

**MANAGED RISK MEDICAL INSURANCE BOARD
DETERMINATION PURSUANT TO TITLE 10 CCR SECTION 2699.6603**

The Managed Risk Medical Insurance Board finds and determines the following pursuant to Section 2699.6603 of Title 10 of the California Code of Regulations:

1. Sufficient funds are not available to cover the estimated costs of the Healthy Families Program (hereinafter "program") expenditures for the 2009-10 fiscal year.
2. At its June 29, 2009 meeting, the Board found and determined that it is necessary to limit enrollment in the program in order to ensure that expenditures do not exceed amounts available for the program.
3. The program has established a waiting list and is not currently enrolling additional children on the basis of new applications or Add-A-Person forms.
4. In addition to limiting new enrollment in the program, it is necessary to terminate subscribers in the program to ensure that expenditures do not exceed amounts available for the program.

Therefore, subscriber children shall be disenrolled from the program at the end of the month of their anniversary date following their Annual Eligibility Reviews.

- a. The disenrollment of subscriber children pursuant to this determination and sections 2699.6611(a)(2) and (e) of Title 10 of the California Code of Regulations shall commence with subscribers who have anniversary dates in September, 2009.
- b. This action shall not apply to subscriber children described in section 2699.6603(b)(2) of Title 10 of the California Code of Regulations.

CERTIFICATION

I, Lesley Cummings, Executive Director of the Managed Risk Medical Insurance Board, do hereby certify that the foregoing action was duly passed and adopted by the Managed Risk Medical Insurance Board at an official meeting thereof on August 13, 2009.

Dated this 13th day of August, 2009.



Lesley Cummings, Executive Director
Managed Risk Medical Insurance Board

Managed Risk Medical Insurance Board
Healthy Families Program
(\$ in thousands)

Activity	GF	FF	Number of Children
May Revision (No Reductions)	426,251	787,273	928,658
No CAA Payments & Fed Match RHDP	-4,627	-8,937	-4,851
AIM-Linked Infants savings due to stopping AIM new enrollment 1/1/10.	-2,257	-4,191	-2,020
Net Need	419,367	774,145	921,787
Adjustments			
Reconciliation to DOF Change Book	20,768	752	
Plan Rate Restoration	-40,884	-73,655	
Conference Committee Action	-70,000	0	
Additional Leadership Reductions	-54,000		
Veto	-50,000	0	
Total Adjustments	-194,116	-72,903	
Approved Budget	225,251	701,242	
Solutions			
Enrollment Freeze ¹	-7,614	-12,758	-34,473
Disenrollments at AER (assumes 10-1-2009 effective date)	-118,521	-220,110	-669,296
Remaining Shortfall	67,981		
Net Caseload			218,018

¹ Net impact of Enrollment Freeze (-34,473 enrollees) equals expected total enrollment for 2009-10 of 333,734 less total disenrollment trend of 299,261.

Funding Needed to Defer Disenrollment Decision for One Month	
Deficiency Remaining After Disenrolling Subscribers at AER beginning October 1	\$67,981,000
Cost of Deferring Disenrollment of Children With September AER's (74,400 children times 9 months of	23,704,000
Total	91,685,000

Estimate of Total Children Not Obtaining Health Coverage
333,734 Children Precluded from Enrollment Due to Freeze
<u>669,296 Disenrollment at AER</u>
1,003,030 Total Children Impacted

Estimated Number of Enrollees Remaining in HFP on June 30, 2010
June, July, Aug AER Children, Aim-Linked Infants and CCS Children
60,249 June 2009 AER
65,056 July 2009 AER
64,123 August 2009 AER
15,000 AIM-Linked Infants
<u>13,590 CCS Children</u>
218,018 Total Children