

**Managed Risk Medical Insurance Board
July 30, 2009, Public Session**

Board Members Present: Cliff Allenby (Chairman), Sophia Chang, M.D., M.P.H., Richard Figueroa

Ex Officio Members Present: Ed Heidig, Bob Sands, Jack Campana

Staff Present: 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; Terresa Krum, Deputy Director of Administration, Ginny Puddefoot, Deputy Director of Office of Health Policy and Legislative and External Affairs; Will Turner, Analyst with the Office of Health Policy and Legislative and External Affairs; Anjonette Dillard, Policy Manager, Eligibility, Enrollment and Marketing Division; Maria Angel, Assistant to the Board and Stacey Sappington, Executive Assistant to the Board and the Executive Director.

Chairman Allenby called the meeting to order at 10:00 a.m. The Board then went into Executive Session. It reconvened for Public Items at 11:30 a.m.

Chairman Allenby announced to the audience that the agenda for the meeting was being reduced to include only three subjects, two action items and the discussion on Healthy Families. All other items would be heard at the next meeting. The next meeting will be held August 13, 2009 to discuss actions the Board must take in light of the Healthy Families Program budget shortfall.

REVIEW AND APPROVAL OF MINUTES OF JUNE 29, 2009

Chairman Allenby called for approval of the minutes of the June 29th meeting. Dr. Crowell asked that the minutes reflect correctly that she was not in attendance at the meeting. The minutes were approved with this change.

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

This document can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_062909/062909_Minutes.pdf

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Adoption of Emergency Regulations Concerning Immigration Verification

Chairman Allenby moved to adopt the finding of an emergency labeled as Agenda Item 7.f.1 and to adopt emergency regulations concerning immigration verification labeled as Agenda Item 7.f.2. A motion was made, seconded and unanimously approved.

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

This document can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/Agenda_Item_7.f_E_R-4-09_HFP_Immigration_Verification_Proposed_Regulation_Text.pdf

MAJOR RISK MEDICAL INSURANCE PROGRAM UPDATE

Adoption of Emergency Regulations Concerning Guaranteed Issue Pilot (GIP) Reconciliation

Chairman Allenby moved to adopt the finding of emergency labeled as Agenda Item 9.e.1 and to adopt emergency regulations concerning the Guaranteed Issue Pilot (GIP) reconciliation process labeled as Agenda Item 9.e.2. A motion was made, seconded and unanimously approved.

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

This document can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/Agenda_Item_9.e_E_R-2-09_Proposed_GIP_Regulation_Text.pdf

Chairman Allenby reminded the audience that at the meeting scheduled for August 13th the Board would address HFP program changes needed because of the HFP budget shortfall. At this meeting, the Board wants to hear public testimony on the possible options the Board could consider in order to maintain the program.

STATE BUDGET UPDATE

Ms. Krum reported to the Board regarding final budget actions and program budgets. ADX4-1 revised the 2009 Budget Act enacted in February 2009. The revised budget was signed by the Governor on July 28, 2009. The bill included reductions to AIM, MRMIP and HFP, some of which staff has reported on previously (May Revision and Conference Committee actions). In addition to approximately \$70 million already included in the earlier Conference Committee action, in the final bill, the Legislature further reduced the HFP budget by \$54 million from the General Fund. When the Governor received the bill, he vetoed an additional \$50 million General Fund. For HFP, the General Fund reductions totaled 178.6 million. Only \$7.3 million in federal funds were reduced as policymakers hope that MRMIB will be able to find alternate sources of funding with which to match the federal funds. As noted in prior budget reports, the budget also reduced \$2.6 million dollars in Proposition 99 money tobacco tax funds that would have funded the consumer satisfaction survey and the Rural Health Demonstration Projects.

The budget reduced a total of \$85.7 million for the AIM program (\$33.4 in Proposition 99 funds and \$52.3 million in federal funds). These reductions result in a funding shortfall of \$60 million. Staff will be discussing how to address the AIM shortfall in a future Board meeting.

