Agenda Item 3
11/18/2009 Meeting

Managed Risk Medical Insurance Board
October 15, 2009, Public Session

Board Members Present:	Cliff Allenby (Chairman), Areta Crowell, Ph.D., Sophia Chang, M.D., M.P.H., Richard Figueroa
Ex Officio Members Present:	Ed Heidig, Bob Sands
Staff Present:	Lesley Cummings, Executive Director; Janette Lopez, Chief Deputy Director; Laura Rosenthal, Chief Counsel; Seth Brunner, Senior Staff Counsel; Shelley Rouillard, Deputy Director for Benefits and Quality Monitoring; Terresa Krum, Deputy Director of Administration, Ginny Puddefoot, Deputy Director of Office of Health Policy and Legislative and External Affairs; Ernesto Sanchez, Deputy Director of Eligibility, Enrollment, and Marketing Division; Thien Lam, Manager for Eligibility, Enrollment, and Marketing Division; Kathi Dobrinen, Manager with the Eligibility, Enrollment, and Marketing Division; Anjonette Dillard, Manager in the Eligibility, Enrollment, and Marketing Division; Larry Lucero, Manager in the Eligibility, Enrollment, and Marketing Division; Sarah Swaney, Benefits and Quality Monitoring Division; Will Turner, Analyst with the Office of Health Policy and Legislative and External Affairs; Maria Angel, Assistant to the Office of Chief Counsel; and Tara Alcione, Acting Assistant to the Board.

Chairman Allenby called the meeting to order at 10:00 a.m. The Board then went into Executive Session. It reconvened for Public Items at 11:00 a.m.

REVIEW AND APPROVAL OF MINUTES OF AUGUST 27, 2009 AND SEPTEMBER 16, 2009

Chairman Allenby asked if there were any questions or comments on the minutes for August 27th. There were none. Approval of the minutes for September 16th was deferred to the November meeting.

The Board unanimously approved the minutes of the August 27th meeting.

The August 27, 2009 Minutes can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_3_Public_8-27-09_Minutes.pdf

STATE LEGISLATION

Mr. Turner provided the Board with a summary of state legislation and called the members' attention to four bills. The Governor signed AB 1383 (Jones) which would require the Department of Health Care Services (DHCS) to calculate and impose a provider fee on specified hospitals, effective January 1, 2011, to be used for making supplemental Medi-Cal hospital reimbursements, paying supplemental payments to managed care plans, and paying for children's health coverage. AB 1383, however, does not contain an appropriation. In his signing message, the Governor mentions several shortcomings of the bill. These are addressed in AB 188 (Jones), which was recently introduced. Among other things, AB 188 appropriates funding for children's health coverage. The bill is moving quickly through the process. It has been passed by the Senate (with no "no" votes) and is presently in the Assembly for concurrence. The appropriation in AB 188 for children's health coverage depends on CMS approval of the fee established in AB 1383.

AB 1422 (Bass) was also signed by the Governor. This bill establishes a Medi-Cal managed care plan gross premium tax which will provide some funding for Healthy Families.

Ms. Cummings informed the Board that DHCS staff has done incredible work in developing the legislation and working to implement it. Staff has invested a lot of work recalculating rates, communicating with the plans, and working with the Department of Insurance and the State Controller's office. They have done fabulous work, and MRMIB staff want the Board to be aware of their efforts on behalf of HFP.

Chairman Allenby expressed his thanks to DHCS staff.

Mr. Turner concluded his report, noting that AB 1568 creates the Children's Health and Human Services special fund, which will hold the funds generated by the managed care fees established by AB 1422. He indicated that there was nothing to report about special session legislative activity.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

The legislative summaries can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_5.a_Legislation_Summary_Regular_Session.pdf

and:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_5.b_Legislation_Summary_Special_Session.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY

Ms. Puddefoot highlighted some points from three handouts related to Federal Health Care Reform.

