2006 California Children's Services Status Report

The California Children's Services (CCS) Status Report provides an annual update on Healthy Families Program (HFP) children who received services through the county CCS programs and the dollars spent on behalf of HFP children for CCS services.

Key findings from the data collected include:

1. HFP plans referred 9,764 HFP subscribers to the CCS program in FY 2005/06 (Attachment 1). Referrals as percentage of Plan enrollment have not significantly increased from FY 2001/02 to FY 2005/06

2. Annual expenditures for CCS related services to HFP subscribers have increased steadily since the HFP's inception, from $14.3 million in 2000/01 to $ 97.7 million in FY 2005/06.

3. The average cost per HFP/CCS active case increased from $1,730 in FY 1999/2001 to $4,502 in FY 2005/2006.

4. Treatment of malignancies, cardiac disorders, and coagulation disorders continue to represent the three highest expenditure categories and represent approximately one third of total expenditures for FY 2005/06.

5. The actual growth in average cost per HPF/CCS case from 2001-2006, with the exception of FY 2003/04 to FY 2004/05, has been much higher than the Medical Consumer Price Index (CPI) increases as reported by the U.S. Department of Labor - Bureau of Labor Statistics. The difference between the Medical CPI increases and the actual growth in the average cost of HFP/CCS cases ranges from 11% (FY 2002-03 to FY 2003-04) up to 46% (FY 2001/02 to FY 2002/03).

Background

Children enrolled in the HFP receive comprehensive services through licensed health, dental and vision plans. HFP children with certain serious health conditions are referred to the CCS program to receive health care related to the CCS condition. CCS conditions are established in statute. The CCS Program is a statewide program operated by counties under the auspices of the California Department of Health Care Services. The CCS program is funded with state, county and federal money. The CCS Program arranges, directs, and pays for medical services, equipment, and rehabilitation services provided by CCS-approved specialists for the treatment of CCS conditions. Larger counties in California operate their own CCS programs, while smaller counties share the operation of their program with state CCS regional offices in Sacramento, San Francisco, and Los Angeles.

The county CCS programs provide the following:

1. Help with navigating the CCS/Medi-Cal system.

2. Expediting authorizations, claims approval and processing.

3. Providing information on client eligibility status.

4. Providing outreach and education.

5. Assistance with becoming a CCS approved provider.

HFP plans are required to refer a child to the CCS county program if the plan suspects the child could be eligible for CCS services. CCS then determines whether a child has a CCS condition. CCS provides coverage for all medically needed services required to treat the CCS condition. The child's HFP plan continues to be responsible for covering health, dental and vision services not covered by CCS.

HFP plans are required to submit an MOU to MRMIB signed by a plan official and a county program official for each county in which the plan serves HFP members. The Managed Risk Medical Insurance Board (MRMIB) developed a model Memorandum of Understanding (MOU) for use by HFP participating plans and county CCS programs. Each HFP plan currently has MOUs with all the counties in which the plan serves HFP members. Each of California's 58 counties has at least one HFP plan providing services in the county, which means that all of California's counties are participating in the MOU process. The MOU describes the plan responsibilities and the CCS Program responsibilities in such areas as:

1. Designation and communication process of liaisons.

2. Provider training.

3. Qualifying and accessing the provider networks.

4. Referrals.

5. Case management.

6. Quality assurance.

7. Problem resolution.

Overview of California Children's Services Program

Who qualifies for CCS services?

1. Any HFP enrollee who has a CCS eligible medical condition regardless of the family's household income; and

2. Other California children who meet the following CCS requirements:
   - Medical
     - ✓ Medical conditions that are covered by CCS
   - Age Limit
     - ✓ Under 21 years of age
   - Financial
     - ✓ Family income of $40,000 or less as reported as the adjusted gross income on the state tax form; and/or
     - ✓ Out-of-pocket medical expenses expected to be more than 20 percent of family income
   - Residency
     - ✓ California Resident

CCS eligible medical conditions include the following:

