

**Managed Risk Medical Insurance Board  
April 23, 2014 Public Session**

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

Ex Officio Members Present: Robert Ducay, Designee for California Health  
and Human Services Agency

Staff Present: John Ramey, Executive Director  
Morgan Staines, Chief Counsel, Legal  
Tony Lee, Deputy Director, Administration  
Ernesto Sanchez, Deputy Director, Eligibility, Enrollment  
& Marketing  
Alissa Harris, Staff Counsel, Legal  
Jordan Espey, Manager, Legal/ External Affairs  
Larry Lucero, Manager, Eligibility, Enrollment & Marketing  
Marie Jungkeit, Manager, Administration  
Marlene Ricigliano, Manager, Administration  
Maria Angel Garcia, Executive Assistant to the Board and  
the Executive Director

Public Comment: Lucy Quacinella, Maternal and Child Health Access  
Elizabeth Abbott, Health Access

Chairman Allenby called the meeting to order at 10:00 a.m. The Managed Risk Medical Insurance Board went into Executive Session and resumed public session at 10:28 a.m.

## **REVIEW AND APPROVAL OF MINUTES OF JANUARY 15, 2014 PUBLIC SESSION**

The minutes of the January 15, 2014 public session were approved as submitted.

The January 15, 2014, Public Minutes are located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_3\\_Public\\_1-15-14\\_Final.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_3_Public_1-15-14_Final.pdf)

## **EXTERNAL AFFAIRS UPDATE**

Morgan Staines reported on Agenda Item 4, External Affairs Update. Mr. Staines reported that on April 22, 2014 there was a telephone conference with stakeholders regarding the expected changes and trailer bill legislation. Mr. Staines also reported that the press has not been contacting MRMIB anymore.

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

## **STATE LEGISLATION**

Jordan Espey reported on Agenda Item 5, State Legislation. Mr. Espey reported that the proposal to transfer MRMIB to DHCS was presented at the Senate Budget Subcommittee on March 20, 2014 and at the Assembly Budget Subcommittee on April 21, 2014. Mr. Espey stated that he expects that on May 1, 2014 the full transition plan will be publicly released.

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

## **ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE**

### **Enrollment Report**

Larry Lucero reported on Agenda Item 6.a, the AIM Enrollment Report. A total of 515 new AIM mothers were enrolled, bringing current enrollment to 4779. There were no major shifts in subscriber ethnicity and demographics. Mr. Lucero also reported that the administrative vendor has met all standards.

Mr. Lucero also noted that there has been a decrease of approximately 800 women (about 35%) currently enrolled in AIM from last year's enrollment numbers during a comparable time period.

Chairman Allenby asked if there were any questions or comments.

Lucy Quacinella, representing Maternal Child and Health Access stated that she has a lot of comments on the drop in enrollment. Ms. Quacinella stated that AIM is an excellent program and is more affordable than Covered California, yet the way that open enrollment began by Covered California did not do justice for AIM since AIM was not

included on either the online or paper application. Ms. Quacinella asserted that the single stream-lined application needs to be for Covered California, Medi-Cal and AIM.

Ms. Quacinella also stated that Maternal Child and Health Access is very aware of and appreciative of the effort going into finding a solution to this problem, but believes that more can be done in the interim. She stated that AIM was supposed to be integrated into CalHEERS by June, but last week she was told that it would not be integrated until summer, with no commitment as to exactly when. Ms. Quacinella stated that we need to be vigilant and proactive regarding giving women their true options.

Ms. Quacinella also reported that she had had a productive discussion with MRMIB staff, but doesn't have any sense yet about whether or not her suggestions will be adopted and she is nervous about this. Accordingly, she wanted to share her recommendations with the Board.

Ms. Quacinella suggested that when the data abstracts come from Covered California to AIM and the women are subsequently contacted for additional information, that contact needs to be put in context. The women need to be told that although they applied for Covered California, they are also being considered for AIM because they may be eligible for that program instead. She suggested that staff first put everything into context before asking delicate questions.

