

**Managed Risk Medical Insurance Board
July 18, 2012, Public Session**

Board Members Present: Clifford Allenby, Chairperson
Richard Figueroa
Samuel Garrison
Ellen Wu

Ex Officio Members Present: Mike Wilkening, Designee for the Secretary of the
Health and Human Services Agency
Shelley Rouillard, Designee for the Secretary of
the Business, Transportation & Housing Agency

Staff Present: Janette Casillas, Executive Director
Terresa Krum, Chief Deputy Director
Ernesto Sanchez, Deputy Director, Eligibility,
Enrollment & Marketing
Jeanie Esajian, Deputy Director, Legislative &
External Affairs
Ellen Badley, Deputy Director, Benefits & Quality
Monitoring
Tony Lee, Deputy Director, Administration
Laura Rosenthal, Chief Counsel, Legal
Seth Brunner, Senior Staff Counsel, Legal
Lance Davis, Senior Staff Counsel, Legal
Jenny Phillips, Staff Counsel, Legal
Larry Lucero, Manager, Eligibility,
Enrollment & Marketing
Willie Walton, Manager, Eligibility,
Enrollment & Marketing
Felipe Ybarra, Staff Services Analyst, Eligibility,
Enrollment & Marketing
Amparo Nisi, Staff Services Analyst, Eligibility,
Enrollment & Marketing
John Maradik-Symkowick, Legislative
Coordinator, Legislative & External Affairs
Muhammad Nawaz, Manager, Benefits & Quality
Monitoring
Ruth Jacobs, Manager, Benefits & Quality
Monitoring
Mary Watanabe, Manager, Benefits & Quality
Monitoring
Maria Angel, Executive Assistant to the Board
and the Executive Director
Brandon Walker, Board Assistant

Presenter: Verne Brizendine, Director, State Programs
Blue Shield of California

Public:

Elizabeth Abbott, Director of Administrative Advocacy
HealthAccess

Hellan Roth Dowden, Project Manager, Teachers for
Healthy Kids

Kathleen Hamilton, Director, Governmental Affairs
The Children's Partnership

Kelly Hardy, Director, Health Policy
Children Now

Chairman Allenby called the meeting to order at 10:01 a.m. The Board went into Executive Session and resumed public session at 11 a.m.

Several staff transitions were announced to the Board. Laura Rosenthal announced the retirement of Senior Staff Counsel Seth Brunner. Ernesto Sanchez announced the transition of Willie Walton, the first Eligibility manager for the Pre-Existing Condition Insurance Plan, to the California Health Benefit Exchange. Jeanie Esajian announced the transition of John Maradik-Symkowick, Legislative Coordinator, to CalPERS.

The Board thanked the three exiting staff members for their service to MRMIB and wished them well.

REVIEW AND APPROVAL OF JUNE 20, 2012 PUBLIC SESSION

The minutes of the June 20, 2012, public session were approved as submitted.

The June 20, 2012, Public Session Minutes are located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_3_Public_Minutes_6_20_12_Final.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (Including Healthcare Reform & Budget)

Ms. Esajian reported on Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity (including Healthcare Reform and Budget). She explained four items of interest in the Board's meeting packet.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The documents on the Federal Budget, Legislation, et al., can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_4_MX_7001N_20120719_095858.pdf

STATE BUDGET UPDATE

Tony Lee reported on Agenda Item 5, State Budget Update. The Board packet contained a copy of the MRMIB 2012-13 final budget overview, which showed total funding need of \$1.7 billion if there were no changes to MRMIB's programs and a total allocation to MRMIB in the 2012-13 Budget Act of approximately \$1.6 billion. The \$1.6 billion allocation includes \$183 million from the Managed Care Organization tax, currently pending legislative approval. There were no changes to the State Operations Budget, but the Local Systems Budget reflects the transition of the Healthy Families Program and its corresponding General and federal fund levels. MRMIB would need approximately \$1.2 billion if there were no changes to HFP; however, only \$1 billion was allocated for this year's budget. The General Fund appropriation was \$163 million instead of the \$381 million needed without the HFP transition and the Federal Fund allocation was just over \$1 billion needed instead of the \$1.1 billion without the HFP transition.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. Mr. Figueroa asked Mr. Lee to confirm that the amount of the pending Managed Care Organization tax represented the difference between the program's General Fund appropriation and the amount needed. Mr. Lee confirmed that this was correct.