The first is a document the Governor issued summarizing his views and concerns on federal reform. The Governor endorsed the need for comprehensive reform in the health delivery and insurance systems. He emphasizes that successful reform depends on three things: cost containment and affordability; prevention, wellness and quality; and universal coverage. He cautions that California is not in a position to support billions of dollars in new state costs, unfunded mandates, or restrictive maintenance of effort requirements. However, he points out that the current Medicaid system is fiscally unsustainable for states, and that any expansion would have to be funded completely by the federal Government. He also expresses the view that providers will only participate in an expanded Medicaid program in sufficient numbers if rates are raised significantly from their current level. With respect to CHIP and coverage for lower-income children, the Governor states that transitioning children into family coverage as a positive step so that families can receive coverage through the same health insurance plan. He notes, however, that requiring an EPSDT wrap for children would be very costly and complex to administer. Instead he suggests that the benefits provided to families be comprehensive so supplemental benefits are not needed. The Governor believes the most effective path to universal coverage is an enforceable and effective individual mandate, combined with insurance reform that guarantees issue and subsidies for lower-income individuals. He advocates for a strong state role in the operation of insurance exchanges and for interim funding for high risk pools until federal reforms are implemented. This includes the need to provide funding for California's pool to become federally eligible.

The second handout is a report from the Glover Park Group to the California HealthCare Foundation and California Health Policy staff. The report is the most recent update the Glover Group has issued summarizing the status of health reform efforts in Washington. Last week, the Senate Finance Committee adopted over 110 amendments to Chairman Baucus' mark. Senator Rockefeller's amendment replaced provisions that would have moved children

from CHIP to an exchange and instead continues the CHIP. Ms. Cummings added that the amendment would also increase the percentage of Federal Financial Participation for CHIP. The Cantwell amendment creates a federally funded non-Medicaid state plan that would combine private sector competition with the purchasing power of states to provide coverage for people with incomes between 133 percent and 200 percent of the federal poverty level (FPL). The next step in the Senate is to meld the Senate Finance bill with the Senate Health, Education, Labor and Pensions bill and take that to the floor. On the House side, of course, the negotiations are still underway.

The third handout is the Kaiser Family Foundation's latest side-by-side comparing the three measures that are currently being reviewed and negotiated in Washington. Ms. Puddefoot walked the Board through a few selected comparisons between the three bills.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

The three documents can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_4.pdf

INTERAGENCY AGREEMENT WITH EMERGENCY MEDICAL SERVICES AUTHORITY

Chairman Allenby announced that the action on the Inter-Agency Agreement (IAA) with Emergency Medical Services Authority (EMSA) for support of the California Poison Control System would be to adopt the resolution included on page 1 of 2 in Agenda Item 6.a.

Dr. Crowell moved approval.

Mr. Figueroa asked staff to confirm that under the IAA, EMSA would provide the Board with the funds to be matched at a two-thirds rate (CHIP funds). Ms. Krum and Ms. Lopez confirmed this. Mr. Figueroa asked the total amount that EMSA would receive. Ms. Krum said it would be approximately 8.8 (million dollars).

Ms. Cummings added that MRMIB staff are currently working on the state plan amendment (SPA), which MRMIB will submit to CMS. The SPA will seek federal support under that provision of CHIPRA that allows for public health initiatives. These are viewed as services broadly provided to lower-income children. EMSA demonstrated to MRMIB that the poison control centers serve significant numbers of low income children. This information will be included in the SPA.

Chairman Allenby asked for any further discussion. There was none. He asked for a vote. The Board unanimously approved the resolution.

The agreement can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_6.a_Board_Resolution_and_Summary_EMSA_IA.pdf

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Mr. Sanchez informed the Board that HFP enrolled 581 new subscribers in September. However, the vendor has actually enrolled 13,000 children from the waiting list. These children won't actually show up until the October report; their effective date of coverage was in October because plans have ten days to get cards and member materials to new enrollees. The vendor has cleared approximately 25 percent of the wait list and hopes to completely clear the list by mid-November, approximately thirty business days after the wait list was lifted.

To achieve this goal, MRMIB staff has taken several steps. It directed the vendor to request additional information or documentation only when items are either missing or unacceptable, and to redirect staff who work in the Annual Eligibility Review (AER) area. There is some flexibility there because the vendor sends out the AER packets anywhere from 75 days to 60 days in advance of a child's anniversary month. MRMIB staff also authorized Certified Application Assistors (CAAs) who originally helped the families with their application to assist them again now that they're being processed. The vendor is also referring callers who are requesting additional assistance with their applications to MRMIB's CAA network, which includes certified staff from plans.

