

# Ventura County Medi-Cal Managed Care Commission (VCMCC) dba Gold Coast Health Plan Commission Meeting

**DATE:** Monday, July 25, 2011

**TIME:** 3:00-5:00 pm

**PLACE:** 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036

## AGENDA

### Call to Order, Welcome and Roll Call

### Public Comment / Correspondence

1. Approve Minutes – June 27, 2011 Meeting *Action Required*
2. Accept and File Management Update *For Information*
3. Accept and File Financial Report *For Information*
4. Management Recommendations & Reports
  - a. Commission Bylaws *Action Required*
  - b. Co-Payment Policy *Action Required*
  - c. Conflict of Interest *Action Required*
  - d. Auto-Assignment *Action Required*

### Comments from Commissioners

### Adjourn

Meeting agenda available at <http://www.goldcoasthealthplan.org>

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT 805/981-5320. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Commission Meeting Minutes  
June 27, 2011  
(Not official until approved)**

**CALL TO ORDER**

Chair Dial called the meeting to order at 3:30 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

**ROLL CALL**

**COMMISSION MEMBERS IN ATTENDANCE**

**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program  
**Maylee Berry**, Medi-Cal Beneficiary Advocate  
**Anil Chawla, MD**, Clinicas del Camino Real, Inc.  
**Lanyard Dial, MD**, Ventura County Medical Association  
**John Fankhauser, MD**, Ventura County Medical Center Executive Committee  
**Robert Gonzalez, MD**, Ventura County Health Care Agency  
**Rick Jarvis**, Private Hospitals / Healthcare System  
**Roberto S. Juarez**, Clinicas del Camino Real, Inc.  
**Kathy Long**, Ventura County Board of Supervisors  
**Catherine Rodriguez**, Ventura County Medical Health System

**EXCUSED / ABSENT COMMISSIONERS**

**Laurie Eberst, RN**, Private Hospitals / Healthcare System

**STAFF IN ATTENDANCE**

**Earl Greenia, CEO**  
Tin Kin Lee, Legal Counsel  
Traci R. McGinley, Clerk of the Board  
Charlie Cho, MD, Chief Medical Officer  
Andre Galvan, Project Management Specialist  
Lupe Gonzalez, Health Educator  
Darlane Johnsen, Chief Financial Officer  
Pamela Kapustay, RN, Health Services Director  
Steven Lalich, Communications Director  
Candice Limousin, Human Resources Director  
Audra Lucas, Administrative Assistant  
Aimee Sziklai, Operations Director

Language Interpreting and Translating services provided by GCHP from Lourdes González Campbell of Lourdes González Campbell and Associates.

## **PUBLIC COMMENT / CORRESPONDENCE**

Denis O’Leary, Oxnard School District, expressed his concern that the 16,000 students he represents have not had sufficient time to complete the Primary Care Physician (PCP) selection forms.

Antonio Alatorre, COO, Clinicas Camino de Real, Inc., and member of the GCHP Auto-Assignment Study Group, recommended that the Commission adopt the first recommendation from the Study Group or have the Study Group meet again.

David Cruz, HELA President, expressed concern that 55,000 GCHP members are not yet enrolled (as reported in the Ventura County Star Newspaper). Mr. Cruz advised the Commission that he would be filing a petition with the County Board of Supervisors with over 100 GCHP members’ signatures supporting the removal of Maylee Berry from the Commission for being silent as a Community Advocate. He requested that the Commission reconsider going live on July 1<sup>st</sup>.

The Chair allowed Commissioner Berry to respond; she declared that she is a non-biased community member with 40 years in the field and she reconfirmed her commitment as a Commissioner.

Marie Cruz, League of United Latin American Citizens (LULAC), expressed her concern regarding adolescents, young adults and young mothers that qualify for Medi-Cal, but do not understand the process. She requested that GCHP work on educating these young adults.

In response to David Cruz’ earlier comment, Communications Director Lalich explained that approximately 70% of the total GCHP members must select a PCP within the first 30 days or it will go into Auto-Assignment, the remaining 30% are Administrative members and do not select a PCP.