The chart on the State Budget Update is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_5_Budget_Overview.pdf

TRANSITION OF HEALTHY FAMILIES SUBSCRIBERS TO THE MEDI-CAL PROGRAM

Janette Casillas presented Agenda Item 6, Transition of Healthy Families Subscribers to the Medi-Cal Program. She presented a document that she indicated was brought to the board and the public for purposes of brainstorming the tasks that must occur for the transition. This is a first draft about which staff is soliciting public comment. This is a list of activities that staff recommends before HFP children are transitioned to Medi-Cal. This draft includes a date, as will all subsequent revisions.

The packet also contains a call center script in use by MAXIMUS, the HFP administrative vendor. MRMIB has shared the call center scripts with HFP health plans and the Department of Health Care Services. MRMIB also will post the scripts on the MRMIB website.

Ms. Casillas indicated that the transition is a done deal and that the next step is to undertake the tasks associated with the considerable job of moving the children.

Ms. Casillas indicated that MRMIB staff will hold discussions with DHCS and the California Health and Human Services Agency, as well as the Centers for Medicare and Medicaid Services, whom she expects to have opinions on these issues.

One of the first recommendations for the transition is to prepare notices to all enrolled families to acknowledge that the law was changed and the transition will occur next year. Families will receive multiple notices in advance of any transition. They will be well informed of all the details at various points in time. A first draft of a general notice is included in the agenda item; it is a letter and Frequently Asked Questions (FAQ) document. Another recommendation is that families have sufficient notice and understanding of the change through a 90, 60 and 30-day notices prior to the start of the transition.

MRMIB and DHCS will both seek stakeholder and public input, as well as input from CMS, which administers Title XIX and XXI funding. CMS officials will review subscriber notification letters to ensure they include all pertinent HFP and Medicaid information related to the transition. The notices will be the subject of public and stakeholder input and DHCS and MRMIB staff will work together to finalize those notices, which will be shared with federal officials. The Center for Health Literacy also will review the notices to ensure clarity, followed by translation prior to the subscriber mailing. MRMIB will keep the public informed of the transition by postings on the MRMIB and HFP websites, and expects that DHCS will do the same. All letters, notices and Board meeting materials

will be posted to the websites so that all subscribers, Certified Application Assistants, advocates, and others have access to the same information in advance to help families that do not understand the situation.

Each Board meeting will include a standing agenda item on the transition. MRMIB can establish an Interactive Voice Response (IVR) system at the HFP call center and do a Public Service Announcement (PSA) as activities take place. MRMIB will place notices in the HFP CAA Newsletter and CAA News Blast that go out via email. The HFP transition will be on the agenda for the quarterly advocates meetings and the HFP Advisory Panel. MRMIB will expand call center scripts as appropriate. A very well-known Spanish language station, Radio Bilingüe, contacted MRMIB for interviews to reach the Spanish-language community regarding the transition.

There have been a few discussions so far with HFP plans regarding the transition, mainly to acknowledge the contents of the Budget and the trailer bill language describing the phases of the transition.

Ms. Casillas said that MRMIB understands that DHCS has conducted discussions with the Medi-Cal plans, and it is now time for joint meetings so both departments are on the same page with regard to plan obligations and deadlines in order to ensure communication with one voice. A major component of the transition is a health plan network analysis to resolve the questions of whether the plans, the networks and the providers are the same in plans that serve both HFP and Medi-Cal. Even if they are the same, providers have enrollment caps limiting the number of Medi-Cal beneficiaries they will take. This means that it is unknown whether a provider serving an HFP child will serve the same child in Medi-Cal. These questions must be asked and the providers will want to know the reimbursement rate in Medi-Cal. The Administration, DHCS, MRMIB and the advocates want to ensure that, to the extent possible, there is sufficient provider access for children to receive primary, specialty, and mental health services, as well as California Children's Services for affected children, and that service provision is as smooth as possible.