The budget reduced MRMIP funding by \$6.6 million in Proposition 99 funds. Pricewaterhouse Cooper took this reduction into consideration in its last enrollment cap recommendation.

Ms. Krum then reviewed a handout which details the funding the programs have. The first table reflects the total budget by fund source, the second set of tables reflect state operations budget by program and fund source, and the third set of tables reflects MRMIB's local assistance budget by programs and fund source.

The handout can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/Agenda_Item_5_State_Budget_Update.pdf

Ms. Krum advised the Board that the revised budget continues three furlough days for state employees through the end of June 2010. Earlier this month, the Governor called for elimination of an additional 2,000 positions. MRMIB's reduction was one position, this in addition to two positions reduced earlier.

Ms. Krum asked for any questions and the Chairman replied that there were none.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Waiting List, Fiscal Status and Alternatives

Ms. Lopez informed the Board that their packets included a variety of different articles printed concerning the Board's action to establish a wait list.

She then reviewed with the Board a report on the waiting list established on July 17, 2009. It shows the running total of wait listed children. As of July 28, 2009, this figure was 33,146 children. Staff will provide this report to the Board on an ongoing basis and post it to the website.

The Waitlist Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/Agenda_Item_7.a.i_HEALTHY_FAMILIES_WAITING_LIST_FINAL.pdf

Ms. Lopez introduced Kris Perry, the Executive Director of First 5 California Commission. Ms. Perry acknowledged that since she last addressed the Board in December 2008, the state's economic crisis has worsened significantly, resulting in drastic cuts to HFP. She informed the Board that the First 5 California Commission passed a resolution on July 15, 2009 reaffirming its commitment to help provide affordable healthcare to young children, ages 0 to 5, within the scope of its statutory mandate. This resolution demonstrates First 5 California's longstanding commitment to improving access to children's healthcare. Through the resolution, the State Commission has pledged to join with other public and private partners to provide some of the funds needed to maintain children's health insurance in this fiscal year. Ms. Perry said that First 5 will continue to work with MRMIB staff to obtain the data the Commission needs to proceed with its support.

Chairman Allenby expressed the Board's gratitude indicating that it appreciated any help the Commission can provide given the sizeable deficit in the program. Ms. Lopez added that the California First 5 Commission has been extremely supportive. She indicated that MRMIB staff and First 5 staff have a meeting scheduled next week to follow up on what funding would be possible.

Ms. Lopez indicated that the HFP shortfall, including federal funds, is \$553.4 million. Numerous individuals, organizations, and health plans have contacted MRMIB's staff about various ideas on how to address the shortfall. Staff has developed a list of the ideas received to date. Staff has not had an opportunity to evaluate the ideas to assess which ones are viable, which ones are not, whether they require legislative or regulatory changes, whether they require federal approval, and has not yet assessed implementation timeframes and savings. Therefore, the document should be viewed as a work in progress. Staff will undertake this work and present the document with revisions at future meetings. Ms. Lopez then detailed ideas on the list document

This list is available at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/agenda_item_7.a.iii.pdf

In advance of the meeting, staff notified stakeholders that the topic was agendaized for this meeting and looked to them to make public comment for the Board's consideration.

Chairman Allenby asked for any comments from Board members. He went on to suggest that staff include on the list the idea of allowing HFP plans to use the Medi-Cal drug formulary and prices. Ms. Lopez agreed to add it to the list.

The Chairman then called for public comment on the ideas.

Leona Butler, the Chief Executive Officer Emeritus of the Santa Clara Family Health Plan congratulated staff on the work that it has done, particularly given the limitations of reductions in staff and furloughs. She suggested that while foundations were unlikely to pay for enrollment, at least one, if not more, would be willing to support good analytic work on issues being considered by the Board. This assistance could be quite helpful given staff limitations.

