

**Managed Risk Medical Insurance Board  
August 17, 2011, Public Session**

Board Members Present: Cliff Allenby, Chairman  
Richard Figueroa  
Samuel Garrison  
Ellen Wu, MPH

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

Staff Present: Janette Casillas, Executive Director  
Terresa Krum, Chief Deputy Director  
Shelley Rouillard, Deputy Director, Benefits &  
Quality Monitoring  
Ernesto Sanchez, Deputy Director, Eligibility,  
Enrollment & Marketing  
Jeanie Esajian, Deputy Director, Legislative &  
External Affairs  
Laura Rosenthal, Chief Counsel, Legal  
Heather Wallace, Senior Staff Counsel, Legal  
Tony Lee, Acting Deputy Director, Administration  
Loressa Hon, Manager, Administration  
John Symkowick, Legislative Coordinator,  
Legislative & External Affairs  
Sarah Smith, Information Officer, Legislative &  
External Affairs  
Ruth Jacobs, Assistant Deputy Director, Benefits &  
Quality  
Monitoring  
Brian Warren, Manager, Benefits & Quality Monitoring  
Jordan Espey, Staff Services Analyst, Legal  
Monica Martinez, Staff Services Analyst, Benefits &  
Quality Monitoring  
Sarah Swaney, Manager, Benefits & Quality Monitoring  
Muhammad Nawaz, Manager, Benefits & Quality  
Monitoring  
Maria Angel, Executive Assistant to the Board and the  
Executive Director  
Heidi Holt, Board Assistant

Chairman Cliff Allenby called the meeting to order at 10:03 a.m. The Board adjourned to Executive Session and resumed the Public Session at 11:36 a.m.

Chairman Allenby congratulated Shelley Rouillard, Deputy Director for Benefits and Quality Monitoring, who will leave in September to assume the role of Chief Deputy Director at the Department of Managed Health Care.

### **REVIEW AND APPROVAL OF MINUTES OF JULY 13, 2011 PUBLIC SESSION**

The minutes were approved with one correction noted by Board Member Ellen Wu.

The July 13, 2011 Public Session Minutes are located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_3\\_Public\\_Minutes\\_7\\_13\\_11\\_FINAL.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_3_Public_Minutes_7_13_11_FINAL.pdf)

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

Jeanie Esajian, Deputy Director for Legislation and External Affairs, reported on Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity, which contained two items of interest for Board reading.

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 the Federal Budget, Legislation, et al., are located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_4.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_4.pdf)

### **EXTERNAL AFFAIRS UPDATE**

Deputy Director Esajian presented Agenda Item 5, the External Affairs Update. July and August media were dominated by three issues: the premium rate reductions for the Pre-Existing Condition Insurance Plan, Healthy Families Program dental quality efforts and MRMIB's post-budget activities. The vast majority of media centered on the August 2 news conference to announce the PCIP premium reductions. It was the first time staff had called upon its statewide group of PCIP subscribers who had previously signed release forms giving permission for staff to share their contact information with news reporters. Four PCIP subscribers were quoted in major statewide publications, including the Los Angeles Times, the San Francisco Chronicle and La Opinion, among others. Coverage from the news conference is continuing and the focus on ethnic media outlets is beginning. Ms. Esajian acknowledged Sarah Smith, MRMIB Information Officer, for her role in the success of the PCIP media efforts.

Chairman Allenby said he liked the idea of having PCIP subscribers from various parts of the state available for media interviews.

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 document on the External Affairs Update can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_5\\_08\\_17\\_11\\_EA\\_Update.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_5_08_17_11_EA_Update.pdf)

## **STATE BUDGET UPDATE**

Terresa Krum, Chief Deputy Director, reported on Agenda Item 6, the State Budget Update. A Department of Finance letter received last Friday asked staff to discuss with the Board a \$130 million General Fund shortfall in the budget, which could impact the Board's ability to draw down federal funds and leave a significant hole in the Healthy Families Program budget. The Department of Finance is seeking input on how MRMIB plans to address the shortfall in the short term and provide updates throughout the year.