Ms. Casillas explained that dental issues also must be addressed. Medi-Cal has dental managed care plans in Sacramento County, where it is mandatory, and in Los Angeles County, where it is voluntary. The rest of the state has Denti-Cal, which is more of a fee-for-service delivery system. Beneficiaries must find a dentist who is a certified Medi-Cal provider through whom to obtain services. So in addition to development of a transition for health plans, an overlap analysis must also be done for dental plans. The plan is that an HFP subscriber with a dentist or dental plan available through Medi-Cal in Sacramento or Los Angeles counties would then receive dental care through that same provider in Medi-Cal.

MRMIB will provide DHCS with a listing of all dentists serving HFP children, even in counties without Medi-Cal dental managed care. Medi-Cal then can reach out to these dentists to see if they are willing to sign up as Medi-Cal providers to continue to serve those children.

For vision services, MRMIB families are used to Healthy Families vision plans; this is different from Medi-Cal's vision services delivery system. In Medi-Cal, children still receive eye exams and eyeglasses, as needed, but go through their health plans for

these services and products. MRMIB will inform the families of this change in delivery system and will inform DHCS which provider the child last saw for an eye exam. This will allow DHCS to conduct an outreach campaign to these providers to see if they will contract with Medi-Cal and expand the provider network.

Regarding administrative vendor services, staff will draft a very detailed letter of instruction to MAXIMUS on the transition process, including the phases, timelines and nuances concerning health and dental plans, including overlaps. This information will then be communicated to families. Ms. Casillas said it was her understanding that DHCS would like MAXIMUS to continue to provide them with some of the features they now provide to HFP, such as premium collection for those children with household incomes greater than 150 percent of the federal poverty level. She explained that the premium to be charged these families by Medi-Cal is currently understood to be a flat premium of \$13 per month per child, with a three child maximum. Medi-Cal will maintain the current HFP premium discounts: a fourth month free when paying for three months in advance and a 25 percent discount for electronic fund transfer payments. MAXIMUS already has subcontracts with the banks and credit card agencies to maintain these services and will create a duplicate of the HFP financial system for Medi-Cal.

Ms. Casillas said the transition will lead to additional activity, not only mass mailings of letters and transitions but also call center activity resulting from the letters. She referenced MAXIMUS' strict performance standards and stated that Maximus will increase its staff for this purpose. MAXIMUS also will need to make system modifications to the enrollment system and Single Point of Entry. At some point, once the transition begins, HFP will take no new enrollment. New applications then must be processed under new system logic at SPE. The new system logic will also be used as HFP maintains enrollment for the annual eligibility review process. In addition, Health-e-App will also be updated with new income logic, and new messaging on program eligibility and screening.

Ms. Casillas acknowledged that the transition is not just an administrative process, but a large set of extremely detailed core work activities that need to occur. For example, for every child that is disenrolled from HFP, there must be seven IT transactions, including one to each of the health, dental and vision plans. Furthermore, it takes three separate transactions to update the MEDS system, which must be done separately to address each child's health, dental and vision plans.

Moving to the transition of HFP children in 2013, Ms. Casillas said an estimated 415,000 children are in the first phase. From the standpoint of IT transactions, that would mean 2.9 million transactions. While the HFP administrative vendor, MAXIMUS, does a good job, this is a big task for anybody to do without a glitch. Additionally, each HFP health plan must also process all of these transactions.

In the first phase, there will be more than 406,000 transactions for the 58,000 HFP children covered by Inland Empire Health Plan; 224,000 transactions for the 32,000 children covered by Anthem Blue Cross; and approximately 714,000 transactions for the 102,000 HFP children covered by Health Net. From that perspective, Ms. Casillas said she would rather have smaller groups transitioned in case a problem arises. Her recommendation is that, in accordance with trailer bill language that says the transition would occur "no sooner than January 1," the phase one group of 415,000 children be split into smaller groups or three equal monthly groups.

