

MEDICAL BOARD STAFF REPORT

ATTENTION: Members, Education and Wellness Committee
SUBJECT: Presentation of Pre-Existing Condition Insurance Plan & Educating
Physicians and Consumers
STAFF CONTACT: Dan Wood, Public Affairs Officer

Background

The Medical Board of California has as its mission, the protection of healthcare consumers, objective enforcement of the Medical Practice Act and promoting access to quality medical care. This mission is accomplished in part by the Board's licensing and regulatory functions. Promoting access to quality medical care requires setting and achieving goals beyond the Board's licensing, enforcement and regulatory functions.

The Education and Wellness Committee of the Medical Board has the ability to seek out and encourage cooperative efforts among California state agencies that contribute to promoting access to quality medical care. The Managed Risk Medical Insurance Board (MRMIB) offers programs to healthcare consumers that provide access to quality medical care for consumers who otherwise may not seek medical care due to cost. Pre-existing medical conditions can and do prevent some consumers from obtaining healthcare insurance. The Pre-Existing Condition Insurance Plan (PCIP) offered by MRMIB creates an avenue for access to quality medical care.

MRMIB Deputy Director Ernesto Sanchez will provide a presentation on PCIP. The presentation will explain the program and how healthcare providers play a role in communicating the availability of PCIP to consumers. Mr. Sanchez's biography is attached.

Recommendation

The Education and Wellness Committee may wish to direct staff to work with the staff of MRMIB, to develop educational materials that will aid Medical Board licensees in providing PCIP information to consumers.

1. The educational materials the Committee may wish to consider include providing PCIP links on the Medical Board website.
2. Publish articles in the MBC Newsletter about how PCIP creates opportunities for better healthcare.

Ernesto A. Sanchez

Ernesto A. Sanchez is the Deputy Director of the Eligibility, Enrollment, and Marketing Division for the Managed Risk Medical Insurance Board. He has been staff to the Board since 1998 in various capacities, including Assistant Director for Health Care Reform, Division Operations Manager, Special Projects Section Manager and Contract Monitoring and Marketing Manager. He currently administers five programs (Healthy Families Program, Access for Infants and Mothers Program, Major Risk Medical Insurance Program, the County Children's Initiative Program and the new federal Pre-Existing Condition Insurance Plan.) The five programs serve nearly one million subscribers and have a combined budget over \$2.3 billion. His responsibilities also include the contract management of two administrative vendor contracts totaling approximately \$80 million annually. The commercial purchasing pool model insurance programs provide access to health coverage for vulnerable uninsured populations within the State of California.

He oversees negotiation, implementation, management, monitoring and performance evaluation of administrative vendor, outreach and health plan contracts. He has extensive knowledge of the California health plan and insurance marketplace. Mr. Sanchez has experience representing the Board and the Executive Director with health insurance industry representatives, consumer advocate groups, employer organizations, community based organizations, academic institutions, Federal representatives, State representatives, County representatives, Administration officials, members of the Legislature and legislative staff.

Ernesto served on the UC Davis Health Systems' Community Advisory Board (CAB) from 1997-2003. From 1995 until 1998 he served as the Associate Director of the California Shortage Area Medical Matching Program and the National Health Service Corp. Fellowship Program. Mr. Sanchez began his State Public service career with the Office of Statewide Health Planning and Development (OSHPD) in 1989 administering health care demonstration projects and developing underrepresented health care providers.

Ernesto began his professional career by working for two local community based organizations. He oversaw youth programs for the Centro de Juventud in the Fruitvale area of Oakland and administered Alcohol and Drug programs for Center Point Programs in San Rafael.

He was born in Oakland, California and graduated from Castro Valley High School. He received a Baccalaureate of Science Degree in Health Science, along with a minor in Business Administration from California State University, Hayward.



**Presentation of Pre-Existing Condition Insurance Plan
(PCIP) & Educating Physicians and Consumers**
July 19, 2012

**Medical Board of California's
Education & Wellness Committee**



Ernesto A. Sanchez

Deputy Director

Eligibility, Enrollment & Marketing Division

Managed Risk Medical Insurance Board

Mission Statement

The California Managed Risk Medical Insurance Board (MRMIB) provides and promotes access to affordable coverage for comprehensive, high quality, cost effective health care services to improve the health of Californians.