Margaret Sawyer, Executive Director, Mixteca / Indigenous Community Organizing Project, expressed that her organization was originally concerned about the changes, but GCHP staff has been very responsive and has remained available. She foresees challenges, and is very glad to have the assistance of GCHP staff. She added that many members have a difficult time re-enrolling because they move in and out of the County.

Marco Benitez expressed his dissatisfaction with GCHP not using the Mixteco show, Lazer Broadcasting, to advertise to the 30,000 Mixteco members and asked why GCHP did not contract with Lazer.

Adela Vargas asked why doctors not accepting patients are listed in the directory, to which CEO Greenia responded that while some doctors are not “accepting new members” they have agreed to continue to see their current Medi-Cal patients.

Juan Ramirez expressed his concern regarding the difficulty families have obtaining Medi-Cal benefits. CEO Greenia responded that eligibility is handled by the State, and offered to have a GCHP staff member speak with him after meeting.

Dr. Josh Valdez, Rightway Health Care, voiced his support of GCHP. He added that he went through a similar process in Northern California. He was Senior Vice-President of WellPoint, and has spent his entire career helping the underserved. He expressed that managed care is the best type of care and multiple states are currently in the process of forming managed care. He gave accolades to GCHP employees and management.

Victor Fernandez indicated that the migrant workers he has spoken to have not received GCHP paperwork and many people don't know what to do; he asked that the filing date for the PCP selection be extended. He expressed his support of David Cruz's request to remove Maylee Berry from the Commission.

Operations Director Sziklai explained that GCHP is doing outreach and working with clinics. She hoped members update their address and any new contact information. Commissioner Juarez countered that some members do not have addresses because they live in garages. Communications Director Lalich reiterated that GCHP continues to offer community outreach and radio ads to enhance awareness.

## **1. APPROVAL OF MINUTES – MAY 23, 2011**

Chair Dial moved to approve the May 23, 2011 minutes; Commissioner Long seconded. Commissioner Juarez requested the motion for 4.a. be amended to read as follows: "...moved to accept Items 1-4 of the Auto Assignment Study Group recommendation, amend the language of Item 5 to a three-to-one ratio as was proposed by the study group in its first meeting." The motion carried as amended. **Approved 10-0.**

## **2. ACCEPT AND FILE MANAGEMENT UPDATE**

CEO Greenia thanked the Commission for recognizing the GCHP team. He highlighted efforts and accomplishments over last 8 months.

CEO Greenia discussed the Auto-Assignment and return mail issues. He added that if a PCP was not selected and a patient has been auto-assigned, a different provider may see the patient if the patient has not yet seen the auto-assigned doctor. The provider may call Member Services with the patient to select them as their PCP and the assignment will become retroactive to July 1<sup>st</sup>. If the patient has seen the auto-assigned doctor, and then wants to change PCP, the member may call member Services to change the PCP and the selection will become effective on the first day of the following month.

Commissioner Chawla asked for clarification as to when patients will be turned away if a PCP has not been assigned. CEO Greenia responded that management would develop reference materials for providers that answer these types of questions.

A member of the audience asked if a doctor may charge a differential and if not what the consequences would be. CEO Greenia responded that they cannot, and requested that GCHP be advised if this is occurs.

### **3. ACCEPT AND FILE FINANCIAL REPORT**

#### **a. Cash Flow**

CFO Johnsen explained that this is a forecast out through June. There has been little change over the last few months, except that the payment from ACS has been included. CFO Johnsen added that she is finalizing the line of credit agreement with Rabobank.

No Commission action was required.

#### **b. Reinsurance**

CFO Johnsen stated that reinsurance is standard for health organizations and especially important to startup entities. From the quotes received, GCHP chose Beacher as broker and then the Finance Committee selected Beacon as the Insurance Company, pending approval of the Commission. Without reserves, this type of reinsurance is extremely important. CFO Johnsen added that GCHP may get a partial refund at the end of the year, depending on what we experience.

Commissioner Juarez moved to accept and authorize Management to purchase the reinsurance. Commissioner Chawla seconded. The motion carried. **Approved 10-0.**

### **4. MANAGEMENT RECOMMENDATIONS**

#### **a. Auto-Assignment**

Counsel Tin Kin Lee advised the Commission that due to conflict of interest regulations, there are issues that should have been considered when this item came before the Commission at the last meeting; a legal analysis is included in the packet.

