

**Managed Risk Medical Insurance Board
September 17, 2008, Public Session**

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

Ex Officio Members Present: Jack Campana (HFP Advisory Panel Chairman) and Ed Heidig (Business Transportation and Housing Agency).

Staff Present: Lesley Cummings, Laura Rosenthal, Janette Lopez, Ron Spingarn, Seth Brunner, Terresa Krum, Ernesto Sanchez, Shelley Rouillard, Will Turner, Thien Lam, Brian O'Hara, Cristal Schoenfelder, Kathy Dobrinen, Naomi Yates, Renee Mota-Jackson, Willie Sanchez, Loressa Hon, Maria Angel, and Stacey Sappington.

Chairman Cliff Allenby called the meeting to order at 10:03 a.m. The Board then went into Executive Session. It reconvened for Public Session at 11:10 a.m.

REVIEW AND APPROVAL OF AUGUST 7, 2008 PUBLIC SESSION MINUTES

The Board reviewed the minutes from the August 7th meeting. Mr. Campana noted that his name was incorrectly spelled in the minutes. The Board unanimously approved the minutes with the correction to Mr. Campana's name.

The document is located at
www.mrmib.ca.gov/MRMIB/Agenda_Minutes_080708/080708_Minutes.pdf.

STATE BUDGET UPDATE

Ms. Terresa Krum, Deputy Director of Administration, introduced several recently hired/promoted staff: Tony Lee, Chief of Fiscal Services, Carolyn Cain-Smith, Manager of Budgets and Fiscal Forecasting, Loressa Hon, Manager of Financial Operations, and Deborah Simmons, Manager of Federal Compliance and Audits.

Ms. Krum reported that the Legislature passed the budget on September 16th. However, the Governor announced that he intends to veto it. Staff reviewed the budget bills passed by the Legislature (AB 1781 and AB 88), and there were no unexpected changes

to MRMIB programs.

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

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY

August 17, 2007 Centers for Medicaid and Medicare Services (CMS) Letter Update

CMS set August 17, 2008 as the deadline for states to comply with their directive, which would make it more difficult for states to draw federal funds to enroll children with family incomes above 250 percent of federal poverty level in SCHIP. Ms. Cummings presented a letter that she sent CMS August 12, 2008 in response to their directive. Her letter informed CMS that the State would not amend its current state plan and intends to continue using federal funding in accordance with its state plan. California has consistently voiced its opposition to the policies announced in the August 17 letter and, at the direction of Governor Schwarzenegger, filed an amicus brief in support of a lawsuit brought by New York state challenging CMS's ability to make such policy changes in a letter. After California sent the letter, CMS announced that it would not enforce provisions of the directive. CMS has not otherwise responded to California's letter.

The letter is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_5a_Sept_08.pdf.

SCHIP Reauthorization

Ms. Cummings stated that congressional Democrats announced that they would not bring up SCHIP reauthorization in the fall. The Congressional Budget Office released an updated fiscal estimate for SCHIP reauthorization; the revised numbers simply reflect the passage of time – they are not unmanageable and advocates are not too concerned. Reauthorization will come down to the wire again and MRMIB will be in an uncomfortable position waiting until the last minute for resolution. It's not clear whether Congress will try to enact reauthorization next year on a large scale of like that vetoed by President Bush or move forward with some type of continuation.

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

A news article on the issue is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_5b_Sept_08.pdf.

STATE LEGISLATION UPDATE

Legislative Summary

Mr. Will Turner, Legislative Coordinator, presented a summary of the regular session bills of interest to the Board, highlighting bills regarding health coverage rescission (AB 1945, AB 2569 and AB 2549), balance billing (SB 697 and SB 981), MRMIP (AB 2 and

SB 1379), and minimum loss ratios (SB 1440). No new bills were added since the last board meeting.

Mr. Turner also reminded the Board that August 31st marked the end of the regular legislative session, and September 30th is the last day for the Governor to sign or veto regular session bills. Special Sessions can continue until November 15th, the last day for the Legislature to present bills to the Governor. The Legislature is scheduled to adjourn on November 30th.

Chairman Allenby asked if the Legislature considers SB 1440 a “fiscal” bill. Mr. Turner confirmed it was deemed as such.

Mr. Figueroa noted that on Monday the Office of Administrative Law approved regulations promulgated by the Department of Managed Health Care (DMHC) that make balance billing an unfair billing practice. Thus, apart from any legislation, DMHC will take action against providers that balance bill patients.

