



May 20, 2011

To: The Honorable Holly Mitchell, Chair
Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

Re: **Healthy Families to Medi-Cal Shift (Item 4260) – SUPPORT**

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Frank Mecca, CWDA

The County Welfare Directors Association of California (CWDA) supports the Brown Administration's proposal to move about 890,000 children currently enrolled in the Healthy Families program into Medi-Cal. This proposal makes sense, particularly as counties and the state prepare to implement health care reform and streamline health care coverage for all Californians.

County human services departments manage eligibility for health and human services programs for 8 million Californians, including Medi-Cal, CalWORKs and CalFresh. Counties enrolled several hundred thousand new clients into Medi-Cal during the two-year recession period, and added millions to CalFresh and CalWORKs. Statewide, we receive about 400,000 applications for the various programs each month. This proposal would add about 20,000 monthly applications to that number, based on April 2011 data showing 19,522 applications forwarded from the Single Point of Entry to Healthy Families.

Counties' modern eligibility automation systems, which include online application capacity, can accommodate the cases that would be added under this proposal. We will be working with the Administration and our automation system staff in the coming days to identify the automation changes that will be required to implement the transition, such as updates to the systems' rules engines and new electronic linkages.

It is our understanding that the cases that are to be transitioned will be evaluated under simple eligibility rules, as just one example, without requiring asset tests for these children. Based on this, we are committed to working with the Administration and Legislature to develop a cost estimate for the eligibility work associated with these cases that we are confident will be in line with costs under Healthy Families today. The current cost per case on Medi-Cal is, on average, higher than the cost for Healthy Families cases because Medi-Cal is significantly more complex. The Medi-Cal "program" is actually a collection of dozens of programs under the Medi-Cal umbrella, with more than 120 aid codes, compared to the single program that Healthy Families runs. Many Medi-Cal recipients are subject to mid-year status reporting that these children would not be required to meet, and must provide in-depth detail about their assets, including retirement accounts, life insurance policies, jewelry and burial plots.

From an enrollment perspective, the technical questions that need to be worked through include the actual work flow of transferring applications from MRMIB's

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Single Point of Entry to the counties, what role Maximus might play in the collection of premiums for enrollees in the 150% to 250% income range, and how ongoing case maintenance duties for these cases might be split between counties and Maximus.

While the 2014 implementation date for health care reform seems a long way off, it will be here very quickly. California can get a head start on this process by transitioning Healthy Families children into the Medi-Cal program early. For these reasons, we support the Administration's proposal. We look forward to working with the Administration, Legislature, and stakeholders to develop the necessary policies and procedures to ensure a successful transition for all affected children.

cc: Andrea Margolis, Consultant, Assembly Budget Committee
Eric Swanson, Consultant, Assembly Republican Fiscal Office
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