On the subject of delicate questions, Ms. Quacinella stated that asking a woman when her last menstrual period was on a follow up phone call is way too personal. Instead, the question should be: when is your estimated delivery date? Ms. Quacinella stated that due to the Board and staff's excellent work in amending AIM regulations to comply with the Affordable Care Act, there are just a few data elements necessary to determine if a woman qualifies for AIM and those should all be collected through the Covered California application process. We should have information on pregnancy and income from the Covered California data extracts. However, there have been problems with CalHEERS so people may get frustrated and leave the system before answering these critical questions.

Ms. Quacinella pointed out that there is a very critical outstanding technical question concerning AIM applications coming from Covered California that have a blank where income should be. She explained that during a meeting last week, staff seemed to think that the income field is mandatory, and that if it's left blank a woman will not move forward in the process. However, Ms. Quacinella asserts that advocates' and enrollers' experience has been the opposite. It could be that CalHEERS is supposed to make income a mandatory field and it's failing, or it could be something else. Whatever the reason, Ms. Quacinella is concerned that a big part of why AIM is having to follow up with these women is because there's no income reported or verified.

Because there have been demonstrated problems with CalHEERS, Ms. Quacinella recommended that MAXIMUS have more than 20 days to deal with applications. To bring this timeframe in line with what the ACA requires, she stated that women should be given a minimum of 30 days to respond to requests for missing information. Ms. Quacinella also stated that letters and call scripts should be updated to provide a better context to the women in which to make informed choices.

Chairman Allenby stated that although there were efforts made early on to inform people about AIM eligibility, those people thought they were applying to Covered California, and not AIM, which is the real problem.

Ms. Quacinella concurred with Chairman Allenby. She then stated that the drop in AIM enrollment is closely associated with the fact that people are applying to a system that does not include AIM.

Chairman Allenby agreed that there may be a causal relation and thanked Ms. Quacinella for her information. Ms. Quacinella asked about a possible follow-up process and Chairman Allenby stated that staff is always available to discuss with Ms. Quacinella what needs to be done. Ms. Quacinella stated that staff would be hearing from her.

Beth Abbott from Health Access stated that she is in a lot of different meetings with Ms. Quacinella and wanted to confirm that there a lot of advocates who are saying: What about AIM? Shouldn't AIM be included in the language here? Ms. Abbott stated that she wanted to support Ms. Quacinella's thoughts that AIM hasn't been totally integrated into the thinking or the approach to the consumer.

Chairman Allenby thanked Ms. Abbott.

The AIM Enrollment Report is located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_item\\_6.a\\_AIM\\_Enrollment\\_and\\_AV\\_Reports.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_item_6.a_AIM_Enrollment_and_AV_Reports.pdf)

#### 2013-14 Second Quarter Financial Report

Tony Lee reported on Agenda Item 6.b., the AIM second quarter financial report for the fiscal year 2013-2014. Mr. Lee reported that the beginning balance on July 1, 2013 was \$19.6 million, and revenue received during the fiscal year was \$48.3 million. The actual expenditure through December 31, 2013 was \$21.8 million. The anticipated expenditure for the remainder of the fiscal year is \$32 million, leaving us with approximately \$14.2 million on June 30, 2014.

Chairman Allenby asked if there were any questions.

Ms. Quacinella stated that with a balance of \$14.2 million at the end of June, it seems like there should be ample resources to address the problem discussed earlier concerning AIM applications coming over from Covered California.

Chairman Allenby asked if there were any questions, and there were none.

The AIM 2013-14 Second Quarter Financial Report is located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_6.b\\_Perinatal\\_Ins\\_Fund.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_6.b_Perinatal_Ins_Fund.pdf)

### Adoption of AIM Regulation Implementing Statutory Requirements Concerning Modified Adjusted Gross Income and Disenrollment at End of Month (ER-3-13)

Chairman Allenby asked if there were any comments from the audience regarding Agenda Item 6.c., the resolution to adopt the AIM regulation implementing statutory requirements concerning modified adjusted gross income and disenrollment at the end of the month. There were none.

Board Member Ellen Wu moved to adopt the resolution, and Board Member Samuel Garrison seconded the motion. The motion passed.

The Resolution and accompanying documents for ER-3-13 is located here:  
[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_6.c\\_ER-3-13\\_AIM\\_Final\\_Reg.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_6.c_ER-3-13_AIM_Final_Reg.pdf)

### Adoption of AIM Regulation Addressing Eligibility, Enrollment, Subscriber Contributions and Technical Changes (ER-5-13)

Chairman Allenby asked if there were any comments from the audience regarding Agenda Item 6.d., the resolution to adopt the AIM regulation addressing eligibility, enrollment, subscriber contributions and technical changes. There were none.