1. Conditions involving the heart (e.g. *congenital heart diseases, rheumatic heart disease*)

2. Neoplasms (e.g. *cancer, tumors)*

3. Disorders of the blood/coagulation disorders (e.g. *hemophilia A [Factor VIII deficiency], Hemophilia B [Factor IX deficiency], sickle cell anemia*)

4. Disorders of the respiratory system (e.g. *cystic fibrosis, chronic lung disease*)

5. Disorders of the genito-urinary system (e.g. *serious kidney problems*)

6. Endocrine, nutritional, and metabolic disorders (e.g. *thyroid problems, PKU, diabetes*)

7. Disorders of the gastrointestinal system (e.g. *chronic inflammatory disease, diseases of the liver such as biliary atresia*)

8. Serious birth defects (e.g. *cleft lip/palate, spina bifida*)

9. Disorders of the sense organs (e.g. *hearing loss*, *glaucoma and cataract)*

10. Disorders of the nervous system (e.g. *cerebral palsy, uncontrolled seizure*s)

11. Disorders of the musculoskeletal system and connective tissues (e.g. *rheumatoid arthritis, muscular dystrophy)*

12. Severe disorders of the immune system (e.g. *HIV infection*)

13. Disabling conditions or poisonings requiring intensive care or rehabilitation (e.g. *severe head, brain, or spinal cord injuries, severe burns)*

14. Complications of premature birth requiring an intensive level of care

15. Disorders of the skin and subcutaneous tissue (e.g. *severe hemangioma*)

16. Medically handicapping malocclusion (e.g. *severely crooked teeth*)

CCS Services

1. Treatment of the child's CCS condition, including:
    - Physician services.
    - Emergency services.
    - Hospital services.
    - Home health care.
    - Prescription medications as required for treatment of the applicable condition.
    - Diagnostic services such as laboratory tests and x-rays.
    - High-risk infant follow-up.
    - Other medical services when determined by the CCS program to be medically necessary.

2. Medical case management, including:
    - Assistance obtaining specialty care when medically necessary.
    - Referral to other agencies including public health nursing and regional centers.
    - Specialty care center services for complex medical conditions that require the cooperation of many specialists working together.
    - Physical therapy and/or occupational therapy in public school.
    - Orthopedic appliances and medical equipment.
    - Other services to help parents and children such as:
        - Counseling.
        - Transportation to medical appointments.
        - Lodging and meals, where appropriate.

Payment of Services

Federal (65%), state (17.5 %), and county (17.5%) funds pay for CCS services for children enrolled in the HFP. A county's financial responsibility is waived for HFP subscribers whose annual family income is determined to be greater than $40,000. State and federal funds cover the CCS services (35% state and 65% federal) for these children.

Referrals by Plans

Table 1 shows plan referrals to CCS for the FY 2001/02 through FY 2005/06

Table 1
CCS Referrals by Participating Healthy Families Plans (HFP) From 2001 to 2006