Chairman Allenby said it is obvious that if the Legislature doesn't act during the next month, the Board would have no choice but to begin disenrollment to maintain its fiduciary responsibility to maintain a balanced budget. It is not just \$130 million in General Funds, but an additional \$260 million in federal funds that would be lost because of the one-third state/two-thirds federal match, for a total loss of nearly \$400 million.

Additionally, the Legislature should be informed of the situation and the implications it could have on the state that would affect other areas of the state budget.

Janette Casillas, Executive Director, said staff would carry out a fiscal analysis of the shortfall and when disenrollment would need to begin in preparation for a meeting with the Department of Finance. Subscribers must be given notice, which would delay disenrollment and allow enrollment to continue during that notification period.

Board Member Richard Figueroa asked whether disenrolling HFP subscribers would put the rest of the Board's federal funding from the Children's Health Insurance Program at risk? Ms. Casillas said federal officials would have to make that determination about the impact on other federal funds the Board receives as well as the Maintenance of Effort requirement and its effect on all federal Title XIX and XXI funding received by the state of California.

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 Budget Update documents can be located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_6.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_6.pdf)

## **STATE LEGISLATION**

John Symkowick, Legislative Coordinator, presented Agenda Item 7, the State Legislation Report. Since the last meeting, two bills have been added to the State Legislation Report. AB 509 would require certain state departments that serve low-income Californians, including MRMIB, to notify program participants of the Federal Earned Income Tax Credit. AB 1072 would direct the Governor's Office of Economic Development to establish promise neighborhoods in California to support children's development and improved community efforts regarding health, safety, education and economic development. Among other things, the bill would require the OED to work with the California Health and Human Services Agency and local counties to establish participation requirements for the Healthy Families Program. Three bills have failed to meet certain deadlines and are now two-year bills; these are listed on the last page of the report. With the exception of AB 1083, a measure that conforms state law to the federal Affordable Care Act, all Assembly bills being monitored for the Board and heard in Senate Appropriations on Monday were moved to the suspense file. AB 1083 passed out of committee with some minor amendments. The Assembly Appropriations Committee is meeting today on Senate bills, and most of those are expected to pass and be moved to the suspense file, including SB 703, The Basic Health Program.

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 Legislative Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_7\\_Legislative\\_Report.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_7_Legislative_Report.pdf)

## **PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE**

### Enrollment Report

Ernesto Sanchez, Deputy Director for Eligibility, Enrollment and Marketing, presented Agenda Item 8.a, the PCIP Enrollment Report. In the month of July, 424 new subscribers were enrolled. Enrollment as of yesterday was 3,779. There were no major shifts in program demographics. There was a 3 1/2 percent increase in the number of assisted applications for the month.

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 PCIP Enrollment Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.a\\_PCIP\\_Enrollment\\_Report\\_for\\_July\\_2011.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.a_PCIP_Enrollment_Report_for_July_2011.pdf)

### Administrative Vendor Performance Report

Deputy Director Sanchez presented Agenda Item 8.b, the PCIP Administrative Vendor Performance Report. The Administrative Vendor met all performance standards for accuracy and quality and toll-free lines. To date, there has not been a benefit appeal to report.

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 PCIP Administrative Vendor Performance Report can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.b\\_PC\\_IP\\_Adv\\_Vendor\\_Board\\_Report\\_July\\_2011\\_V2.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.b_PC_IP_Adv_Vendor_Board_Report_July_2011_V2.pdf)

#### Third Party Administrator Performance Report

Brian Warren, PCIP Benefits Manager, reported on Agenda Item 8.c, the PCIP Third Party Administrator Performance Report. The third party administrator met or exceeded the majority of performance standards in the month of July. However, the TPA did not meet the performance standard for the customer service call center answer time or the provider technical support call center answer time. This is not the first time the TPA has missed these performance standards. Staff has discussed these performance issues with the TPA, which has submitted a corrective action plan. Staff is reviewing that plan and will continue to monitor the situation carefully.