Board Member Garrison moved to adopt the resolution, and Board Member Wu seconded the motion. The motion passed.

The Resolution and accompanying documents for ER-5-13 is located here:  
[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_6.d\\_ER-5-13\\_AIM\\_Final\\_Reg.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_6.d_ER-5-13_AIM_Final_Reg.pdf)

### Other Program Updates

Chairman Allenby asked if there were any program updates.

Mr. Sanchez reported that since the issue was raised months ago, MRMIB has worked with MCHA and Ms. Quacinella on a variety of fixes, including updates to the CalHEERS website to note that if a woman needed immediate pregnancy coverage, there are options, including Medi-Cal and AIM.

Mr. Sanchez also stated that data extracts are being pulled from the CalHEERS system, whether an application has been submitted or is a partial application in process. As long as a woman has answered the question that they're pregnant, that data is being passed over from CalHEERS to Maximus through a daily courier process. That is part of the reason why there is missing information (such as Social Security numbers) on the data coming from CalHEERS. That is why we then need to follow up with the mother. We have our normal 17 day period where a notice is sent out and we make up to five telephone calls throughout the week, including Saturday, to try and get the missing information.

Chairman Allenby asked if it makes sense at this time to include the information that Ms. Quacinella discussed, namely that if you applied to ACA you are also potentially eligible for AIM.

Mr. Sanchez answered that what MRMIB is trying to indicate to people is that they are potentially eligible for AIM, which may cost less, through the CalHEERS application process. However, even in those outreach calls, of the 36% we've been able to talk to, 72% have said they don't want AIM, even with the reduced cost-sharing. Mr. Sanchez stated that perhaps we can work with Ms. Quacinella on improving the context in the introductory parts of the letter. But, we get to the point where we're continuing to try and follow up with these people, but it may also be that families are looking to get coverage as a group through the same plan.

Mr. Sanchez emphasized that we are trying to do as much extra work as possible to ensure that pregnant women have access to care, and that has always been the Board and staff's desire. Mr. Sanchez stated that we appreciate Ms. Quacinella's determined advocacy.

Mr. Sanchez also stated that MRMIB is working in a technical consultancy process regarding the MAGI calculation into CalHEERS because based on the budget proposal MRMIB would not be the lead agency bringing it into CalHEERS. The integration of AIM into CalHEERS is now a project for DHCS and we will try and get an update for Ms. Quacinella as to when that will occur.

Mr. Ramey stated that we've gone through the formal CalHEERS change order process, but it's very hard to pin down a date as to when it will actually be done. He stated that we are hopeful it will be done this summer, but eventually the MAGI calculation and AIM will be fully incorporated into CalHEERS.

## **HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT**

Mr. Ramey reported that of the 1.4 million people who are newly covered under Covered California, 41% of them self-enrolled through the website. That 41% represents a success for the California Healthcare Foundation, Sam Carp and the others who pushed for a health e-app, and is a welcome development.

Mr. Ramey also stated that Medi-Cal has a huge surge in enrollment, and one of the things we need to keep in mind when trying to get AIM into CalHEERS is that Medi-Cal pays for over 46% of pregnancies and maternity care in California, so AIM is a very small tail trying to wag a really big dog. Medi-Cal is always going to be the first consideration, and given the proportionality of the two programs it should be.

Mr. Ramey explained that some people have tried to portray the Affordable Care Act as this huge program that is nationalizing healthcare coverage, but they forget that it leaves administration of the ACA to the states with considerable variability.

Mr. Ramey stated that this Board has worked for almost 30 years to get more people covered, and it's now happened. In so many ways, this should be a time of celebration for us because we have accomplished our mission in many ways. We have accomplished the moral imperative of getting a lot of working, low-income people

healthcare coverage in this State. It represents a tremendous health benefit, but also a sense of security that they will not be impoverished by an accident or illness. It's hard to put this all in perspective because we are on the way out, but it's a very good thing that's happened in our State and we need to be appreciative of this Administration in causing it to happen.

Chairman Allenby thanked Mr. Ramey.