For the second phase of the transition, which involves about 250,000 children, the recommendation is to divide that group equally over a two-month period. This will help with HFP and health plan call center volume, as well as the thousands of IT transactions needed for this change. If, for example, there is a problem with MEDS transactions, this means a child won't be able to obtain services until the problem is corrected.

For some HFP families who take advantage of a discount by purchasing three months in advance to receive the fourth month free, that fourth month would be during their transition to Medi-Cal. If their income is greater than 150 FPL, they will be charged a premium. It was never intended to eliminate this benefit for families, but was merely an oversight. MRMIB staff will discuss this issue with DHCS. Ms. Casillas indicated that this is something that can be worked out.

The Board packet contains a copy of the call center scripts now in use by MAXIMUS, to advise subscribers and answer questions regarding the elimination of HFP and transition to Medi-Cal. Ms. Casillas said HFP families will be provided with a number of notices on the transition to Medi-Cal, and provided some examples. The board materials also include a draft grid listing of all the potential information about which families must be notified and a timeline.

Ms. Casillas asked for comments and suggestions from the public on what should be communicated to HFP families, and the timing of those communications. Additionally, she indicated that MRMIB has shared an initial draft of these communications, including a draft letter, with DHCS. MRMIB has created an e-mail box to receive this input. All correspondence, suggestions and comments may be sent to HFPtransition@MRMIB.ca.gov. MRMIB will share comments submitted with DHCS and the Administration. She said that staff will update the Board and the public on the transition at all public meetings of the Board.

Ms. Casillas asked for public comments on the initial draft plan within one week from the meeting. She said MRMIB staff and DHCS will begin meeting either weekly or bi-weekly and that public comments are welcomed throughout the process.

Chairman Allenby asked if there were any questions or comments from the Board.

Mr. Figueroa said that he supported taking the time needed to conduct the transition correctly and that providing families with 30, 60 and 90-day notices is appropriate, given that all information about the transfer, such as the health plan match, may not be known during its initial phases. He said he liked the phased transition and noted that it had been done by different groups in phasing into managed care plans by counties to better manage the patient flow and sequencing. He said the fact that the legislation did not include a specific date or timeline for the transfer gives MRMIB staff the opportunity to take the time necessary to complete the process correctly the first time.

Chairman Allenby asked if there were any questions or comments from the audience.

Elizabeth Abbott commended MRMIB staff for the thoughtfulness and attention to detail in the first draft of the transition document. She described the transition as "wrenching," and noted that there were already many comments from advocates and consumers

regarding concerns about health care services. She applauded the proposal to stagger the transition.

She urged the Board to make changes incrementally and slowly, measure progress and categorize comments that offer reactions to the process. Ms. Abbott said such transitions affect consumers in that provider networks are different, even within the same plan. Health plans offer different clinics, doctors and hospitals, whether it is HFP, Medi-Cal or a commercial plan. She cautioned the Board not to be misled by comments that the plans in HFP and Medi-Cal are pretty much the same because they are not.

Ms. Abbott noted that MRMIB staff developed a number of ways to connect with DHCS on the transition and ensure that there are no unintended consequences and that notices are clear and that they are at a reading level that people can understand. She suggested that MRMIB staff share the subscriber notices with DHCS staff and collaborate with them, rather than waiting until the notices are completed. She noted that DHCS has a lot on its plate right now in addition to the HFP transition.

She said the Health and Human Services Agency was very committed to the transition and suggested that, for the Agency, while this probably was not ideal, there were few other choices from a budgetary standpoint. She urged that decisions be made for the best result for California. Ms. Abbott said the advocacy community will do everything possible to help make the transition successful and noted that the advocates have not been enthusiastic about this change because of its great respect for HFP and its administration.

Hellan Roth Dowden said that Teacher's for Healthy Kids is now entering its big season for enrolling children in HFP before the start of school in the fall, and expressed concern that the transfer would conflict with the group's campaign promoting electronic fund transfer as a premium payment method, which provides families with a 25 percent premium discount. She voiced the concern that when HFP families transfer to Medi-Cal, the discount will be lost. She asked if the Board could address this policy issue before her organization moves forward in distributing campaign materials and whether enrollment assistants should be provided with information on this subject. Ms. Dowden said there are also concerns about the proposed switch in the transition from vision service plans to Prison Industry Authority as the eyeglass provider for HFP. She said it appeared it would take longer for children to get their eyeglasses under Medi-Cal, and the need for glasses often becomes apparent when children return to school in the fall. A barrier to quickly obtaining eyeglasses would affect children's' progress in school.

