

The Managed Risk Medical Insurance Board 2012-13 Governor's Budget Overview

Significant Budget Assumptions/Proposals

Healthy Families Program (HFP)

- The budget proposes to reduce the per member per month rates paid to health, dental and vision plans for the HFP to the average, combined Medi-Cal rate of \$76.86 effective October 1, 2012. The Medi-Cal combined rate reflects the average amount paid for health, dental & vision services. HFP's statewide average rate is \$103.44. This rate reduction is projected to result in General Fund savings of approximately \$71.0 million in 2012-13.
- The budget proposes the transition of HFP children to Medi-Cal beginning October 2012. Effective October 1, 2012, any new HFP eligible children will enroll directly into Medi-Cal. The transfer of existing enrollment will occur as shown in the table below. The transition of HFP children to Medi-Cal is projected to result in General Fund savings of approximately \$148.4 million in 2012-13.

Phase	Transition Period	Impacted Subscribers	# Impacted
I	Oct 1 - Dec 31, 2012	HFP children with a "matching" Medi-Cal Managed Care Plan	410,666
II	Jan 1 - Mar 31, 2013	HFP children without a "matching" Medi-Cal Managed Care Plan	424,103
III	Jan 1 – June 30, 2013	HFP children in counties w/o Managed Care (Go to Medi-Cal fee-for-service)	43,090
Total			877,859

- The budget proposes two additional changes to reduce HFP expenditures:
 1. Premium increases effective October 1, 2012, for subscribers in Categories B and C by \$14 and \$18, respectively. (Savings of \$17.3 million GF in 2012-13)
 2. Co-payment increases effective October 1, 2012, for
 - Emergency room visits from \$15 to \$50
 - Inpatient hospital co-payment of \$100 per day (\$200 maximum per occurrence) (Savings of \$5.6 million GF in 2012-13)

These changes require federal approval, however, the budget reflects the savings.

Access for Infants & Mothers (AIM)

The budget proposes the transition of the AIM program to DHCS by July 1, 2013, however, no specifics regarding when or how this transition will occur have been provided.

Major Risk Medical Insurance Program (MRMIP)

The budget proposes the transition of the MRMIP program to DHCS by July 1, 2013, however, no specifics regarding when or how this transition will occur have been provided.

Pre-Existing Condition Insurance Plan (PCIP)

The budget proposes the transition of the PCIP program to DHCS by July 1, 2013, however, no specifics regarding when or how this transition will occur have been provided. Please note that the Affordable Care Act (ACA) requires transition of the PCIP program to the California Health Benefit Exchange by 1/1/2014.

County Children's Health Initiative Matching Fund Program (CHIM)

The budget proposes the transition of the CHIM program to DHCS by July 1, 2013, however, no specifics regarding when or how this transition will occur have been provided.

2012-13 Enrollment Levels by Program

Healthy Families Program (HFP)

MRMIB projects a year-end total enrollment of 883,174 subscribers. This is an increase of 5,463 subscribers compared to the 877,711 projected subscribers for the current year November Estimate. This increase in enrollment results in a budget year total growth rate of 0.6 percent over the current year. This year-end enrollment estimate is based on the full caseload. Based upon the proposal to transition Healthy Families subscribers to Medi-Cal, the year-end enrollment for Healthy Families Program will be 0.

Access for Infants and Mothers Program (AIM)

For 2012-13, MRMIB projects a total annual enrollment of 10,627 subscribers. This is a decrease of 245 subscribers compared to the 10,872 projected subscribers for the current year November Estimate. This decrease in enrollment results in a budget year total decline rate of 2.25 percent over the current year.

Major Risk Medical Insurance Program (MRMIP)

In the current year, the Major Risk Medical Insurance Program has funding for 8,000 subscribers. As of November 30, 2011, there were 6,166 subscribers and no waitlist.

Pre-Existing Condition Insurance Plan (PCIP)

California was granted an additional \$118 million on top of the initial allocation for 2012 and received authorization to roll over unspent 2011 dollars. This should be sufficient to continue enrolling all new eligible individuals. As of November 30, 2011, there were 5,972 subscribers.

County Children's Health Initiative Matching Fund Program (CHIM)

For 2012-13, MRMIB projects a total annual enrollment of 1,665 subscribers. This is a decrease of 13 subscribers compared to the 1,652 projected subscribers for the current year.

Total MRMIB 2012-13 Budget

Fund Source	MRMIB Budget by Fund Source*		Funding Needed
	Governor's Budget		If No Changes
	FY 2012-13		FY 2012-13
General Fund (GF)		\$136,213	\$378,472
Federal Funds (FF)		\$706,667	\$1,146,173
Special Funds and Reimbursements		\$122,689	\$122,689
Total Funds		\$965,569	\$1,647,334

*Dollars in thousands

MRMIB 2012-13 State Operations

Program Title	State Operations by Program*		Funding Needed
	Governor's Budget		If No Changes
	Program	FY 2012-13	FY 2012-13
HFP	40	\$9,461	\$9,461
AIM	20	\$1,055	\$1,055
CHIM	50	\$486	\$486
MRMIP	10	\$1,324	\$1,324
PCIP	60	\$3,503	\$3,503
Total State Operations – All Funds		\$15,829	\$15,829

Fund Source	State Operations by Fund Source*		Funding Needed
	Governor's Budget		If No Changes
	FY 2012-13		FY 2012-13
General Fund (GF)		\$2,380	\$2,380
Federal Funds (FF)		\$11,044	\$11,044
Special Funds and Reimbursements		\$2,405	\$2,405
Total State Operations – All Funds		\$15,829	\$15,829

*Dollars in thousands

MRMIB 2012-13 Local Assistance

Program Title	Local Assistance by Program*		Funding Needed
	Governor's Budget		If No Changes
	Program	FY 2012-13	FY 2012-13
HFP	40	\$435,166	\$1,116,931
AIM	20	\$126,041	\$126,041
CHIM	50	\$1,727	\$1,727
MRMIP	10	\$41,691	\$41,691
PCIP	60	\$345,115	\$345,115
Total Local Assistance – All Funds		\$949,740	\$1,631,505

Fund Source	Local Assistance by Fund Source*		Funding Needed
	Governor's Budget		If No Changes
	FY 2012-13		FY 2012-13
General Fund (GF)		\$133,833	\$376,092
Federal Funds (FF)		\$695,623	\$1,135,129
Special Funds and Reimbursements		\$120,284	\$120,284
Total Local Assistance – All Funds		\$949,740	\$1,631,505

*Dollars in thousands