On a daily basis, enrollments are reaching pre-wait list levels of between 1,000 to 1,500 children. The percentage of assisted applications has been increasing despite the elimination of funding for CAAs. Many of HFP's community-based partners continue to assist families.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

The enrollment report can be found at
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_7.a_HFP_Enrollment_Report.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported that the vendor continues to meet all processing, performance and quality requirements. He noted that the report for both HFP and AIM has been revised to clarify that one of the processing standards addresses not just the determination that an application is complete but also the fact that eligibility determinations are made on complete applications within the

required timeframe. Staff made this clarification in response to a question from the public at the prior meeting.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

The vendor performance report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_7.b_HFP_Adm_Vendor_Perf_September_2009_Summary.pdf

Advisory Panel Summary

Mr. Sanchez indicated that because the Committee's chair, Jack Campana, was absent due to illness he would report on the Panel's August meeting on behalf of Mr. Campana. Mr. Sanchez briefly reviewed the Advisory Panel meeting minutes.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none

The minutes of the meeting can be found at:
http://www.mrmib.ca.gov/MRMIB/Minutes/081109min.pdf

Impact of the February 2009 Subscriber Premium Increase

Ms. Cummings indicated that staff would report on this subject at the November meeting. Data critical to the report was lost during the recent storm.

Update on Mental Health Evaluation

Ms. Swaney advised the Board that staff and the contractor for the evaluation of plan-provided mental health and substance abuse services are working on three major activities related to the evaluation. The evaluation report is due to the Board in June.

Under the first set of activities, APS, the evaluation contractor, has collected a variety of policy and procedure documents from HFP plans, including mental health and substance abuse provider lists; outreach and education documents; assessment coordination and authorization documents; and quality improvements and member services documents. Each plan provided about 55 documents. APS is preparing a preliminary analysis of the documents for staff review.

Under the second set of activities, APS, in collaboration with MRMIB, the health plan partners, and Dr. Crowell, developed a data collection tool to obtain quantitative data on service utilization. This special effort is necessitated by the

fact that MRMIB still does not receive claims or encounter data. Plan partners have been extremely collaborative and responsive to APS concerning this data request. The tool asked plans to report on a number of data elements, including: the total number of inpatient days; the number of member hospital admissions; the number of outpatient visits; the average length of time from outpatient referral to outpatient visits; the five most common mental health diagnoses; the top five prescribed medications for mental health diagnoses; and the number of members who receive outpatient mental health services who have a co-occurring disorder. The form asks for a demographic breakdown of the data over and above, for example, age, ethnicity, gender, and language spoken by the parent/guardian. APS is analyzing this data now.

Finally, APS is organizing focus groups of subscriber parents in five counties (Los Angeles, Riverside, Santa Clara, San Joaquin, and Orange). The focus groups will be conducted between the December and February. In addition to the focus groups, APS will also be interviewing health plan representatives, and will ask plans about how they use quality and outcome data to measure and improve the quality of mental health and substance abuse care for members; whether standardized child and adolescent screening tools are used effectively; the overlap, if any, of mental health professionals providing basic mental health and SED treatment in both HFP and county mental health departments; how plans use behavioral health companies or county mental health departments as subcontractors to provide mental health services; and, how mental services are coordinated with physical healthcare services.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

Consideration of Clarifications and Corrections to Regulations Adopted August 27, 2009 and September 16, 2009 Concerning Copayments for Health, Dental, and Vision Services and Concerning Choice of Dental Plan

Ms. Rosenthal indicated that staff is asking that the Board adopt emergency regulations at this meeting that would modify the emergency regulations that the Board adopted August 27th and September 16th concerning health, dental, and vision plan copayments and dental plan choice.

