

August 13, 2009

Managed Risk Medical Insurance Board  
Attn: Diane Knox  
1000 G Street, Suite 450  
Sacramento, CA 95814

**RE: Proposed Rulemaking ER-6-08**

Members of the Managed Risk Medical Insurance Board:

On behalf of the more than 30,000 physician members of the California Medical Association (CMA), thank you for the opportunity to comment on this proposed rulemaking, regarding disenrollments from the Healthy Families Program (HFP).

California's physicians are disappointed that MRMIB has been placed into the position of having to make the changes presented in this rulemaking. When President Obama signed the Children's Health Insurance Program Reauthorization Act (CHIPRA) earlier this year, it was supposed to allow states to expand their programs, and cover more children. Our physician members are deeply saddened that California is instead discussing how to remove children from our program.

That being said, we offer the following comments on the regulations as presented:

**1. Proposed Subsection 2699.6603(b)(2)**

Exempting children in the California Children's Services (CCS) program from disenrollment from the HFP is the right thing to do. These children with a "handicapping condition" are among California's most vulnerable patients.

However, CCS children are not the only very sick children in the HFP. CMA remains concerned that, when disenrollments start, there will be no consideration given to the health status of children who are set to be removed from the program.

We therefore suggest an additional section be added that will allow the Executive Director to exempt any child from disenrollment based on medical need. To keep this exemption limited to children with very high medical needs, the Board could require that a physician who treats the child attest to the severity of the need.

We offer the following language to affect this change:

***(3) The Executive Director may choose to exempt any subscriber from disenrollment from the program based on severe medical need. Such exemption will be granted after consultation with a treating physician.***

**2. Proposed Subsection 2699.6603(f)**

This new subsection would allow the Board to expend funds from an entity like the First 5 Commission unevenly, depending on terms and conditions placed on the money by the donor entity, or by applicable law.

While we understand the reason for this suggestion, we offer a further clarification. In the event that the Board received funds targeted for one group of children, the Board would theoretically then shift funds that would otherwise be expended on this group of children to cover other children and maximize the effect of the donated funds.

We recommend the addition of the following language:

***(f)(1) If the Board receives funds pursuant to subsection 2699.6603(f), with applicable terms and conditions limiting their use to one group of subscribers, the Board may then choose to shift funding that would have otherwise been used for that group of subscribers to cover other eligible children.***

While CMA strongly objects to the disenrollment of children from the HFP and know these cuts will cause harm to California's children, we thank you for trying to minimize the harm to the extent possible. Thank you in advance for your consideration of our comments.

Sincerely,

David Ford  
Associate Director, Medical and Regulatory Policy

August 17, 2009



Managed Risk Medical Insurance Board  
Attn: Dianne Knox  
1000 G Street, Suite 450  
Sacramento, CA 95814

Dear Dianne Knox,

The 100% Campaign – a collaborative of The Children’s Partnership, Children Now and the Children’s Defense Fund-California – thanks you for the opportunity to submit the following comments to the Healthy Families emergency regulations (ER-06-08) relating to waitlist and disenrollment procedures.

100% Campaign  
Headquarters  
1212 Broadway  
Fifth Floor  
Oakland, CA 94612  
(510) 763-2444  
(510) 763-1974 fax  
www.100percentcampaign.org

More than ever before, with the Healthy Families Program (HFP) facing significant shortfalls in state funding, the disenrollment and waitlist procedures are more critical to the ongoing integrity of the Program as well as to the continuity of care for children. Any disenrollment or waitlist procedure should place as the highest priority both how to ensure that the sickest children can continue needed treatment and that those who are disenrolled can re-enroll in HFP as soon as funds are restored. In addition, these procedures must ensure that children will be enrolled as quickly and smoothly as possible into alternate programs, particularly Medi-Cal coverage.

Children Now  
1212 Broadway  
Fifth Floor  
Oakland, CA 94612  
(510) 763-2444  
(510) 763-1974 fax

With regard to disenrolling children, we urge the Board to consider delaying this drastic action, to the extent that a portion of the shortfall is already filled.

Children’s  
Defense Fund  
2201 Broadway  
Suite 705  
Oakland, CA 94612  
(510) 663-3224  
(510) 663-1783 fax

Regarding the waitlist, the regulations should specify a clear procedure for following through with a regular HFP eligibility determination for applicants (even if there is a waitlist). MRMIB’s data report that about 5% of children were denied HFP coverage after an HFP determination for being under-income and thus are likely eligible for Medi-Cal. These children must be identified and provided Accelerated Enrollment and their applications should be forwarded to counties according to HFP’s usual procedures. The Single Point of Entry (SPE) screening for Medi-Cal is clearly insufficient to identify them; thus, a full HFP determination must be made for all HFP applications. In fact, the current practice of not making an HFP determination is not in compliance with MRMIB’s federal screen and enroll requirements (as evidenced from MRMIB’s data showing that children who are likely eligible for Medi-Cal are identified in the HFP determination process when they are denied for being “under-income”). We also ask that all HFP-eligible applications be forwarded to counties for a Medi-Cal determination (e.g. Share of Cost or other categorical eligibility) regardless of the results from the SPE screen.

3655 S. Grand Avenue  
Suite 270  
Los Angeles, CA 90007  
(213) 749-8787  
(213) 749-4119 fax

The Children’s  
Partnership  
1351 3rd St. Promenade  
Suite 206  
Santa Monica, CA 90401  
(310) 260-1220  
(310) 260-1921 fax

We also ask that the regulations be modified to exempt from the waitlist children who are moving from Medi-Cal to HFP via bridge coverage. Unlike other applicants, these children would otherwise be losing coverage as they, for example, age-out of Medi-Cal and become eligible for HFP.

If the Board does go forward with disenrollments (as they authorized on August 13<sup>th</sup>) the Program should continue to make HFP renewal determinations, continue to review renewal form information for potential Medi-Cal eligibility, and continue to provide bridge coverage to these Medi-Cal-eligible children according to HFP's usual procedures. In addition, we would ask that all Annual Eligibility Renewal (AER) forms for all disenrolled children be forwarded to counties for a Medi-Cal determination.