The Political Reform Act (PRA) requires a Commissioner that has a direct or indirect economical gain to abstain from participating and voting on the particular matter as it would be a conflict of interest.

Direct or indirect economical gain and such economical interest were further discussed. It was re-iterated that due to economic interest, the PRA does prohibit certain members from casting a vote on the Auto-Assignment Policy as was brought forward, amended and then voted on during the May 24, 2011 Commission Meeting.

Further discussion was held on the conflict for Safety-Net and Traditional Providers. Counsel Lee added that some providers may have a more diffused impact; but they must still meet the standard described in his analysis.

John Polich (legal counsel for the County) responded to a question from Commissioner Long; that in general, determination of conflict would vary depending on the item. Ventura County would argue no conflict exists because of PRA referencing "private material"

therefore County Representatives do not have conflict. Being a private entity would suggest there was conflict, being public there is none.

Counsel Lee noted that he disagreed with Polich's opinion, because "source of income" affiliation to the extent the Commissioners' position or employment by a government entity is getting income from the source, this would be a conflict of interest.

It was noted that the two legal opinions differ, but the conclusion from GCHP Legal Counsel Lee is that there are too few members without economic interest and therefore the Commission should delegate the decision on this to the CEO.

Commissioner Juarez moved to delegate authority to establish Auto-Assignment Policy to the CEO. Chair Dial seconded. It was requested that CEO Greenia meet with the Auto-Assignment Study Group again before making his decision. The motion carried.

**Approved 10-0.**

**b. Pharmacy & Therapeutics Committee Appointment**

Commissioner Araujo moved to accept the Pharmacy & Therapeutics Committee Appointments. Commissioner Gonzalez seconded. The motion carried. **Approved 10-0.**

**c. Credentials Committee Appointment**

Commissioner Long moved to accept the Credentials Committee Appointment. Commissioner Juarez seconded. The motion carried. **Approved 10-0.**

**d. Quality Committee Appointment**

Commissioner Araujo moved to accept the Quality Committee Appointment. Commissioner Chawla seconded. The motion carried. **Approved 9-1**, with Commissioner Juarez voting nay.

**e. Provider Advisory Committee Appointment**

Commissioner Juarez moved to accept the Provider Advisory Committee Appointment. Commissioner Long seconded. The motion carried. **Approved 10-0.**

**f. Formulary**

CMO Cho reviewed and provided highlights of the formulary. The Commission provided positive comments on the formulary. The format and distribution of the Formulary was discussed. Electronic versions would be on the GCHP website and will be included on CDs to providers.

Commissioner Gonzalez moved to approve the formulary. Commissioner Araujo seconded. The motion carried. **Approved 10-0.**

**g. Response from ScriptCare**

CEO Greenia noted that ScriptCare has made tremendous efforts in addressing challenges and is holding open houses for pharmacies to attend and discuss any issues.

**COMMENTS FROM COMMISSIONERS**

Commissioner Juarez stated that with over 100 health clinics in the system, tremendous efforts to ensure continuity of care need to be taken; electronic information needs to be transportable.

Further discussion on Auto-Assignment and methods to cross reference member assignment.

**ADJOURNMENT**

The meeting adjourned at 5:15 p.m.



**Chief Executive's Monthly Report to Commission  
July 25, 2011**

**PEOPLE** (Organizational Structure)

- We have added additional talent to our team:
  - Associate Medical Director: Nancy Wharfield, MD
  - Quality & Regulatory Specialist: Brandy Armenta
  - Claims Auditor: Valerie Hernandez
  - Clinical Operations Assistant: Veronica Esparza
  - Systems Manager: Charlene Duan
  - Health Services: Veronica Esparza, Polly Wohland, RN, Pat Smith, RN, Shelly Thees, RN, and Nicki Diaz, RN.
- Recruitment and selection continues for: Sr. Claims Auditors, Pharmacist, and Provider Relations Representative
- Facility changes were initiated to secure computer network servers and mail room operations. Initiated office moves to realign space and office allocations due to growth in headcount.