The document is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_6.a_Legislative_Summary_Report.pdf.

AB 2 & SB 1379

Ms. Cummings presented a summary and analysis of the enrolled version of SB 1379. This bill would transfer the first \$1 million in fines paid by health plans collected by the Department of Managed Health Care (DMHC) to the Steven Thompson Physician Corps Loan Repayment Program. Any additional fines collected by the DMHC would transfer to the MRMIP. In the current (2008-2009) State Budget Year, the bill would transfer \$10 million to the MRMIP. The history of fines collected by DMHC has widely fluctuated, so any funds to the MRMIP would be treated as one-time revenue each year.

Given that SB 1379 funds would be available for expenditure in the current year while funds from AB 2 would be available in the next year, if both bills were signed, ongoing funding would be available for a possible increase in the MRMIP enrollment cap

The Governor has expressed his opposition to signing bills that would affect the state’s finances. SB 1379 would not do so, and MRMIB staff believes that a strong case can be made that AB 2 does not either.

Ms. Cummings went on to present a summary of the enrolled version of AB 2. In her presentation, she noted how the version of the bill as enrolled differed from the summary of author’s amendments presented by Ms. Rosenthal at the prior meeting.

The bill would establish health plan fees, based on the number of enrollees in each

plan's individual market products, at \$0.50 per person per month for 2009, \$0.75 for 2010 and \$1.00 for 2011 and later years. Health plans could either pay the fee or directly enroll MRMIP-eligible persons via an assigned risk process. MRMIP-eligible persons enrolled by plans through this process would pay premiums of 110 percent of the rates for comparable coverage in the commercial market. Common thought is that carriers would opt to pay the fee in lieu of enrolling MRMIP-eligible persons. Nevertheless, the Board must develop an assigned risk process in case a health plan opts for the assigned risk process.

The bill would establish a \$40 million state maintenance of effort for MRMIP using Proposition 99 funds. The program's funding level has been at this level for the last 12 years (although the budget just passed by the Legislature provides \$39 million rather than \$40 million). The bill would authorize a General Fund loan for the MRMIP. It would eliminate the \$75,000 annual benefit limit and require that the increased costs associated with the change not to be borne by subscribers. The bill would also increase the lifetime benefit limit to more than \$1 million, leaving it to the Board to set the limit.

Chairman Allenby asked if eliminating the benefit limit would enable MRMIP to be eligible for federal funding. Ms. Cummings confirmed this would be the case as the \$75,000 limit has been the major barrier for qualifying as an eligible risk pool.

The bill would require the Board to reenroll persons from the GIP into the MRMIP, proportionate to financial losses by GIP plan and based on the date a person was disenrolled from MRMIP. This obviously creates a complex re-admission process and monitoring would be a challenge. The Board could elect to reduce MRMIP premiums for families below 300 percent of federal poverty level. Implementation of this provision would mean taking a different eligibility approach with higher costs for the administrative vendor. In any event, staff believes there would not be sufficient funding to implement this discretionary provision.

The bill would create an advisory panel, increase the preexisting condition exclusion period by requiring 6 months (instead of the current 3-month period), and require two rejections from a health plan before enrolling in the MRMIP (rather than one). Also, it would lower subscriber cost-sharing for preventative health and chronic care services – an increased cost not accounted for in the bill's fiscal estimate. It would set MRMIP premiums at 125 percent of rates for comparable coverage in the private market rather than the current 125 percent to 137.5 percent. The bill also would require several reports, most notably one that proposes an approach to covering medically uninsurable people through a mechanism other than a risk pool.

MRMIB staff, assisted by staff from the Department of Insurance, the Department of Managed Health Care and the Governor's Office, estimate that there are 1.8 million lives in the commercial individual market. The revenue generated from fees on the lives,

would, according to staff's estimates, allow for enrollment of all persons on the waiting list to enroll, expand the enrollment cap by 25 percent, fund the cost of eliminating the annual benefit limit, and pay for associated support costs. Given medical trend, the enrollment expansions would be for a limited period of time. Ms. Cummings noted that the fiscal estimates were tentative as they have not yet been reviewed by the program's actuary.

Chairman Allenby said that if both AB 2 and SB 1379 are signed, staff should eliminate the waiting list immediately.

