

**Managed Risk Medical Insurance Board
July 21, 2010, Public Session**

Board Members Present: Cliff Allenby (Chairman)
Richard Figueroa
Sophia Chang, MD, MPH

Ex Officio Members Present: Katie Marcellus, representing the Secretary of the
California Health and Human Services Agency
Tim LeBas, representing the Secretary of the California
Business, Transportation and Housing Agency

Staff Present: Lesley Cummings, Executive Director;
Janette Casillas, Chief Deputy Director;
Laura Rosenthal, Chief Counsel;
Shelley Rouillard, Deputy Director for Benefits
and Quality Monitoring;
Jeanie Esajian, Deputy Director Legislative and
External Affairs;
Ernesto Sanchez, Deputy Director Eligibility,
Enrollment & Marketing Division;
Seth Brunner, Senior Staff Counsel;
John Symkowick, Legislative and External Affairs;
Loressa Hon, Manager in the Administration Division;
Tony Lee, Manager in the Administration Division;
Kathi Dobrinen, Manager in the Eligibility, Enrollment
and Marketing Division;
Anjonette Dillard, Manager in the Eligibility,
Enrollment, and Marketing Division;
Kim Elliott, Research Program Specialist I;
Marlene Ricigliano, Program Analyst;
Larry Lucero, Manager in the Eligibility, Enrollment
and Marketing Division;
Darryl Lewis, Manager in the Eligibility, Enrollment
and Marketing Division;
Muhammad Nawaz, Manager in the Benefits and
Quality Monitoring Division;
Deborah Kelch, Kelch & Associates;
Irma Michel;
Maria Angel, Executive Assistant to the
Board and the Executive Director; and
Elva Sutton, Board Assistant.

Chairman Allenby called the meeting to order at 10:00 a.m., then convened the executive session. The public session convened at 11:10 a.m.

REVIEW AND APPROVAL OF MINUTES OF JUNE 16, 2010

The minutes of June 16, 2010, were moved, seconded and unanimously approved as presented. Minutes of the June 30 and July 7 meeting were put over to the next meeting.

The minutes for the June 16, 2010 Board Meeting are located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_3_6-16-10_Public_Minutes_Final.pdf

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

Lesley Cummings said it was an auspicious day for the development of the Board administered federal high risk pool, the California Pre-Existing Condition Insurance Plan (PCIP). Responses to the vendor solicitation released on July 7 will be submitted today July 21, by 12 noon. Staff is very interested to see what proposals are received and eager to begin the evaluation process. Staff intends to make a recommendation on the vendors with whom staff would conduct serious negotiations at the August 5 Board meeting.

The Board's packet contains questions and answers from the July 12 bidders' conference, as well as rates for the federal fall-back states. Release of the rates for the California PCIP is imminent.

Ernesto Sanchez then reviewed with the Board a draft prototype of the application for PCIP. Initially, staff plan to use a supplement to the MRMIP application. In the longer run, staff anticipate development of an application formatted like the HFP annual federal income guidelines Mr. Sanchez showed this insert to the Board.

Mr. Sanchez then reviewed the supplement in detail. After concluding the review, he emphasized that the document before the Board is a draft and staff is interested in receiving feedback on it.

Mr. Sanchez then reported that 3,000 people have requested copies of the application once it is available. Virtually all of these requests came in via the email box on the MRMIB website.

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

The documents on High Risk Pool are located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/agenda_item_4.a.pdf

STATE BUDGET UPDATE

Ms. Cummings reported that there is no update as the state budget has not been adopted.

STATE LEGISLATION

John Symkowick reviewed the legislative summary report with the Board. Among the bills he described were the following:

- AB 542 would require a technical working group, established by the Department of Health Care Services, to discuss or establish non-payment policies and practices for hospital-acquired conditions. The bill also requires MRMIP and HFP to also establish non-payment policies and practices, but does not include MRMIB on the technical working group. Staff is seeking an amendment to include MRMIB.

- AB 1602 would create a Health Benefit Exchange in accordance with federal health care reform. Among its many provisions, the bill would prohibit all health plans and health insurers from having lifetime coverage limits and restrict annual coverage limits. Staff is concerned about the impact of this provision on the MRMIP \$75,000 annual benefit limit which, if eliminated, would adversely affect the number of enrollees who can be served. Staff is seeking an exemption.