**SERVICE** (Member & Provider Satisfaction, Government Relations)

- Community outreach, education, marketing and advertising continued in the month of July. We scaled-back our efforts to accommodate the launch of the Plan and to prepare for our Celebration Event on July 19th.
  - Staff made a presentation to managers at the Ventura County Human Service Agency (HSA), Transitional Assistance Department.
  - We held an information session and answered questions with Medi-Cal beneficiaries at the Rainbow Family Resource Center and Amigo Baby.
  - Staff participated in Spanish talk radio show to answer the public's questions concerning GCHP on four separate occasions.
  - Conducted informational meeting/session at Santa Paula's First Five Program for approximately 30 parents of children with developmental disabilities.
- Upcoming stakeholder meetings include:
  - July 27: Ventura County Human Services Agency to discuss program and systems questions/issues concerning Medi-Cal beneficiaries.
  - July 28: Mixteco Indigena Community Organizing Project to discuss Medi-Cal coverage and portability across counties.



- July 29: Kaiser Permanente to discuss the COHS system and its impact on Kaiser Permanente Members in Ventura County.
- We concluded the first phase of our radio advertising campaign and began planning the second phase strategic market buy of radio and television time with Gold Coast Broadcasting, LLC.
- On Tuesday, July 19th, from 10:00 am to 2:00 pm, we celebrated the launch of GCHP. More than 225 beneficiaries, providers, elected officials and members of the media gathered to pay tribute. Media in attendance included KEYT3 ABC TV, NPR's KCLU-88.3 FM, The Ventura County Star and Vida.
  - A statement was read and a proclamation was presented by Sharon Siegal on behalf of Congresswoman Lois Capps.
  - Letters and certificates were also received from Senator Feinstein and Congressman Gallegly.
  - Ashley Wagner and Stan Hakes representing Supervisors Kathy Long and John Zaragoza read statements and presented a proclamation on behalf of the Board of Supervisors.
  - Jeannette Sanchez-Palacios read a prepared statement and presented a proclamation on behalf of Assemblyman Das Williams.
  - Oxnard Mayor, Dr. Tom Holden presented a commendation to GCHP for serving Medi-Cal beneficiaries in the city of Oxnard.
- The JVP Group completed the Plan's media folder and new z-fold brochure. Materials were distributed at our event and feedback was extremely positive.
- The JVP Group has been selected to redesign the GCHP homepage. Project plans detailing design and implementation are underway.
- Staff met with Assembly Member Das Williams to discuss pending state budget cuts to the Medi-Cal Program and its impact on GCHP. Mr. Williams expressed concern and agreed to help facilitate a meeting between GCHP and DHCS, if necessary.
- Staff attended DHCS All-Plan rate meeting on July 21 in Sacramento to discuss implementation of Medi-Cal provider rate and other program cuts.
- Member services continues to respond to calls from members, provider and vendors
- Training and workflow updates continue for call center customer service representatives.
- The next Consumer Advisory Committee meeting is scheduled for September 14<sup>th</sup>.

**QUALITY** (Comprehensive Medical Management)

- Since go-live, the Health Services team has been addressing issues related to the continuation and transition of care for members receiving care from tertiary centers in Los Angeles.
- Health Services provided face-to-face training sessions to the Case Management and Discharge Planning Departments at all the hospital facilities in Ventura County to

establish relationships, workflows and processes for continued stay review, discharge planning, coordination of care and UM/CM needs.

- Health Services held numerous information sessions for the Intermediate Care Facilities caring for the developmentally disabled to ensure a smooth transition and continuity of services for members.
- Health Services has reached out to five specialty clinics by conducting face-to-face informational sessions to address their questions and unique needs.
- Our Health Educator continues outreach efforts with Ventura County Health Services and Public Health Departments to establish relationships for promotion of health education, disease prevention and referrals between County agencies and GCHP. She continues to collaborate with various organizations' education departments to identify and evaluate programs to ensure that these are used effectively and avoid duplication of services. Additionally, in the coming months, we will establish a Health Education section on our website to provide educational materials, health promotion notices, calendar of health classes in the community and many other health education resources.
- Our Quality specialist started two weeks ago and is in the process of drafting a quality improvement plan as required by DHCS. She has participated in statewide collaborative quality conference calls. Additionally, internal processes and tools are being developed to ensure compliance with all applicable regulations and the State contract.
- Dr. Cho has had regular meetings with the Script Care pharmacist assigned to GCHP to review operational data and requests to amend the formulary. Script Care plans to distribute an educational newsletter to providers in the near future.
- The Credentials Committee will discuss the issue of credentialing Optometrists at its next meeting. There are four practice levels that optometrists established the State Board of Optometry, which makes our credentialing process complicated. Dr. Cho has expended considerable effort gathering information in preparation for this discussion.

