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# CALIFORNIA

## PROGRAM NAME

*Healthy Families Program*

## CONTACT INFORMATION

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## CMS SUBMISSION DATE

*Plan: November 18, 1997  
Amendment 1: April 13, 1998  
Amendment 2: December 22, 1998  
Amendment 3: July 26, 1999  
Amendment 4: December 3, 1999  
Amendment 5: April 17, 2000  
Amendment 6: July 1, 2002  
HIFA waiver: January 16, 2002  
(Replaces Section 1115 Proposal Submitted  
December 20, 2000)*

## CMS APPROVAL DATE

*Plan: March 24, 1998  
Amendment 1: June 29, 1998  
Amendment 2: December 21, 1999  
Amendment 3: November 23, 1999  
Amendment 4: March 6, 2000  
Amendment 5: July 7, 2000  
Amendment 6: September 19, 2002  
HIFA Waiver: January 25, 2002*

## ENABLING LEGISLATION

*CA AB 1126 (October 3, 1997)*

## PROGRAM START DATE

*Plan: July 1, 1998  
Amendment 1: July 1, 1998  
Amendment 2: Retroactive to  
October 1, 1998  
Amendment 3: November 24, 1999  
Amendment 4: July 1, 2000  
Amendment 5: May 1, 2000 for Native  
American exemption of monthly  
premium and July 1, 2000 for co-  
payments  
Amendment 6: July 1, 2002*

*HIFA waiver: July 2002 (or when funds are  
appropriated)*

*(Amendment 6 provides California's response to  
the new questions on the Federal State Plan  
template)*

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## TYPE OF PROGRAM

- CA's S-CHIP program is a combination Medicaid expansion (Medi-Cal) and state-designed program, called the Healthy Families Program.
- Part A expands Medicaid for children ages 14 through 18. It eliminates the resource test for children who qualify for no-cost Medicaid, and provides a one month bridging program coverage for children transitioning from Medicaid to S-CHIP.
- Part B allows the state to claim Title XXI funds for infants from birth to age 1 with family incomes between 200% and 250% of the FPL, through the Access for Infants and Mothers (AIM) Program.
- Part C, Healthy Families, a state-designed program, establishes a purchasing pool to provide subsidized comprehensive health, dental, and vision coverage for uninsured children ages 1 through 18.
- California's Amendment 2 increases the application assistance fee paid to Certified Application Assistants from \$25 to \$50 per application. Amendment 2 also eliminates co-payments for services received by Native American/Alaska Native children.
- California's Amendment 3 expands the income eligibility of the Healthy Families Program from 200% to 250% of the FPL, applies Medi-Cal income deductions when determining eligibility, and expands coverage to children under age 1 in families with incomes between 200% and 250% of the FPL.
- Amendment 3 also allows an applicant to pre-apply for an unborn child and health coverage for the newborn will begin within 13 days after the Healthy Families Program receives notice of the child's birth.

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- Amendment 3 also extends the Healthy Families retroactive claiming period from 30 days to 90 days through the Child Health and Disability Prevention Program.
- Amendment 4 allows third party payment of premiums. A family contribution sponsor will be permitted to pay the family premium contribution on behalf of an applicant.
- Amendment 5 exempts American Indian and Alaska Native families that meet the cost sharing waiver requirements, from monthly premiums and benefit co-payments. This exemption for American Indians and Alaska Natives will only be made with proof of acceptable documentation of American Indian/Alaska Native status.
- Under the HIFA waiver, CA will expand coverage to uninsured parents through the state-designed Healthy Families Program. This expansion is currently on hold.

### ELIGIBILITY LEVELS

- Medi-Cal: Children ages 14 through 18 with family incomes between 85% and 100% of the FPL are eligible for the Medicaid expansion.
- AIM: Infants from birth through age 1 with family incomes between 200% and 250% of the FPL are served within the AIM Program. Amendment 3 allows California to claim federal S-CHIP funding for these children.
- Healthy Families: Children under age 1 with family incomes at 200% to 250% of FPL, children between ages 1 through 5 with family incomes at 133% to 250% of the FPL, and children between the ages of 6 through 18 with family incomes above 100%, but below 250% of the FPL are eligible for the Healthy Families Program. Children ages 0-18 must not be eligible for or receiving no-cost Medi-Cal to be eligible for the Healthy Families Program.
- Medi-Cal extends one month of bridging eligibility for children whose family income increases beyond Medi-Cal's eligibility threshold for no-cost services. This allows

these children to remain covered as they apply and transition into the Healthy Families Program.

- Healthy Families extends two months of bridging eligibility for children whose family income decreases beyond Healthy Families' eligibility guidelines. This allows these children to remain covered as they apply and transition into Medi-Cal.
- The HIFA waiver expands coverage to parents with incomes between 100 % and 200% of the FPL. This expansion is currently on hold.
- The HIFA waiver also expands coverage to parents with incomes below 100% of the FPL who do not qualify for no cost Medi-Cal (e.g. excess assets). This expansion is currently on hold.