Pages 1 - 4 of the proposed regulations modify the regulations on dental plan choice brought to the Board in August and September. There is no substantive difference between the regulations presented today and those presented in September, but those presented today are written more clearly. The regulations presented today and in September change the version the Board adopted in August to more closely align with the rules for state employees. Specifically, a state employee must be employed for two years in order to have full choice of dental plans; however, employees who were with the state when the two-year rule took effect were grandfathered and retained full choice. The proposed

Healthy Families regulations are very similar except that Healthy Families plan enrollment is by household not subscriber. Ms. Rosenthal then reviewed and explained each of the changes by page.

In pages 5 to 11, the regulations propose one substantive change to the copayment regulations the Board adopted August 27th. Specifically, after staff brought the copayment regulations to the Board, staff determined that under the applicable federal regulations, most or all copayments for children with incomes between 100 and 150 percent of the FPL were limited to $5. Therefore, the regulations today would revise those adopted August 27th to specify that all of the copayment increases apply only to children with family incomes above 150 percent of the FPL. Ms. Rosenthal reviewed where in the regulations proposed changes had been made.

Ms. Rosenthal indicated that for the Board to adopt this regulation package, the motion staff requests is for the Board to adopt the resolution included as Agenda Item 7.g.1, adopting the modified regulations concerning health, dental, and vision copayments and choice of dental coverage.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience.

Manjusha Kulkarni, with the National Health Law Program, asked how providers will be able to tell which children should be assessed the lower copay versus those assessed a higher copay.

Ms. Lopez explained that the vendor sends a HIPAA transaction to the plans for enrollment. This transaction includes a copay field. Presently, the copay field either shows a zero, which denotes that child is Native American, or a $5 copay. The vendor will update the records for Category B and C children (those with family incomes above 150 percent of FPL) to denote a $10 copay.

Ms. Kulkarni asked whether this meant the information will be by income. Ms. Lopez replied that no income information will be included. The form will just say which copayment category a child is in.

Clifford Sarkin from the Children's Defense Fund and 100 Percent Campaign, indicated that the advocacy community wants the Board to hold off on implementing some of the changes until it becomes clear what funding might be available to the program due to AB 1383 (Jones) and what changes to children's coverage would result from federal healthcare reform. One of the federal bills contains a maintenance of effort requirement that will require that the Board roll back increased copayments and premiums to the levels they were in June. Delaying implementation could prevent implementing them only to roll them back.

Mr. Sarkin asked the Chairman if he could make a comment on the wait list. The Chairman allowed him to proceed. Mr. Sarkin expressed disappointment that only 25 percent of the children on the wait list have been enrolled. The wait list was lifted on September 16th and there were some 88,000 children on the list at that time. And 75 percent of them remain on the list. He urged the Board and staff to accelerate the pace of their eligibility determinations.

Kelly Hardy with Children Now and 100 Percent Campaign asked if the phrase “in the area” (used in the proposed regulation) is defined elsewhere in statute.

Ms. Rosenthal replied that a definition is not needed because the regulations rely on the plain language meaning used throughout the regulations. She noted that the proposed regulations say that in any geographic region or portion thereof, the Board may designate one or more participating dental plans. Where there is not one available, then the subscriber does not have to choose it. The requirement is based on wherever the subscriber lives, consistent with how the word "area" is used throughout the regulations.

Ms. Hardy expressed the concern that children who already have trouble accessing dental services would have additional difficulties under the new rule. The policy is consistent with the law, but whether the providers available under the designated plan are geographically close or whether transportation is available to get to them seem problematic.

Ms. Rosenthal commented that this was an issue separate from the regulation. The regulations set forth when a subscriber must choose such a plan. Ms. Hardy concurred, acknowledging that it is a more global issue.

Ms. Hardy also indicated that the advocate community would like to partner with MRMIB on outreach efforts. The community is interested in making sure that all eligible children are enrolled, especially during this time of ongoing recession. There are many who are interested in local efforts, reaching out to families through special ethic media outlets, outreaching to constituents through policy makers, newsletters, and that type of thing.

The Chairman affirmed that MRMIB staff would be happy to meet to explore these subjects. Mr. Sanchez added that after each meeting of the HFP Advisory Panel, theirs is a regularly scheduled meeting of the Healthy Families Outreach Workgroup. He suggested that this would be a good avenue for these discussions and suggested that the advocates participate.