With regard to disenrollment, we would strongly urge the Board to exempt the following populations:

- All Healthy Families-enrolled children who are also eligible for the CCS program (not just those CCS-eligible children who are solely CCS-eligible due to Healthy Families enrollment);
- Healthy Families children who are currently in a course of treatment, based on the standards of continuity of care detailed in provisions of the Knox-Keene statute (AB 1286 (Frommer) 2003). For example: The child is in an active course of treatment and the exemption applies until their current course of treatment is completed. Clearly, there are children receiving critical care such as heart surgery or leukemia treatment that should be continued in order to preserve their health and, in some cases, their lives; and
- Enrolled siblings of the above exempted children.

The regulations for disenrollments should also provide some opportunity to prioritize among Healthy Families children. For example, depending on the shortfall to fill, the Board could choose to protect coverage from discontinuation for the lowest-income children over higher-income children. Similarly, disenrolled children placed on the waiting list for future reinstatement could be prioritized by placing lower-income children before higher-income children on the list (based on the existing premium income tiers, for example). At the very least, the lowest-income children with siblings covered under Medi-Cal should be exempted from disenrollment or prioritized on the waitlist.

The procedures for operating a waitlist and for disenrolling HFP children need far greater attention to ensure clear directions for families and those organizations that assist them. Correspondence with families should clearly outline what actions families can take and what MRMIB will be doing to ensure that their children are connected to available insurance such as Medi-Cal. Similarly, information to application assistors and general FAQs on the website should continue to encourage families to apply for Healthy Families in order that children are placed on the waitlist and enrolled when enrollment resumes.

Most importantly, MRMIB should maintain and update the waitlist, and regularly touch base with families to ensure that they are connecting to available insurance and that their contact information is up to date for re-enrollment when HFP re-opens. Similarly, with regard to

disenrollments, renewal forms should still be processed and appropriately forwarded to ensure that before children are disenrolled they are bridged to Medi-Cal and/or renewal information is forwarded to counties for Medi-Cal determinations.

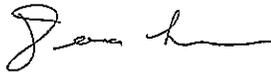
Finally, it is critical that MRMIB also regularly track and publicly report the number of children on the waitlist and those disenrolled.

We ask that you seriously consider adopting these modifications to the emergency regulations as disenrollments are a very real possibility in HFP this year and we need to ensure the least harm as possible comes to children needing coverage.

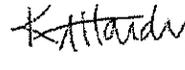
Sincerely,



Kristen Golden Testa  
Health Program Director  
The Children's Partnership



Deena Lahn  
Policy Director  
Children's Defense Fund California



Kelly Hardy  
Associate Director, Health  
Children Now



*Dedicated to the promotion,  
protection and improvement  
of the health of all  
Californians*

August 17, 2009

Managed Risk Medical Insurance Board  
Attn: Dianne Knox  
1000 G Street, Suite 450  
Sacramento, CA 95814

RE: Notice of Proposed Rulemaking ER-6-08

**Executive Committee**

**President**  
Susan Harrington, MS, RD  
*Riverside County*

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*Calaveras County*

Kathleen Grassi, RD, MPH  
*Fresno County*

Valerie S. Lucero, PHN  
*Tehama County*

**Executive Director**  
Judith Reigel

Dear Ms. Knox:

Thank you for the opportunity to comment on the proposed Emergency Regulations relating to the disenrollment of Healthy Families children. The County Health Executives Association of California (CHEAC) represents county health department directors. As such, our members have administrative responsibility for the California Children's Services (CCS) Program at the local level. Our comments relate specifically to Section 2699.6603(b)(2), which exempts from disenrollment children currently enrolled in the CCS Program if they would not otherwise be financially eligible for the CCS Only program.

While we are supportive of measures that assure that CCS children continue to have access to the essential health services that the CCS Program provides, we urge you to take a broader action regarding Healthy Families/CCS children for the following reasons.

(1) Continuity of Care

Due to significant differences in the way that financial eligibility is determined for the Healthy Families and CCS programs, the only way to definitively determine if a Healthy Families child would be financially eligible for the CCS Only program is to have the county CCS program do a full financial eligibility review. Since this is not currently required of Healthy Families children deemed eligible for CCS, not all families have this information on file with the local CCS program. Families with CCS children who have not previously completed this process would need to apply for the CCS Only program and provide documentation on CCS financial eligibility, a process that could result in disruption of access to critical health services for the child. This problem is further exacerbated by staffing reductions in local CCS programs, due to the capped allocations the state implemented in FY 08/09 for CCS County Administration. These capped allocations resulted in average reductions of 17% (and up to 58% for some counties) when compared to the previous year's approved budgets. The disenrollment of Healthy Families/CCS children will result in additional workload for county CCS staff at a time when we are already gravely concerned about delays in CCS eligibility determination due to the state budget reductions.

**County Health Executives Association of California**

1127 11<sup>th</sup> Street, Suite 309, Sacramento, CA 95814 • 916.327.7540 TEL • 916.441.4093 FAX  
www.cheac.org

(2) Full Scope Services

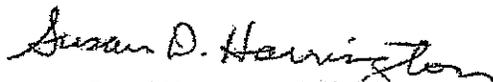
The CCS Only program provides *only* health care services related specifically to the child's CCS eligible medical condition. The full scope services provided by the Healthy Families program assure that these medically fragile children also have access to care for primary care services. Loss of these "wrap around" primary care services could exacerbate or worsen a child's CCS medical condition. For example a child with congenital heart disease or cystic fibrosis could have his or her health further compromised by seasonal flu or bronchitis, but care for those ailments would not be covered under the CCS Only program.

(3) Loss of Federal Funds

Children with CCS eligible medical conditions are among the highest cost children covered by California's public coverage programs. Under the Healthy Families program, federal SCHIP funds cover 65% of the cost for caring for these children. For those Healthy Families/CCS children who would otherwise qualify for the state's CCS Only program, the state and counties split the remaining costs (17.5% each). Under the CCS Only program, the state and counties both have a 50% share of the cost. If these CCS eligible children are disenrolled from the Healthy Families program, the state will lose the associated federal funds. As these children transition to the CCS Only program, both the state and counties will incur additional costs and will in effect have to absorb most of the lost federal funds.