Managed Risk Medical Insurance Board

The Board consists of volunteer members appointed by the Governor and the Legislature:

- 3 members appointed by the Governor
- 2 member appointed by the Legislature
- 4 ex-officio members





Managed Risk Medical Insurance Board

The MRMIB administers 5 programs which provide health coverage to various uninsured populations through a purchasing pool model:

- Pre-Existing Condition Insurance Plan (PCIP)
- Major Risk Medical Insurance Program (MRMIP)
- Healthy Families Program (HFP)
- Access for Infants and Mothers (AIM) Program
- County Children's Health Initiative Program (C-CHIP)

Pre-Existing Condition Insurance Plan (PCIP)



PCIP Topics



- ✓ PCIP Overview
- ✓ PCIP Demographics
- ✓ PCIP Eligibility Requirements
- ✓ PCIP Application and Enrollment Process
- ✓ PCIP a Win-Win for Providers
- ✓ PCIP Resources

PCIP Overview

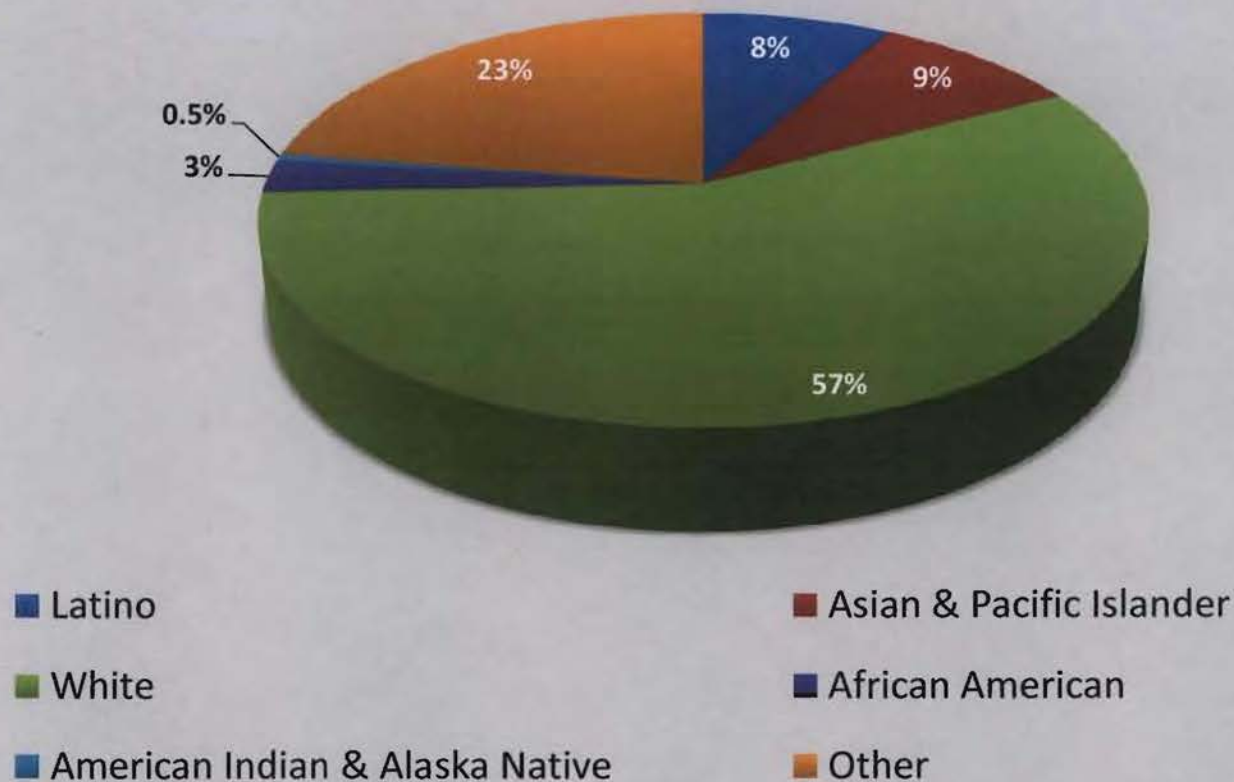


- PCIP of California opened for enrollment in October 2010.
- Federally-funded high risk pool for uninsurable individuals.
- Provides health insurance coverage to individuals who are unable to obtain coverage in the individual health insurance market because of their pre-existing conditions and have not had health coverage for the last 6 months.
- Subscribers pay a monthly premium and the federal government supplements the premiums to cover the cost of care.
- 6.4% of program funds spent on administrative costs
- 11,339 enrolled as of June 19, 2012.
- California has the Largest PCIP program in the Nation.