Chairman Allenby reminded the Board that staff recommends that the Board adopt the resolution included as Agenda Item 7.g.1, adopting modified regulations concerning health, dental, and vision copayments and choice of dental plans.

Dr. Crowell acknowledged the concerns expressed by the advocates, but said that the Board is obligated to go ahead with the regulations. She moved adoption. Dr. Chang seconded the motion.

The Chairman asked if there were any further discussion. There was none. The Board unanimously approved the regulations.

The regulations can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_7.g.pdf

Final Adoption of Regulations Regarding Disenrollment at Annual Eligibility Review

Ms. Rosenthal identified the documents associated with the final adoption of the proposed regulations. The proposed regulation, which is identical to the emergency regulation adopted last fall except for one technical correction, is Agenda Item 7.h.2. The resolution for the adoption of the regulation is Agenda Item 7.h.3. The public comments received are Agenda Item 7.h. Agenda Item 7.h.1 is staff's summary of the public comments and staff's responses.

Ms. Rosenthal reviewed the proposed regulation. It does two things. 1) It exempts from disenrollment those children who receive California Children's Services (CCS) benefits and are financially eligible for CCS solely because of their Healthy Families Program enrollment. Staff has made a technical correction in this section, changing the word "subjected" to "subject."; and 2) it specifies that the Board's and the Executive Director's waiting list and disenrollment findings will reflect the terms and conditions of specific funding sources, such as First 5. These are the same regulations the Board adopted in the fall.

Ms. Rosenthal then discussed the public comments received on the regulations during the regulatory process and staff response to the comments. She emphasized that under the State Administrative Procedure Act (APA), comments are considered irrelevant if they're not specifically directed at the agency's proposed actions. This affects what staff commented on in its summary responses to the public comments. MRMIB received six letters representing multiple groups-- and each of these letters included multiple comments. Most of the comments did not address the proposals in the current regulation package, meaning the CCS exemption or the provision on targeted sources of funding, but rather addressed issues concerning the underlying regulations adopted in 2007. Ms. Rosenthal indicated that the board materials included all the comments but that, for the purposes of the discussion, she would address only the comments that concern the issues in the current package: targeted funding or CCS exemption.

The only comment received on targeted funding was from the California Medical Association (CMA). CMA suggested adding language stating that, when the program receives funding for a particular group of subscribers, it may shift funding that would otherwise have been spent on that group to cover other eligible children. Staff does not recommend that the Board accept this comment for two reasons. Shifting funds in this way may violate the terms and conditions of a funding source. And if shifting funds is permitted under the terms and conditions of a given funding source, the existing regulations would already authorize it, so no change in the regulation is needed.

There were several comments on the CCS exemption and related medical issues. These fell into a few categories, primarily: requests to exempt all CCS children, not just those who are CCS eligible solely due to their Healthy Families eligibility; requests to exempt other non-CCS children with a variety of serious medical conditions or children undergoing medical treatment; and finally, requests to exempt siblings of children who are exempt because they are CCS and siblings of other children who have serious medical conditions or are undergoing medical treatment. Staff did not recommend accepting these recommendations. The CCS exemption as written is narrowly drafted, and is aimed at avoiding a situation where children could be disenrolled from CCS as a result of losing Healthy Families Program coverage. Staff conclude that increasing the number of exemptions makes it more difficult for the Board to manage its statutory obligation to limit enrollment in order to stay within available funds. In fact, depending on the timing and the degree of a funding shortfall, increasing the number of subscribers who are exempt from disenrollment at AER could potentially create a situation in which the Board would actually be required to wait list or disenroll more children or to actually begin a wait list or disenrollment process earlier. Staff's comments also note the financial and logistical difficulties associated with making case-by-case medical determinations that would be necessitated if there were exemptions for non-CCS children.

Staff requested that the Board adopt the resolution included as Agenda Item 7.h.3, approving the final adoption of regulations regarding disenrollment at Annual Eligibility Review and targeted funding.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

Board members moved and seconded the motion to adopt the resolution included as Agenda Item 7.h.3, approving the final adoption of regulations regarding disenrollment at AER and targeted funding. The Chairman again asked if there was any further discussion. There was none. The Board voted unanimously to approve the regulations.