Plan Name	Referrals as % of Plan Enrollment as of 2001/02	Referrals as % of Plan Enrollment as of 2002/03	Referrals as % of Plan Enrollment as of 2003/04	Referrals as % of Plan Enrollment as of 2004/05	Referrals as % of Plan Enrollment as of 2005/06
Health Plans					
Alameda Alliance for Health	0.15%	0.34%	0.77%	0.42%	0.57%
Blue Cross (HMO & EPO)	0.89%	0.78%	0.75%	0.79%	0.87%
Blue Shield (HMO & EPO)	0.26%	0.95%	0.86%	1.01%	1.22%
Cal OPTIMA Kids	1.87%	1.61%	1.71%	1.06%	0.50%
Care 1st Health Plan	0.46%	0.16%	0.65%	0.21%	0.33%
Central Coast Alliance for Health	0.40%	1.02%	1.04%	2.59%	1.28%
Community Health Group	1.10%	1.61%	3.14%	3.64%	2.95%
Community Health Plan	1.03%	0.94%	1.40%	1.07%	1.20%
Contra Costa Health Plan	0.48%	0.42%	1.14%	0.30%	0.53%
Health Net (HMO & EPO)	1.13%	1.86%	2.17%	3.13%	0.98%
Health Plan of San Joaquin	0.36%	0.70%	1.50%	2.57%	1.23%
Health Plan of San Mateo	0.00%	0.28%	0.87%	0.41%	0.44%
Inland Empire Health Plan	0.15%	1.37%	1.54%	1.92%	2.67%
Kaiser Permanente	0.34%	0.36%	0.17%	0.29%	0.28%
Kern Family Health Care	3.69%	3.16%	4.26%	2.75%	2.27%
LA Care Health Plan [1]	2.32%	1.62%	N/A	N/A	0.12%
Molina Health Care of California	0.82%	1.11%	0.89%	0.42%	1.80%
San Francisco Health Plan	2.25%	0.66%	0.73%	0.51%	1.02%
Santa Barbara Regional Health	0.97%	1.87%	1.26%	1.05%	1.02%
Santa Clara Family Health Plan	0.80%	1.92%	2.69%	1.58%	0.82%
Sharp Health Plan [2]	0.85%	0.93%	1.38%	N/A	N/A
UHP Healthcare [1]	1.18%	2.90%	2.65%	2.87%	N/A
Universal Care	1.64%	1.74%	1.62%	2.95%	N/A
Ventura County Health Care Plan	3.02%	2.69%	3.07%	3.53%	3.99%
Total for Health Plans	**0.92%**	**1.09%**	**1.20%**	**1.32%**	**1.04%**
Dental Plans					
Access Dental	0.34%	0.38%	0.34%	0.21%	0.08%
Delta Dental	0.15%	0.12%	0.07%	0.07%	0.07%
Health Net	0.12%	0.13%	0.07%	0.12%	0.00%
Premier Access	0.05%	0.18%	0.13%	0.09%	0.05%
Safeguard Dental	N/A	N/A	N/A	N/A	0.17%
Universal Care Dental	1.19%	0.50%	1.02%	0.84%	1.46%
Western Dental	N/A	N/A	N/A	0.00%	0.03%
Total for Dental Plans	**0.21%**	**0.19%**	**0.18%**	**0.17%**	**0.20%**
Vision Plan					
Eye Med Vision	N/A	N/A	N/A	N/A	0.00%
SafeGuard Vision	N/A	N/A	N/A	N/A	1.05%
Vision Service Plan	0.00%	0.00%	0.00%	0.00%	0.00%
Total for Vision Plan	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.03%**
Health, Dental & Vision Plan Totals					
Total HFP Enrollment	**1.13%**	**1.27%**	**1.38%**	**1.49%**	**1.27%**

Sources: CCS quarterly referral reports submitted to MRMIB by participating HFP plans and HFP monthly enrollment reports. Referrals include only those children who were referred to CCS from a HFP participating plan. Referrals of HFP children to CCS may come from other sources, such as schools and families and are not reflected in the table.

1. LA Care Health Plan contracted with HFP in 2006. UHP Health Care discontinued HFP coverage in 2006.
2. Sharp Health Plan and discontinued HFP coverage in 2006. The data represents the plan enrollments as of May 2005 prior to Sharp member assignment to Molina Health. 2004/05 the plan HFP enrollment as of May 2005 was 21,722 (prior to Sharp's members assignment to Molina HealthCare). The 273 referrals reported by the plan represent 1.26% of the 21,722 enrollment.

Table 1 provides the following information:

1. The vast majority of referrals came from the health plans (82%). Dental plans referred 15% of the total number of referrals and less that 2% of the referrals were from vision plans.

2. Referral patterns in 2005/06 are consistent with prior years, with the following exceptions:

    - Inland Empire Health Plan, Molina Health Plan and San Francisco Health Plan showed notable increases in the percentage of referrals from FYP 2005/06.

    - The health plans attribute their increase in referrals to a number of factors such as:

        - Use of trained staff to identify and refer children who are potentially eligible for CCS services;
        - Good working relationships between the plans and county CCS programs; and Increased efforts by plan to in educate providers regarding the CCS program.