The group also had concerns regarding dental services, which are transitioning from fee-for-service in HFP to managed care. Ms. Dowden said it was her group's understanding that the networks were not the same. She said often the ability to obtain dental care encourages families to subscribe to HFP, so their children can see a dentist. She asked the Board to concentrate on resolving these issues as the transition moves forward.

Kathleen Hamilton said the Children's Partnership and the 100% Campaign are concerned about the current policy under which HFP subscribers receive a fourth month free if they purchase three months in advance. She asked that the Board address these challenges currently. She encouraged the Board to halt the fourth-month free option prior to the transition and to minimize situations where families might change plans twice

within a few months if a plan they joined was not offered in Medi-Cal. Ms. Hamilton also suggested possibly limiting new enrollments to plans which are expected to have the highest rate of success continuing into the Medicaid Program.

Kelly Hardy said that while 70 organizations opposed the transition of HFP to Medi-Cal, those groups, including Children Now and the 100% Campaign, would quickly turn their attention to ensuring that the change is successful for families. The groups developed a flier in conjunction with MRMIB and DHCS to get the word out that HFP and Medi-Cal are still enrolling and that coverage is available. The flier will be circulated as widely as possible. The groups will provide input on the work that MRMIB already has done toward notifying families and will focus on the timely access and network adequacy pieces of the trailer bill language to ensure enforcement so children are not transitioned if those guarantees are not in place.

She said she was unclear whether MAXIMUS would administer the fourth-month-free policy after the children are transitioned to Medi-Cal. Her organization wants the policy to remain in place and wants assurances that families were not paying twice for a fourth month.

Ms. Hardy also asked what would happen to infants covered by Access for Infants and Mothers from families with incomes between 250 and 300 percent of FPL. There is an effort to clarify this and to clarify whether their coverage is transferred to DHCS as well. If not, this is a potential MOE violation that her organization will monitor.

Chairman Allenby noted that the fourth month free premium was a tail issue that the Board is concerned about. He asked if there were any further comments from the audience. There were none.

Mr. Figueroa acknowledged that the transition is difficult for the staff and said he hoped that, by taking the time to conduct the transition properly, staff would not feel the need to leave MRMIB quickly. He noted that the trailer bill language allows for the transfer of staff by the Department of Finance. He asked to be notified, even between Board meetings, of any effort to move staff that would impede work to serve subscribers and the transition. Ms. Casillas said that CMS has not yet directed MRMIB staff to stop conducting any currently required activities, and so MRMIB operations are “business as usual” at this time.

Ms. Casillas said the transition was a very large effort, more so for MRMIB than for DHCS, because of the proportionate impact on the HFP population in relation to MRMIB’s overall business; however, she said the transition was a major one for the state of California as well. She said the California Health and Human Services Agency and the Department of Finance would also be involved in the transition. The outstanding policy issue of the fourth month free premium for advance payment of three months was not intentional and DHCS intends to acknowledge and continue those discounts tied to electronic fund transfer. Chairman Allenby said trailer bill language may be needed to clarify the discount for persons who pay by cash or check. Ms. Casillas said DHCS may be able to take care of the issue administratively. She said decisions would be made on these issues quickly and in time for back-to-school enrollment outreach activities. She also disagreed with an earlier comment to halt the practice of the fourth month free, noting it was in statute and could be viewed by CMS as an MOE (Maintenance of Effort) violation.

Ms. Casillas said while MRMIB staff takes great pride in HFP, at the end of the day it is about insuring children in California. By continuing ongoing enrollment efforts in HFP, every child enrolled is still one less uninsured child in California, even if the child is ultimately transitioned to Medi-Cal.