Ms. Cummings asked for direction if SB 1379 were signed but AB 2 was not. She noted that given the unpredictable amount of funding MRMIP would receive under SB 1379, the \$10 million provided to MRMIP in the current year should be viewed as one-time funds. The average MRMIP subscriber remains enrolled for a three year period. Thus, the program could reserve funding for all three years and admit the number of subscribers that could be paid for with the three year reserve. The Board members directed MRMIB staff to do this.

Chairman Allenby said that the Legislature did interesting work on this issue, not without controversy. There is recognition that the original program has merit. It is scary to be uninsurable.

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

The bill analyses are located at www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_6b.pdf.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Mr. Ernesto Sanchez, Deputy Director of Eligibility, Enrollment and Marketing, reported that more than 883,042 children are enrolled in the HFP, and more than 29,000 new subscribers enrolled last month. The top five counties for enrollment continue to be in southern California, representing around 60 percent of total enrollment. Nearly 70 percent of applications received through the Single Point of Entry went to the HFP.

The report is located at www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.a_HFP_Enrollment_Report.pdf.

Chairman Allenby asked if there were any questions or comments.

Ms. Terri Cowger Hill, representing the 100 Percent Campaign, a collaboration of Children Now, The Children's Partnership and The Children's Defense Fund of

California, announced a new project and new publication, "Portraits of Healthy Families, Why All California Children Need Health Insurance, Success Stories for Parents, Kids and the State." Ms. Cowger Hill handed out copies of the publication to the Board and the public. It includes stories from families with children enrolled in Medicaid/Medi-Cal or SCHIP/The Healthy Families Program. Its goal is to inform and educate state and federal legislators about that access to affordable, comprehensive health insurance, like that afforded by HFP, is the linchpin to providing children with timely care, reducing episodic care in emergency rooms and ensuring that children perform better in schools. She thanked Ms. Cummings, MRMIB staff, the Certified Application Assistants for assisting on the project. She highlighted a few stories from the publication. She complimented the Board on its hard work in providing coverage to children and indicated that the 100 Percent Campaign would work with the Board to obtain full federal funding for the program.

Mr. Campana invited Ms. Cowger Hill to make a presentation on the project at the September 30th Healthy Families Advisory Panel meeting. Ms. Cowger Hill thanked Mr. Campana for the opportunity and said that a representative of the 100 Percent Campaign will attend the meeting.

Administrative Vendor Performance Report

Mr. Sanchez presented the latest report to the Board. The contractor met all of its target goals.

The report is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.b_HFP_Adm_Vendor_Perf_August_2008_Summary.pdf.

Chairman Allenby asked for any questions or comments.

Mr. Sanchez informed the Board that the vendor had met all performance requirements. He also mentioned that on September 9th, staff had an exit interview with the Office of the Inspector General (OIG) on its review of CMS's PERM audit findings. OIG had no material findings from its review. He acknowledged the work done by MAXIMUS staff, and MRMIB's Loressa Hon, Thien Lam, Kathi Dobrinen and Willie Walton.

Enrollment Entities (EE)/Certified Application Assistants (CAA) Reimbursement Report

Mr. Brian O'Hara, Enrollment Entities and Certified Application Assistant (EE/CAA) Section Manager, presented the EE/CAA report. For the first two months of the 2008-09 fiscal year, the program paid a total of \$924,860 to EEs for successful enrollment in Healthy Families or Medi-Cal. The current monthly average is \$462,430. The EE reimbursement fund, originally \$45 million, has a \$29,466,755 balance with \$15,533,245 paid since 2005-06 fiscal year.

As of August, 20,377 CAAs and 3,188 EEs were active. MRMIB has certified 4,175

CAAs through web-based training.

The report is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.c_HFP_EE_Reim_Rpt_9.17.08.pdf.

Chairman Allenby asked if there were any questions or comments.

Ms. Cummings noted that the figures for 2007-08 were final as of this report. At the next meeting, eligibility staff will present a comparison of 2006-07 and 2007-08. The Board members noted an upward trend in assisted applications, particularly for use of electronic applications and assistance at annual eligibility review.

Open Enrollment for 2008-09 and 2009-10

The budget trailer bill specifies that HFP budget changes be implemented approximately 4 ½ months after the budget is signed. Mr. Sanchez presented timelines for HFP open enrollment assuming various signing dates for the budget. The open enrollment period for 2009-10 will occur in April and May 2009, and depending on when the budget is signed, it is possible that effective date of transfers for 2008-09 be in the same month that they receive an open enrollment packet for 2009-10. He said that staff and the vendor are mindful that the two processes could be very close together, but are concentrating on conducting the 2008-09 open enrollment consistent with the trailer bill.