PCIP Demographics



PCIP Subscriber Ethnicity



PCIP Eligibility Requirements



- Must be a Resident of California
- Must be a U.S. Citizen; U.S. National; or Lawfully Present in the U.S. (Proof Required)
(SSN required for U.S. Citizen/National)
- Must have a pre-existing condition. (Proof Required)
- Must not have had creditable health coverage 6 months prior to applying for PCIP.
- Not enrolled in Medi-Cal, Medicare Part A and B, COBRA, or Cal-COBRA benefits.

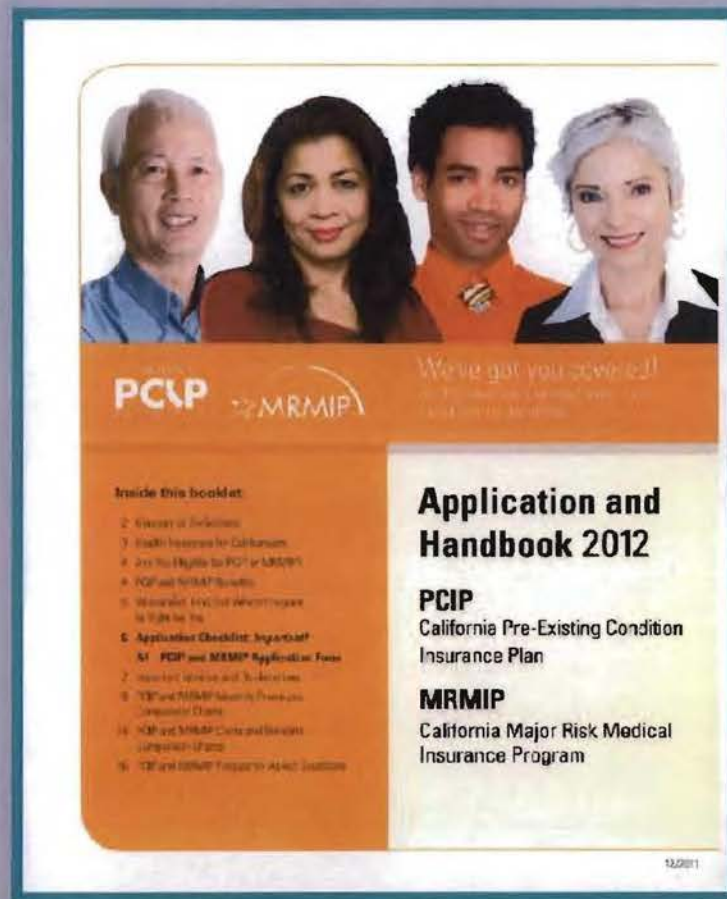
Proof of Pre-Existing Condition



Applicants must provide one of the following as proof of their pre-existing condition:

- A letter or form signed and dated within the last 12 months, from a doctor, physician assistant, or nurse practitioner (who is licensed to practice), stating the individual has or had a medical condition, disability, or illness .
- Individual coverage Denial Letter or e-mail from an insurance company that is dated within the past 12 months (i.e. 365 days) from the date the application is received.
- A letter or email offering higher rates than the MRMIP PPO rates dated within the past 12 months from the date the application is received.
- If an applicant is currently enrolled in creditable health coverage and receives a letter from their health plan stating that their premium will be increasing to an amount above the MRMIP PPO rates, they are not PCIP eligible.

PCIP Application and Enrollment Process



Who Can Apply for PCIP?



- Individuals 18 years of age and over.
- On behalf of individuals under the age of 18:
 - Parents (natural or adoptive)
 - Legal Guardians
 - Step-parents
 - Foster Parents
 - Caretaker Relatives
 - Emancipated minors

PCIP Application & Enrollment Processing Timeframes



- Complete PCIP applications received with ALL required documents the 15th of the month, coverage begins on the 1st day of the following month.

Example: The complete PCIP application is received before February 15th, the start date of coverage will be on March 1st.

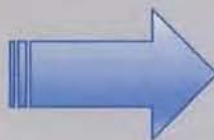
- Complete PCIP applications received with ALL required documents after the 15th of the month, coverage begins the 1st day of the second month following unless you request an earlier effective date of coverage.

Example: The complete PCIP application is received after February 15th, the start date of coverage will be on April 1st.

What Happens if Denied PCIP?



