

September 6, 2012

The Honorable Chairman, Cliff Allenby  
Managed Risk Medical Insurance Board (MRMIB)  
Sacramento, CA 95814

Re: Healthy Families Program (HFP) Transition to Medi-Cal (MC)

Dear Chairman Allenby and MRMIB Board Members:

The August 14, 2012 quarterly meeting of the HFP Advisory Panel was the first meeting since the enactment of Chapter 28, Statutes of 2012 (AB 1494) which authorizes the transition of HFP enrolled children into the MC Program. We previously wrote to the MRMIB Board on February 14, 2012 expressing the HFP Advisory Panel's profound concerns that the proposed HFP transition will compromise the health of California's most vulnerable young children by reducing access to providers; limiting access to comprehensive oral health services; reducing or eliminating continuity of care in receiving health, dental and vision coverage; and increasing the need for urgent acute care services because of provider access issues.

The HFP Advisory Panel's role is to advise the MRMIB Board on all HFP policies, regulations, operations and implementations by making written recommendations. Chapter 28, Statutes of 2012 requires a time certain transfer of the HFP Advisory Panel to the Department of Health Care Services (DHCS) to continue its advisory role for the children transitioned into MC. We are requesting that DHCS representatives attend the November 13, 2012 panel meeting to provide information on the HFP transition to MC, respond to panel questions about the transition and provide details on how the time certain transfer of the panel will occur.

During the August 14, 2012 meeting, the panel members had a lengthy discussion regarding the HFP transition to MC including questions and concerns about the impact on HFP children. The panel members are supportive of a deliberate, well planned, tiered phase approach as recommended by the MRMIB Board and as allowed for in the state law which does not have a ceiling deadline by when any phase of HFP children must be transitioned. We concur that the transition should not occur until all issues and concerns have been resolved, that there are documented providers to accept all HFP children when they move into MC and that transition information is clearly communicated to all impacted HFP families.

The HFP Advisory Panel's is concerned about many issues in terms of transition, the following issues were of particular concern which we would like the MRMIB Board and for the Director of DHCS to address. They are as follows:

- Subscriber members with personal experience in the MC program expressed concerns that certified MC providers are not accepting any new MC patients and the inability to access program health care benefits; thus, the panel believes that having a Beneficiary

Identification Card (BIC) will not guarantee access to services. This could be seen as “false access” rather than “true access”.

- Panel members expressed serious concerns that the use of network overlap and provider ratios are insufficient measures to accurately determine the adequacy of MC provider networks. There needs to be an in-depth provider level survey analysis of the MC providers identifying the total number of MC patients they accept in their practice, how many MC patients they are currently serving and how many new additional MC patients they have the capacity to take.
- Subscriber members described their personal experiences in trying to find a provider that accepts MC (because the number is very limited) and that current MC providers are already overextended which means they are either not accepting new patients or families cannot get an appointment for weeks or months. How will DHCS assure that adding nearly 900,000 HFP children to an already overextended MC provider system will not make the existing problems even worse?
- Serious concerns were raised about how a valid, accurate and useful network adequacy analysis can be conducted for the non-Department of Managed Health Care (DMHC) regulated counties in MC prior to January 2013. For the 28 Fee-For-Service (FFS) counties who will conduct that analysis and what standards will be applied? (see previous item above)
- The panel expressed concerns about network and provider adequacy specifically related to dental services and mental health benefits; their experience with Denti-Cal’s mostly FFS system and the MC delivery of non-Serious Emotional Disturbance (SED) mental health services (or to what is currently referred to as the “basic mental health benefit”) have been problematic as documented in recent provider surveys.
- In order to assure MC provider adequacy, provider reimbursements must be adequate.
- The panel requests assurance that the application and renewal processes remain simple, efficient and timely as they are in HFP and that identical performance standards are required of MC as well as assurance that the simplest eligibility processes are used for children’s coverage (poverty level programs).
- The transition process between HFP and MC must be seamless for children and their families; no breaks in coverage and continuity of existing HFP providers should be the goal.
- The panel would like to know how will DHCS handle unmet need (especially unmet provider and service needs across all aspects of health care) and what specific processes/mechanisms will be in place to assure that children have access to all the services they have been provided under HFP?
- How will DHCS address the differences in mental health services? HFP benefits must comply with mental health parity laws, yet the specialty mental health services component of MC (also known as part of the 1115b waiver) is exempt from mental health/substance use treatment parity laws.
- Panel members have a number of questions on how the transition will occur and how changes will be operationalized.

We look forward to the continued discussion of the HFP transition to MC with both the MRMIB Board and DHCS. We are supportive of the engaged public stakeholder discussion process through the monthly MRMIB Board meetings and the quarterly HFP Advisory Panel meetings. We believe that this transparency will help assure a deliberate, well planned, tiered-phase, and consumer focused approach will lessen adverse impacts to the transitioned HFP children.

Sincerely,



John Campora  
HFP Advisory Panel Chair and Members

Cc: Janette Casillas, Executive Director, MRMIB  
Ernesto A. Sanchez, Deputy Director, MRMIB  
Toby Douglas, Director, DHCS