

**Managed Risk Medical Insurance Board
January 29, 2009, Public Session**

Board Members Present: Cliff Allenby (Chairman), Areta Crowell, PhD, Sophia Chang, M.D., M.P.H.

Ex Officio Members Present: None.

Staff Present: Lesley Cummings, Executive Director; Janette Lopez, Chief Deputy Director; Seth Brunner, Acting Chief Counsel; Ernesto Sanchez, Deputy Director for Eligibility, Enrollment, and Marketing; Shelley Rouillard, Deputy Director for Benefits and Quality Monitoring; Brian O'Hara, Enrollment Entities and Certified Application Assistant Section Manager in the Eligibility Division; Kathy Dobrinen, Contract and Marketing Manager in the Eligibility Division; Tony Lee, Chief of Fiscal Services, Will Turner, Legislation, Anjonette Dillard, Policy Manager in the Eligibility Division; Maria Angel, Legal Secretary; and Stacey Sappington, Executive Assistant to the Board.

Chairman Allenby called the meeting to order at 10:30 a.m. The Board then went into Executive Session. It reconvened for Public Session at 11:30 a.m.

REVIEW AND APPROVAL OF NOVEMBER 19, 2008 PUBLIC SESSION MINUTES

The Board reviewed the minutes from the December 17, 2008 meeting and unanimously approved them.

The document is located at

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_121708/Agenda_Item_3_Public_12-17-08.pdf

STATE BUDGET UPDATE

Mr. Lee announced that the contract with the First Five Commission was 99 percent completed. The first payment, \$8 million of the \$16.7 million, is expected in early February.

Mr. Lee then went on to update the Board on the state employee furloughs directed by the Governor. He noted that state offices like MRMIB were expected to be closed on the first and third Friday of the month, beginning February 6th. The Governor's proposal also included giving SROA (State Restriction of Appointments) notices to some employees in general fund positions to provide them with notice that they may be laid off and giving them priority status for vacancies in other departments. Chairman Allenby commented that the SROA notifications were in case the furlough program doesn't work. Mr. Lee confirmed that was his understanding. He indicated that the Governor has also proposed elimination of two state holidays, a proposal still under negotiation with the unions.

Ms. Cummings noted that the ability to accomplish workload will be affected by the furloughs. MRMIB offices, like other state agencies, would be closed for the required furlough dates, but the administrative vendors would be open.

Mr. Lee went on to review highlights from the Governor's 2009-10 Budget. Funding for HFP provides for a total enrollment of 941,786 subscribers, an increase of 4 percent from the current year. Funding for AIM provides for an enrollment of 13,656 subscribers, an 8.1 percent increase over the current year. Funding for MRMIP provides for an enrollment of 7,100 subscribers, the same number as the current year.

The budget document may be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_4.a_Govs_Budget_Highlights_MRMIB_2009-10.pdf

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

Mr. Lee presented explained that the Special Session on the budget had not resulted in any action to date.

Chairman Allenby asked for questions or comments; there were none.

ADOPTION OF 2009 PROPOSED RULEMAKING CALENDAR

Chairman Allenby asked for a motion to adopt the 2009 Proposed Rulemaking Calendar. A motion was made and seconded.

Chairman Allenby asked for questions or comments. Ms. Cummings clarified that the calendar represented the minimum of what the department would produce, not the maximum.

The Board then unanimously approved the proposed calendar

This document can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_5_Rulemaking_Calendar.pdf

STATE LEGISLATION

Mr. Turner updated the Board on the highlights of the bills of interest to the Board for the new two-year session.

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

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_6_Leg_status_report.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY

August 17th, 2007 CMS Letter Update

Ms. Cummings remarked that it was widely expected that the Obama administration will issue an order nullifying the letter.

SCHIP Reauthorization

Ms. Cummings reviewed a document outlining the differences between the Federal HR 2 and S 275 bills, the bills Congress is contemplating for reauthorization of SCHIP. She noted that Sarah Soto-Taylor had prepared the document. Ms. Soto-Taylor has been covering the position of the Legislative and External Affairs Deputy while MRMIB has been in the hiring process for the position. Ms. Cummings expressed her gratitude to Ms. Soto-Taylor for the excellent work she has done in this capacity.

During her review of the document, Ms. Cummings asked Ms. Lopez to talk to the Board about how the application of the Deficit Reduction Act's citizenship documentation and identification requirements would affect HFP. Ms. Lopez pointed out that there are two requirements: (1) demonstrating citizenship, and (2) demonstrating identity. Medi-Cal, already under the structure of the DRA provisions, allows families to self-certify a child's identity up to age 16. The issue, then, is how to verify identity for 17 and 18 year olds. MRMIB staff is analyzing how Medi-Cal does this now.

Another provision that generated discussion is the requirement for parity in mental health services. Ms. Cummings indicated that she thinks the provision will require changes to the HFP benefit and will also cause MRMIB to reflect on the use of a county carve-out given parity requirements. Dr. Crowell added that the requirement is for parity of not only mental health but also substance abuse. Ms. Cummings commented that the parity provisions would likely result in increased state costs.

Following Ms. Cummings comparison of the two bills, Chairman Allenby noted that there were few differences between the two bills. He asked if there were any questions or

comments. Dr. Crowell complimented staff on an excellent analysis.

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_7.b.pdf

Federal Health Care Reform

Ms. Cummings noted that there was nothing to report.