For these reasons, we urge the California Managed Risk Medical Insurance Board to consider exempting all Healthy Families/CCS eligible children from disenrollment.

Respectfully,

  
Susan Harrington, MS, RD  
President

**County Health Executives Association of California**

♦ 1127 11<sup>th</sup> Street, Suite 309, Sacramento, CA 95814 • 916.327.7540 TEL • 916.441.4093 FAX  
www.cheac.org

St. Mary Medical Center   
ST. JOSEPH  
HEALTH SYSTEM

August 17, 2009

Managed Risk Medical Insurance Board  
Attn: Dianne Knox  
1000 G Street, Suite 450  
Sacramento, CA 95814

Dear Dianne Knox,

St. Mary Medical Center, a 186 bed acute care hospital, which for the last several years has made a concerted effort to help enroll the nearly 12,000 uninsured children in our Victor Valley community – thanks you for the opportunity to submit the following comments to the Healthy Families emergency regulations (ER-06-08) relating to waitlist and disenrollment procedures.

More than ever before, with the Healthy Families Program (HFP) facing significant shortfalls in state funding, the disenrollment and waitlist procedures are more critical to the ongoing integrity of the Program as well as to the continuity of care for children. Any disenrollment or waitlist procedure should place as the highest priority both how to ensure that the sickest children can continue needed treatment and that those who are disenrolled can re-enroll in HFP as soon as funds are restored. In addition, these procedures must ensure that children will be enrolled as quickly and smoothly as possible into alternate programs, particularly Medi-Cal coverage.

With regard to disenrolling children, we urge the Board to consider delaying this drastic action, to the extent that a portion of the shortfall is already filled.

Regarding the waitlist, the regulations should specify a clear procedure for following through with a regular HFP eligibility determination for applicants (even if there is a waitlist). MRMIB's data report that about 5% of children were denied HFP coverage after an HFP determination for being under-income and thus are likely eligible for Medi-Cal. These children must be identified and provided Accelerated Enrollment and their applications should be forwarded to counties according to HFP's usual procedures. The Single Point of Entry (SPE) screening for Medi-Cal is clearly insufficient to identify them; thus, a full HFP determination must be made for all HFP applications. In fact, the current practice of not making an HFP determination is not in compliance with MRMIB's federal screen and enroll requirements (as evidenced from MRMIB's data showing that children who are likely eligible for Medi-Cal are identified in the HFP determination process when they are denied for being "under-income"). We also ask that all HFP-eligible applications be forwarded to counties for a Medi-Cal determination (e.g. Share of Cost or other categorical eligibility) regardless of the results from the SPE screen.

We also ask that the regulations be modified to exempt from the waitlist children who are moving from Medi-Cal to HFP via bridge coverage. Unlike other applicants, these children would otherwise be losing coverage as they, for example, age-out of Medi-Cal and become eligible for HFP.

If the Board does go forward with disenrollments (as they authorized on August 13<sup>th</sup>) the Program should continue to make HFP determinations, continue to review renewal form information for potential Medi-Cal eligibility, and continue to provide bridge coverage to these children according to HFP's usual procedures. In addition, we would ask that all Annual Eligibility Renewal (AER) forms for all disenrolled children be forwarded to counties for a Medi-Cal determination.

With regard to disenrollment, we would strongly urge the Board to exempt the following populations:

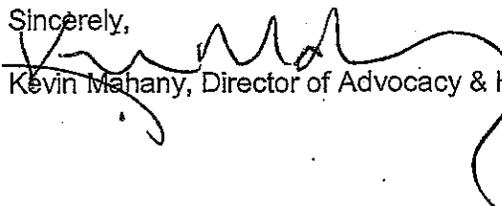
- All Healthy Families-enrolled children who are also eligible for the CCS program (not just those CCS-eligible children who are solely CCS-eligible due to Healthy Families enrollment);
- Healthy Families children who are currently in a course of treatment, based on the standards of continuity of care detailed in provisions of the Knox-Keene statute (AB 1286 (Frommer) 2003). For example: The child is in an active course of treatment and the exemption applies until their current course of treatment is completed. Clearly, there are children receiving critical care such as heart surgery or leukemia treatment that should be continued in order to preserve their health and, in some cases, their lives; and
- Enrolled siblings of the above exempted children.

The regulations for disenrollments should also provide some opportunity to prioritize among Healthy Families children. For example, depending on the shortfall to fill, the Board could choose to protect coverage from discontinuation for the lowest-income children over higher-income children. Similarly, disenrolled children placed on the waiting list for future reinstatement could be prioritized by placing lower-income children before higher-income children on the list (based on the existing premium income tiers, for example).

Finally, the procedures for operating a waitlist and for disenrolling HFP children need far greater attention to ensure clear directions for families and those organizations that assist them. In addition, MRMIB should maintain and update the waitlist, and regularly touch base with families to ensure that they are connecting to available insurance and that their contact information is up to date for re-enrollment when HFP re-opens. Similarly, with regard to disenrollments, renewal forms should still be processed and appropriately forwarded to ensure that before children are disenrolled they are bridged to Medi-Cal and/or renewal information is forwarded to counties for Medi-Cal determinations. MRMIB should also regularly track and report on the number of children on the waitlist and those disenrolled.

We ask that you seriously consider adopting these modifications to the emergency regulations as disenrollments are a very real possibility in HFP this year and we need to ensure the least harm as possible comes to children needing coverage.