Dr. Chang asked staff to ensure that families get a heads up that another open enrollment period will be coming shortly after the first one. Otherwise they may think they didn't need to respond to the second enrollment, mistakenly thinking it was a repeat rather than a separate enrollment.

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

The document is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.d_Open_Enrollment_2008-09_and_2009-10.pdf.

Traditional and Safety Net Provider Report for 2007

Mr. Willie Sanchez presented the Traditional and Safety Net Provider as Primary Care Provider Report for Calendar Year 2007. The report identifies the percentage of children whose families either select or are assigned to a traditional and safety net provider as their primary care provider.

MRMIB requires contracting health plans to report the number of children served by traditional and safety net (TSN) providers as their primary care providers (PCP). TSN providers historically serve low-income uninsured children, and participate in the Child

Health and Disabilities Prevention Program (CHDP). The report includes information about 20 of 24 plans participating in the HFP, representing 67 percent of program enrollment. Only enrollment in HMOs is counted as there is no requirement for a PCP in the EPO's.

About 57 percent of subscribers had TSN providers as their primary care physician; of these, around two-thirds selected a TSN provider while the remainder had a TSN provider assigned to them by their plan. Non-white subscribers select TSN providers at a higher rate than white subscribers. There was no significant variation of rates of subscribers who used TSN providers as PCPs based on income levels.

Given that such a high percentage of subscribers elect a TSN provider, it is important that these providers continue to be available. MRMIB will continue to encourage plans to expand their TSN provider networks.

Chairman Allenby asked if there were any questions or comments. Mr. Figueroa and the Chairman complimented staff on an excellent report.

Ms. Shelley Rouillard pointed out that the report does not include historical data because of data anomalies that could not be used comparatively with the current data. So, staff is starting fresh with the data from 2007.

The report can be found at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.e_2007_TSN_Report.pdf.

Out of Pocket Maximum Report for 2004-05 and 2005-06

Cristal Schoenfelder presented the Out of Pocket Expenditures Report for years 2004 – 2005 and 2005 – 2006. In coming months, staff will present more recent data regarding this issue.

Federal law limits HFP subscribers' total premiums and co-payment expenses (for health care) to no more than five percent of a family's annual household income. Part of MRMIB's strategy to ensure this requirement is met includes setting a \$250 annual maximum co-payment per family for health plan expenditures. Dental and vision services are excluded from the \$250 annual maximum but are included in the overall expenditure analysis for families reaching the maximum in the report. Less than 1/10th or 1 percent of HFP subscribers reached the annual maximum. Total expenditures (premiums plus co-payments) ranged from 0.76 percent to 3.3 percent of subscribers' annual household income, well below the five percent allowed by federal law. No one has ever exceeded or come close to the five percent maximum in the history of the program.

Mr. Figueroa asked about the accuracy of the data and whether it is possible that there is significant under-reporting. He wondered if families understand they should be saving their co-payment receipts and whether health plans actually report when families inform them that they have reached the maximum. Ms. Schoenfelder replied that plans do inform families of the process. Plans have different systems for keeping track of the number that families reaching the maximum and the data are self-reported by the plans. Mr. Figueroa commented that the process relies on families turning in their receipts. Tracking in a PPO would be fairly easy, but more challenging in an HMO. Ms. Cummings pointed out the significant variation by plan in the report, indicating that it is a reflection of the different systems plans have in place. Mr. Figueroa noted that this issue is tied to the ability to assure affordability of coverage, a major issue in the health care reform debate. He was trying to understand how reliable the data are for purposes of this larger context. He was concluding that there could be significant underreporting.

Ms. Cummings acknowledged that the program relies on the shoe-box method to track co-payments. It is hard to imagine a different system, particularly given the low co-payments in HFP –but it is far from perfect for families. She reminded the Board that the maximum is for a family, not a single child. Dr. Crowell suggested that staff ask plans about how they track co-payments and include the information in future reports. She noted that her health plan does a good job of tracking the information likely because she is in Medicare and there is a “donut hole” for coverage of prescriptions. She feels that if plans can do it for Medicare, their systems could be expanded for other programs.

Chairman Allenby asked for any questions or comments. There were none.