    - Cal Optima Kids, Health Plan of San Joaquin, and Santa Clara Family Health Plan showed an average decrease in referrals (as a percentage of their HFP enrollment) of 52%.

3. Chart 1 also provides the following information for the period of FY 2001/02 through 2005/2006:

    - Kaiser Permanente had some of the lowest percentages of referrals. The low percentage of referrals reflects Kaiser Permanente's practice of treating its subscribers through the health plan rather than referring the subscribers who may have a CCS condition to CCS.

    - Ventura County Health Care Plan had some of the highest percentages of referrals.

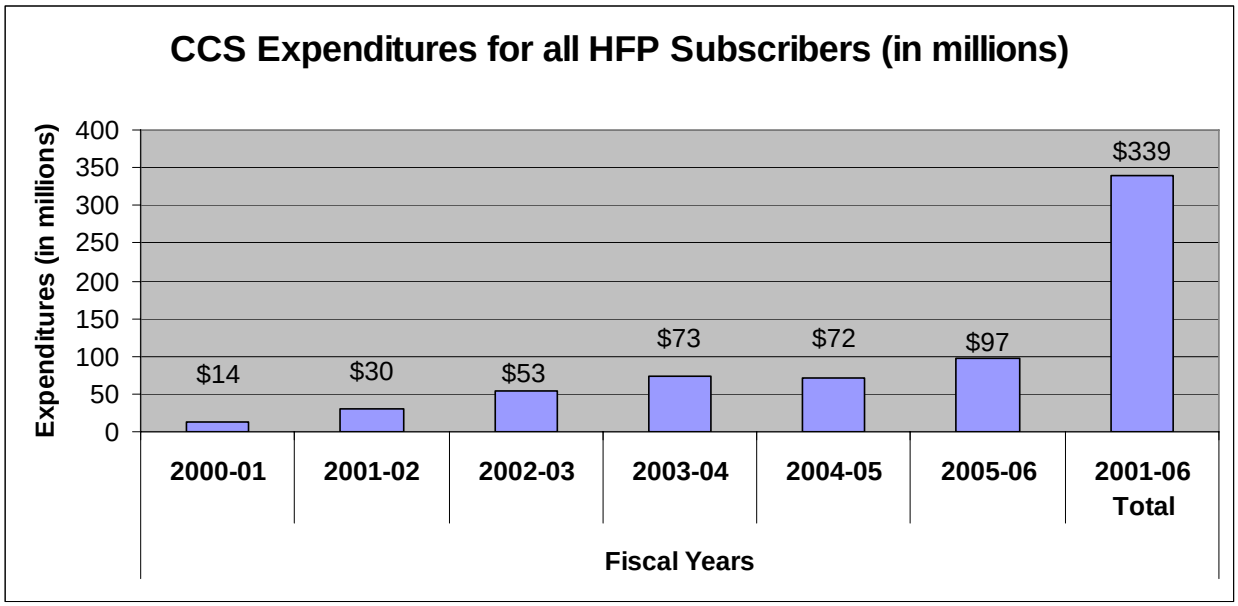
    - Very few referrals came from the dental and vision plans.

    - The overall percentage of HFP subscribers referred to CCS has remained relatively consistent over the past five years at slightly more than 1% of the total HFP enrollment.

Expenditures for CCS Services

Chart 1 shows overall expenditures for CCS services for FY 2000/01 through FY 2005/06