Sincerely,

  
Kevin Mahany, Director of Advocacy & Healthy Communities, St. Mary Medical Center



NEIGHBORHOOD LEGAL SERVICES  
OF LOS ANGELES COUNTY

Writer's Direct Dial  
(818) 834-7572

August 17, 2009

Managed Risk Medical Insurance Board  
Attn: Dianne Knox  
1000 G Street, Suite 450  
Sacramento, CA 95814

FAX (916) 445-0898  
[dknox@mrmib.ca.gov](mailto:dknox@mrmib.ca.gov)

**RE: Comments on Healthy Families Disenrollment Regulations—ER-6-08,  
“HFP Disenrollment AER Implementation”**

Dear MRMIB and Ms. Knox:

The undersigned organizations represent low-income Californians and urge you to cease efforts to disenroll children from Healthy Families. We have raised larger concerns regarding children's rights to a full Medi-Cal eligibility determination in a letter dated August 6, 2009 (copy attached) at both initial application as well as at the Healthy Families annual eligibility review(AER); we now incorporate our earlier letter by reference into the record of ER-6-08, along with the following additional comments.

**1. The Regulations Should Indicate That Children Will Receive a Full Healthy Families Renewal Prior to Being Placed on the Waitlist.**

Data on MRMIB's website indicates that an average of nearly 5% of children who received a full Healthy Families eligibility determination in the months prior to implementation of the waitlist were found to actually have incomes too low for Healthy Families, even though the initial screen by the Single Point of Entry (SPE) did not find them eligible for the Medi-Cal Federal Poverty Level (FPL) Programs.

**A. The Regulations Should Clarify the Process To Be Followed at AER Before A Child is Put on the Wait List Instead of Bridged to Medi-Cal,**

The regulations, as written, would allow the full eligibility determination at AER. However, the regulations need to state more clearly that the usual eligibility review will be conducted at AER before a child is placed on the waiting list, in order to determine which children are to be bridged to Medi-Cal instead of sent to the waiting list for Healthy Families.

ADMINISTRATIVE OFFICE  
1102 East Chevy Chase Drive  
Glendale, CA 91205  
Fax: (818) 291-1790

EL MONTE OFFICE  
9354 Teistar Ave El Monte  
El Monte, CA 91731  
Fax: (626) 307-3650

GLENDALE OFFICE  
1104 East Chevy Chase Dr.  
Glendale, CA 91205  
Fax: (818) 291-1795

PACOIMA OFFICE  
13327 Van Nuys Blvd  
Pacoima, CA 91331  
Fax: (818) 896-6647

TEL: (800) 433-6251

**B. The Eligibility Review Should Also Be Done at Initial Application**

Similarly, new applicants must not be placed on the waitlist without the Healthy Families determination. The initial screen conducted by SPE does not map precisely to the full eligibility review for Healthy Families, and without that review, MRMIB is failing to identify the 5% who will be under-income for Healthy Families. The regulations must be modified accordingly.

**2. The Regulations Should Exempt AIM-Linked Children from Disenrollment**

The regulations should exempt from disenrollment AIM-linked children ages 1-2 years.

The Healthy Families "deemed eligibility" provisions of Ins. C. § 12693.765, § 12693.70(a)(6)(ii), and 10 C.C.R. § 2699.6608(b) and (g) apply to "a child under the age of two years who was delivered by a mother enrolled in [AIM]."

At the time of the deemed eligible child's first AER (i.e., occurring between the ages of 1 and 2 years), Section 12693.70(a)(6)(ii) requires that, "as a condition of continued [deemed] eligibility, [the family] provide income information". Consistent with the child's status of already having been deemed eligible until age two years, no Healthy Families application is required. *Id.* The child loses deemed eligibility for Healthy Families only if the income information is not provided or if it shows family income exceeds 300% of FPL. *Id.*

Thus, an AIM-linked child continues to be deemed eligible for Healthy Families without an application under Section 12693.70(a)(6)(ii) until age two years if the specified conditions are met: i.e., income information is provided and family income is at or below 300% of FPL at the time of the AER. *Id.* As noted in the Board's June 29, 2009 findings (paragraph 2, c.), children deemed eligible for Healthy Families without an application because they were born to mothers enrolled in AIM are not subject to enrollment freezes. The regulations should make this clear, and the Board should also modify its August 13, 2009 disenrollment findings accordingly at its earliest opportunity.

Sincerely,



Katie Murphy  
Western Center on Law & Poverty

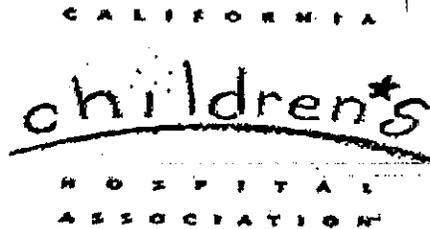
Mike Keys  
Bay Area Legal Aid

Barbara Siegel  
Neighborhood Legal Services  
of Los Angeles County

Lucy Quacinella  
Multiforum Advocacy Solutions

Oren Selstrom  
Lawyers Committee for Civil Rights

Lynn Kersey  
Maternal & Child Health Access



*Via Fax*  
August 17, 2009

Managed Risk Medical Insurance Board  
Attn: Dianne Knox  
1000 G Street, Suite 450  
Sacramento, CA 95814  
FAX (916) 445-0898

1215 K STREET, SUITE 1820  
SACRAMENTO, CA 95814  
T: 916-652-7111  
F: 916-652-7119  
www.ccha.org

**Re: Notice of Proposed Rule Making ER-6-08**

Dear Chairman Allenby and Board Members Belshé, Bonner, Campana, Chang, Crowell, and Figueroa:

I write on behalf of the California Children's Hospital Association to submit the following comments on the Healthy Families emergency regulations (ER-06-08) relating to disenrollment and waitlist procedures. We appreciate the important exemption for the financially deemed California Children's Services (CCS)/Healthy Families children that has been included in the regulations, but we urge you to consider including a medical exemption for all children (including all other CCS/HF and HF only) who are receiving life-saving treatment or have been diagnosed with a chronic or life-threatening illness.

The Healthy Families program ensures California's children receive necessary health care services in a timely manner, which results in healthier children and better health outcomes. Disenrollment of children who are receiving medically necessary treatment would be disastrous for that child's health outcome. It is critical that any child in treatment for a chronic or serious medical condition maintain access to the Healthy Families program and his/her medical providers. Disenrollment does not provide cost-savings in the long-term because the state will likely end up paying more for the care later when the child is even more sick and, thus, expensive to treat, possibly under the Medi-Cal program.