Ms. Butler acknowledged that Healthy Families is not an entitlement program, but expressed the view that children are entitled to healthcare, and this should motivate all parties to develop a solution to the funding problem. The Governor did ask the Board and staff to work with stakeholders to develop a solution. She encouraged the Board to take the Governor at his word, and do everything possible to find a solution. There were many potential solutions in the list Ms. Lopez presented—but they won't solve the entire problem.

Ms. Butler expressed a concern about how MRMIB is tracking the wait list. She thought it critical for the Board to track who is on the wait list, where they are from, when they enrolled and how old they are. Having this data will be important in enrolling children when the program does get funding to do so. And it will help the local CHIs, during this interim period, if they are trying to bring some of those children in. Foundations may be able to fund such an effort.

Patrick Johnston, representing the California Association of Health Plans (CAHP) noted that plans have had a strong partnership with the Board since the beginning of HFP. In this budget and fiscal period, policy makers are examining all options. CAHP and the plans appreciate staff's consideration of plan suggestions. The budget problem will continue for several years. Program changes should be made with this fact understood. The plans will continue to work with the Board to assess those changes that increase efficiency, contain costs and do no harm. Ideas such as such tiering copays for prescription drugs, and applying a copay to an emergency room use that does not result in a hospital admission provide incentives for good care and contain costs. In addition, allowing plans to pay non-contracted providers as they now do in Medi-

Cal could save money and properly recognize providers who do participate in HFP. Plans look forward to lending their expertise to the Board and staff as they work through the issues.

Kristen Golden-Testa, representing The Children's Partnership and the 100 Percent Campaign, commented on how difficult it was to discuss program changes, but important if doing so would prevent disenrollments and allow elimination of the wait list. She noted that the wait list has grown much more quickly faster than she had expected, 33,000 children in less than two weeks. This is sobering and gut-wrenching.

Ms. Testa acknowledged that all parties need to work together and make contributions to address the shortfall of \$194 million in state funds. Legislative leaders are looking into the legality of the Governor's veto. If it is found not to be, the HFP budget would have an additional \$50 million in state funds. Advocates are very grateful that the State First 5 Commission has made a commitment to be part of the solution and will continue to work with the Commission for quick action on the matter with the goal that the Board will know what amount First 5 is able to provide when the Board convenes for its August 13th meeting. The health plans should be part of the solution and it is great that they are working toward that end as their recent comments indicated. Another possible contributor, not on the list staff prepared, is the administrative vendor. The budget of county eligibility workers making Medi-Cal determinations was cut substantially, and so it doesn't seem to make sense to leave the HFP administrative vendor off the list. Increasing subscriber premiums is very hard for the advocate community to suggest, but a time limited increase in premium may be worthy of consideration given the present economic times.

Ms. Testa indicated that the advocates share Ms. Butler's concern that the wait list is administered properly. It would be extremely unfortunate for families to feel lost and have no idea what is going to happen to them, especially for families with children who are, in fact, eligible for Medi-Cal. Advocates want to make sure the children are getting the coverage that they deserve. If the wait list lasts for a long time, such as a year, MRMIB needs to ensure that families are not lost over time, that the vendor has current addresses for them. If the Board has to turn to disenrollment at Annual Eligibility Review (AER), it is critical that the disenrollment structure is functional by ensuring that the children get other coverage that they deserve, like Medi-Cal.

Rebecca Stark, representing PICO California, a faith-based community organizing effort of over 400 congregations throughout California, indicated that PICO works in close partnership with the 100 Percent Campaign and shares its views. She did not plan to reiterate Ms. Testa comments but wanted to talk about the impact of the waiting list and possible disenrollments in the largely low income congregations in which PICO organizes. These are the children who will be affected, particularly the Latino community because large numbers of children

in HFP are Latinos. She encouraged the Board to exercise bold leadership in its communications with the Governor and others about the devastation that will result from disenrollments and the waiting list and expressed appreciation for the Board's leadership so far. PICO supports the Board and hopes to embolden it to continue providing leadership.