Chart 1



Source: Department of Health Services Accounting Branch

1. Chart 1 provides the following information:

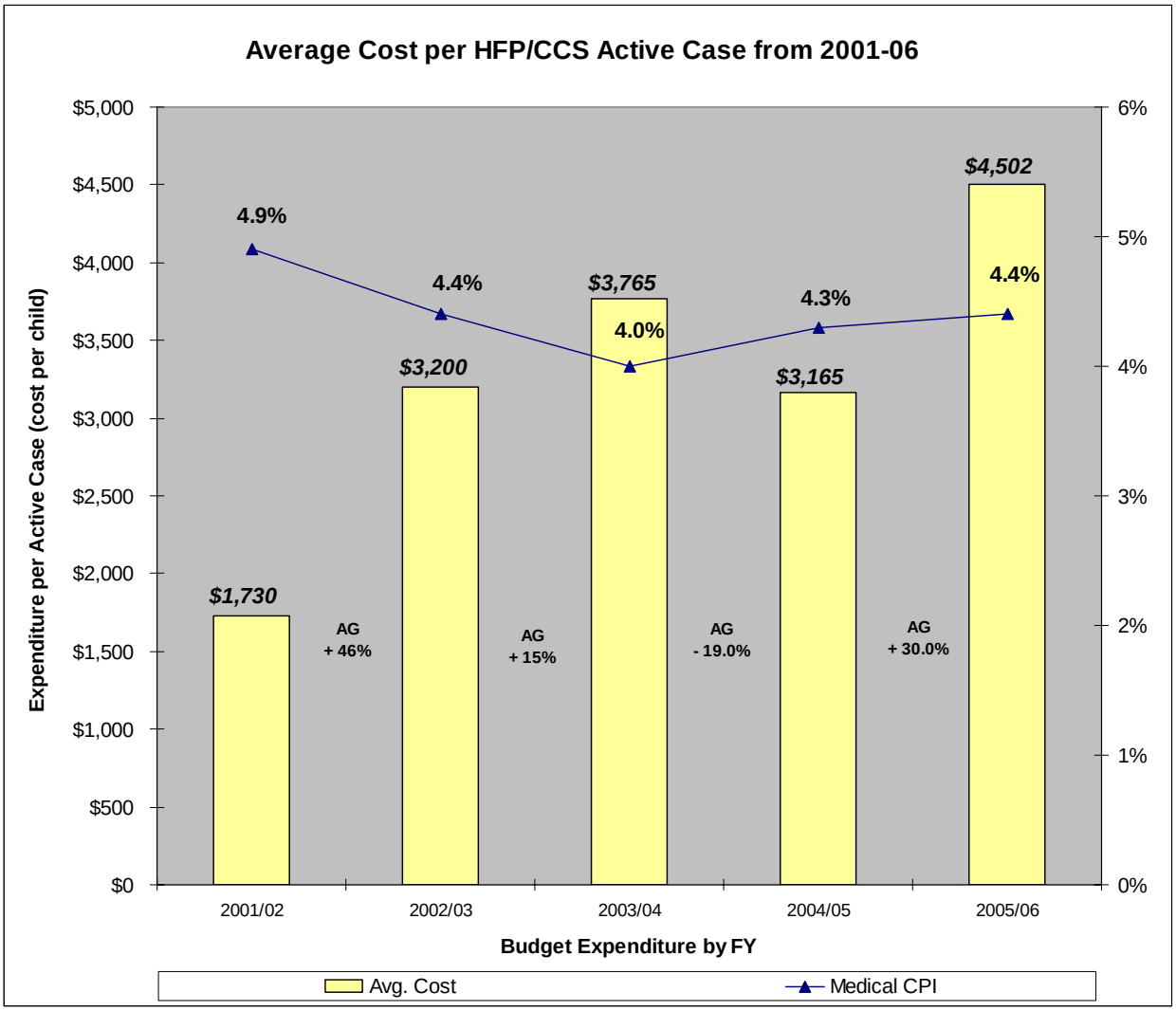
   - Annual expenditures for CCS related services to HFP subscribers have increased steadily during since the HFP's inception.

   - CCS has spent over $339 million for HFP subscribers since the program's inception.

Average Cost per HFP/CCS Active Case

Chart 2 shows the average cost per active case from 2001 to 2006 and correlates cost with the Consumer Price Index (CPI) for Medical Care.