Ms. Quacinella said she wanted to heartily second Mr. Ramey's comments about the achievements and accomplishments of the Board.

Ms. Quacinella stated that California has 500,000 births a year and half of those are covered by Medi-Cal. But AIM is critical for the families it helps. Maternal and Child Health Access has long advocated for extending the Medi-Cal income eligibility limit to where AIM is. She suggested we really simplify everything and just put all these women into Medi-Cal, but the people who make those policy decisions think that shouldn't happen. Ms. Quacinella stated that it's important to keep in mind that in California today we have about one million women of child-bearing age who are in the AIM income eligibility bracket, so yes it's small in comparison to Medi-Cal, but not insignificant.

Ms. Quacinella stated that with the resources being allocated for outreach and marketing through Covered California, we could be reaching far greater numbers of AIM women. The economy is part of that too. More women are eligible for Medi-Cal when the economy is bad, and the economy has been bad lately.

Ms. Quacinella also stated that we must keep in mind that there are 900,000 Medi-Cal applications pending, some of which go back to the launch of Covered California. MHCA and many others are working on this issue as well.

Ms. Quacinella stated that AIM is part of the bigger, historic mission and asked the Board to support MHCA's position in the Legislature that the AIM program name not be changed. To take away the name would undermine the good brand recognition that AIM already enjoys and would make a difficult program even worse.

Chairman Allenby thanked Ms. Quacinella.

Ms. Abbott stated that she is a consumer representative with the National Association of Insurance Commissioners, and interacts with many people from other states who are trying to implement the ACA. She stated that California is doing well, and there is a lot of bad behavior going on in other states regarding Medicaid expansion and Exchange behavior.

Ms. Abbott then stated that she wanted to return to Agenda Item 6.d., under definition S, Medicare. It currently says "Medicare means the health insurance for the aged and permanently disabled provided under Title 18 of the Social Security Act." Ms. Abbott emphasized that you do not have to be permanently disabled. You have to have a disability that lasts for 12 months or ends in death.

Chairman Allenby asked staff to take a look at that, and Morgan Staines stated they would.

Chairman Allenby thanked Ms. Abbott.

## **MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE**

### **Enrollment Report**

Mr. Sanchez reported on Agenda Item 8.a., MRMIP enrollment report. He stated that there have been no enrollments in MRMIP this month, and MRMIB has received a very limited number of applications. It is expected based on the more comprehensive coverage that is now available through Covered California.

Mr. Sanchez reported that current enrollment is slightly over 3,200 and no one is on the waiting list due to closed enrollment. Nine people are waiting for the deferred enrollment period.

Mr. Sanchez stated that the top categories of enrollment are in the 30-49 and 50-64 age groups. It continues to be predominantly female.

Mr. Sanchez reported that the administrative vendor continues to meet all performance standards for determining eligibility and the toll-free line standards.

Chairman Allenby asked if there were any questions, and there were none.

The MRMIP Enrollment Report is can be found here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_item\\_8.a.\\_MRMIP\\_%20Enrollment\\_and\\_AV\\_Reports.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_item_8.a._MRMIP_%20Enrollment_and_AV_Reports.pdf)

### **2013 Open Enrollment Report**

Mr. Sanchez reported on Agenda Item 8.b., MRMIP open enrollment report. Mr. Sanchez reminded the Board that in an open enrollment package is sent out to all members in November to give them the opportunity to change plans. This information is as of January 1, 2014.

Mr. Sanchez reported that 1% of subscribers transferred during the open enrollment period, which is fairly close to what we've seen over the last few years (1.1% last year and 1.3% the previous year).

Mr. Sanchez reported that 4.8% of subscribers responded to the survey, down to half the level we saw in the previous year. He noted that even MRMIP subscribers who are not requesting a transfer during open enrollment like to send in their surveys to tell us they're happy with the program. 97% of subscribers indicated they were satisfied with their health plan, and 98% indicated they were happy with their provider.

Mr. Sanchez also reported that there was very little movement from Anthem to other plans. The biggest movement was Kaiser to either Anthem or Contra Costa. Anthem/Blue Cross gives subscribers a PPO model which decreased rates by almost 38%. So that's a big win for our subscribers. There were a number of areas, particularly high volume areas, where Kaiser's premium rates increased.