Tahira Bazile, representing the California Primary Care Association expressed appreciation for the Board's leadership and encouraged the Board to continue working with First 5 and health plans to develop a funding solution so children can get the care they need. As long as a wait list is in effect, HFP should forward applications to counties to determine if the children are eligible for other programs. If disenrollment of children actually is implemented, she requested that the Board amend its regulations to ensure that children who are most vulnerable are disenrolled last.

Chairman Allenby asked that, at this juncture, Ms. Lopez describe how the waiting list is being administered. Ms Lopez indicated that the administrative vendor is tracking wait-listed children and recording information on the children and families and all contact information, including addresses and phone numbers. When the Single Point of Entry (SPE) screen indicates that a child is eligible for no cost Medi-Cal, it sends those applications to the appropriate county welfare office via overnight mail, just as it has always done. Regarding protecting the most vulnerable children if disenrollment occurs, the Board did revise its regulations to exempt children from disenrollment that only have eligibility for CCS because of their enrollment in HFP.

Ms. Rosenthal responded to a point made by Ms. Butler by clarifying that under HFP, regulations children are placed on the wait list in order of their application date. That is another piece of the tracking process.

Michele Wood, representing Community Health Councils and the California Covering Kids Statewide Coalition, indicated that she wanted to discuss the impact of these matters at the ground level. The Governor and Legislature failed the health of children in California by not prioritizing children's health. The budget shortfall undermines a decade of investment in children's health, the Healthy Families Program and community outreach efforts, and undermines California's ability to access millions of dollars in federal matching funds to the state. This puts future CHIP dollars in jeopardy.

Ms. Wood shared the story of some children who came to the Venice Family Clinic for assistance last week. The family has two girls, one 10 and one 15. The father had been unemployed, but had recently started working again. With his new income, the children could only qualify for HFP. Unfortunately, all the clinic could do was get the girls on the wait list. The oldest daughter has many health issues. She is morbidly obese with a severe hormonal imbalance. The nature of the imbalance is very unclear, but it may be the cause of the extreme

weight gain and appears to also affecting her pancreas. She needs to see a an endocrinologist. She was referred to County Harbor in Los Angeles for this specialty care in March but she has yet to receive an appointment. Her provider indicates that she is not receiving the care she needs and that her condition could lead to many other health problems, including diabetes and cardiovascular disease. Proper diagnosis and appropriate treatment would prevent many long-term health conditions.

Ms. Wood expressed appreciation to the State First 5 for agreeing to contribute to resolution of the HFP shortfall. Now that the budget is signed, she asked that First 5 stand by its commitment. She urged other potential contributors to step up and join State First 5 and asked that the Board, the Governor and the Legislature consider all potential options for correcting the funding shortfall. As Ms. Testa had explained, a one-time premium increase could be a consideration as well as renegotiation of the administrative vendor contract.

Beth Capell, representing Health Access California, reminded the Board that prior to creation of HFP, healthcare costs were the most common cause of homelessness among families. A family literally spent next month's rent in order to take a child to get care. The expansion of Medi-Cal and the creation of Healthy Families ended that in California. The return of those dark days appears imminent. Not only did the Governor veto HFP funding, he also zeroed out most of the clinics' funds. The notion that clinics will serve as an alternative for children who don't have Healthy Families seems, sadly, not to be possible. This catastrophic situation is not the Board's doing. But the number of children at risk of not having coverage is greater than the entire population of many states in this country, including the state of Montana, home of Senator Baccus. With the increase in the number of uninsured, California will have more uninsureds than 40 states have population. The magnitude of what the Board faces is quite daunting.

Regarding disenrollment of children, the Board should be mindful that families who previously might not have been eligible for Medi-Cal may be eligible for it now because of the difficult economic timing in which California finds itself. With respect to the children who are wait-listed and the children who may face disenrollment, the Board should encourage families to look at options through COBRA and Cal Cobra, an option not ideal for this low income population but one that should be considered now.