Chart 2



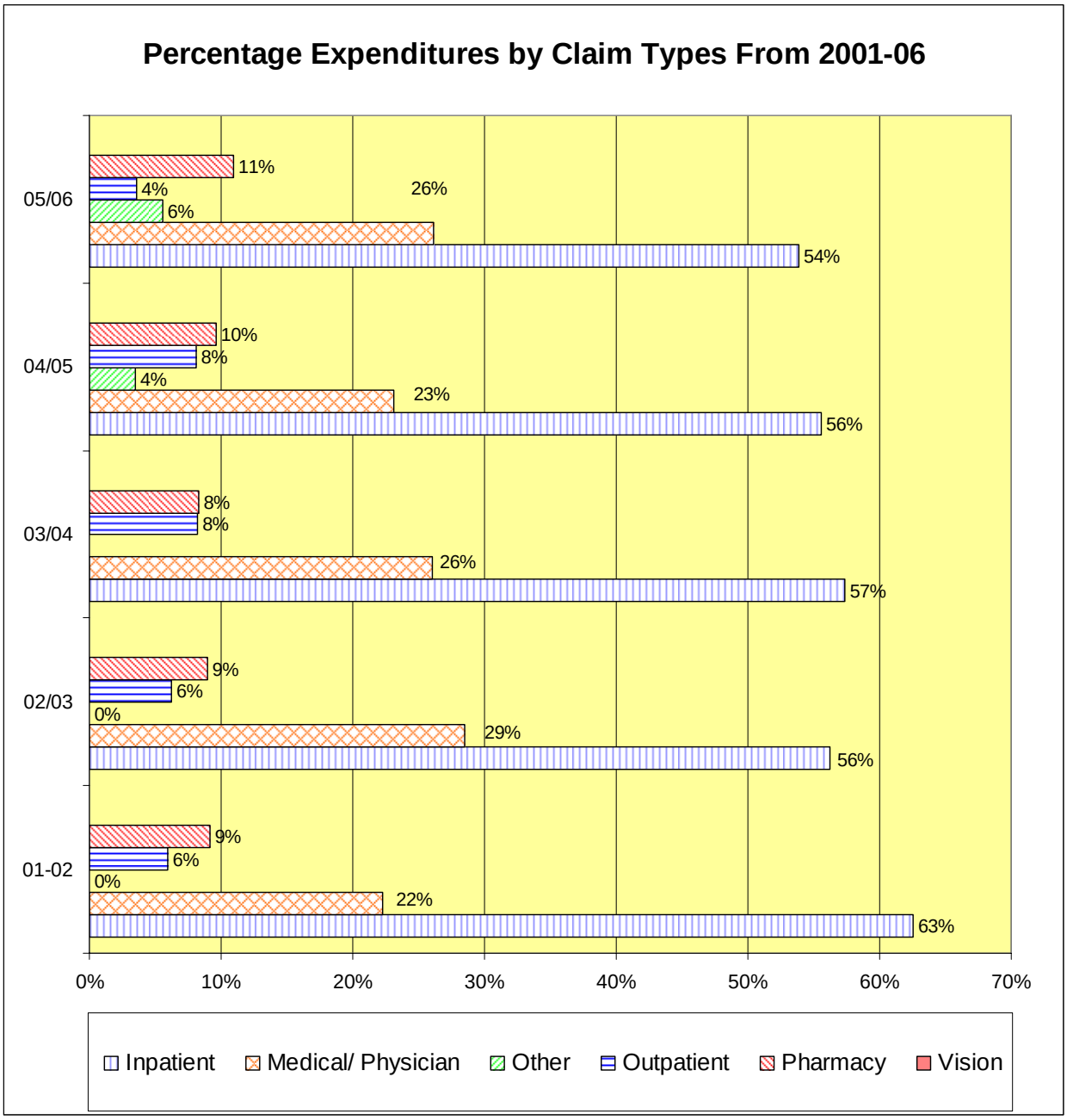
Source: Department of Health Services Accounting Branch and Medical Consumer Price Index (CPI) Data from the U.S. Department of Labor - Bureau of Labor Statistics.