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 PCIP Third Party Administrator Performance Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.c\\_PC\\_IP\\_TPA\\_Performance\\_Report\\_Report.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.c_PC_IP_TPA_Performance_Report_Report.pdf)

#### Utilization Reports

PCIP Benefits Manager Warren reported on Agenda Item 8.d, PCIP Utilization Reports. The first report was for the second quarter of 2011 (April through June) and the second report is from program inception through June 2011.

Chairman Allenby said it was amazing that 74 percent of pharmacy use is from generic drugs and 26 from brand name drugs, yet the brand name drugs account for 75 percent of the total and generics for 25 percent.

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 PCIP Utilization Reports are located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.d\\_PC\\_IP\\_2nd\\_Quarter\\_Utilization\\_Report2.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.d_PC_IP_2nd_Quarter_Utilization_Report2.pdf)

#### Other Implementation Issues

##### Subscriber Premium Reductions

Deputy Director Sanchez reported on Agenda Item 8.c.i, Subscriber Premium Reductions. The new rates were approved by the federal government and are based on federal guidance issued last May. For most subscribers, the reduction is

18 percent, but the reduction ranges from 8.2 percent up to 24.3 percent, depending on the subscriber's age and geographic region. These rates will be effective in statements covering the October billing period, which go out about the 20<sup>th</sup> of August. Subscribers enrolled in August and September also will see a credit or reimbursement for the difference for those months. New applicants will enter the program with the lower premium rates.

Board Member Figueroa thanked MRMIB staff for working so quickly to make this happen. The federal government had to approve it, but both the staff and the administrative vendor have done a great job in making this happen in just a couple of months' time. Chairman Allenby concurred.

Deputy Director Sanchez thanked MRMIB staff from all divisions and the Maximus staff. MRMIB and Maximus staffs tested all the various components of the change for the past few weeks to make sure everything was ready for the premium reduction to take effect.

The PCIP New Premium Rates document is found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.f.i\\_PCIP\\_New\\_Premium\\_Rates\\_8\\_17\\_11.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.f.i_PCIP_New_Premium_Rates_8_17_11.pdf)

#### New PCIP/MRMIP Application

Deputy Director Sanchez reported on Agenda Item 8.f.ii, the new PCIP/MRMIP consolidated application.

In addition to discussing the new application, Mr. Sanchez noted that Beth Abbott of Health Access made some recommendations to the regulators [Department of Insurance and Department of Managed Health Care] and MRMIB followed up on those with her and the regulators.

Going back to the consolidated application, Mr. Sanchez noted that one of Ms. Abbott's suggestions which staff incorporated into the application was provision of clear guidance stating that if an applicant qualifies for both programs, PCIP is the better option of the two because its premiums are lower and there are no annual or lifetime benefit caps.

The document contains a four-page application similar to the Healthy Families Program application. The package also includes rates for both PCIP and the Major Risk Medical Insurance Program by geographic region, cost and benefit comparisons for both programs and frequently asked questions. The consolidated application is available for downloading on both the PCIP and the MRMIB websites and hard copies will be available after September 1.

Additionally, now applicants can submit a provider letter to document a pre-existing condition in lieu of a letter of declination and the new federal guidelines make it easier to move from one state's PCIP to another state's program by supplying proof of termination rather than going through a new eligibility determination in another state.

The new PCIP/MRMIP Application is located here:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.f.ii\\_New\\_PCIP\\_MRMIP\\_Application.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.f.ii_New_PCIP_MRMIP_Application.pdf)

### Update on Outreach

Deputy Director Sanchez reported on Agenda Item 8.f.iii, Update on Eligibility. Staff has taken a multi-tiered approach through the Eligibility Division, the administrative vendor and the External Affairs Division. Mr. Sanchez highlighted the news conference earlier this month when PCIP subscribers were made available to the media for interviews. Staff continues to work with the Centers for Medicare and Medicaid Services as well a new specialist hired through the administrative vendor to work on PCIP newsletter outreach. Mr. Sanchez also discussed the ongoing continuing education course for insurance agents and brokers.

