Agenda Item 3
4/22/2009 Meeting

REVISED

Managed Risk Medical Insurance Board
March 26, 2009, Public Session

Board Members Present:	Cliff Allenby (Chairman), Areta Crowell, PhD, 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, Ernesto Sanchez, Deputy Director for Eligibility, Enrollment, and Marketing; Shelley Rouillard, Deputy Director for Benefits and Quality Monitoring; Ginny Puddefoot, Deputy Director of Office of Health Policy and Legislative and External Affairs, Terresa Krum, Deputy Director for Administration; Thien Lam, Manager in the Eligibility Division, Tony Lee, Chief of Fiscal Services, Will Turner, Legislation, Anjonette Dillard, Policy Manager in the Eligibility Division; Mary Watanabe, Specialist in the Benefits and Quality Monitoring Division, Maria Angel, Legal Secretary; Dana Durham, Assistant for Benefits and Quality Monitoring Division, and Stacey Sappington, Executive Assistant to the Board and the Executive Director.

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 11:50 p.m.

REVIEW AND APPROVAL OF MARCH 9, 2009 PUBLIC SESSION MINUTES

The Board reviewed the minutes from the March 9, 2009 meeting and unanimously approved them.

The document is located at
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Public_3-9-09_draft.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY

Ms. Puddefoot reviewed three documents that staff had provided to the Board. The first, produced by the Kaiser Family Foundation, is a review of past efforts to accomplish health care reform. The second is a document produced by the Assembly Health Committee which provides a good overview of the various reform options under consideration. The third is a document prepared by the Legislative Analyst's Office that describes the funding California can expect to receive under the federal Economic Stimulus Package. The document also discusses the trigger that was included as part of the final California budget for 2008-09. Both the Senate and the Assembly have had informational hearings on the Economic Stimulus Package.

Ms. Cummings added that the Governor has just announced the creation of an administration task force that will facilitate coordination among agencies and ensure accountability for the (economic stimulus) funds provided. Additionally, she noted that a number of HFP plans, upon hearing of the federal funds coming to California due to the Economic Stimulus Package and CHIPRA, have gotten the impression that there is now a surplus of state funds. Staff members have been informing them that this is absolutely not the case.

Ms. Puddefoot indicated that President Obama has asked the Governor to conduct a Health Care Reform Town Hall on April 6.

Chairman Allenby asked for any comments or questions. There were none.

The three documents can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_4.pdf

STATE BUDGET UPDATE

Ms. Krum reported that MRMIB's budget will be heard by the Senate Budget Subcommittee on April 23, 2009 and by the Assembly Budget Subcommittee on May 1.

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

STATE LEGISLATION

Mr. Turner highlighted bills of interest to the Board from the regular and special sessions. The Legislative staff is tracking 49 bills, 14 of which newly appear on the tracking list. April 3-12, 2009 is spring recess for the Legislature.

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

These legislative summaries can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_6.a_Leg_status_report_Regular_Session.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_6.b_Leg_status_report_Special_Session.pdf

HEALTHY FAMILIES PROGRAM

Enrollment and Single Point of Entry Report

Ms. Lam reported that in February there were over 893,100 children enrolled in the program, with over 26,000 new enrollees. The top five counties for enrollment continue to be in southern California, representing around 59 percent of total enrollment. There were over 29,000 applications processed through single point of entry.

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_032609/Agenda_Item_7.a_HFP_Enrollment_Summary.pdf

Administrative Vendor Performance Report

Ms. Lam reported that the administrative vendor continued to meet performance standards in processing applications and quality standards for 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_032609/Agenda_Item_7.b_HFP_Adm_Vendor_Perf_February_2009_Summary.pdf

Healthy Families Program Current Year Expenditures

Mr. Lee reported that costs for the Healthy Families Program remain within levels budgeted. The staff believes that there will be sufficient funding for the current year. Budget staff will continue to update the Board each month on current year expenditures.

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

Approval of 2009-10 Health Dental and Vision Plan Contract Extensions and Amendments

Prior to taking action on plan contract extensions and amendments, Chairman Allenby expressed the Board's gratitude to HFP plan partners who have worked with staff over the last few weeks. Ms. Lopez also acknowledged the commitment of the plan partners, noting that rate negotiations had been exceedingly hard and all plans had sacrificed.

Ms. Cummings added that it had become very apparent to the Board and staff that the timeline for the HFP plan rate process (which requires the Board to approve rates in March so that open enrollment transfers can take effect July 1) is at odds with the timeline for the budget process (where final budget decisions occur in May after receipt of April tax revenues). She recognized that the Board has asked staff to transition to a benefit year that begins in January, rather than July, so that the budget situation is clearer when the Board approves rates. Chairman Allenby acknowledged that this is the Board's desire. Dr. Crowell asked when this policy could be put into effect. Chairman Allenby replied that it would be January 2011. Ms. Lopez added that when staff conduct the next rate negotiations, it could either contract for 18 months (July 2010 – December 2011) or do a six month extension (July 2010 through December 2010) and then do another negotiation for the next twelve months (January 2011 through December 2011).