It is disappointing that the health plans' suggested solution, their shared part of the responsibility, is to increase cost sharing for low and moderate income children. Twenty percent copays, 20 percent coinsurance, is a lot of money for a family with an income of 200 or 250 percent of poverty. A \$50 charge for an emergency room visit that doesn't result in hospitalization is particularly inappropriate for children who suffer from broken bones from soccer games. Lots, the majority, of emergency room visits that children have do not result in

hospitalization. Families should not be discouraged from seeking care unless health plans are willing to set up and run urgent care clinics 24 hours a day, seven days a week, to give children immediate access to care.

Jeff Davis from Universal Care Health Plan reported that his company had provided a lot of input and ideas on possible program modifications. The company believes that modifying benefits, modifying approaches, and modifying fee tables is the effective way. Most of the folks in an emergency room should not be there. A \$5 copay may not be a deterrent to going to the emergency room as an alternative to urgent care. Data show that people go to the emergency room because they believe they will get better care. But this is not true when an urgent care or primary care doctor is available. The program can be revised with immediate savings that have little effect on the majority of those who use the program. The goal would be to provide incentives for people to seek care in settings that are more appropriate, lower cost and in many cases more effective.

Ms. Lopez reminded the Board that the ideas on the list have not yet been analyzed by staff. The Board should be mindful that there are federal rules limiting family out-of-pockets that have to be considered. There is a limit that no more than five percent of a family's income can be spent on any out-of-pockets costs, and even tighter limits for families with incomes below 150 percent. The Board will have to take these rules into consideration when it takes action.

Steve Barrow, representing the California Premature Infant Health Coalition, spoke of the particular problems of children who have special needs because they are born prematurely. The Coalition was formed to attempt to reduce the number of premature infants born, a critical goal to avert high health costs in the future. About 10.7 percent of our births in California are premature. Many of those children have severe medical needs. There is a misconception that babies with severe medical needs will be taken care of by other programs, such as CCS. This is not the case. More than half of those children live in low income families and are dependent for their basic medical, dental, vision care on Medi-Cal and Healthy Families. Families who have children with special needs have to stop working to take care of their premature infants and children and this results in their becoming low income. He asked that MRMIB work with the Coalition to minimize the impact of any enrollment limits on fragile infants and children. He urged the Board to continue working with foundations, the State First 5 Commissions, local First 5 Commission and anybody else that can be brought to the table to avert having to implement the restrictions.

Krystal Moreno Lee, of the Children Now and the 100 Percent Campaign, indicated that Kristen Testa had already testified on behalf of these organizations. She wanted to comment as a mother who had had a premature child. Her daughter was born with severe medical conditions and she was told that her daughter would not live. Because of the medical care she received, her daughter is now an active, healthy seven year old. Her daughter was eligible for

CCS and would therefore have been exempted from disenrollment. There are other vulnerable populations of children for whom continued coverage would be important. She asked the Board to remember as it heard about numbers of children wait listed or subject to disenrollment that these are real, living children and families that need help.

Ms. Moreno Lee went on to read a brief excerpt from a letter the California Children's Hospitals wanted expressed to the Board Members. Their representatives could not attend the meeting. The California Children's Hospitals urge the Board not to take action to begin disenrollments from the Healthy Families Program. There are children in the midst of medically necessary treatment who, if they were disenrolled, would have disastrous health outcomes. It is critical for any child in treatment for a chronic or serious medical condition to maintain access to the Healthy Families Program.

Toni Trigueiro, representing the California Teachers Association (CTA), indicated that CTA members fervently believe that healthy children learn better. Because of this conviction CTA's Teachers for Healthy Kids Project has worked for a number of years with children and groups, such as the Californians for Healthy Kids, the League of California Cities, and Local Children's Health Initiatives to expand health coverage opportunities for Californian children. CTA urges the Board to find a way to lift the wait list.

Dr. Amy Whittle, representing the California Division of the American Academy of Pediatrics (AAP), added AAP's voice to the chorus of dismay about cuts to Healthy Families. She works with publicly insured populations and has hundreds of examples of why care is important. She is also quite cognizant that keeping in contact with low income populations can be very difficult. She sometimes has a hard time reaching a family just two weeks after a visit to provide them test results. This fact has implications for enrolling children from the waiting list and underscores the need to keep current with families on the waiting list.