The documents associated with this item can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_7.h.pdf

Adoption of Emergency Regulations Increasing Subscriber Premiums Consistent with AB 1422 (Chapter 157 Statutes of 2009)

Mr. Lucero presented proposed emergency regulations which increase the Healthy Families subscriber premium consistent with the increases enacted in AB 1422 (Bass). Mr. Lucero reviewed each of the proposed changes. In summary, the regulations increase the premiums as of November 1, 2009. Premiums for families with the highest incomes in HFP, Category B (income greater than 150 percent up to 200 percent FPL, or AIM-linked infants) will be $16 per subscriber child with a maximum of $48 per month per family, unless a family chooses a community provider plan (CPP) in which case premiums will be $13 per subscriber child with a maximum of $39 per month per family. Premiums for Category C (greater than 200 percent up to 250 percent FPL) will be $24 per subscriber child with a maximum of $72 per month per family, unless a family chooses a CPP in which case premiums will be $21 per subscriber child with a maximum of $63 per month per family.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

Chairman Allenby requested a motion to adopt the resolution included in Item 7.i.1, adopting the proposed regulations addressing the subscriber premium increase.

Board members moved and seconded the motion to adopt the resolution included as Agenda Item 7.i.1. The Chairman again asked if there was any further discussion. There was none. The Board voted unanimously to approve the regulations.

The Regulations can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_7.i.pdf

Final Adoption of Regulations Clarifying Coverage of Lead Screening

Ms. Rouillard reminded the Board that in May of 2008 it adopted regulations clarifying that Healthy Families plans must provide blood lead screening and anticipatory guidance for children enrolled in the program. Blood screening at appropriate intervals had already been a covered benefit in Healthy Families. However, not all HFP plans were providing the screenings at the periodicity schedule set forth in regulations implementing the California Childhood Lead Poisoning Prevention Act of 1991. On September 8, 2009, MRMIB staff held the required public hearing on the regulations. Two organizations provided comments. Their letters and staff response to the comments are in the packet.

Staff has provided the Board two versions of the regulations. Version one shows the original text that the Board approved (with changes shown by a single underline and a strikeout). But since the Board's approval in May of 2008, there have been additional changes to some of the sections. Version two shows those changes as well as the original language. Version two is what will be presented to the Office of Administrative Law (OAL). The process requires that the Board see both versions. Regarding public comments, staff does not recommend adopting changes proposed. Staff appreciated the comments and suggestions. Some of them were not really directed at the proposed regulation. For the reasons detailed in the document, staff recommended the Board adopt the regulations with no further changes.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience.

Manjusha Kulkarni from the National Health Law Program (NHLP) expressed support for the regulations. The changes they make will have a meaningful impact on the lives of low-income children enrolled in the Healthy Families Program. She expressed thanks to Ms. Rouillard who exercised critical leadership on the issue. NHLP is very happy to partner with MRMIB in an effort to maximize implementation of these regulations and ensure that children enrolled in Healthy Families get the medically necessary blood screenings.

Chairman Allenby thanked Ms. Kulkarni for her kind comments. He stated that the action needed is to adopt the resolution included as Agenda Item 7.j.4, approving the final adoption of regulations addressing coverage of lead screening.

Board members moved and seconded the motion to adopt the resolution included as Agenda Item 7.j.4. The Chairman again asked if there was any further discussion. There was none. The Board voted to unanimously approve the regulations.

The Regulations can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_7.j.pdf

Chairman Allenby noted that there were no more agenda items for HFP and invited Kelly Hardy to address the Board. She had previously expressed a desire to do so at the end of the HFP items.

Ms. Hardy with Children Now and 100 Percent Campaign expressed happiness and gratitude that a funding solution had been developed for HFP that ensures that children do not have to be disenrolled from the program. The 100 Percent Campaign has been working on a family stories folder that gathers stories of how families have been helped by the program and what an important impact this has

had on them. The stories are being distributed widely within the Capitol and staff. Ms. Hardy thanked all of the Board and staff for its hard work.

Chairman Allenby replied that the Board very much appreciated her comments. Mr. Figueroa noted that the advocates played a critical role in achieving the happy outcome by highlighting the impact that enrollment restrictions would have on families. He thanked Ms. Hardy for their efforts.