The main messages of the paid media outreach campaign are availability, eligibility and affordability. This includes information about how to apply for the program and messages assuring consumers that if they have been turned down for a pre-existing condition, PCIP has “got you covered”. Target demographics are primarily women between the ages of 30 and 65, and with a special focus on ethnic communities within the state.

Additionally, there are new collateral materials, brochures, fliers and business cards. Staff and the vendor continue outreach to disease management and community-based organizations, hospitals, health centers and private physicians. Following the Board’s direction, staff is expanding the availability of application assistance, not only to agents and brokers, but also to enrollment entities and Certified Application Assistants who help the Healthy Families Program. These professionals will also go through the PCIP webinar training that is part of the CE training. Additionally, staff is proposing today that the Board increase the application assistance fee for every successful enrollment from \$50 to \$100.

The media campaign includes an online presence on search engines such as Google, Yahoo! and all major sites related to health care and insurance issues, including those that target specific diseases and ethnicities. An outdoor billboard campaign will be launched near health care facilities and there will be an in-house radio campaign at about 90 percent of all Walgreen’s Pharmacies.

Mr. Sanchez indicated that MRMIB continues to work on the targeted demographic of the “eligible but uninsured,” although that group is not clearly defined. MRMIB also is reaching out to under-served communities that traditionally have not come into MRMIB’s programs. Through Los Angeles radio buys, MRMIB expects to reach more than three million Latinos and nearly 760,000 African Americans. In the San Jose, MRMIB expects to reach about 120,000 Latinos through the radio buys there.

MRMIB also is in the process of implementing PCIP enrollment through the AIDS Drug Assistance Program, in collaboration with the California Department of Public Health. This project will make it possible for ADAP to pay premiums for its clients who enroll in PCIP. There is a September 1 target date for this program to begin. We believe it will help a widely diverse ethnic group. Based on information from the San Francisco Department of Public Health, the demographics of the HIV population in California are approximately 47 percent White, nearly 30 percent Hispanic and about 19 percent African American. The report presented to the Board highlights staff outreach activities to date.

Eligibility staff has been working with External Affairs staff since March on subscriber recruitment in various areas of the state to help with media events and is continuing to work with CMS on outreach. Also since March, MRMIB has been working with disease-specific organizations to provide them with newsletter content on PCIP.

Staff will be providing educational seminars for legislative staff so they are aware of the program and can help their constituents. In September, collateral materials will become available and we are also targeting that month for the increase in enrollment reimbursements with Board approval.

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 PCIP Update on Outreach is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_8.f.iii\\_PCIP\\_Outreach\\_Update\\_8\\_17\\_11.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_8.f.iii_PCIP_Outreach_Update_8_17_11.pdf)

#### Insurance Agent/Broker Reimbursement

##### 2010 Audit Report

Tony Lee, Acting Deputy Director of Administration, presented Agenda Item 8.f.v, the 2010 Audit Report. MRMIB's contract with CMS to operate PCIP requires an annual submission of an independent audit detailing all financial aspects of the program. The just-completed 2010 Audit Report to CMS covers the period October through December of 2010, that is, from program inception to the end of 2010. Gilbert Associates, Inc., conducted this audit on behalf of MRMIB, and the report was finalized and submitted to CMS prior to the June 30, 2011 deadline. There were no material findings in the audit. Mr. Lee said that, as of today, staff has not heard anything back from CMS regarding this audit, but will notify the Board as soon as that happens.

Chairman Allenby asked if there were any questions or comments. There were none.