Chart 2 shows that the Medical Consumer Price Index (CPI) increase as reported by the U.S. Department of Labor – Bureau of Labor Statistic has been much lower than the actual growth (AG) of the average cost per HFP/CCS cases from 2001-2006, with the exception of 2003/04 to 2004/05. The difference between the Medical CPI increases and the actual growth in the average cost of HFP/CCS cases ranges from 11% (2002-03 to 2003-04) up to 46% (2001/02 to 2002/03). The difference in cost is a reflection of CCS clients' serious illnesses and that these children's health care costs are much higher than that of the average population.

Expenditures by Claim Type

Chart 3 shows the breakdown of HFP/CCS expenditures paid by claim type from 2001-2006.

Chart 3

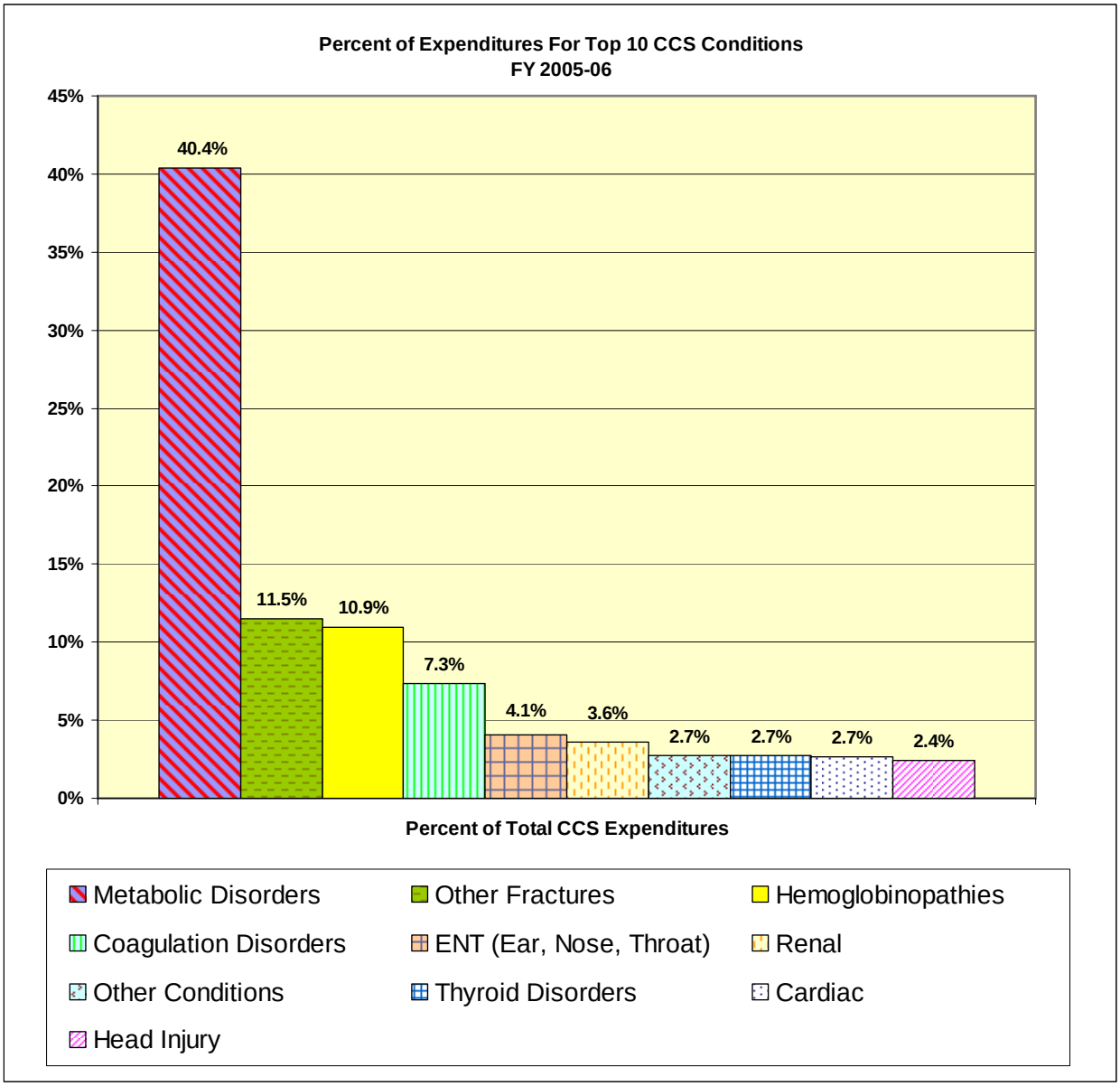


Source: Department of Health Services CMS Branch, CCS paid claims

Chart 3 shows that inpatient costs are the highest for CCS patients with the second highest cost being medical/physician. Pharmacy, outpatient and other costs are the third, fourth and fifth highest costs respectively.