The documents regarding the Transition of Healthy Families Subscribers to the Medi-Cal Program are located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_6_Transition_of_HFP_Subscribers_to_Medi_Cal.pdf

EXTERNAL AFFAIRS UPDATE

Ms. Esajian reported on Agenda Item 7, the External Affairs Update. The last 30 days were a heavy media period at MRMIB because of the State Budget inclusion of the HFP transition to Medi-Cal and the United State Supreme Court ruling on the Affordable Care Act.

Chairman Allenby asked if there were any questions from the Board or the audience. There were none.

The document on the External Affairs Update is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_7_MX_7001N_201020719_100303.pdf

STATE LEGISLATION

Update on State Legislation

Mr. Maradik-Symkowick reported on Agenda Item 8.a, the Update on State Legislation. The Legislature is currently on summer recess and will be returning from August 6 through 31st, to conclude the 2011-2012 Legislative Session. SB 703, which would establish a basic health program in California under the Affordable Care Act, was amended to remove MRMIB as the administrative entity and replace it with the Department of Health Care Services.

The State Legislative Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_8.a_State_Legislative_Report.pdf

AB1526 (Monning): MRMIP – Elimination of Annual and Lifetime Benefit Limits, Acceptance of Provider Letter to Establish Pre-existing Condition

Mr. Maradik-Symkowick reported on Agenda Item 8.b, AB1526 (Monning): MRMIP – Elimination of Annual and Lifetime Benefit Limits, Acceptance of Provider Letter to Establish Pre-existing Condition. This bill passed out of the Senate Health Committee and will be heard in Senate Appropriations August 6.

SB 961 (Hernandez) and AB 1461 (Monning): Individual Market Guarantee Issue of Health Coverage

The Senate version of AB 1461, which is SB 961, passed out of the Assembly Health Committee and will be heard in Senate Appropriations upon the Legislature's return. AB 1461 is scheduled for hearing in Senate Appropriations on August 6.

Chairman Allenby asked if there were any questions or comments from the audience on the legislative items. There were none.

PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE

Enrollment Report

Mr. Walton reported on Agenda Item 9.a, the PCIP Enrollment Report. As of June 30, there were 11,746 individuals enrolled in the program, with 1,077 new subscribers enrolled during June. As of July 17, the program reached another milestone; there were more than 12,061 subscribers in PCIP. There were no significant changes in demographics from the prior month; 57 percent of subscribers were white, 54 percent female and 82 percent were 30 to 64 years old. The June enrollment of 1,077 new subscribers continues a trend since February 2012, with monthly enrollment averaging approximately 1,115 new subscribers. Los Angeles and San Diego counties continue to have the largest enrollment and 96 percent of subscribers speak English. More than 1,400 applications were process in June, 71 percent without assistance. California's PCIP remains the largest in the nation.

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

The PCIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_9_a_PCIP_Enrollment_Report_for_June_2012_final.pdf

Administrative Vendor Performance Report

Mr. Walton reported on Agenda Item 9.b, the PCIP Administrative Vendor Performance Report. For the month of June, the administrative vendor met all performance standards for application processing and transmission and call center measurements. For the month of May, the administrative vendor met all quality and accuracy standards for eligibility determination, electronic transactions and benefit appeals.

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

The PCIP Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_9_b_PCIP_Admin_Vendor_Board_Report_June_2012.pdf

Third Party Administrator Performance Report.

Mary Watanabe reported on Agenda Item 9.c, the PCIP Third Party Administrator Performance Report. The Third Party Administrator met all performance standards for June 2012.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The PCIP Third Party Administrator Performance Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_9_c_TPA_Performance_Report.pdf

Other Program Updates

No Other Program Updates were brought before the Board.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Larry Lucero reported on Agenda Item 10.a, the MRMIP Enrollment Report. As of the end of June 2012, there were 235 applications received, resulting in 125 new subscribers. There are currently 21 persons on the waiting list and no significant changes in demographics.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The MRMIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_10_a_MRMIP_Board_Report_Summary_for_June_2012.pdf

Administrative Vendor Performance Report

Mr. Lucero reported on Agenda Item 10.c, the MRMIP Administrative Vendor Performance Report. The administrative vendor met or exceeded all four performance and call center standards for the program.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The MRMIP Administrative Vendor Performance Report can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_10_b_MRMIP_Adm_Vendor_Perf_for_June_2012_Ink.pdf

Other Program Updates

No Other Program Updates were presented before the Board.

HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT

Other Healthcare Reform Issues

Laura Rosenthal reported on Agenda Item 11, Healthcare Reform Under the Affordable Care Act. She presented a summary document describing the four key majority holdings:

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The Summary: National Federation of Independent Business v. Sebelius Key Majority Holdings document is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_11_f_Summary_National_federation_of_Independent_Business_v_Sebelius_Key_Majority_Holdings.pdf

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Ernesto Sanchez reported on Agenda Item 12.a, the HFP Enrollment and Single Point of Entry Report. Enrollment at the end of June was nearly 873,000, a slight decrease from the prior month. This represents 2,000 fewer children than a month ago. Historically, enrollment peaks in May and then goes down during the summer months. The top five counties for enrollment account for about 59 percent of all subscribers. Under Single Point of Entry, there was an 11 percent increase in the number of public online users, up from 55 percent last month to nearly 67 percent this month. There was a slight decrease in the number of applications processed with assistance, down about 5 percent from last month.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP Enrollment and Single Point of Entry Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_12_a_%20HFP_June_2012_Summary.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 12.b, the HFP Administrative Vendor Performance Report. The administrative vendor met all performance standards at SPE for application processing and the toll-free line standards. Additionally, all performance standards for eligibility determinations, appeals, data transmissions and the toll-free line performance standards were met. For the month of May, the administrative vendor met all quality and accuracy standards at SPE and HFP.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP Administrative Vendor Performance Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_12_b_HFP_Adm_Vendor_QA_2012_06.pdf

2010 Retention Report

Mr. Sanchez reported on Agenda Item 12.c, the 2010 Retention Report for 2010. The retention rate was 75 percent, a slight decrease from the prior year. This included a one percent increase in disenrollments due to possibly avoidable reasons attributable to non-payment of premiums. Using standardized retention study practices developed by the National Association of State Health Programs, staff was unable to assign possible reasons to only eight percent of disenrollments. Looking at historical trends, Mr. Sanchez noted that disenrollments due to non-payment in 2008 -- when California was affected by the economic downturn, increased unemployment and household incomes -- were equal to those reported in 2010. Also during 2008, there was an increase in AER (annual eligibility review) packets returned with missing information and a one percent disenrollment increase accounted for by children already enrolled in Medi-Cal. Historically, the program's average one-year retention rate is nearly 81 percent; for two years it is nearly 70 percent and for three years, it is 62 percent.

Mr. Sanchez stated that, as part of a long-term program snapshot taken from July 1998 through December 2011, the study found that 14 percent of HFP children enrolled from July to December 1998 have not aged out and continue to qualify based on income more than 13 years later. During that same time period, 75 percent of HFP children were continuously enrolled without a break in coverage; 11.6 percent had a break in coverage for more than one year, possibly moving to Medi-Cal or being uninsured; and about 13 percent had a break in coverage from more than two months to up to 12 months. Finally, approximately 10 percent (247,048) of HFP subscribers maintained coverage until aging out of the program at age 19.

Mr. Sanchez also summarized the disenrollment reasons reported from the program's inception to the present: nonpayment, applicant's request, Medi-Cal-eligible or --enrolled, failure to turn in an AER packet, income too high or too low, employer-sponsored coverage, or incomplete AER packet. There were increases in disenrollments for nonpayment and applicant-requested disenrollments compared to last year.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP 2010 Retention report is found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_12_c_Retention_and_Disenrollment_Analysis_2011.pdf

Health-e-App Update

Mr. Allenby indicated that this agenda item would be brought before the Board in August.