Completed Applications denied PCIP, are forwarded to the Major Risk Medical Insurance Program (MRMIP) for an eligibility determination.



PCIP a Win-Win for Providers and Customers



- PCIP Provides coverage to individuals with pre-existing conditions at affordable premium rates.
- PCIP provides individuals access to care without risking financial stability.
- PCIP provides competitive and stable payments to the providers serving these previously uninsurable individuals.

PCIP Resources



- Customer Service Representatives:
1-877-428-5060, M-F 8am-8pm, Sat 8am-5pm
- Outreach materials: go to the outreach tab at www.pcip.ca.gov
- Detailed Benefits: go to the services tab at www.pcip.ca.gov for the Summary Plan Description booklet

Major Risk Medical Insurance Program (MRMIP) Overview



- Opened for enrollment in 1989.
- California's high risk pool for uninsurable individuals.
- Provides health insurance coverage to individuals who are unable to obtain coverage in the individual health insurance market because of their pre-existing conditions.
- Subscribers pay a monthly premium and the State of California supplements the premiums to cover the cost of care.
- Four percent (4%) of program funds spent on administrative costs
- 5,971 enrolled as of May 31, 2012.
- 148,806 applications received since the program's inception.

MRMIP Eligibility Requirements



- Must be a resident of California.
- Cannot be eligible for Medicare both Part A and Part B unless eligible solely because of end-stage renal disease.
- Cannot be eligible to purchase any health insurance for continuation of benefits under Cobra or CalCobra.
- Must be unable to secure adequate coverage within the last 12 months.
- Must have been denied health coverage due to a pre-existing condition or offered an individual plan that exceeds the MRMIP premiums for your age in your county.

MRMIP Application Process



Complete applications are processed within 30 days of receipt date. The start date of coverage is the 1st of the following month.

- Example: Complete applications are received and processed by February 15th, the start date of coverage will be on March 1st.

Federal Affordable Care Act

- **Development of New Programs and Systems**
 - PCIP
 - HFP
 - AIM
 - MRMIP
- **Use of Third Party Administrator (TPA)**
 - Quick Implementation of Program and Systems
 - First Class Customer Service Performance and Accuracy Requirements
 - Effective and Cost Efficient Administration of Program
 - Multiple levels of Quality Assurance and Auditing

Affordable Care Act Vision

- Consumer-focused
- Reduce the Number of Uninsured
- Strengthen the Health Care Delivery System
- Guaranteed Issue
- Active Purchaser
- Require Insurers to Compete on Price, Quality and Service; Not on Risk Selection

Healthy Families Program



- Opened for enrollment in July 1998.
- Provides comprehensive health, dental and vision coverage to low-income children up to age 19.
- Serves children in families with income up to 250% federal poverty level (FPL) who are not eligible for no-cost Medi-Cal.
- Families pay a monthly premium ranging from \$4-\$24 per child, depending on the families income level.
- 5.7% of program funds spent on administrative costs
- 874,890 children enrolled as of May 31, 2012.
- 3.8 million children enrolled since the programs inception.
- Larger than the 2nd, 3rd and 4th largest Children's Health Insurance Program (CHIP) combined.

Access for Infants and Mothers Program



- Opened for enrollment in 1991.
- Provides comprehensive health care services through pregnancy and 60 days postpartum, including hospital delivery.
- Serves pregnant women with incomes between 200% and 300% of the federal poverty level (FPL) who are not eligible for no-cost Medi-Cal.
- Subscriber contribution is 1.5% of the mother's adjusted annual household income after income deductions.
- Three percent (3%) of program funds spent on administrative costs.
- 7,226 women enrolled as of May 31, 2012.

Resources

- **MRMIB website:** www.mrmib.ca.gov or 1-800-289-6574
 - Applications, Reports, Board Agendas and Minutes
- **PCIP website:** www.pcip.ca.gov or 1-877-428-5060
 - Web Based Training
 - Newsletters
 - Recent Program Updates
 - Download templates and samples
- **HFP website:** www.healthyfamilies.ca.gov or 1-800-880-5305
- **AIM website:** www.aim.ca.gov or 1-800-433-2611
- **EE/CAA Help Desk:** 1-800-279-5012
- **HeApp Help Desk:** 1-866-861-3443
- **E-mail:** ee-caaliation@maximus.com

Questions?

Ernesto A. Sanchez

ESanchez@mrmib.ca.gov

(916) 327-6563