

**CWDA Response to the MRMIB Open Letter dated May 16, 2011**

The County Welfare Directors Association of California represents the 58 county human services agencies that determine initial and ongoing eligibility for the Medi-Cal program. Counties have been determining eligibility for Medi-Cal since the program's inception in 1966.

The state and Legislature chose in 1998 to create a separate program to implement the federal Children's Health Insurance Program, Healthy Families, which is overseen by the Managed Risk Medical Insurance Board (MRMIB). As a result of that decision, a series of "bridges" were created between Medi-Cal and Healthy Families, which is administered by a private, for-profit company (Maximus) under a contract with MRMIB. These bridges are necessary because as families' incomes change, and as children age, they move back and forth between Medi-Cal and Healthy Families, which offer different benefit packages and contract with different provider networks, and have separate eligibility determination systems.

Governor Brown's May Revise proposes to integrate Healthy Families into Medi-Cal, bringing together these two programs under the county eligibility structure along with CalFresh (formerly Food Stamps) and CalWORKs, the state's welfare-to-work program. These programs serve many of the same families. In fact, a child on Healthy Families often has one or more siblings or parents receiving Medi-Cal, and the entire family may also be receiving CalFresh and CalWORKs. This proposal hastens a discussion that we have expected to occur as the state moves toward the implementation of the federal Affordable Care Act in January 2014. We support the proposed integration of Healthy Families into Medi-Cal and stand ready to work with the Brown Administration and all interested stakeholders to develop a detailed plan that will ease enrollment and minimize disruptive transitions between programs for these children.

Given the overlaps between Healthy Families and Medi-Cal, we have valued the partnership developed between counties, DHCS, and MRMIB. However, we take issue with a number of characterizations in the "Open Letter" released on May 16, 2011 by MRMIB that paint such an inaccurate picture of county eligibility operations that we must respond.

**Administrative Costs: It's the Rules, Not Who Administers the Program**

The MRMIB letter states: "County administrative costs are a significant multiple higher than those of the Healthy Families administrative vendor costs. How are the additional information technology costs or county administrative costs calculated and how do they compare to the Healthy Families administrative vendor costs?"

CWDA response: We have for years consistently noted that any comparison of today's Medi-Cal administrative costs to the costs for administering Healthy Families is apples to oranges. Medi-Cal is a collection of dozens of programs, of varying degrees of complexity, under a single umbrella. The programs encompass 150-plus aid codes; many require significant amounts of information and verification at the time of application. Most parents have a mid-year status report requirement in addition to the annual redetermination required by federal law. The Healthy Families program, in contrast, is one program with one set of simple rules, no asset test, applies only to children, and uses an income calculation that is identical to that used in Medi-Cal. This means that for all applications that start at the county human services department, *zero* additional work is required on the part of the contractor to determine the family's income – *the county has already done the work for Maximus.*

Conclusion: The costs for these two vastly different programs are simply incomparable, as we have noted many times in the past in numerous public settings. Simplification of the rules for Medi-Cal, a la the simplification contained in the ACA (and already used for Healthy Families to a great degree), will result in much simpler eligibility determinations and, accordingly, a lower average cost per case.

### **To Have No Wrong Door, One Needs Multiple Doors**

The MRMIB letter states: “Eligibility and enrollment functions are complex and attempting to join the centralized, automated Healthy Families enrollment system to a decentralized and diverse Medi-Cal system is an undertaking that requires careful planning and implementation – assuming this is even consistent with a “no wrong door” approach to a seamless, user-friendly enrollment system.”

CWDA response: County human services departments currently offer a “no wrong door” approach that is consistent with federal ACA requirements, allowing for online, mail-in, in-person and phone-based applications. Unlike the Healthy Families online system, which only recently was made available to public users, counties designed our online applications to be used by individuals wherever a computer is available and to allow for a single click of the button to submit an application that can be used for Medi-Cal (and, by extension, Healthy Families), CalFresh and CalWORKs. The counties’ online applications deliver information electronically and seamlessly into the automated eligibility system, unlike the Healthy Families system which requires applications to be printed out and retyped into the county eligibility system when a child is screened as being likely eligible for Medi-Cal, causing potential delays in eligibility determination. (See comments below regarding screening issues.)