2012-13 Plan Coverage Grid Update

Verne Brizendine, Director of State Programs for Blue Shield of California, noted that the Blue Shield HMO and EPO product are no longer listed on the Coverage Area Grid. He said it was a difficult decision for Blue Shield to exit HFP because of Blue Shield's involvement with the program since its earliest days of development. It was Blue Shield's belief that, by exiting the program now, its covered children could move to an HFP plan that was also offered in Medi-Cal. He noted that Blue Shield is the only HFP plan that is not in Medi-Cal. He stated that Blue Shield would do everything possible to work closely with the Board to make the transition as smooth as possible and to conclude its business with HFP and the Board. Mr. Figueroa thanked Mr. Brizendine and Blue Shield for its great and lengthy partnership with HFP over the years and acknowledged the difficult decision in the best interest of the children for which Blue Shield provided health coverage. Mr. Figueroa also thanked the groups, mentioned earlier in the meeting, who signed a letter in support of the HFP children.

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

The HFP 2012-13 Plan Coverage Grid is found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_12_e_Coverage_Area_Grid.pdf

Update on Community Provider Plans for 2012-13

Ellen Badley reported on Agenda Item 12.f, the Update on Community Provider Plans (CPPs) for 2012-13. She noted that the updated Coverage Area Grid just presented reflects the exit of Blue Shield as an HFP plan choice and some changes in Health Net coverage with the reopening of Health Net enrollment in Stanislaus and San Joaquin counties. She noted that, with these changes, the CPP for Imperial County reverts back to Anthem Blue Cross, which is reflected in the updated charts.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The HFP Updated Community Provider Plans for 2012-13 chart is found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_12_f_Update_on_Community_Provider_Plans_for_2012_13.pdf

Sustainability of Rural Health Demonstration Projects

Ms. Badley presented Agenda Item 12.g, the Sustainability of Rural Health Demonstration Projects (RHDPs). Ms. Badley noted that the Board asked for an update on this topic at a previous meeting. She noted that information was provided to the Board at its November 16, 2011, meeting. At that time, it was reported that of the initial 49 RHDPs, six had stopped because of state funding shortfalls, leaving 43 in operation. After RHDP funding ended on April 30, 2011, 26 of those 43 projects remained operational. Staff contacted those projects to determine their status as of May 1, 2012. At that time, 16 of the 26 projects, or slightly more than half, were still operational. However, staff was unable to obtain a status on the remaining 10 projects. Of the 16

ongoing projects, four address mental health and substance abuse services and four address availability of additional providers in those communities.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. Mr. Figueroa thanked Ms. Badley for the update.

The HFP Rural Health Demonstration Project Update is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_12_g_2012_RHDP_Sustainability_Update.pdf

CHIP Reauthorization Implementation

No CHIP Reauthorization Implementation updates were brought before the Board.

Other Program Updates

No Other Program Updates were brought before the Board.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Mr. Lucero presented Agenda Item 13.a, the AIM Program Enrollment Report. For the month of June of 2012, 943 women enrolled in the program for a total of 7,258 subscribers. There was no significant difference in distribution of ethnicity, the top 18 counties continued to account for more than 86 percent of the total enrollment, and there was no significant change in distribution of plan selection.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_13_a_AIM_June_2012_summary.pdf

Administrative Vendor Performance Report

Mr. Lucero presented Agenda Item 13.b, the Administrative Vendor Performance Report. The administrative vendor met or exceeded all seven performance, call center and quality standards for the AIM Program.

Chairman Allenby asked if there were any questions or comments from the Board or the audience. There were none.

The AIM Administrative Vendor Performance can be found here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_13_b_AIM_Admin_Vendor_Perf_June_2012_Summary.pdf

2012-13 AIM Coverage Grid

Mr. Lee presented Agenda Item 13.c, the AIM 2012-2013 Plan Coverage Grid. The coverage grid shows Kaiser's continued participation in AIM through September 30, 2013, and Central California Alliance for Health's participation through December 31, 2013. Both of these plan contracts were set to expire September 30, 2012. Both of these plans will remain in the program at their current rates.

Chairman Allenby asked if there were any questions or comments from the Board or the audience and indicated that this was good news. Ms. Casillas concurred. There were no other comments or questions.

The AIM 2012-13 AIM Coverage Grid is located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_071812/Agenda_Item_13_c_AIM_Coverage_Area_Grid.pdf

Other Program Updates

No Other Program Updates were brought before the Board.

The meeting was adjourned at 12:36 p.m.