Chairman Allenby stated that he's not sure Kaiser followed the cap, and that perhaps they've let the cap roll and absorbed the cost. Mr. Sanchez agreed and stated that he thinks the survey shows that a lot of people felt the opportunity to pick their own provider and reduce cost with Anthem/Blue Cross was worth transferring health plans.

Mr. Sanchez pointed out that the demographics of the survey were located on page 4.

Chairman Allenby asked if there were any questions, and there were none.

The MRMIP 2013 Open Enrollment Report is located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_item\\_8.b.\\_MRMIP\\_Open\\_Enrollment\\_Results\\_Transfer\\_and\\_Survey.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_item_8.b._MRMIP_Open_Enrollment_Results_Transfer_and_Survey.pdf)

Adoption of MIP Regulation Continuing 2013 Subscriber Contribution Subsidy and Modification of Calculation of Subscriber Contributions (ER-2-13)

Board Member Wu moved to adopt the MRMIP regulation continuing 2013 subscriber contribution subsidy and modification of calculation of subscriber contributions, Agenda Item 8.d.

Board Member Garrison seconded the motion. The motion passed.

MRMIP Resolution and accompanying documents for ER-2-13 are located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_8.d\\_ER-2-13\\_MRMIP\\_Final\\_Reg.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_8.d_ER-2-13_MRMIP_Final_Reg.pdf)

Adoption of MIP Regulation Concerning Eligibility (ER-4-13)

Board Member Garrison moved to adopt the MRMIP regulation concerning eligibility, Agenda Item 8.e.

Board Member Wu seconded the motion. The motion passed.

MRMIP Resolution and accompanying documents for ER-4-13 are located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_8.e\\_ER-4-13\\_MRMIP\\_Final\\_Reg.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_8.e_ER-4-13_MRMIP_Final_Reg.pdf)

Adoption of MIP Regulation Concerning Guaranteed Issue Pilot Program (ER-6-13)

Board Member Wu moved to adopt the MRMIP regulation concerning guaranteed issue pilot program, Agenda Item 8.e.

Board Member Garrison seconded the motion. The motion passed.

MRMIP Resolution and accompanying documents for ER-4-13 are located here:

[http://mrmib.ca.gov/MRMIB/Agenda\\_Minutes\\_042314/Agenda\\_Item\\_8.f\\_ER-6-13\\_GIP\\_Final\\_Reg.pdf](http://mrmib.ca.gov/MRMIB/Agenda_Minutes_042314/Agenda_Item_8.f_ER-6-13_GIP_Final_Reg.pdf)

## Future of MRMIP

Mr. Ramey reported on Agenda Item 8.g., future of MRMIP. He stated that with the enrollment figures in the MRMIP program, the new environment of guaranteed issue and renewal, and subsidies for low income persons in the individual market raises questions of the necessity for a high-risk pool in the State.

Chairman Allenby stated that the rationale of MRMIP was that we were guaranteeing 130% of market rate, and now the market is the market.

Mr. Ramey concurred with Chairman Allenby and pointed out a document MRMIB has drafted concerning the end of MRMIP. One of the more difficult issues considering ending the program is the sixty End Stage Renal Disease people who are part of the Medicare program, but are using MRMIP as a kind of wrap-around coverage. The question is: What do we do with them?

Mr. Staines explained that the problem is in the Medicare supplement market, which is outside the Exchange. The Federal construct for the Medicare supplement gave the states permission to either include or not include ESRD patients and other patients with disabilities who are under age 65. Apparently this was implemented in California some years ago. California split the baby: persons with disabilities who are under age 65 are included in the Medicare supplement market, but persons with ESRD are left out. Mr. Staines stated that on the back side of the draft resolution is one possible way to address that issue for the ESRD persons, and that is to quit splitting the baby and put all of these people back into the Medicare supplement pool.

Chairman Allenby asked if the legislature has the authority to do that, and Mr. Staines stated that that is MRMIB's understanding.

Mr. Staines also stated that one of the other options is that CMS has given guidance in writing that if a state eliminates its high risk pool, then CMS will not enforce the anti-duplication rule in the Exchange for a couple of years. They will look the other way until 2015. It's a temporary solution, which reflects the practical reality that CMS doesn't project that it's likely for the Federal law to be fixed in a way to solve this problem so they're trying to give states room to maneuver to address it. That could happen here in California, but would be dependent on the closure of MRMIP.

