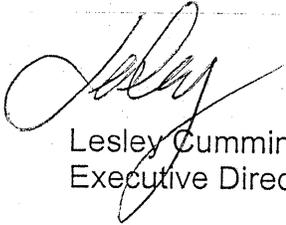


Kris Perry, Executive Director
April 14, 2010
Page 2

I look forward to discussing this request. Thank you very much for your consideration.

Sincerely and with gratitude,



Lesley Cummings
Executive Director

cc: Joseph Munso, Chair, First 5 Commission
Kim Belshé, Secretary, California Health & Human Services Agency

2009-2010
Managed Risk Medical Insurance Board
Senate and Assembly Budget Subcommittee Actions
Healthy Families Program

	Governor's Budget	Senate Budget Subcommittee Action	Assembly Budget Subcommittee Action
Reduce HFP Eligibility	Reduce HFP Eligibility from 250% of FPL to 200% of FPL effective May 1, 2010 <u>Savings:</u> CY - \$31.4 million (\$10.5 million GF) BY - \$188.5 million (\$63.9 million GF)	Proposal rejected 3/25/2010	Proposal rejected 4/19/2010
Increase Category B Subscriber Premiums	Effective July 1, 2010, increase Category B Premiums from \$16 to \$30 (+\$14). Increase the family maximum from \$48 to \$90 (+\$42). <u>Savings:</u> BY - \$26.0 million (\$12.8 million GF)	No action as of 4/21/2010	Proposal rejected 4/19/2010
Eliminate Vision Coverage	Effective July 1, 2010, eliminate vision benefits. <u>Savings:</u> BY - \$18.1 million (\$8.9 million GF)	No action as of 4/21/2010	Proposal rejected 4/19/2010
Eliminate HFP "Trigger Proposal"	Transfer funding from HFP to Medi-Cal, reducing GF need for Medi-Cal <u>Savings:</u> BY - \$126 million GF	Proposal rejected 3/25/2010	Proposal rejected 4/19/2010

**2009-2010
Managed Risk Medical Insurance Board
Senate and Assembly Budget Subcommittee Actions
Access for Infants and Mothers**

	Governor's Budget	Senate Budget Subcommittee Action	Assembly Budget Subcommittee Action
Transfer AIM Funding "Trigger Proposal"	Transfer Prop. 99 funding from AIM to Medi-Cal, reducing GF need for Medi-Cal <u>Savings:</u> BY - \$49.3 million GF	No action as of 4/21/2010	Proposal rejected 4/19/2010

**2009-2010
Managed Risk Medical Insurance Board
Senate and Assembly Budget Subcommittee Actions
Major Risk Medical Insurance Program**

	Governor's Budget	Senate Budget Subcommittee Action	Assembly Budget Subcommittee Action
Transfer MRMIP Funding "Trigger Proposal"	Transfer Prop. 99 funding from MRMIP to Medi-Cal, reducing GF need for Medi-Cal <u>Savings:</u> BY - \$32.3 million GF	No action as of 4/21/2010	Issue held open



Board Chair
Bradley Gilbert, M.D.

Members

Alameda Alliance for Health
Ingrid Lamirault
Chief Executive Officer

Community Health Group
Norma Diaz
Chief Executive Officer

Contra Costa Health Plan
Patricia Tanquary, PhD
Chief Executive Officer

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Bradley Gilbert, M.D.
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San Francisco Health Plan
John Grgurina
Chief Executive Officer

Santa Clara Family Health Plan
Elizabeth Darrow
Chief Executive Officer

LHPC

John Ramey
Executive Director

Corky Oakes
Association Coordinator

Lobbyist

James C. Gross
Nielsen-Merksamer et al

March 22, 2010

The Honorable Mark Leno
Chair, Senate Budget Sub Committee #3
State Capitol, Room 5019
Sacramento, CA 95814

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BY: MMBMB

Dear Senator Leno:

On behalf of the Local Health Plans of California (LHPC), I write to express our preliminary support for Governor Schwarzenegger's proposal to extend the gross premiums tax authorized by AB 1422 (Chapter 157, Statutes of 2009) to June 30, 2011. Our health plans are substantial providers of services to children enrolled in Healthy Families and are committed to ensuring that the program continues to thrive. LHPC was very actively supportive of last year's AB 1422, as an effort to save the Healthy Families program from elimination and to prevent new enrollees being placed upon waiting lists to get into the program.

This year, we are very troubled to see that the Governor has proposed to eliminate Healthy Families under his "Trigger Proposal". Obviously, we are very opposed to that. Additionally, there has been a proposal that, should the program not be eliminated, that eligibility would be rolled back to 200 percent of the federal poverty level which would cause about 200,000 children to be kicked out of the program. We believe this is unfair and are willing to support the AB 1422 extension as an effort to avoid this. Should that action be taken, we will re-evaluate our support for this extension. LHPC members are willing to pay the gross premiums tax on Medi-Cal managed care premiums to enhance federal matching funds for a longer period of time, if doing so will protect the Healthy Families program, and the children enrolled in it, during these difficult budget times.

Thank you for your consideration of our position. Please contact either myself or our legislative advocates, Jim Gross and Kristy Wiese at Nielsen Merksamer and/or Kathy Mossburg at Kathleen Mossburg and Associates with any questions.

Sincerely,

John Ramey

cc: Members, Senate Budget Subcommittee #3
Diane Van Maren, Senate Budget Committee Consultant
Kirk Feeley, Senate Republican Caucus
Lesley Cummings, Managed Risk Medical Insurance Board
Jennifer Kent, Office of Governor Schwarzenegger