Chart 4 shows the percentage of expenditures for the top ten CCS conditions during FY 2005/06.

Chart 4



Source: Department of Health Services Accounting Branch

Conclusion

The average cost per HFP/CCS case increased significantly during 2001-2006 while the rate of referral has remained essentially the same. The cost for the CCS/HFP cases has continued to increase at a rate higher than the rate of medical consumer price index**.** The higher cost is indicative of the serious illnesses of CCS clients and the high cost of providing the health care they require.

There is no consistent pattern each year on the types of CCS conditions that contribute to the increase in cost. However, inpatient costs are the highest for CCS patients with the second highest cost being medical/physician, indicating that many CCS patients have significant serious health conditions.

ATTACHMENT 1

FY 2006 CCS Referrals by Participating HFP Plans

Plan Name	Total # of HFP Enrollees as of 6/30/06	Total # of CCS Referrals as of 6/30/06	Referrals as % of Plan Enrollment as of 6/30/06
Alameda Alliance for Health	7,925	45	**0.57%**
Blue Cross (HMO and EPO)	301,959	2,617	**0.87%**
Blue Shield (HMO and EPO)	42,058	514	**1.22%**
Cal OPTIMA Kids	29,940	151	**0.50%**
Care 1st Health Plan	7,342	24	**0.33%**
Central Coast Alliance for Health	2,260	29	**1.28%**
Community Health Group	23,555	694	**2.95%**
Community Health Plan	23,454	281	**1.20%**
Contra Costa Health Plan	3,213	17	**0.53%**
Health Net (HMO and EPO)	99,558	974	**0.98%**
Health Plan of San Joaquin	8,311	102	**1.23%**
Health Plan of San Mateo	2,956	13	**0.44%**
Inland Empire Health Plan	40,295	1,074	**2.67%**
Kaiser Permanente	95,713	264	**0.28%**
Kern Family Health Care	10,052	228	**2.27%**
LA Care-Direct Lob	1,686	2	**0.12%**
Molina Healthcare of California	36,301	652	**1.80%**
San Francisco Health Plan	5,579	57	**1.02%**
Santa Barbara Regional Health	1,870	19	**1.02%**
Santa Clara Family Health Plan	12,874	105	**0.82%**
Sharp Health Plan **1**			
UHP Healthcare **2**			
Universal Care	6,891	0	**0**
Ventura County Health Care Plan	2,829	113	**3.99%**
Total for Health Plans	**766,621**	**7,975**	**1.04%**
Dental Plans			
Access Dental	133,054	113	**0.08%**
Delta Dental	370,893	259	**0.07%**
Health Net/Safeguard Dental	145,849	241	**0.17%**
Premier Access	19,552	10	**0.05%**
Universal Care Dental	62,726	915	**1.46%**
Western Dental	34,540	9	0.03%
Total for Dental Plans	**766,614**	**1547**	**0.20%**
Vision Plans			
SafeGuard Vision	0	241	**0.00%**
Vision Service Plan	766,614	1	**0.00%**
Total for Vision Plan	**766,614**	**242**	**0.03%**
TOTAL ALL PLAN TYPES	**766,614**	**9,764**	**1.27%**

SOURCE: CCS quarterly referral reports submitted to MRMIB by participating HFP plans and HFP monthly enrollment reports
Referrals include only those children who were referred to CCS from a HFP participating plan. Referrals of HFP children to CCS may come from other sources, such as schools and families and are not reflected in the table.
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