The report is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.f_2004-2006_OOP_Expenditure_Report.pdf.

Encounter Data Project Update

Chairman Allenby said this item would be moved to the October meeting.

Advisory Committee on Quality (ACQ) Status Report

Ms. Rouillard reported on the first ACQ meeting which was held on September 10th. She provided the Board with a list of committee members. All twenty members participated in the first meeting. Staff is looking to add two additional members, a clinic representative and another pediatric specialist. Staff is gratified at the high level of expertise among committee members, including staff from NCQA, DMHC and Medi-Cal, quality experts from plans, practicing pediatricians and researchers. Co-chairs are Dr. Paul Kurtin, MD, Rady Children’s Hospital, Chief Quality and Safety Officer, and Ellen Wu, MPH, California Pan-Ethnic Health Network Executive Director.

The committee discussed obesity prevalence and tracking related indicators. Members

are interested in focusing on improvements, not just measurements. Staff will investigate these issues, including ways to create incentives for health plans and what has already been done to improve plan accountability and performance. Committee members suggest that MRMIB not try to create new measures but use nationally endorsed measures.

The Committee will meet every other month. The next meeting will be in November.

Chairman Allenby and Dr. Crowell complimented staff on their good work.

Chairman Allenby asked for any questions or comments. There were none.

Rural Health Demonstration Project (RHDP) Awards for 2008-09

Chairman Allenby moved to approve staff recommendation to fund projects listed Item 7i in priority order based on the level of funding for rural demonstration projects as provided in the final 2008-09 budget as modified by the Governor. In the case that after fully funding projects in priority order there is an amount remaining, which is insufficient to fully fund the project next in order, the staff may negotiate an amount that is less than the amount listed in Item 7i. If staff are unable to negotiate an acceptable amount, the staff may negotiate with the proposer of the next project. Dr. Crowell seconded the motion. The Chairman then invited staff to discuss the funding recommendations.

Ms. Renee Mota-Jackson, RHDP section manager noted that at the last Board meeting, the Board approved staff's recommendation to use any funds provided in the budget for RHDP projects to support projects rated as excellent that had been submitted (but not funded) during the 2007 solicitation. The Governor's budget proposed \$2.1 million for RHDP while the budget passed by the legislature provides \$6.3 million. Staff reviewed the 73 projects that had been rated as excellent, contacted plans to ascertain whether they were still viable and established a funding priority order. Staff recommends funding up to 24 projects, depending on the amount provided in the budget as signed. Staff is seeking Board approval at this meeting so that any new projects could begin in November 2008. Staff proposes to fund the projects through June 30, 2010.

Chairman Allenby directed that staff revise the list to reflect any relevant changes in plan service areas. Dr. Crowell asked if the timeline staff proposes assumed the budget is signed within the timeframe presented. Ms. Rouillard confirmed that this is true.

Chairman Allenby asked if there were any questions or comments.

Julie Day from Access Dental/Premier Access said that the clinics funded were grateful and indebted to the MRMIB and its staff for continued support for the RHDP. She thinks that the program funds excellent clinic programs. She commented that the staff has made some positive changes in the administration of the program over the last year.

The Board voted unanimously to pass the motion.

The report is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_7.i_RHDP_Recommendations_2008-09.pdf.

Ms. Laura Rosenthal, Chief Counsel, said she will be out of the office for several months. During that time, Mr. Seth Brunner would be Acting Chief Counsel and Ms. Sheila Nolan will serve as Senior Staff Counsel as a retired annuitant. Ms. Nolan has extensive experience working as staff counsel and as a high level supervising counsel for the Department of Health Services.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Ms. Kathi Dobrinen, Contract and Marketing Manager, presented the latest AIM enrollment report. In August, 1,024 new subscribers enrolled in the program, and there were 7,624 subscribers total. Latinas continue to make up the majority of subscribers. Los Angeles, San Diego, and Orange counties continue as the top enrollment counties, making up approximately 48 percent of the program's enrollment.

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

The report is available at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_8.a_AIM_Enrollment_Report.pdf.

Administrative Vendor Performance Report

Ms. Dobrinen presented the latest report to the Board. The contractor met all of its target goals.

The report is available at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_8.b_AIM_Adm_Vendor_Perf_August_2008_Summary.pdf.

