate Budget Subcommittee voted to reject the proposal to reduce HFP plan rates.</p>	<p>Rejected. 3-0.</p> <p>On May 24, 2012, the Assembly Budget Subcommittee voted to reject the proposal to reduce HFP plan rates.</p>	No.
HFP	Healthy Families Program (HFP) Caseload Update	<p>The May revision reflects an increase in General Fund due to HFP enrollees selecting higher cost plans and increased program expenditures due to wraparound payments to Federally Qualified Health Centers and Rural Health Clinics (\$3.1 million increase in the General Fund). Costs also increased due to elimination of proposals to increase premiums and copayments.</p>	<p>Approved. 3-0.</p> <p>On May 21, 2012, the Senate Budget Subcommittee approved this change.</p>	<p>Approved. 3-0.</p> <p>On May 24, 2012, the Assembly Budget Subcommittee approved this change.</p>	No.

Program	Issues	2012 Governor's May Revision	Senate Budget Subcommittee	Assembly Budget Subcommittee	Difference
<b>HFP</b>	Managed Care Organization (MCO) Tax General Fund Offset – Technical Adjustment	The May Revision reflects an increase of \$2.6 million General Fund as a result of a reduction of managed care organization (MCO) tax revenue carryover from the current year.	Approved. 3-0. On May 21, 2012, the Senate Budget Subcommittee approved this change.	Approved. 3-0. On May 24, 2012, the Assembly Budget Subcommittee approved this change.	No.
<b>CHIM</b>	County Health Initiative Matching (CHIM) Fund Caseload Update	The May Revision reflects an increase to the CHIM Fund (\$15,000) and federal funds (\$29,000) as a result of a slight increase in program enrollment.	Approved. 3-0. On May 21, 2012, the Senate Budget Subcommittee approved this change.	Approved. 3-0. On May 24, 2012, the Assembly Budget Subcommittee approved this change.	No.
<b>AIM</b>	Access for Infants and Mother (AIM) Program Caseload and Funding Update	The MRMIB is no longer pursuing the option of using Medi-Cal's fee-for-service network. The May Revision includes adjustments to the AIM budget to reflect a shift of program funding from state funds to federal funds and a reduction in Prop 99 revenue transfers due to a decrease in program costs related to this policy change.	Approved. 3-0. On May 21, 2012, the Senate Budget Subcommittee approved this change.	Approved. 3-0. On May 24, 2012, the Assembly Budget Subcommittee approved this change.	No.
<b>MRMIP</b>	Major Risk Medical Insurance Program (MRMIP)	As a condition for obtaining federal funding for the Pre-Existing Condition Insurance Plan (PCIP), the state must appropriate the MRMIP annual funding of \$31.8 million.  Consequently, the May Revision requests an increase in Prop 99 funds (\$226,000) to ensure that this requirement is met.	Approved. 3-0. On May 21, 2012, the Senate Budget Subcommittee approved this change.	Approved. 3-0. On May 24, 2012, the Assembly Budget Subcommittee approved this change.	No.
<b>TBL</b>	Transfer of MRMIB Programs to the Department of Health Care Services and Elimination of MRMIB	The Administration proposes trailer bill language to eliminate MRMIB and transfer its programs to DHCS. Specifically, the Healthy Families Program would transfer to DHCS beginning October 2012. The remaining programs, the County Children's Health Initiative Program (CHIM); Access for Infants and Mothers Program (AIM); Major Risk Medical Insurance Program (MRMIP); and Pre-Existing Conditions Insurance Plan (PCIP) would transfer to DHCS effective July 1, 2013.	Rejected. 3-0. On May 21, 2012, the Senate Budget Subcommittee voted to reject this proposal. MRMIB will continue to oversee HFP as well as other programs.	Rejected. 3-0. On May 24, 2012, the Assembly Budget Subcommittee voted to reject this proposal. MRMIB will continue to oversee HFP as well as other programs.	No.