ACCESS FOR INFANTS AND MOTHERS (AIM)

Enrollment Report

Ms. Dobrinen reported that in September 841 new subscribers enrolled in AIM. The program currently has a total of 7,024 subscribers enrolled.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

This report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_8.a_AIM_Enrollment_Report.pdf

Administrative Vendor Performance Report

Ms. Dobrinen reported that the administrative vendor continues to meet all performance, quality, and accuracy standards.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

This report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_8.b_AIM_Adm_Vendor_Perf_September_2009_Summary.pdf

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Ms. Dillard reported that as of October 1st enrollment in MRMIP is 6,860, a number below the enrollment cap. She indicated she would provide additional information on the topic when discussing the wait list.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none

This report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_9.a_MRMIP_Enrollment_Report.pdf

Update on Enrollment Cap and Waiting List

Ms. Dillard reported that as of this week there are a total of 204 on the wait list. The vendor previously offered 400 enrollment slots with an effective date of November. Today is the cutoff date for people to accept a slot, so it will be clear tomorrow how many slots will be taken up. Later this week, staff will direct the vendor to offer slots for December.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

This document can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_9.b_MRMIP_Waiting_List_Enrollment_Cap.pdf

Administrative Vendor Performance Report

Ms. Dillard reported that the vendor met all performance standards.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

This report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_9.c_MRMIP_Vendor_Performance_Report.pdf

Update on Subscriber Premiums Benefit Year 2010

Ms. Lopez updated the Board on the outcome of negotiations with Blue Shield concerning its proposed MRMIP subscriber premiums.

Chairman Allenby commented that he had read about it in the L.A. Times.

Ms. Lopez said that the fundamental issue with the proposed premiums is that they were based on a product that had higher than average risk. Blue Shield concurred with this assessment. In fact, they analyzed what type of adjustments would be necessary to make the premiums reflect an average risk based on adjustment. This analysis was performed using the risk adjustment model MRMIB and PricewaterhouseCoopers (PwC) developed for the HIPC. Pursuant to that analysis, Blue Shield would have needed to reduce the proposed premiums by 22 percent. So the final offer to Blue Shield was that the Board wanted the company as a choice in the program, but that the premiums needed

to be reduced by 22 percent. Blue Shield considered the offer, but declined it. Therefore, Blue Shield will not be an available plan in 2010. The vendor will be working with Blue Shield's 83 members to select a new plan.

Ms. Lopez indicated that she had provided the Board and public with a copy of the revised premium chart that will go into the new application/handbook. Blue Shield has been removed as a plan choice. Additionally, there are some technical corrections to premiums charged by Blue Cross for subscribers with one or two dependents. These have been reduced by ten percent. The revised chart has also been posted to the web.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

This document can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_101509/Agenda_Item_9.d.pdf

2009 Disenrollment Survey

Ms. Dillard informed the Board that the disenrollment survey is done annually, during the month with the highest number of disenrollments. Traditionally, the month is January because that is when premium increases take effect. Staff revised the survey document slightly, deleting a couple of questions and adding two to determine satisfaction with MRMIP's annual benefit cap of 75,000 and lifetime benefit cap of 750,000. The vendor sent the survey to 221 subscribers and 74 responded. The highest reason for disenrollment continues to be the subscribers have obtained other health coverage such as Medicare. That's a positive thing. Unfortunately, the second highest reason was due to the high cost of the premiums.

Chairman Allenby noted that they are not cheap.

Ms. Dillard replied that the average premium increase was 5.7 percent from 2008 to 2009. The cost of the program was the reason cited for 34 percent of the disenrollments.

Chairman Allenby complimented Ms. Dillard for an excellent report.

Chairman Allenby asked for any questions or comments from the Board. There were none. He asked for any comments from the audience. There were none.

The Survey can be found at:
http://www.mrmib.ca.gov/mrmib/agenda_minutes_101509/agenda_item_9.e.pdf

Chairman Allenby asked if there was anything else to bring before the Board. When no one brought any issue forward, he adjourned the meeting. Public session concluded at 12:20 p.m.