We would strongly urge the Board to exempt the following populations from disenrollment:

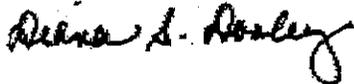
- All Healthy Families-enrolled children who are also eligible for or enrolled in the CCS program. It is critical that a child living with a CCS condition maintain access to all other necessary medically necessary services offered under the Healthy Families program such as screenings and other prevention services that he/she wouldn't have access to under CCS;

- Healthy Families children who are currently in a course of treatment; and
- Healthy Families children who have been diagnosed with a non-CCS life-threatening or chronic health condition, such as meningitis, pneumonia, and most cases of asthma and epilepsy. Children's Hospitals ask that the Board pull together a group of pediatric providers and other child health experts in a stakeholder process to make recommendations on what types of life-threatening or chronic health conditions should be included.

Any disenrollment or waitlist procedure should place as the highest priority both how to ensure that the sickest children can continue needed treatment and that those who are disenrolled can re-enroll in Healthy Families as soon as funds are restored. In addition, these procedures must ensure that children will be enrolled as quickly and smoothly as possible into alternate health care programs, such as Medi-Cal.

If alternatives to disenrolling children from the Healthy Families program cannot be achieved, we ask urge you to adopt these modifications to the regulations as disenrollments will have a serious impact on hundreds of thousands of California children and their families who need necessary medical care. Thank you for your consideration

Sincerely,



Diana S. Dooley  
President & CEO



August 17, 2009

Dianne Knox  
**Managed Risk Medical Insurance Board**  
1000 G Street, Suite 450  
Sacramento, CA 95814

Dear Ms. Knox:

We are a collaboration of 29 Children's Health Initiatives who seek to ensure that all children in California have access to affordable health care through health insurance. We thank you for the opportunity to submit comments on the Healthy Families Program Emergency Regulations (ER-06-08) regarding waitlist and disenrollment procedures.

We strongly urge your Board to delay the implementation of disenrollment procedures as long as possible.

However, if the Board does go forward at any time with disenrollment of current Healthy Families members, we suggest that the regulations incorporate the following suggestions:

- Exempt children from the following groups:
  - All Healthy Families members who are also eligible for the CCS program (not just those who are eligible for CCS solely due to Healthy Families enrollment).
  - Healthy Families members who are currently in a course of treatment for a serious condition, as outlined in the standards of continuity of care detailed in the provisions of the Knox-Keene statute.
  - Siblings of the exempted children.
- Continue to review renewal forms for potential Medi-Cal eligibility and bridge coverage to those who are found eligible.
- Forward all other AER forms to county Medi-Cal offices so that eligibility for the full spectrum of Medi-Cal programs, including Share-of-Cost Medi-Cal, can be determined.

Thank you for considering these comments. We realize MRMIB is faced with very tough decisions, and we ask that the Board make every effort to ensure the least possible harm to children when developing new regulations for the Healthy Families Program. We stand ready to work with your Board and staff in every way possible to improve the health access of California children.

Sincerely,

Suzie Shupe, Executive Director

Summary of Public Comments and Staff's Explanation of Reasons for  
Recommending Making No Change to the Regulations  
Regulation ER-6-08

List of Comments Received

Six (6) organizations collaboratively submitted one public comment made in writing regarding the proposed regulations. This comment will be referenced as the "6 Group Letter" and was signed by:

- Neighborhood Legal Services of Los Angeles County – Barbara Siegel
- Western Center on Law & Poverty – Katie Murphy
- Bay Area Legal Aid – Mike Keys
- Multiforum Advocacy Solutions – Lucy Quacinella
- Lawyers Committee for Civil Rights – Oren Selstrom
- Maternal & Child Health Access – Lynn Kersey

Three (3) organizations collaboratively submitted one public comment made in writing regarding the proposed regulations. This comment will be referenced as the "3 Group Letter" and was signed by:

- The Children's Partnership – Kristen Golden Testa
- Children Now – Kelly Hardy
- Children's Defense Fund California – Deena Lahn

Additional written comments were received by:

- California Children's Health Initiative – Suzie Shupe
- County Health Executives Association of California – Susan Harrington
- California Medical Association – David Ford
- California Children's Hospital Association – Diana S. Dooley
- St. Mary Medical Center – Kevin Mahany

Specific Comments and Responses

**#1)** The comment immediately below was received by:

Written Comment

- 
- St. Mary Medical Center – Kevin Mahany
- 3 Group Letter

- 6 Group Letter

**Comment:** These commenters request that the Board specify a clear procedure for following through with regular Healthy Families Program (HFP) eligibility determination for applicants whether or not there is a waiting list. The commenters request that children who are likely to be eligible for Medi-Cal be identified and provided with Accelerated Enrollment into Medi-Cal. In addition, the commenters ask that initial application determinations be sent to county Medi-Cal offices for a full Medi-Cal determination, including Share-of-Cost, regardless of the results from the Single Point of Entry (SPE) screen.

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding (“targeted funds”) and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children’s Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #1 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations.

In addition, one of the signatories to the 6 Group Letter (Maternal and Child Health Access) is the petitioner and the remaining signatories are the petitioner’s attorneys of record in recently-filed litigation addressing the same issues raised in this comment. (Maternal and Child Health Access vs. DHCS, MRMIB et al., San Francisco Superior Court, CPF 09-509769.) MRMIB will not comment on issues simultaneously raised by the commenters in active litigation with MRMIB when the comments are not specifically directed to the subject of the proposed regulations.

For this reason, the comment is rejected.

