



Community Health Councils, Inc.



3731 Stocker Street
Suite 201
Los Angeles, CA 90008

Tel: 323.295.9372
Fax: 323.295.9467
www.chc-inc.org

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Secretary Diana Dooley
California Health and Human Services Agency
1600 Ninth Street, Room 460
Sacramento, CA 95814

Re: *Healthy Families Transition*

Dear Secretary Dooley,

In an effort to reduce the number of uninsured Americans, the Affordable Care Act (ACA) requires states to coordinate the Medicaid, CHIP and Exchange programs.¹ However, the specifics on achieving this coordination objective or possibly program integration rest with the state. The California Health Benefits Exchange Board has begun discussing this issue and the Governor's current proposal to shift Healthy Families to Medi-Cal is a step toward the integration of California's public healthcare programs.

Community Health Councils (CHC) writes on behalf of the statewide Covering Kids and Families (CKF) and LA Access to Health Coverage coalitions. We ask the state to respond to a set of critical questions in order to assess the proposal's impact in transitioning Healthy Families children into the Medi-Cal program on children and families and on the capacity and effectiveness of the state's public healthcare coverage system.

CHC is a community-based health promotion, policy and advocacy organization that coordinates the CKF and LA Access coalitions. Combined, the coalitions represent over 100 stakeholders throughout California who have been instrumental in both increasing enrollment and retention in publically sponsored healthcare programs and working with the state for more than 10 years to simplify and streamline the enrollment process for families.

We believe with healthcare coverage and the health of nearly 900,000 Healthy Families and 7.7 million Medi-Cal beneficiaries at stake, the decision to integrate these two programs or leave them separate should not be made without a comprehensive assessment of the system requirements and analysis of the impact on the beneficiaries. The assessment and final decision should be made based on the following criteria. The decision should:

1. Provide minimal or no disruption in continuity of coverage and medical care
2. Leverage state funding and maximize all available federal funding
3. Make significant improvements in the equitable distribution of healthcare resources to increase access in under-resourced communities

¹ Patient Protection & Affordable Care Act of 2010 Sec 2201.

4. Preserve the maintenance of effort required through ACA
5. Reduce administrative cost and not shift costs to the county
6. Expand consumer choice of healthcare provider
7. Increase efficiencies and simplification of enrollment and retention processes as evidenced by a reduction in: a) required paperwork, b) average length of time to determine eligibility and process enrollment applications, c) default rates and d) drop in coverage (improved retention rates).

In order to complete a comprehensive assessment of the proposed consolidation, we ask that the state begin by addressing the following questions regarding the potential administrative structure, process and program implementation:

A. Program and Enrollment Policies and Procedures: As acknowledged by the state, enrollment systems must be simplified and benefits aligned. While desirable in principle, changes in eligibility requirements, consolidation of the existing administrative systems and the transfer of nearly 900,000 enrollees can have unintended consequences and risk. Among the many issues warranting further clarification and consideration, we submit the following:

1. Will the Medi-Cal Eligibility and Enrollment rules and procedures be applied to children eligible for or transitioning from Healthy Families into Medi-Cal or will the existing Healthy Families rules and procedures continue to apply?
2. Will children continue to be identified as enrolled in Healthy Families as a distinct program or moved to an aid code within Medi-Cal?
3. Will there continue to be a public distinction between Medi-Cal and Healthy Families or will the programs be consolidated into one program?
4. Will the current grievance and appeals process for Healthy Families remain in effect or will Healthy Families eligible children be subject to the Medi-Cal grievance and appeals procedures?
5. Will cost sharing provisions under Healthy Families remain in effect such as the monthly premiums, out of pocket maximums, etc., or will they transition to a Medi-Cal share of cost? If the Medi-Cal Share of Cost is applied to Healthy Families eligible children, at what income level will they be subject to share of cost and for what amount?
6. Will children eligible for Healthy Families continue to select their provider at the time of application or transition to Health Care Options?

B. Program Transition: To minimize errors in the transition of children and families from Healthy Families to Medi-Cal, we ask the state to address the following:

1. What is the anticipated impact on current county caseloads? What is the potential impact on response time for beneficiaries including existing Medi-Cal enrollees?
2. Will each Statewide Automated System (SAWS) public access interface be modified to allow for the enrollment and influx of the Healthy Families eligible children? If yes, what is the cost and timeline for the update and/or workarounds if the systems are not updated in a timely manner by county?