- AB 1825 would require every individual or group health insurance policy to cover maternity services. This bill could reduce demand for services in the Access for Infants and Mothers (AIM) program.

- AB 2244 would require health plans to provide coverage to children on a guaranteed issuance basis in 2011 and for everyone in 2014. It also would prohibit pre-existing condition exclusions for children in 2011 and for everyone in 2014.

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

The State Legislation document can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_7a_Final_Legislative_Summary_regular_session.pdf

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report and Administrative Vendor Performance Report

Anjonette Dillard reported on the Healthy Families Program enrollment and single point of entry report, and the administrative vendor performance report. As of June 30, 2010, the Healthy Families Program enrollment was at more than 871,400. More than 20,500 children were new subscribers and the majority of subscribers continued to be Latino. The single point of entry process collected more than 24,200 applications, 70 percent of which were forwarded to the Healthy Families Program. The administrative vendor

continues to meet all 11 areas of performance standards and all the seven areas of quality and accuracy standards.

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

The HFP Enrollment Report and HFP Admin Vendor Performance Report are located, respectively, at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_8.a_HFP_Enrollment_Report.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_8.b_HFP_Admin_Vendor_Perf_June_2010_Summary.pdf

Update on Contract Extension with MAXIMUS

Ernesto Sanchez reminded that Board that at its November 18, 2009, meeting, the Board approved a one-year extension of the MAXIMUS administrative vendor contract and directed staff to continue to work on a long-term extension of that contract. Staff is in the process of concluding the negotiations for a five-year term extension and, as the Board directed, to obtain enhanced contract terms for that five-year extension. Assuming that negotiations conclude satisfactorily, staff will return to the Board in the near future to identify the negotiated enhancements and provide a staff recommendation. A month later, staff will seek Board approval of the staff recommendation.

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

CHIP Reauthorization Implementation

Ms. Cummings said there was nothing new to report on this item.

Recommendations for HFP Advisory Panel Vacancies

Chairman Allenby indicated that the next agenda item called for appointing Dr. Takashi Michael Wada to fill the vacancy of County Public Health Representative for the HFP Advisory Panel.

It was moved and seconded that Dr. Wada be appointed to the Panel. Chairman Allenby asked if there was any discussion on the item. Hearing none, he called for the vote. The Board unanimously approved Dr. Wada's appointment.

The HFP Advisory Panel Vacancies Recommendation can be located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_8.f_Recommendations_for_HFP_Advisory_Panel_Vacancies.pdf

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment and Administrative Vendor Performance Reports

Kathi Dobrinen reported that in June there were 801 new subscribers enrolled in the AIM program. The AIM program currently has 6,647 subscribers enrolled. The majority of subscribers continue to be Latina. The percentage of enrollment in the specific counties did not experience notable change. Los Angeles, San Diego and Orange remain the top three counties, representing approximately 49 percent of the enrollment. The health plans subscribers enrolled in did not change significantly since last month.

Ms. Dobrinen also reported that the administrative vendor continued to meet all seven areas of performance and quality measures.

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

The AIM Enrollment Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_9.a_AIM_Enrollment_Report.pdf

The AIM Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_9.b_AIM_Adm_Vendor_Perf_June_2010_Summary.pdf

Authorization of contract extensions for AIM plans was deferred to the next meeting.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report, Update on Enrollment Cap and Waiting List and Administrative Vendor Performance Report

Anjonette Dillard reported on the MRMIP enrollment report, the enrollment cap wait list and the administrative vendor performance report. As of July 1, the MRMIP enrollment level was at 6,978 and as of July 1, the wait list total was 39. This week it is at 48. The program remains open to new enrollment. The performance standards for application and the call center continue to be met. As noted in the performance report, more than 4,975 calls were received during the reporting period.

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

All of the MRMIP documents stated above are located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_10.a_MRMIP_Enrollment_Report.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_10.b_MRMIP_Enrollment_Cap_and_Waiting_List.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_072110/Agenda_Item_10.c_MRMIP_Adm_Vendor_Perf_for_June_2010.pdf

Chairman Allenby asked if there were any other items of business to come before the Board. Ms. Cummings said there were none. The meeting was adjourned at 11:35 a.m.