Aaron Read, representing the California Children's Hospital Association (CCHA), noted that Ms. Moreno Lee had read briefly from CCHA's letter because he wasn't sure he would make it to the meeting. He reiterated that interrupting some of these children in the middle of treatment would be catastrophic. Imposition of the wait list has resulted in several thousand being denied care every single month. CCHA offers its help and assistance as the Board moves forward.

John Ramey, representing the Local Health Plans of California (LHPC) reported that the association continues to be committed to working through the specifics of some of the ideas that have been advanced to the Board and any other idea that would get HFP through this present situation. LHPC has reservations about copay arrangements and, as Ms. Lopez mentioned, there are federal

requirements in this area. Options representing a percentage of the cost of care are probably not appropriate for folks of this income group.

Mr. Ramey stated that, ultimately, incremental efforts will not be sufficient to solve this problem, including anything the Board might be thinking about with respect to health plan rates. Ultimately, the need is for enhanced resources for HFP and other children's programs. This state has not been as aggressive as it could have been in getting federal revenues. There are measures that the state could take, and which the Legislature is now actively considering, that would solve this problem and might even allow us to enhance services for children. Other states have enacted a hospital fee. Enacting one in California is under active consideration. Opponents to the idea should rethink their opposition very strongly in light of the dire circumstances the state, and this program, are in. If it is not possible to do the hospital fee, there are other revenue-generating avenues policy makers could consider. LHPC hopes that the Board will actively support revenue-enhancing measures that are before the Legislature and the administration. Incremental changes are not inappropriate, but it is best to be focused on a larger solution.

Chairman Allenby asked Ms. Lopez for staff comment. She replied that, if she said anything, she might come to tears and suggested that the Board move to the next agenda item.

The Chairman agreed to do so first noting that there is a way to go toward resolving HFP's funding problems. The Board has scheduled a meeting for August 13th, when the Board will have to consider whether the HFP financial situation requires disenrolling children now enrolled in the program. This would, of course, be something that the Board would not relish doing, but the Board may not have a choice. Mr. Ramey's discussion of alternatives in the legislature for enhanced revenue was heartening. Meanwhile, the Board must continue its consideration of program changes. He asked for comments from Board members.

On behalf of the Board, Dr. Chang expressed great appreciation for the tone of the public comments provided at the meeting. Clearly, this is a very difficult time for the program, and a difficult time for all who are devoted to providing appropriate healthcare to children in our state. The tone of collaboration and the offers of support from those groups willing to help keep this program alive are deeply appreciated. This is, perhaps, the only shining light at the moment.

Dr. Crowell seconded Dr. Chang's comments, thanking stakeholders for their concern. She also echoed Mr. Ramey's call for support of options in the Legislature that could yield a substantive solution to HFP's funding problems. The program changes under the Board's control are small. Even if everything on the list were implemented, there would still be a huge shortfall that would not allow continued enrollment of currently enrolled children. There are even more

special-needs children than those mentioned in the public comment period. Children with serious emotional disturbances (SED children), currently a county responsibility, are having trouble getting services. County services are being severely cut by the budget as well, so these problems will be exacerbated. The list of the problems could go on and on. Stakeholders and the Board should work to mitigate these problems as much as possible.

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

This document can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/Agenda_Item_7.a.i_HEALTHY_FAMILIES_WAITING_LIST_FINAL.pdf

Federal Funding for Recent Legal Immigrants

Ms. Dillard reported that the Children's Health Insurance Program Authorization Act of 2009 (CHIPRA) allows states to obtain federal financial participation (FFP) for coverage provided to legal immigrants both in CHIP and in Medicaid. In California these children have been were funded by 100 percent state funds. To draw down the FFP, both MRMIB and the Department of Health Care Services (DHCS) had to submit state plan amendments (SPA) and, to get FFP for the authorized period in state fiscal year 2008-09 (April-June), had to do so by June 30th. Both MRMIB and DHCS submitted the SPAs by June 30th.