#### **MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE**

##### Enrollment Report

Deputy Director Sanchez reported on Agenda Item 9.a, the MRMIP Enrollment Report. There were 149 new enrollments and current enrollment is 6,610, still short of the 8,000 enrollment cap. As has been the practice since PCIP opened, applicants are screened for both programs, which may reduce the volume of applicants coming into MRMIP. A total of 213 applications were received during the period, there is no waiting list at this time, and one is not anticipated in the near future. The demographics of the health plans and subscribers have not changed. Mr. Sanchez said that, in comparing demographics between PCIP and MRMIP, the largest group of PCIP subscribers is in the 30 to 49 age range and the largest group of MRMIP subscribers is in the 50 to 64 age range. It appears that younger persons with pre-existing conditions are going into PCIP more than into MRMIP.

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 MRMIP Enrollment Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_9.a.MRMIP\\_Board\\_Report\\_Summary\\_for\\_June\\_2011.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_9.a.MRMIP_Board_Report_Summary_for_June_2011.pdf)

#### Update on Enrollment Cap and Waiting List

Deputy Director Sanchez reported on Agenda Item 9.b, noting there is no waiting list that is due to closed enrollment.

The MRMIP Enrollment Cap and Waiting List Update document is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_9.b.MRMIP\\_Weekly\\_Wait\\_List\\_August\\_2011\\_data.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_9.b.MRMIP_Weekly_Wait_List_August_2011_data.pdf)

#### Administrative Vendor Performance Report

Deputy Director Sanchez reported on Agenda Item 9.c, the Administrative Vendor Performance Report. All performance measures were met for the month of July.

Chairman Allenby asked if there were any questions or comments. There were none.

The MRMIP Administrative Vendor Performance Report can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_9.c.MRMIP\\_Adm\\_Vendor\\_Perf\\_for\\_June\\_2011.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_9.c.MRMIP_Adm_Vendor_Perf_for_June_2011.pdf)

#### Adoption of Regulations Concerning Insurance Agent/Broker Reimbursement

Deputy Director Sanchez reported on Agenda Item 9.d, Adoption of Regulations Concerning Insurance Agent/Broker Reimbursement. Chairman Allenby noted these were emergency regulations which would allow insurance agents and brokers to be paid \$100 per successful MRMIP enrollment instead of the current \$50. A motion was made by Board Member Figueroa to adopt the resolution included in Item Agenda 9.d, adopting the proposed emergency regulations, and the resolution was unanimously adopted.

The MRMIP Resolution Concerning Agent/Broker Reimbursement is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_9d\\_ER\\_4\\_11\\_Board\\_Resolution\\_8\\_17\\_11\\_meeting\\_combine.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_9d_ER_4_11_Board_Resolution_8_17_11_meeting_combine.pdf)

### **HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT**

Janette Casillas, Executive Director, reported on Agenda Item 10, Health Care Reform Under the Affordable Care Act. Ms. Casillas noted that today's meeting was the first time this item has been placed on the agenda. This will be a new standing agenda item to provide a forum in which to talk about things that are going on in health care reform as they impact the Board's programs.

For the last several months, staff has heard many opinions about where members for one program or the other should go, but staff and the public have not had the

opportunity to have a dialog with the Board, nor has the Board had the opportunity to express its opinions about this issue. And at this particular meeting we are not seeking a statement from the Board, but more a beginning of the dialog about what we are hearing, what we are seeing, what we are reading relative to the research.

Ms. Casillas begin the discussion by laying down a set of core principles based on the mission of MRMIB. These are guiding principles in this discussion:

Access to care

All subscribers should have access to sufficient providers within their communities.

Quality services

An ID card is not sufficient. Subscribers must have access and good quality services with continuity of care.

Affordability

Affordability is critical.

Coverage for Families

The final guiding principle is keeping children with their parents. Indeed, This Board discussed coverage for the parents and families when the Healthy Families Program was created.

Staff is in the process of digesting numerous research reports on health reform topics in order to help the Board quickly grasp these issues. Additionally, Kim Belshé of the Public Policy Institute of California has compiled a list of research conducted and funded by various foundations; this list is in today's Board packet. This document will be modified as these research projects progress over time and will be used as a point of reference for the Board's discussions. Web links to the various studies are provided in the document.