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

Financial Report

Ms. Loressa Hon, Financial Operations Manager, reported that at the beginning of July 1, 2007, carryover funding of \$391,000. With \$58.7 million revenue received and expenditures of \$57.4 million, the ending fund balance is \$1.3 million as of June 30,

2008.

Mr. Figueroa asked if this was one of the funds reduced by the Legislature or Governor in a previous year. Ms. Hon replied that funding for 2007-08 had been reduced as part of the May Revision. Mr. Figueroa expressed satisfaction that program expenditures had come in within the budget framework.

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

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Ms. Naomi Yates, Policy Manager, presented the latest report to the Board. Ms. Yates noted that MRMIB was able to offer slots to people on the waiting list. Current enrollment is now at 6,894. Applications received have begun to decline. Prior to creation of the waiting list the average was over 400 applications received. Only 246 applications were received in August. The wait list as of September 8, 2008 totaled 629. Enrollment and demographics remained stable.

The report is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_9.a_MRMIP_Enrollment_Report.pdf.

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

Update on Enrollment Cap and Waiting List

Ms. Yates reported that MRMIB is closely monitoring the waiting list and trying to offer slots as soon as possible. Offers were made on the second week of September with an effective date of November 1st. Despite offering enrollment to some on the waiting list, the number waiting remains sizeable - 600 people. The waiting list is not growing as rapidly as in the past because of the reduced number of applications per month.

The report is located at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_9.b_MRMIP_Weekly_Wait_List.pdf.

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

Administrative Vendor Performance Report

Ms. Yates presented the latest report to the Board. It shows that the administrative vendor has met all performance standards. She pointed out that far fewer applications/month were received, but the vendor received 5,388 phone calls. Dr. Chang asked how that compared to the past. Ms. Yates said that prior to the wait list

there were about 5000 to 7000 calls per month. It appears that the need for coverage hasn't been reduced, but that people were just not applying.

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

The report is available at www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_9.c_MRMIP_Adv_Vendor_Perf_for_August_2008.pdf.

Disenrollment Survey

Ms. Yates reported on the results of the disenrollment survey. The survey is conducted annually for the month of January. January is the month when premium increases are implemented and thus, traditionally, is the month when disenrollments are highest. However, this last year the highest number of disenrollments occurred in February—the month the deductible (and associated premiums) were implemented. Therefore, the survey was conducted on February disenrollment.

Two hundred sixty eight people were surveyed and 75 surveys were returned. Most (58.7 percent) surveyed indicated their disenrollment was due to obtaining other coverage. The second highest reason (35 percent) was program cost. Last year, even with the implementation of the deductible, there was a 6.4 percent premium increase. Only one person surveyed indicated that the deductible was the reason for disenrollment.

The report is available at www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_9.d_MRMIP_Disenrollment_Survey.pdf.

Chairman Allenby asked if there were any questions or comments.

Mr. Figueroa, commenting on the high volume of calls to the vendor each month noted that people would be calling for a variety of reasons. He would like to know how many were calling because they wanted to enroll. He thought it would be helpful if the vendor would, for a limited period, record why people were calling. He asked staff to discuss the issue with Blue Cross. Ms. Yates reminded the Board that most subscribers come to the program via an insurance agent and that the decrease in applications is likely because the agent community is aware of the wait list. Mr. Figueroa acknowledged that the agent community would be aware of the wait list, but remained curious about the nature of the calls given that call volume had not decreased. Ms. Yates said that staff would discuss the request with the vendor.

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

Subscriber Premiums Benefit Year 2009

Ms. Terresa Krum, Deputy Director of Administration, presented a document detailing premium rate increases proposed for the 2009 benefit year. Plans submitted their analysis of premium rate increases to PricewaterhouseCoopers (PwC) which reviewed them. Premiums for three plans will increase by approximately seven percent. Premiums for the other plan will increase by nine percent. Subscribers will be informed of the premium increases in the open enrollment process.

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

The document can be found at

www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/Agenda_Item_9e.pdf.

Financial Report

Ms. Hon reported that at the beginning of July 1, 2007, there was carryover funding of \$18.4 million. With revenue of \$40 million and expenditure of \$39.4 million, the ending fund balance is \$649,000. GIP expenditures are expected to put the ending balance around zero at the end of June 30, 2008.

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

This report can be found at

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_091708/agenda_item_9.f_MRMIP_financial_report.pdf

There being no further business to come before the Board, Chairman Allenby duly adjourned the meeting at 12:25 pm.