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

HEALTHY FAMILIES PROGRAM

Enrollment and Single Point of Entry Report

Mr. Sanchez reported that enrollment for December was up over 29,000, an increase of 4 percent higher than any other December to date. The amount of applications was 6900, 27 percent higher than the highest December in history. The top five counties for enrollment continue to be in southern California, representing around 59 percent of total enrollment. There was a two percent increase in assisted applications.

Chairman Allenby asked if there were any questions or comments.

The report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_8.a_HFP_Enrollment_Summary.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported that the administrative vendor continued to meet performance standards in processing applications and quality standards of screening applications, eligibility determinations, and sending records to the plans.

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

The report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_8.b_HFP_Admin_Vendor_Perf_Dec_2008_Summary.pdf

Enrollment Entities (EE)/Certified Application Assistants (CAA) Reimbursement Report

Mr. O'Hara presented the EE/CAA report. For the fiscal year 2008-09, the program paid a total of \$3.5 million to EEs for successful enrollment in Healthy Families or Medi-Cal.

The monthly average payment based on the first five months was \$575,385. The EE reimbursement fund has a remaining balance of about \$27 million. Approximately \$18 million has been paid since fiscal year 2005-06.

As of December 31, 2008, there was a total of 20,789 certified application assistants; 3396 active enrollment entities; and a total of 4674 had passed the web-based training.

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

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_8.c_HFPEE_ReimRpt12.08_1.pdf

Healthy Families Program Current Year Expenditures

Mr. Lee reported that an HFP Expenditure Report would be presented at the next Board meeting, comparing the local assistance appropriation with the current expenditures.

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

Adoption of Emergency Regulations that Allow for Enrollment of Children from the Wait List Based on Targeted Funding

Mr. Sanchez reviewed changes to the regulations that staff had made since the Board reviewed them at the last meeting. Chairman Allenby asked for a motion to adopt a finding of emergency. A motion was made and seconded and the Board unanimously approved the finding. Chairman Allenby then asked for a motion to adopt the regulations designated as Agenda Item 8.e. A motion was made, seconded and the Board unanimously approved adoption.

Ms. Cummings noted that Mr. Brunner, MRMIB's acting Chief Counsel, was asking her to sign the regulations immediately. She informed the Board that Laura Rosenthal would be returning to work in the next week. She acknowledged Mr. Brunner for keeping the office going during Laura's absence, noting that he had had to do so under very challenging circumstances. The Board members thanked Mr. Brunner for his excellent work.

The regulations can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_8.e_ER-6-08_Proposed_Regulation.pdf

Adoption of Emergency Regulations to Revise the Methodology for Determining Community Provider Plans (CPP)

Ms. Rouillard presented the regulations to the Board. She noted that the timing of the CPP process allows for presentation of the regulations only at this meeting. However,

staff has notified the plans of the proposed action so that they can comment if they choose. In June 2007, the Board, upon the recommendation of staff, approved a change to the CPP regulations that established a threshold for clinics requiring that they have provided at least 15 services in a year to be counted as a traditional safety net provider. Unfortunately, this approach has proven to be impossible to implement. The data MRMIB uses comes from Medi-Cal fee-for-services. A number of the HFP plans have contracts with clinics but the utilization data is not included in the Medi-Cal data. Therefore, staff propose to return to the way the clinic calculation was done in the past. Similarly, staff propose to return to the way CHDP providers have been included in the Traditional and Safety Net provider listings as there is no way to assess the number of services provided. Ms. Rouillard indicated that staff intend to work with the plans to revise the CPP process for the future, but the designation needs to occur through its former processes for it to be accomplished within the required timeframes.

Chairman Allenby asked if there were any questions or comments. There were none. A motion was made and seconded and the Board unanimously approved the finding of emergency. Chairman Allenby then asked for a motion to adopt the regulations. A motion was made, seconded and the Board unanimously approved adoption.

The regulations can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_8.f_CPP_Proposed_Regulation_Text.pdf

ACCESS FOR INFANTS AND MOTHERS (AIM)

Enrollment Report

Ms. Dobrinen reported on AIM enrollment. In November there were 977 new subscribers enrolled in the program. The program had 7,286 subscribers currently enrolled. The majority of enrollment continued to be Latina. Los Angeles, San Diego and Orange Counties are still the top three counties, and they represent roughly 48 percent of the enrollment. The health plans subscribers are enrolled in did not significantly change compared to last month.

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

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_9.a_AIM_Enrollment_Summary.pdf

Administrative Vendor Performance Report

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

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

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_9.b_AIM_Ad m_Vendor_Perf_Dec_2008_Summary.pdf

Financial Report

Mr. Lee reported on the fund balance for AIM. Chairman Allenby asked if there were any questions or comments. There were none.

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_9.c_AIM_Fin Stat_09.30.08.pdf

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP)

Enrollment Report and Update on Enrollment Cap and Waiting List

Ms. Dillard reported that MRMIP had an enrollment of 7,036 as of January 1. On January 3, the wait list was 455. However, the wait list has since been cleared as MRMIB offered spots in February and March to account for disenrollments. Chairman Allenby asked if there were any questions or comments. There were none.

The reports can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_10.a_MRMIP_Enrollment_Summary.pdf

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_10.b_MRMIP_Weekly_Wait_List_w_bubbles_1-26-09_1.pdf

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

Administrative Vendor Performance Report

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

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

This report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_012909/Agenda_Item_10.c_MRMIP_Adm_Vendor_Perf_for_Nov_2008.pdf

There being no further business to come before the Board, Chairman Allenby duly adjourned the meeting at 12:20 p.m.