Ms. Casillas also provided an update on the Exchange Board and noted a Sacramento Bee article today that discussed the challenges facing the Exchange, including challenges in coordinating eligibility enrollment services, not only with Healthy Families, but also with the Medicaid program The Exchange board is up and running; one of their IT projects is development of an enrollment portal and eligibility. Because the Exchange start-up work impacts HFP eligibility and coordination, MRMIB staff is working with the Exchange, along with the Department of Health Care Services, stakeholders and others. MRMIB staff is joining the Exchange in meetings with stakeholders and potential vendors.

The Exchange Board recently received its level one planning grant of \$39 million and is reviewing recently issued federal regulations on standards related to reinsurance, risk corridors and risk adjustments. Another set of regulations issued to the states is on establishment of exchanges and qualified health plans. MRMIB is reviewing those regulations for impacts either to the Exchange or MRMIB's programs.

Former MRMIB Executive Director Lesley Cummings is working as a consultant for the Exchange Board and is collecting input on these regulations from

stakeholders and other departments, so staff will be working with her and providing her with our assessment. MRMIB's Chief Counsel Laura Rosenthal is taking the lead on that project.

The second set of recently released regulations is on exchange functions in the individual market, specifically eligibility determinations and exchange standards for employers. The regulations also address the Medicaid eligibility changes enacted under the Affordable Care Act of 2010, and the Health Insurance Premium Tax Credit. The eligibility piece is very critical because it impacts CHIP as well, so MRMIB's Eligibility Division will work with our Legal Division on that assessment.

Chairman Allenby asked if there were any questions or comments from the Board.

Board Member Figueroa asked whether he could add another guiding principle to the list, which would be ease of enrollment in a culturally and linguistically appropriate manner, because that's always been another hallmark. He noted the importance of ease of enrollment.

Mr. Figueroa added that MRMIB is working cooperatively with the Exchange and that some HFP children are moving to Medi-Cal in any case. Ms. Casillas said children from families above what is termed the "bright line," at 133 percent of the federal poverty level, would move to Medi-Cal under health care reform. Mr. Figueroa said even though future legislation or budget proposals are unknown, the Board still has to perform tasks to ensure a smooth transition of its subscribers to the Exchange and Medi-Cal. He noted his interest in obtaining input from other Board members on having staff reach out and proactively work with the Administration on starting to set up a process for these activities. There is also some budget language that may or may not be triggered, depending on what happens with other things.

Katie Marcellus, Ex-Officio Member representing the Secretary for Health and Human Services, said Mr. Figueroa's idea was a good one and appropriate and that Agency could work to start those conversations.

Ms. Casillas said there was an earlier project that was similar in the transition of Healthy Kids to Healthy Families; this project produced a model and was the subject of some staff work. She said staff has reviewed that model and has already started working on a transition project. Since it is a MRMIB program and staff know how it works, a better approach would be for MRMIB staff to take a first cut and then sit down with the Administration and the Department of Health Care Services to present how staff thinks a smooth transition could occur and some precursors that would need to be in place in advance to make the process as seamless as possible.

Mr. Figueroa said he did not want to wait much longer to start thinking about these issues. He urged that the process begin. Ms. Casillas said staff could begin this work .

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

The documents pertaining to the Healthcare Reform Under the Affordable Care Act can be found at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_10\\_Healthcare\\_Reform\\_Under\\_the\\_ACA\\_Work\\_in\\_Progress.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_10_Healthcare_Reform_Under_the_ACA_Work_in_Progress.pdf)

## **HEALTHY FAMILIES PROGRAM (HFP) UPDATE**

### Enrollment and Single Point of Entry Report

Deputy Director Sanchez reported on Agenda Item 11.a, the Enrollment and Single Point of Entry Report. Nearly 27,000 children enrolled in the program in July for a total enrollment of 872,500. There were no major changes in subscriber demographics, the top five counties or the percentages of applications coming in paper versus electronically.