CHIPRA requires that states claiming the funds must validate the immigration status of legal immigrants during the annual eligibility review (AER) process to ensure that they continue to lawfully reside in the United States. That is what propelled the need for the regulations the Board adopted earlier in the meeting.

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

Follow up on Options for Serving Children with Serious Emotional Disturbances (SED)

Ms. Lopez introduced Don Kingdon, the Deputy Director of the California Mental Health Directors Association (CMHDA).

Mr. Kingdon acknowledged the Board's partnership with local mental health programs (58 counties and two cities) delivering mental health services to children in California. The association has submitted a written document that provides additional background for the Board. The CMHDA has not made recommendations on resolving problems because there is not a consensus among the members.

Over the last year, there has been an improved relationship between MRMIB staff and CMHDA. Just this morning there was a problem-solving call to discuss some of the problems, including geographic issues, and the issue of parity that must be dealt with in the future. This collaboration has created an appropriate problem-solving arena. On the call, Sacramento County, one of counties having the most difficulty in meeting its obligation, indicated they are again able to participate in a limited way in delivering SED benefits to HFP children. He emphasized that the CMHDA views the dialogue with the Board as the beginning of a conversation. He asked if the Board had any questions.

Dr. Crowell, speaking on behalf of the Chair who had to leave, expressed the Board's thanks for CMHDA's letter and appearance at the meeting. She also was gratified to hear that Sacramento is able to once again participate.

Dr. Crowell reminded the Board and the public of the programmatic history that led to creation of the SED carve out to the counties. When the original implementation of Healthy Families took place, the charge was to carve out SED to the counties because of their existing statutory responsibilities. At that time policymakers thought the major challenge would be to make sure that the pediatric primary care providers were identified for children who needed mental health services and to arrange appropriately for their referral.

Dr. Crowell explained that, to that end, the Packard Foundation funded the California Institute for Mental Health project, which was intended to do that kind of work. The Board then found that a lot of administrative support was needed to spark communication between the plans and the counties. It became an administrative grant rather than an educational kind of effort. The grant terminated, MRMIB lost staff, and there was not the support to make the complicated system work for a number of years. The reason the Board has some resources to work on the issues now is that they were funded by the Mental Health Services Act. Obviously, in the context of cutting out thousands of children from eligibility, there will be increased demands on the counties for mental health services that the plans are now providing. Obviously, MRMIB and the counties need to continue working to find the best solutions for our kids.

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

This letter can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_073009/Agenda_Item_7.h_C_MHDA_Letter.pdf

CHIP Reauthorization Implementation, Including Posting Dental Providers on CMS Website, Outreach Grants and Work Plan Update

Mr. Sanchez reported on two issues related to CHIPRA implementation. One of the requirements of CHIPRA is that states post dental provider information to the Insured Kids Now website at the national level. A number of states have expressed concerns about trying to provide a data file to the federal government. CMS agreed that states could provide CMS with a link to the state website. So, MRMIB will provide the link to Healthy Families website with its network information search function. This provides information on dental providers, but it also provides information on all of our CHIP providers as well.

Mr. Sanchez indicated that the second CHIPRA-related item is outreach grants. CMS released a Request For Proposal on July 6th regarding outreach grants authorized by CHIPRA. MRMIB and DHCS have been reviewing it. From MRMIB's standpoint, there are a number of provisions, especially with the reductions in the HFP budget, that appear to make the state unqualified to apply. In fact, the elimination of the Certified Application Assistance payments may even make it impossible for other entities to apply. DHCS indicates that it may be possible for the department to provide the support letters concerning Medicaid-related outreach only. MRMIB is referring those entities wanting to submit applications to DHCS.

Chairman Allenby asked for questions or comments from the audience. There were none.

Ms. Lopez indicated that staff will present CHIPRA work plan updates at the August 13th meeting

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

There being no other items before the Board, Chairman Allenby adjourned the meeting.