### **ACCESS** (Robust Provider Network)

- The team completed provider orientation sessions throughout Ventura County to brief providers on our new managed care policies and procedures.
- Contracts have been signed with many new providers (both in and out of our Ventura County service area) as specific service needs were identified.
- Our website has been updated with both new and revised Provider materials.
- The inclusion of Urgent Care Centers was the main subject discussed at the inaugural meeting of the Provider Relations Committee. In response to the dialogue we are examining the practices and experiences of other COHS and meeting with leaders of local urgent care centers.

- The auto-assignment of members that did not select a PCP has been initiated. The assignment afforded a 3-to-1 assignment weighting for the safety-net providers. The assignment process also factored provider capacity, and various member-specific factors, such as: zip code of Member's residence, age, gender, and language preference. Of the 100,000+ members, 67,663 are required to select a PCP (the remainder are "administrative" members, for example, those with other insurance coverage, and do not select a PCP). As of July 8, 20,344 (30%) selected a PCP. The remainder was auto-assigned. The 30% selection rate is consistent with our expectations based on the experience of other plans. There have been reports that members have sought care from their customary provider only to discover that they were auto-assigned to a different provider. When this occurs, the provider or member is asked to call Member Services and they can immediately change their PCP. A small number of PCP selection forms have "trickled" in since go-live – those forms have been honored; i.e., the auto-assignment reversed and the preferred PCP assigned. We are in the process on conducting an audit of the auto-assignment and self-selection processes.

**FINANCE** (Optimize Rates, Ensure Long-Term Viability)

- Our finance department continues to work on year-end close, so there is no formal (written) financial report this month.

Respectfully submitted,

Earl G. Greenia  
Chief Executive Officer



**AGENDA ITEM 4-B**

To: Ventura County Medi-Cal Managed Care Commission

From: Earl Greenia, CEO

Date: July 25, 2011

Re: GCHP Co-Pay Policy

**Recommendation:** Management requests that the Commission formulate a policy regarding the adoption and/or implementation of co-payments, should CMS approve the State's request to impose co-payments on Medi-Cal beneficiaries.

**Background:** The State's FY 2011-2012 budget became effective on July 1st and closed the deficit of \$26.6 billion primarily through budget cuts and cost sharing solutions. The budget included authorizing legislation (AB97) that reduced Medi-Cal Program funding by \$1.6 billion. Attached is a summary of the budget cuts, imposition of co-payments and benefit limits.

The State budget relies on \$4 billion in projected revenues enjoined by a "trigger" for possibility of future program cuts. The \$4 billion trigger plan requires the California Department of Finance (DOF) to certify in January 2012 whether the \$4 billion projection has materialized. DOF will use revenue totals from July 1, 2011 to December 31, 2011 and economic indicators to project the remainder of the fiscal year. Whether or not trigger cuts are implemented will depend on how much of the expected \$4 billion revenue is realized.

The California Department of Health Care Services (DHCS) submitted a request to the Centers for Medicare & Medicaid Services (CMS) to implement co-payments on Medi-Cal beneficiaries regardless of eligibility category age, or whether they are participating in a fee-for-service or managed care model. DHCS expects co-pays to be effective October 1, 2011 or within 120 days of CMS approval, whichever is later.

**Discussion:** CMS has signaled a willingness to help States manage their Medicaid costs and there is precedent for federal approval of Medicaid co-pays in other States. Thus, Management believes that CMS will approve the DHCS request to implement co-payments in California.

DHCS has given the Medi-Cal managed care plans the discretion to establish their co-payment policy; however, it is important to note that providers will have no obligation to provide services to a Medi-Cal beneficiary who does not pay the co-payment at the point-of-service.

The Commission should formulate a co-payment policy in advance of the CMS decision, since management will need sufficient lead time to address notification requirements and to implement a Medi-Cal co-pay policy.