Chairman Allenby stated that we will need one or the other. Assuming that the Feds close their eyes, it will still be open for another year. But a more appropriate resolution might be to change our law to deal this very tiny population.

Mr. Ramey stated that the ESRD population in MRMIP is sixty people, but there's probably a much larger ESRD population out there. He stated that he's not sure if the Medicare Advantage and Medicare Supplement issuers would argue that a rate increase will then be necessary, and believes that if this gets taken up to the legislature, we will hear that argument.

Mr. Staines reported that there are believed to be about 50,000 ESRD patients total in California. Mr. Ramey stated that opening the supplement market up to our sixty people wouldn't make a difference in rates, but opening it the 50,000 people may.

Chairman Allenby stated that we've laid out the issue and it is beyond us to deal with it. Mr. Ramey concurred, but stated that the end of MRMIP is definitely under active consideration because it's just intuitive.

Mr. Ramey stated that another issue with MRMIP is that it's always been a MRMIP requirement that you have to have a letter of rejection from an issuer in the California individual market. It isn't completely clear if it's even possible to get a letter of rejection in these times. We need to investigate that more with the health plans as this discussion continues.

Mr. Ramey explained that in this resolution, we are laying out the issue and considerations about what is going to happen to MRMIP. Our friends at DHCS will have to continue to be responsible for the program and confront and deal with these issues.

Board Member Wu asked if all MRMIP subscribers were sent letters that Covered California was available to them, and Mr. Sanchez confirmed that multiple letters were sent. Board Member Wu asked if we had a sense of why more MRMIP people didn't go to Covered California? Mr. Sanchez responded that we have anecdotal information on some specific cases. We knew some MRMIP subscribers were in the middle of treatment, and did not want to change doctors. Some subscribers said that even though there are annual and lifetime MRMIP caps, they don't ever get close to that. The premium and cost sharing could be more expensive for some MRMIP subscribers, even though the coverage is more comprehensive. We've been very flexible to make sure that no one is getting double billed for premiums being covered by MRMIP and Covered California at the same time.

Mr. Ramey stated that this issue has been brought to the Board because this may be the last opportunity the Board has to opine on this budgetary issue. Chairman Allenby thanked Mr. Ramey for doing so.

Ex-Officio Member Designee Robert Ducay asked if the MRMIP premium is cheaper because of the lifetime and annual caps? He stated that what MRMIB is doing is subsidizing to 100% of market, but if everyone under ACA is paying 100% of market, then what are we subsidizing?

Mr. Staines responded that the program is subsidized on a claims paid basis. The premium is based on the market, but the payments to the plans after the fact are based on their experience. So if the plan's experience with these people is that they are high users, which they tend to be, then we pay the plans more after the fact.

Ex-Officio Member Designee Ducay stated that it sounds like they are not capitated for the risk, and Mr. Staines concurred. Mr. Staines stated that the plans don't take any of the risk.

Chairman Allenby explained that when we put the caps on 30 years ago, it was because of that particular issue of risk. He stated he remembers having hemophiliacs at the meeting, who were very costly in those days. Mr. Allenby stated that it was a very controversial and unpopular decision at the time.

Mr. Staines stated that another lingering issue with MRMIP is that through the end of calendar year 2014, MRMIP qualifies as minimum essential coverage under health reform. But in 2015, it will not be so. So those persons who are subject to the individual mandate to have coverage will not have minimum essential coverage with MRMIP unless the program is modified to meet Federal standards, which would include elimination of the coverage limits.

Chairman Allenby stated that it is appropriate to raise these issues and lay them out, and Ex-Officio Member Designee Ducay agreed.

#### Other Program Updates

#### **FUTURE MRMIB MEETINGS**

Chairman Allenby stated that the recommendation is to cancel the May Board meeting. Mr. Ramey explained that under the Board's suggestion, we will only have a meeting if there is a decision to be made. There may be some decisions to make in June, but there shouldn't be anything for May.

Mr. Sanchez stated that the next meeting is scheduled for June 18, 2014.

The Public Session was adjourned at 11:39 a.m.