### BENEFITS

- The Medi-Cal expansion uses the same benefits as Medicaid.
- The Healthy Families health coverage is the same as that provided to state employees under the state's benchmark plan, the California Public Employees Retirement System (CalPERS), plus comprehensive vision and dental services.
- Children who are seriously emotionally disturbed, as defined by statute, can obtain services through county mental health departments.
- The benefits package includes coverage for inpatient and outpatient mental health services, dental benefits, and substance abuse treatment services.
- Children with eligible conditions have access to a specialized pediatric network under California Children's Services (CCS).
- Under the HIFA waiver, parents receive the current benchmark standard for the Healthy Families Program, which is the same as the state's benchmark plan, the California

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Public Employees Retirement System (CalPERS), plus comprehensive vision and dental services. This expansion is currently on hold.

### SERVICE DELIVERY

The Healthy Families Program is a managed care program purchasing pool and is administered by the Managed Risk Medical Insurance Board (MRMIB), which also administers the AIM Program.

### TARGETED NUMBER OF ENROLLEES

- By applying Medi-Cal income deductions, 16,000 additional children are projected to become eligible for the Healthy Families Program.
- By extending coverage to recent qualified alien children for one year, an additional 6,440 children are expected to enroll in the Healthy Families Program.
- By expanding eligibility to 250% of the FPL, an additional 116,000 children are projected to become eligible for the Healthy Families Program. In the state's 2000-2001 budget, passed in July 2000, coverage for recent qualified alien children was extended beyond one year to an ongoing basis using state-only funds.
- Under the HIFA waiver, CA expects to extend coverage to approximately 350,000 parents. This expansion is currently on hold.
- The internet based electronic application, Health-E-App, is used with the assistance of a Certified Application Assistant to provide real-time program eligibility screening for Healthy Families and Medi-Cal. Online payment is available. 20% of all assisted applications are currently submitted using Health-E-App.

### SOURCE OF STATE MATCH

- The match is from the state's general fund.

- In the state's 2000-2001 budget, passed in July 2000, coverage for recent qualified alien children was extended beyond one year to an ongoing basis using state-only funds.

### COST-SHARING

- The state offers community provider plans, which are plans in a geographic area with the highest percentage of traditional safety net providers.
- For community provider plans, cost is \$4 per child for families between 100% and 150% of the FPL, with a maximum monthly cost of \$8 per family.
- For community provider plans, cost is \$6 per child for families between 150% and 250% of the FPL, with a maximum monthly cost of \$18 per family.
- The State offers a statewide combination of health, dental, and vision plans for special populations including children of seasonal or migrant workers employed in agriculture, fishing or forestry, and American Indian / Alaska Native children.
- Families who pre-pay three months will get the fourth month free.
- Families who use Electronic Funds Transfer (EFT) receive a 25% discount on their monthly premium.
- For all families, the state will ensure that the annual aggregate cost-sharing for a family does not exceed 5% of a family's income.
- Healthy Families' premiums are established by the MRMIB. There is also a \$250 limit per benefit year on health co-payments, which was established by statute.
- A family contribution sponsor is permitted to pay the family premium contribution on behalf of an applicant for a period of 12 months. Sponsors must be registered with MRMIB and cannot be people or organizations that are health care providers that participate in the Healthy Families Program. Sponsors cannot be participating plans, or any person or entity acting on behalf of the parties mentioned above. The

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Family Contribution Sponsor shall submit payment for 12 months of family premiums along with the Sponsorship Form. No premium adjustments for a sponsored family will be made during the 12 months.

- American Indian and Alaska Native families that meet the cost sharing waiver requirements are exempted from monthly premiums and benefit co-payments. This exemption for American Indians and Alaska Natives will only be made with proof of acceptable documentation of American Indian/Alaska Native status.
- Under HIFA waiver, Healthy Families Program (HFP) parents will pay premiums of \$10 or \$20 per adult based on the family's income. HFP families with income at or below 150% of the FPL will pay \$10 per parent per month; those above 150% of the FPL would pay \$20 per parent per month. This expansion is currently on hold.
- Premium discounts for HFP parents will be consistent with those currently available to HFP children under the HIFA waiver and will result in monthly family premiums ranging from \$22-\$67.
- Co-payments for health and vision will be \$5 per service. Dental co-pays will be consistent for those charged to state employees.

### CROWD OUT

- The state prohibits covering children who have had employer-sponsored coverage within the past three months with the option to extend the period to six months. The state prohibits insurance agents and insurers from referring dependents who already have employer-sponsored health coverage.
- The state makes it an unfair labor practice for employers to refer employees to Healthy Families for dependent coverage when the employer provides coverage, or to change coverage or change the employee's share of the cost for coverage to get employees to enroll in Healthy Families.

- As with the current HFP policy, parents with employer-sponsored coverage in the past three months will not be eligible for HFP coverage under the HIFA waiver.

### EVALUATION AND PERFORMANCE MEASURES

- California uses Medi-Cal enrollment data collected by the California Department of Health Services (DHS) to measure increases in enrollment of Medi-Cal-eligible children.
- The state uses HEDIS to measure improvements in the percentage of targeted children receiving well-child visits and immunizations.
- MRMIB will achieve increases in the number of children who have access to a provider located in their zip code or to traditional and safety net providers by requiring participating plans to report annually on the number of subscribers selecting traditional or safety net providers.
- Evaluation of the HIFA waiver will center on the State's success in increasing the enrollment of targeted low-income children based on family eligibility. The HIFA waiver will seek to demonstrate that a family-based approach promotes continuity of coverage and increases access to care.
- Under the HIFA waiver, the State will develop and utilize a reporting format that tracks enrollment and retention levels of targeted low-income children by income, ethnicity, geographic region and age before and during the waiver period. ❖