**#2)** The comment immediately below was received by:

Written Comment

- California Children’s Health Initiative – Suzie Shupe

- St. Mary Medical Center – Kevin Mahany
- 3 Group Letter
- 6 Group Letter

**Comment:** These commenters request that, if disenrollment occurs, the Board continue to make HFP renewal determinations and to review Annual Eligibility Renewal (AER) forms for potential Medi-Cal eligibility, and provide bridge coverage (presumptive eligibility) to these children according to HFP's usual procedures. The commenters also request that HFP forward all AER forms for disenrolled children to county Medi-Cal offices for a full Medi-Cal determination including Share-of-Cost.

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding and (2) exempt from disenrollment HFP subscribers who are enrolled in CCS and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #2 instead raises unrelated issues concerning disenrollment processes that were the subject of the 2007 regulations.

In addition, one of the signatories to the 6 Group Letter (Maternal and Child Health Access) is the petitioner and the remaining signatories are the petitioner's attorneys of record in recently-filed litigation addressing one of the same issues raised in this comment. (Maternal and Child Health Access vs. DHCS, MRMIB et al., San Francisco Superior Court, CPF 09-509769.) MRMIB will not comment on issues simultaneously raised by the commenters in active litigation with MRMIB when the comments are not specifically directed to the subject of the proposed regulations.

Finally, the comment includes a request that the HFP program continue to make eligibility re-determinations at AER and review AER forms for potential Medi-Cal eligibility; this portion of the comment constitutes a request to maintain the processes specified in the existing regulations, not a request to modify the proposed regulations.

For these reasons, the comment is rejected.

**#3)** The comment immediately below was received by:

Written Comment

- California Medical Association – David Ford
- California Children’s Hospital Association – Diana S. Dooley

**Comment:** Comments were made requesting the Board to exempt from disenrollment not only children enrolled in CCS but also children with very high medical needs and children who have been diagnosed with a non-CCS life-threatening or chronic health condition, such as meningitis, pneumonia, and most cases of asthma and epilepsy. One commenter suggests that, in order to keep this exemption limited to children with high needs, the Board (1) require that a treating physician attest to the severity of the need and (2) convene a group of child health experts in a stakeholders process to make recommendations on what types of life-threatening or chronic health conditions should be included.

**Response:**

In enacting Insurance Code Section 12693.21(n), the Legislature directed the Board to limit enrollment when funds are not available to cover the estimated costs of program expenditures. Providing additional exemptions would reduce the Board’s ability to limit enrollment pursuant to this requirement. In some circumstances, this could require the program to begin waiting lists or disenrollments sooner or to wait-list or disenroll more children, in order to achieve the same savings.

In addition, HFP does not have claims or encounter data or other information concerning children’s medical conditions or treatment needs. The program also does not have trained medical evaluators, nor does it have funding to hire or contract for such expertise, in order to evaluate individual medical information. The approach also would have significant associated administrative costs for which MRMIB has no funding.

For these reasons, MRMIB rejects the comment.

**#4)** The comment immediately below was received by:

Written Comment

- County Health Executives Association of California – Susan Harrington
- California Children’s Hospital Association – Diana S. Dooley

- California Children's Health Initiative – Suzie Shupe
- St. Mary Medical Center – Kevin Mahany
- 3 Group Letter

**Comment:** Comments were made requesting that the Board exempt all HFP members who are eligible for the CCS program (not just those who are financially eligible for CCS solely because of their HFP enrollment) from AER disenrollments. One commenter elaborated on the reasons for the request, including continuity of care for subscribers, the full scope of services provided in HFP, and the potential loss of federal funding for disenrolled children.

**Response:** In enacting Insurance Code Section 12693.21(n), the Legislature directed the Board to limit enrollment when funds are not available to cover the estimated costs of program expenditures. To discharge its statutory obligation, the Board adopted the waiting list and disenrollment regulations. Exempting HFP subscribers who are eligible for CSS solely because of their HFP eligibility avoids the risk that children will become ineligible for CCS if they are disenrolled from HFP. Limiting the CCS exemption to these children best allows the Board to meet its statutory obligation to manage enrollment within available funds. Therefore, MRMIB rejects the comment.

**#5)** The comment immediately below was received by:

Written Comment

- California Children's Hospital Association – Diana S. Dooley
- California Children's Health Initiative – Suzie Shupe
- St. Mary Medical Center – Kevin Mahany
- 3 Group Letter

**Comment:** Comments were made requesting that the Board exempt all HFP subscribers who are currently in a course of treatment for a serious illness, based on the standards of continuity of care detailed in provisions of the Knox-Keene statute (AB 1286 (Frommer) 2003) and their siblings from the AER disenrollment process.

**Response:** As stated in MRMIB's responses to Comments #3, HFP does not have encounter data or provide case management and would not know whether a child has chronic conditions or is scheduled for surgery. In enacting Insurance Code Section 12693.21(n), the Legislature directed the Board to limit enrollment when funds are not available to cover the estimated costs of program expenditures. To discharge its statutory obligation, the Board adopted the waiting list and disenrollment regulations. Providing additional exemptions could

require the Board to wait-list or disenroll other children. Depending on the timing of a funding shortfall, exempting additional children from disenrollment actually could require the program to begin waiting lists or disenrollments earlier or wait-list or disenroll more children in total. Therefore, MRMIB rejects the comment.

**#6)** The comment immediately below was received by:

Written Comment

- 3 Group Letter

**Comment:** The comment was that that any disenrollment or waiting list procedure should ensure that the sickest children can continue needed treatment and that those who are disenrolled can re-enroll in HFP as soon as funds are restored. In addition, the comment states that these procedures should ensure that such children will be enrolled as quickly and smoothly as possible into alternative programs.

**Response:** As stated in MRMIB's responses to Comments #3 and #5, providing additional exemptions would reduce the Board's ability to limit enrollment when sufficient funds are not available, as required by Insurance Code section 12693.21(n). In some circumstances, this could require the program to begin waiting lists or disenrollments sooner or to wait-list or disenroll more children, in order to achieve the necessary savings.

Furthermore, as already discussed, HFP does not provide case management or have encounter data, and would not know whether a child has chronic conditions or is scheduled for surgery. In addition, the MRMIB budget does not include funding for the necessary medical determinations and related administrative costs.