Chairman Allenby asked for a motion to adopt the resolutions included with this agenda item (7.d.) (to renew the Healthy Families Program contracts with amendments for July 2009 through June 2010) as to the following health plans:

Alameda Alliance JPA, Anthem Blue Cross, Blue Shield of California, CalOptima, Care First Health Plan, Central Coast Alliance for Health, Community Health Group, Community Health Plan, Contra Costa Health Plan, HealthNet, HealthNet Life Insurance Company, San Joaquin JPA, San Mateo CHA, IEHP Health Access, Kaiser Foundation Health Plan, Inc., Kern County Systems Group HP, L.A. Care Health Plan, Molina Health Care of California, Inc., San Francisco, CHA, CenCal Health, Santa Clara CHA, Ventura County Health Plan.

Chairman Allenby noted that there were members of the public who wanted to testify on the issue. John Ramey, representing the Local Health Plans of California (LHPC), indicated that LHPC understands that the state is in very difficult straits and that this irregular time can result in having to do irregular things. However, this year's rate process will require LHPC to re-examine the

way its plans do business with HFP. He expressed values taught to him by his mother that he thinks are relevant to the rating issue:

1) Go home with the one who took you to the dance. LHPC has always been there for HFP and intends to be there, even with rate reductions, even in difficult times. The Board and staff have been loyal to those that have stuck with the program –but this is an important concept as things proceed.
2) Don't take back a gift once given. This year's rate process showed signs of serious fatigue in the HFP rate process. It appears the process is moving from a rate negotation process to a rate setting process. MRMIB needs to think through whether this is, in fact, the case and, if so, how it administers that type of process. Mr. Ramey said that he had heard that MRMIB asked plans for a reduction to negotiated rates of eight percent, then 6.5 percent. This is an exceedingly difficult process for plans and requires a level of trust that competitors are being similarly treated -- a level of trust that is beyond the process to tolerate. If the occurences of this year's rate process are to continue in the future, which Mr. Ramey believes will be the case, the process needs to be more transparent than is warranted under a rate negotiation approach. There was significant variation in the negotiated rates. There may be good reasons for the variation, but only the MRMIB staff know. Plans want to know whether or not the results are fair.

Chairman Allenby commented that Mr. Ramey's remarks were well noted.

Cherie Fields, representing the LA Care Health Plan (a member of LHPC), expressed support for Mr. Ramey's comments. She said LA Care objected to the way by which plan rates were reduced. She asserted that plans negotiated different rates for the coming year, and that some got increases of 20 percent, some got significantly less. However, Ms. Fields stated that, when the cost had to be reduced, each plan was told it had to take the same cut under a "take it or leave it" approach. This approach did not take into account any type of risk profile in the plans' medical loss ratios which produces a disproportionate rate cut. According to Ms. Fields, the Board needs to use a more rational approach. LA Care, appreciating the challenges under which the Board operates, asks that the Board look at how this process was handled.

Ms. Lopez commented that she was not in a position to address any of the public comments specifically because HFP rates are confidential. However, staff does believe that the approach employed was equitable.

Chairman Allenby commented that the Board was taking home the lady that it had taken to the dance. Ms. Lopez said she liked to believe that she was going home with the gentleman that she took to the dance.

Chairman Allenby asked for the previously-described motion to approve health plan renewals and rates by adopting the resolutions included with Agenda Item 7.d. as to the health plans listed above: Alameda Alliance JPA, Anthem Blue Cross, Blue Shield of California, CalOptima, Care First Health Plan, Central Coast Alliance for Health, Community Health Group, Community Health Plan, Contra Costa Health Plan, HealthNet, HealthNet Life Insurance Company, San Joaquin JPA, San Mateo CHA, IEHP Health Access, Kaiser Foundation Health Plan, Inc., Kern County Systems Group HP, L.A. Care Health Plan, Molina Health Care of California, Inc., San Francisco, CHA, CenCal Health, Santa Clara CHA, Ventura County Health Plan.

Mr. Figueroa made the motion, which was seconded and unanimously approved.

Chairman Allenby then asked for a motion to approve State Supported Services contract renewal and rates by adopting the resolutions include with agenda item 7.d as to following plans::

Healthy Families State Supported Services Contracts: Alameda Alliance JPA, Anthem Blue Cross, Blue Shield of California, CalOptima, Care First Health Plan, Central Coast Alliance for Health, Community Health Group, Community Health Plan, Contra Costa Health Plan, HealthNet, HealthNet Life Insurance Company, San Joaquin JPA, San Mateo CHA, IEHP Health Access, Kaiser Foundation Health Plan, Inc., Kern County Systems Group HP, L.A. Care Health Plan, Molina Health Care of California, Inc., San Francisco, CHA, CenCal Health, Santa Clara CHA, Ventura County Health Plan

Dr. Chang moved and Dr. Crowell seconded the adoption.