Chairman Allenby asked if there were any questions or comments. There were none.

The HFP Enrollment and Single Point of Entry Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_11.a\\_HFP\\_July\\_2011\\_Summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_11.a_HFP_July_2011_Summary.pdf)

### Administrative Vendor Performance Report

Deputy Director Sanchez reported on Agenda Item 11.b, the Administrative Vendor Performance Report. The administrative vendor met all quality performance standards.

Chairman Allenby asked if there were any questions or comments. There were none.

The HFP Administrative Vendor Performance Report is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_11.b\\_HFP\\_Adm\\_Vendor\\_QA\\_2011\\_07.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_11.b_HFP_Adm_Vendor_QA_2011_07.pdf)

### Updated 2011-12 Dental Plan Services Area Grid

Terresa Krum, Chief Deputy Director, reported on Agenda Item 11.c, the Updated 2011-12 Dental Plan Services Area Grid. Staff originally anticipated that Delta Dental would be bringing in a DMO product in 33 counties. However, they were unable to finalize provider networks and obtain licensure from the Department of Managed Health Care in all 33 of the counties. The grid has been revised to reflect this change. Subscribers who selected Delta Dental in one of these affected counties will be assisted in selecting another plan and MRMIB is issuing a revised subscriber handbook.

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 2011 Dental Plan Services Area Grid is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_11C.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_11C.pdf)

Children's Health Insurance Program Reauthorization Act (CHIPRA)  
Implementation, including update on Prospective Payments for Federally Qualified  
Health Clinics/Rural Health Centers

Tony Lee, Acting Deputy Director for Administration, presented Agenda Item 11.f, CHIPRA Implementation. As part of the Children's Health Insurance Program Reauthorization Act of 2009, MRMIB was provided with funding and required to implement the prospective payment system in Healthy Families for services provided through Federally Qualified Health Centers and Rural Health Clinics.

Although MRMIB did not have a prospective payment system in place, staff was able to contract with DHCS for these services through an interagency agreement that was executed on July 12, 2011. This agreement included funding to pay claims and to support the Audits and Investigations division to help determine interim rates, perform reconciliation of paid claims and calculate and make any necessary wrap-around payments. Funding has been advanced to DHCS to pay all retroactive claims from October 2009 through June 30, 2011, as well as for July 2011. It is expected that these claims will be processed within the next few weeks.

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.

Ms. Casillas noted that the Board also sent a letter to Medi-Cal's management, thanking them and commending their staff. A copy of the letter was sent to Toby Douglas, DHCS director. DHCS staff provided tremendous support on this project and MRMIB staff also went above and beyond, learning Medi-Cal processes and intricacies needed to implement this project. MRMIB staff worked very hard and did a great job. Chairman Allenby and Board Member Figueroa also echoed their thanks to Medi-Cal and MRMIB staff. Ms. Casillas said it was a great collaboration among MRMIB, Medi-Cal and the California Primary Care Association.

Update on Rural Health Demonstration Project

Sarah Swaney, Manager in the Benefits and Quality Monitoring Division, reported on Agenda Item 11.g, the Update on Rural Health Demonstration Project.

Ms. Swaney said the Rural Health Demonstration Project solicitation was approved by the Board in June of 2007. The solicitation covered two fiscal years, November of 2007 through June of 2008, and July 2008 through June of 2009. Projects beginning in 2007 ended in June of 2010, and projects beginning in 2008 ended in June of this year. There were a total of 49 projects for these fiscal years. Total funding for the original 49 projects was about \$11 million. Project plan partners were Anthem/Blue Cross, Health Net, Health Plan of San Joaquin, Inland Empire Health Plan, Access Dental, Premier Access and Delta Dental.

Examples of the types of services provided include extended provider hours, mental health and substance abuse services, obesity prevention and nutrition education, serving children with developmental disabilities and special needs. The number of children served was just under 74,000, which is an average of about 1,800 children per month.