3. Is there a plan to link or consolidate the Public Access versions of Healthy-e-App and each of the SAWS?
4. What will be the distinction in functions and roles between MAXIMUS and county eligibility? What is the impact on the average time for processing applications under the new delineation of functions?
5. What are major milestones, cost and timeline associated with the transfer of data and the administrative functions between MAXIMUS and the county?
6. What is the proposed mechanism for providing information to counties on the status of premium payments in order to complete enrollment or renewals?
7. What steps will be taken to help families understand and navigate between MAXIMUS financial payment and the county eligibility systems on an ongoing basis?
8. What steps will be taken and procedures put in place to assist and ensure retention of Healthy Families beneficiaries at the point of annual renewal during the first year? What is the anticipated cost and dropout rate?

C. Access to Care: The capacity and availability of the provider network is of highest concern among stakeholders. We raise the following questions in an effort to ensure that Healthy Families beneficiaries are afforded the continuity and comparable access to care:

1. What is the rate of cross-over between the network of providers in Healthy Families versus Medi-Cal program? Are there differences in geographic access and if so, where?
2. Will providers continue to have the option of contracting with only one or the other program? Will there be a distinction made between Healthy Families versus Medi-Cal providers? If not, what steps will be taken to transition Healthy Families only providers into Medi-Cal and ensure continuity? What is the timeline for this to occur?
3. What is the plan for ensuring continuity of care and/or the smooth transition to providers within the Medi-Cal network?
4. What percentage of current providers are anticipated to be “closed to new enrollment” given the transition of aged, blind and disabled population into Medi-Cal managed care? What steps is the state taking to expand the provider network?
5. What incentives will be provided to incentivize participation in the Medi-Cal and Denti-Cal networks? What steps will the state take to incentivize the equitable geographic distribution and access to providers?
6. Will the state adopt a policy similar to the recent Seniors and Persons with Disabilities transition and allow beneficiaries to stay with their current providers/plans for an extended period of time while attempts are made to bring the provider into the Network?
7. Is there an expectation that the difference in provider reimbursement rates between Medi-Cal and Healthy Families will affect children’s access to care? If so what is the plan to mitigate any impact?

D. Community Education & Resources: The success of any new program or change in how services are offered will be dependent on the investment in, and design of the public information campaign to

educate individuals on new coverage options and changes to existing coverage options. To ease the transition, reduce any stigmas and support beneficiaries:

1. What strategic steps will be taken and systems put in place to inform and educate consumers and other stakeholders about the transition, provide information and/or assistance in navigating the system and ensure that messages and strategies are culturally and linguistically appropriate?
2. How will the state work with and utilize the existing infrastructure of Enrollment Entities and Certified Application Assistants (CAA) to assist families with troubleshooting during the transition? Will CAAs receive customized trainings and/or materials regarding the transition and how to best help families with specific questions?
3. Will the Medi-Cal Program be adopting the stakeholder process that Healthy Families currently has to review documents and advise on changes to rules and regulations?

In addition to the questions laid out above, we pose the following questions that we feel the State must address in order to ensure that families are not negatively impacted in the name of cost savings:

- To help local counties prepare for and manage the influx of new caseloads is the intent to pay per case or to add additional funds for administrative costs?
- It has been stated that stakeholder groups will be formed to help the DHCS think through the transition but is it also the state's intent to form a workgroup that will work in tandem with the Exchange board to discuss all ACA policies that impact public programs?

We respectfully request that the California Health and Human Services Agency take time to review and respond to these questions as well as solicit further information and data as you consider combining the Medi-Cal and Healthy Families program. We would also like to be a resource on this issue and invite you to meet with our membership to hear their perspective. We thank you for your consideration. To discuss this letter and a possible meeting, please feel free to contact Sonya Vasquez, Policy Director, at 323.295.9372 extension 235.

Sincerely,



Lark Galloway-Gilliam, MPA
Executive Director

cc: Governor Jerry Brown

Senate President pro Tem Darrell Steinberg

Assembly Speaker John Perez

Senate Minority Leader Bob Dutton

Assembly Minority Leader Connie Conway

Toby Douglas, Director, California Department of Health Care Services

Janette Casillas, Executive Director, Managed Risk Medical Insurance Board