Chairman Allenby asked for questions or comments. There were none. The Board approved the motion unanimously.

Chairman Allenby then turned to approval of renewal for dental plan contracts and rates. He stated that the motion was for adoption of the resolutions included in Item 7.d. as to the following dental plans:

Healthy Families dental contracts: Access Dental Plan, Inc., Delta Dental of California, Premiere Access Insurance Company, SafeGuard Dental, HealthNet, Western Dental Services, Inc.

Dr. Crowell moved and Mr. Figueroa seconded the motion. Chairman Allenby asked for any comments or questions. There were none. The Board approved the motion unanimously.

Chairman Allenby requested approval of renewal for vision plan contracts and rates. He stated that the motion was for adoption of the resolutions included in

Item 7.d. as to the following vision plans: Safeguard Vision, Vision Service Plan, and Eye Med Vision Care.

Board members moved and seconded the motion. Chairman Allenby asked for any comments or questions. There were none. The Board approved the motion unanimously.

Designation of Community Provider Plans (CPP) for 2009-10

Mary Watanabe reported to the Board on the CPP designations for 2009-10. She reminded the Board that the process for designating the CPP in each county is complex and has been the subject of several Board discussions. The stumbling blocks staff encountered required a deviation from the usual timeline for CPP. Ms. Watanabe thanked HFP health plans for their cooperation and hard work in meeting the necessary deadlines.

For 2009-10, CPP plan scores in 18 counties were close enough to warrant audits. Staff audited eight counties because plans in ten of the counties elected not to participate in the audit. She reviewed the CPP plan designation document which details the CPP and CPP scores in each county and provides a five year history of CPP designations. Staff estimates that approximately two percent of children in HFP will be affected by changes to the CPP in their county.

Chairman Allenby asked for any comments or questions. Dr. Crowell commented that the Board had attempted to revise the CPP process pursuant to improvement suggestions it had received from some plans. However, the recommended changes turned out not to be implementable. She acknowledged that the situation resulted in a lot of work for the staff and thanked them for their efforts in trying to make the changes.

Chairman Allenby asked for a motion to designate the CPP's for 2009-10 consistent with the listing in Attachment 1 of the plan designation document listed in Attachment 1 of Agenda item 7.a. on pages 2 and 3 of the Agenda item.

Dr. Crowell made a motion, which was seconded by Dr. Chang. The board voted unanimously to approve the designation.

Chairman Allenby asked for any comments or questions. There were none.

The CPP Designation document can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_7.e_09-10_CPP_Designation.pdf

CHIP Reauthorization Implementation Workplan

Ms. Puddefoot informed the Board that the two documents in the packet were prepared for a legislative briefing MRMIB and Department of Health Care Services staff conducted on March 19th. One was a table summarizing the provisions of CHIPRA and their impact on HFP and/or Medi-Cal. The second sorted the provisions into mandates, options and other provisions. Chairman Allenby said that the documents were well done and that he had learned a lot from them. Ms. Puddefoot acknowledged Ms. Soto-Taylor, who prepared the first document and Ms. Cummings, who prepared the second. Ms. Puddefoot explained that legislative staff had not understood how complicated it would be to implement CHIPRA. Nor had they appreciated that many of the provisions require policy direction from CMS which has yet to provide.

Chairman Allenby asked for any comments or questions. There were none.

The two documents can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_7.f.pdf

ACCESS FOR INFANTS AND MOTHERS (AIM)

Enrollment Report and Administrative Vendor Performance Report

Ms. Lam reported on AIM enrollment. In February there were 830 new subscribers enrolled in the program. The program has 6,700 total subscribers currently enrolled. As of February, two plans have begun serving AIM subscribers for the first time; Central Coast Alliance for Health and Health Plan of San Joaquin.

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

Reports on AIM enrollment and the administrative vendor performance report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_8.a_AIM_Enrollment_Summary_Report.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_8.b_AIM_Adm_Vendor_Perf_February_2009_Summary.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 7,206 as of March 1. The wait list had 49 people on that date. As of the date of the Board meeting, the wait list is 94. The administrative vendor received 5,838 calls in March and met all performance standards.

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_032609/Agenda_Item_9.a_MRMIP_Enrollment_Summary_Report.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_9.b_MRMIP_Enrollment_Cap_Waiting_List.pdf

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_032609/Agenda_Item_9.c_MRMIP_Adm_Vendor_Perf_February_2009.pdf

There being no further business to come before the Board, Chairman Allenby duly adjourned the meeting at 12:26 p.m.