Chairman Allenby asked if there were any questions or comments from the Board.

Board Member Figueroa said this project was another example of something that the Board has done over the years to try and improve quality and access in both urban and rural areas; in the latter, there is a dearth of providers. It is unfortunate that for obvious reasons MRMIB is unable to continue these projects, but all of these things add to the base of knowledge we have about what works and what doesn't. The Board may want to consider including this in contracts with its plans for future years. These are learning experience that can hopefully be incorporate into plan contracts.

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

The HFP Rural Health Demonstration Project document is located at:  
[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_11g\\_8\\_17\\_11.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_11g_8_17_11.pdf)

## **ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE**

### Enrollment Report

Mr. Sanchez reported on Agenda Item 12.a, the AIM Enrollment Report. A total of 940 new mothers were enrolled in July, bringing total program enrollment to slightly over 7,100. There has been no major change in the ethnic distribution, program demographics or the counties where subscribers live in the enrollment and plans.

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 is located at:  
[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_12.a\\_AIM\\_July\\_2011\\_summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_12.a_AIM_July_2011_summary.pdf)

### Administrative Vendor Performance Report

Deputy Director Sanchez reported on Agenda Item 12.b, the Administrative Vendor Performance Report. He said the administrative vendor met all performance and quality standards the month.

The AIM Administrative Vendor Performance Report can be found at:  
[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_12.b\\_AIM\\_Adm\\_Vendor\\_Perf\\_July\\_2011\\_Summary.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_12.b_AIM_Adm_Vendor_Perf_July_2011_Summary.pdf)

## Adoption of Regulations Implementing a Fee-For-Service Delivery System

## **CONTRACTS**

Authorization of a 3-Month Contract Extension for Mercer Health and Benefits LLC  
Chairman Allenby asked for a motion to adopt the resolution included in agenda items 13.a concerning the agreement with Mercer Health and Benefits; the resolution included in agenda item 13.b concerning the agreement with

PricewaterhouseCoopers LLP, and the resolution included in agenda item 13.c concerning the agreement with California Department of Public health. Mr. Figueroa made the motion, which was seconded and unanimously passed

Resolution 13.a is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_13a.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_13a.pdf)

Resolution 13.b is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_13b.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_13b.pdf)

Resolution 13.c is located at:

[http://www.mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_081711/Agenda\\_Item\\_13c.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_081711/Agenda_Item_13c.pdf)

Deputy Director Rouillard asked Chairman Allenby to be recognized. She acknowledged the kind words spoken about her earlier in the meeting and shared thoughts about her pride in participating in MRMIB's accomplishments since joining the staff in 2007, and particularly noted establishment of an encounter database, establishment of the PCIP program, the up-coming contract with an External Quality Review Organization, and the Healthy Families/Healthy Smiles project. Ms. Rouillard expressed hope that the Board would continue to build on its accomplishments in the 2012-13 year. She said none of these accomplishments would have been possible without her team in Benefits and Quality Monitoring and MRMIB overall. She singled out BQM managers for special thanks: Ruth Jacobs, Muhammad Nawaz, Brian Warren, Sarah Swaney and Jill Young, and their staffs, because of their dedicated and conscientious efforts to serve all program subscribers. Ms. Rouillard said it has been her honor and pleasure to serve the Board, and she wished the Board all the best, and acknowledged that their paths would cross again.

Chairman Allenby thanked Ms. Rouillard and wished her all the best.

Mr. Figueroa noted that there have been ups and downs. In particular, the budget situation has not allowed Ms. Rouillard to do everything that she has wanted to do. The Board very much appreciated her continued efforts and the way she kept her nose to the grindstone no matter what obstacles were put in the way. At the end of the day it isn't just about benefits, it is about the quality of those benefits. He thanked Ms. Rouillard for her service and said that he looked forward to continued cooperation.

Chairman Allenby asked Ms. Casillas if there was anything else to bring before the Board. She said there was not. The meeting was adjourned at 12:44 p.m.