For these reasons, MRMIB rejects the comment.

**#7)** The comment immediately below was received by:

Written Comment

- California Medical Association – David Ford

**Comment:** A comment was made proposing that the regulations provide that the Board may shift funding from one group of children to another, if the Board receives funding that is limited to the first group.

**Response:** The purpose of proposed section 2699.6603(f) is to allow the Board to reflect terms and conditions applicable to specific sources of funding provided for HFP. However, shifting funds as suggested by the commenter would not necessarily be consistent with the terms and conditions of a particular funding source. Furthermore, if a funding source's terms and conditions do indeed permit such shifting, then the Board's ability to do this already is covered by the terms of the proposed regulation and additional language is not required. Therefore, MRMIB rejects the comment.

**#8)** The comment immediately below was received by:

Written Comment

- St. Mary Medical Center – Kevin Mahany
- 3 Group Letter

**Comment:** Comments were made requesting that the Board modify the regulations to exempt from the waiting list children who are moving from Medi-Cal to HFP via bridge coverage and to keep these children from losing coverage as they age out of Medi-Cal or become eligible for HFP.

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding ("targeted funds") and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children's Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #8 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations.

In addition, as stated above, in enacting Insurance Code Section 12693.21(n), the Legislature directed the Board to limit enrollment when funds are not available to cover the estimated costs of program expenditures. Exempting additional children would adversely affect the estimated costs of program expenditures and could require the program to place other children on a waiting

list or disenroll them. Furthermore, it could require the Board to begin waiting lists or disenrollments earlier, or to wait-list or disenroll more children.

For these reasons, MRMIB rejects the comment.

**#9)** The comment immediately below was received by:

Written Comment

- St. Mary Medical Center – Kevin Mahany
- 3 Group Letter

**Comment:** Comments were received proposing that the disenrollment regulation provide some opportunity to prioritize among HFP children. For example, depending on the shortfall to fill, the Board could choose to protect lower income children from being disenrolled.

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding (“targeted funds”) and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children’s Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #9 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations.

In addition, the Board needs maximum flexibility in administering a waiting list and disenrollments in order to meet its legal obligation to manage enrollment within available funds and to minimize the impact on subscribers and potential subscribers. For example, children are enrolled in HFP for a full year. It is very possible that disenrolling only higher-income subscribers at their anniversary dates would leave MRMIB unable to achieve the savings needed in order to meet MRMIB’s legal obligation keep expenditures within available program funding expenditures. Under some circumstances, limiting the children subject to disenrollments could require the Board to institute waiting lists and disenrollments sooner or to disenroll more children.

Therefore, MRMIB rejects the comment.

**#10)** The comment immediately below was received by:

Written Comment

- 3 Group Letter
- St. Mary Medical Center – Kevin Mahany

**Comment:** Comments were received proposing that MRMIB maintain and update the waiting list, and regularly touch base with families to ensure that they are connecting to available insurance and that their contact information is up to date for re-enrollment when HFP reopens.

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding (“targeted funds”) and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children’s Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #10 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations.

In addition, this comment relates to program administration, not the content of the regulations. For example, in implementing the existing regulations, MRMIB provides information about alternative sources of medical coverage as part of the waiting list notice and tells applicants with wait-listed children to contact the program if their contact information changes. In addition, as already specified in the existing regulations (including section 2699.6604(d)(2)), once program funding becomes available, MRMIB notifies applicants for wait-listed children that their children may be able to be enrolled and requests all necessary information needed to complete the application, including updated income documentation and contact information.

For these reasons, MRMIB rejects the comment.

**#11)** The comment immediately below was received by:

Written Comment

- 3 Group Letter
- St. Mary Medical Center – Kevin Mahany

**Comment:** Comments were received proposing that MRMIB regularly track and report on the number of children on the waiting list and those disenrolled.

**Response:** The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding (“targeted funds”) and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children’s Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #11 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations. For this reason, the comment is rejected.

In addition, as discussed in response to comment #10, this comment relates to program administration, not the regulations. In fact, MRMIB currently tracks and provides monthly HFP enrollment reports at the Board’s public meetings and on MRMIB’s website, along with other useful information. Monthly reports regarding the reasons why children are denied HFP coverage (including placement on the waiting list) are available on the MRMIB website.

For these reasons, MRMIB rejects this comment.

**#12)** The comment immediately below was received by:

Written Comment

- 6 Group Letter

**Comment:** The commenters request that the regulations exempt from disenrollment AIM-linked children ages 1-2 years. The commenters request this

change pursuant to Insurance Code section 12693.70(a)(6)(ii) and other portions of the HFP statute and regulations.

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding (“targeted funds”) and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children’s Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #12 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations.

In addition, one of the signatories to the 6 Group Letter (Maternal and Child Health Access) is the petitioner and the remaining signatories are the petitioner’s attorneys of record in recently-filed litigation addressing the same issue raised in this comment. (Maternal and Child Health Access vs. DHCS, MRMIB et al., San Francisco Superior Court, CPF 09-509769.) MRMIB will not comment on issues simultaneously raised by the commenters in active litigation with MRMIB when the comments are not specifically directed to the subject of the proposed regulations.

For this reason, the comment is rejected.

**# 13)** The comment immediately below was received by:

Written Comment

- 3 Group Letter

**Comment:** The commenters urged the Board to consider delaying disenrolling children.

**Response:** The comment is not specifically directed to the proposed regulations. Specifically, the comment expresses the preference that the Board not implement disenrollments pursuant to the existing regulations and does not request a change in the regulation. For that reason, the comment is rejected.

**# 14)** The comment immediately below was received by:

Written Comment

- 3 Group Letter
- St. Mary Medical Center – Kevin Mahany
- California Children’s Health Initiative – Suzie Shupe

**Comment:** The commenters urge that the Board exempt from disenrollment siblings of subscribers who are eligible for the CCS program (not just those who are eligible for CCS solely because of HFP enrollment) and siblings of subscribers who are in a course of treatment for a serious condition.