Conclusion: The Governor’s proposal would build on the current “no wrong door” approach to application submittal, by ensuring that an application sent in via any means is fully vetted and giving families an opportunity to apply for multiple programs seamlessly.

### **Why Assume Delay if County Processes Application?**

The MRMIB letter states: “Instead, the applications would be sent in some form to the county welfare offices for eligibility determination. This will delay enrollment and complicate access to services.”

CWDA response: The letter states that Healthy Families is “automated,” implying that the Medi-Cal program is not. We are confused by this implication and the assumption that a delay would be automatic if counties process these application. Counties’ Medi-Cal automation systems are fully functional and integrated with CalFresh and CalWORKs, along with other programs like the County Medical Services Program (CMSP), and offer numerous modern tools. Counties today process hundreds of thousands of applications for various programs every month, while the Single Point of Entry receives less than 30,000 (thousands of which are already forwarded to the counties after screening). Further, it is our understanding that the Governor’s proposal would create an electronic interface to pass application information quickly from the Single Point of Entry to the county systems. If the Single Point of Entry is maintained, this concept is consistent with how counties receive applications through our own online application systems today, without delays.

Conclusion: County automation systems already receive applications electronically today. We look forward to discussing the future of the Single Point of Entry in an integrated environment and how to best expedite the receipt of applications by the counties so as not to delay services to children.

### **Performance and Accuracy: Different Definitions?**

The MRMIB letter states: “For example, MRMIB’s contracted administrative vendor (Maximus) must screen 98% of the applications for program eligibility within 4 days at a 98% accuracy level and 99% of applications for completeness within 3 days.”

CWDA response: It may be the case that applications are screened for program eligibility within 4 days, but the accuracy of the screening is in question. A legal challenge to the screening tool utilized by Maximus, which had long been questioned by client advocates, has resulted in a court judgment against the state in December 2010. The court found that the screening tool Maximus uses violates federal law because it is not robust enough – specifically, it does not screen for the largest Medi-Cal program, 1931(b), resulting in children being sent to Healthy Families who actually could be found eligible for Medi-Cal if the counties were given the opportunity to work with them to collect the necessary information.

Further, “screening” does not equal “eligibility determination.” Counties operate under legislatively mandated performance standards, including federal standards as well as state-instituted standards that are in statute. These standards are related to the full determination of eligibility (not just screening) as well as timely performance of annual redeterminations. The state, counties and the Legislature jointly developed these standards several years ago in conjunction with the development of a new budgeting methodology to accurately reimburse counties for the cost of administering the program. The budgeting portion of the agreement was later suspended due to the budget crisis, but counties continue to operate under the performance standard structure, which includes reviews and corrective action plans for underperformance. (Penalties associated with the performance standards have been held in abeyance while the budgeting portion of the methodology is suspended.)

Counties also are subject to regular Medi-Cal Eligibility Quality Control (MEQC) reviews of case samples; targeted reviews on new tasks or rules that have been identified as important for particular attention by the state; and corrective action plans when needed. MEQC reviews of more than 3,000 cases in 2009 found a county accuracy rate of over 98%.

Conclusion: Like MRMIB, counties take performance very seriously and strive to complete eligibility determinations and annual renewals accurately and within required time frames. As the court case shows, however, “accuracy” is not always easily defined. Eligibility determinations also differ from screenings. Medi-Cal performance measures have been carefully developed in order to avoid negative consequences. Integrating Healthy Families with Medi-Cal offers an opportunity for counties to ensure that children are found eligible for the correct program, in a timely and accurate manner.

### **Conclusion: Counties Can Provide Integrated, Comprehensive and Cost-Effective Eligibility**

Certainly, many details need to be worked out in order to seamlessly transition children into the Medi-Cal program from Healthy Families. We note that our memo addresses only the eligibility and enrollment issues raised by MRMIB in its open letter. We look forward to working with the Administration and the Legislature, as well as client advocates, to ensure that Healthy Families is integrated seamlessly into the Medi-Cal eligibility structure already in place today – including automation as well as on-the-ground eligibility support – in a manner that is cost-effective for the state and responsive to families’ needs.