**Response:** In enacting Insurance Code Section 12693.21(n), the Legislature directed the Board to limit enrollment when funds are not available to cover the estimated costs of program expenditures. Exempting these children would only adversely affect the estimated costs of the program and could require the Board to place other children on a waiting list or disenroll them. Depending on the timing of a funding shortfall, exempting additional children from disenrollment actually could require the program to begin waiting lists or disenrollments earlier or to wait-list or disenroll more children in total. Therefore, MRMIB rejects the comment.

**# 15)** The comment immediately below was received by:

Written Comment

- 3 Group Letter

**Comment:** The commenters recommend that MRMIB provide clear directions for families and those organizations that assist them. In addition, the commenters suggest that correspondence with families clearly outline what actions families can take and what the Board will do to ensure that children are connected to available insurance such as Medi-Cal. The commenters suggest that information to application assistors and “frequently asked questions” (FAQs) on the Board website continue to encourage families to apply for HFP in order that children be placed on the waiting list and enrolled when enrollment resumes

**Response:**

The comment is not specifically directed to the proposed action. In 2007, the Board adopted comprehensive regulations to allow the Board to establish waiting lists and disenroll subscribers when there are insufficient funds to cover

estimated program expenditures. (See, OAL File No. 2008-0528-10C.) The present proposed regulations simply make two narrow amendments to the existing regulations to (1) enable the Board to administer a waiting list or disenrollment process in a manner that reflects the terms and conditions applicable to specific sources of funding (“targeted funds”) and (2) exempt from disenrollment HFP subscribers who are enrolled in California Children’s Services (CCS) and are income-eligible for CCS solely based on their HFP enrollment. Instead of addressing targeted funds or the CCS exemption from disenrollment, comment #1 instead raises unrelated issues concerning waiting list processes that were the subject of the 2007 regulations.

In addition, the commenters’ suggestions address program administration, not the regulations.

For these reasons, the comment is rejected.

**#16)** The comment immediately below was received by:

Written Comment

- 6 Group Letter

**Comment:** The commenters state that they have raised larger concerns regarding children’s right to a full Medi-Cal eligibility determination in a letter dated August 6, 2009 and indicate that a copy is attached. The commenters state that they incorporate their earlier letter by reference into the record of ER-6-08, along with their additional comments.

**Response:** No copy of any document was attached. For that reason the Board cannot respond to the letter and it rejects the comment.

**TITLE 10: CALIFORNIA CODE OF REGULATIONS  
CHAPTER 5.8 MANAGED RISK MEDICAL INSURANCE BOARD  
HEALTHY FAMILIES PROGRAM**

**ARTICLE 2, ELIGIBILITY, APPLICATION AND ENROLLMENT**

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Section 2699.6603 is amended to read:

**2699.6603. Board Determinations.**

- (a) If the Board makes a finding that sufficient funds are not available to cover the estimated costs of program expenditures and that it is necessary to limit enrollment in the program to ensure that expenditures do not exceed amounts available for the program, the program shall establish a waiting list.
- (b) (1) If the Board makes a finding that sufficient funds are not available to cover the estimated cost of program expenditures and that, in addition to limiting new enrollment in the program, it is necessary to terminate subscribers in the program to ensure that expenditures do not exceed amounts available for the program, subscriber children shall be disenrolled from the program at the end of the month of their anniversary date following their Annual Eligibility Reviews. The program shall not effectuate disenrollments pursuant to this subsection unless it also has established a waiting list pursuant to subsection (a) of this section and is not currently enrolling additional children on the basis of new applications ~~of~~ or Add-A-Person forms.
- (2) Subscriber children who are determined by the California Children's Services Program (CCS) to be currently enrolled for benefits under CCS pursuant to Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code and financially eligible solely because they are deemed to be income-eligible for CCS pursuant to paragraph 2 of subdivision (a) of Section 123870 of the Health and Safety Code shall not be subjected to disenrollment pursuant to this section.

- (c) If the Executive Director determines that sufficient funds are available to cover the estimated cost of program expenditures for all eligible subscriber children, the program shall cease the disenrollment of eligible subscriber children pursuant to subsection (b) of this section during Annual Eligibility Review.
- (d)
  - (1) If the Executive Director determines that in addition to sufficient funds for all eligible subscriber children, sufficient funds are available to cover the estimated cost of program expenditures for some or all children on the waiting list, the program shall review applications for children on the waiting list in the order of their effective dates on the waiting list.
  - (2) If the Executive Director determines that sufficient funds are available to cover the estimated costs of program expenditures, the program shall cease to operate a waiting list after processing the applications, including Annual Eligibility Review submissions, and Add-A-Person forms of all children on the waiting list.
- (e) The provisions of subsection (f) of this section shall apply only if terms or conditions applicable to the funding provided for program expenditures do not apply uniformly to all applicants and subscriber children and if, as a result, funding for program expenditures is not available to be spent for the benefit of all applicants and subscriber children equally.
- (f) If necessary, and to the extent necessary, to reflect terms or conditions applicable to the funding provided for program expenditures, the Board or the Executive Director, as applicable pursuant to subsections (a) through (d), inclusive, of section 2699.6603, shall apply the provisions of this section and of section 2699.6604 to one or more groups of applicants or subscriber children independent of the provisions' application to other applicants or subscribers children.

NOTE: Authority cited: Section 12693.21, Insurance Code. Reference: Section 12693.21, and 12693.96 Insurance Code.

**MANAGED RISK MEDICAL INSURANCE BOARD  
RESOLUTION**

After considering the public comments submitted to the Board, the Board hereby approves the final adoption of regulations for the Healthy Families Program Regarding Disenrollment at Annual Eligibility Review.

\* \* \* \* \*

**CERTIFICATION**

I, Lesley Cummings, Executive Director of the Managed Risk Medical Insurance Board, do hereby certify that the foregoing action was duly passed and adopted by the Managed Risk Medical Insurance Board at an official meeting thereof on October 15, 2009.

Dated this 15<sup>th</sup> day of October, 2009.

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Lesley Cummings, Executive Director  
Managed Risk Medical Insurance Board