Other County Organized Health Systems (COHS) have indicated their intention to adopt and implement a co-pay policy. The attached chart, entitled “What Other Plans are Doing” summarizes their policies.

DHCS maintains that implementation of copayments will minimize the need to drastically cut enrollment standards, benefits or impose further reductions. The proposed copayments are:

Co-Payment	Type of Service
\$5.00	Office Visits
\$5.00	Brand Prescriptions
\$3.00	Generic Prescriptions
\$50.00	Emergency Room (ER) Visits
\$100.00 per day (up to \$200.00 Maximum)	Hospitalization

#### Impact on Member Access

There are two theoretical perspectives regarding the use of co-payments:

- Co-pays could create an access barrier for those beneficiaries unable to pay.
- Co-pays steer members to appropriate access, and increase members’ ownership of their care and health. For example, the higher co-payment level for emergency room services may provide an incentive for members to use their primary care providers rather than the ER. Similarly, the higher co-pay for brand drugs creates an incentive for member acceptance of the generic drug.

#### Financial Impact

Management has consulted with an actuarial firm to develop an estimated fiscal impact to GCHP; we await that report. Unlike other COHS plans, GCHP does not have sufficient reserves to absorb or subsidize co-payments.

#### Alternatives

The Commission has the latitude to decide whether or not to implement co-payments. However, as noted above, providers will have no obligation to provide services to a Medi-Cal beneficiary who does not pay the co-payment at the point-of-service. Further, given GCHP’s inability to absorb or subsidize co-payments, the decision-making latitude is effectively quite limited.

There are some services that deserve consideration for exemption for co-payment:

- Preventive Services. That outpatient physician/clinic visits specifically for preventive care, e.g. immunizations, well baby checks, etc. This exemption would align with impending standard benefit guidelines under federal reform.
- “True” Emergencies. Services provided in the ER at a Level V code (highest acuity) and any emergency services immediately prior to an inpatient admission.

**Medi-Cal**  
**2011-12 Budget Year**  
**Program Cuts**

Item	Description	Exemptions	Implementation
<p><b>Apply 2009 provider rate cuts through 5/31/2011<sup>1</sup></b></p>	<p>Applies the following provider rate cuts for dates of service before 6/2011:</p> <p><b><u>1% cuts</u></b>            For: FFS benefits</p> <p><b><u>5% cuts</u></b>            For: Intermediate care facilities, DP-SNFs; rural swing-bed facilities; DP-subacute and pediatric care facilities; ADHC; pharmacies; Actuarially equivalent cut for MCOs.</p> <p><b><u>Freeze at 2008-09 rates</u></b>            For: Freestanding pediatric subacute care units, ICFs and skilled nursing care for developmentally disabled under pilot.</p>	<p>FQHCs; SPCP acute hospital inpatient services; non DP-SNFs; RHCs; ICFs and skilled nursing care for developmentally disabled under pilot; hospice; payments funded CPEs or IGTs; payments to MCOs for Lanterman or Agnews transitions; Family PACT; BCCP; small/rural hospitals.</p> <p>All providers listed in above exemptions; providers paid under Long Term Care Reimbursement Act.</p>	<p>Immediately upon federal approval.</p>
<p><b>Apply new 10% provider rate cut beginning 6/1/2011</b></p>	<p>Implements the following new rate cuts for dates of service on/after 6/1/2001:</p> <p><b><u>10% rate cut</u></b>            For: FFS benefits; CCS; actuarially equivalent cut for MCOs.</p> <p><b><u>2008-09 rate minus 10%</u></b>            For: ICFs and skilled nursing care for developmentally disabled under pilot; DP-SNFs; rural swing-bed facilities; DP-subacute and pediatric care facilities; ADHCs; freestanding pediatric subacute units.</p>	<p>AIDS Healthcare Foundation, Senior Action Network; inpatient hospital services under SPCP; acute inpatient for contract SPCP hospitals; FQHCs; RHCs; hospice; BCCP; Family PACT.</p>	<p>Immediately upon federal approval; no repeal date.</p>

<sup>1</sup> These cuts were implemented March 2009 pursuant to AB 1183, the 2008-09 health budget trailer bill. They were subsequently enjoined. The state asserts it can re-apply them because it is conducting the access studies required by federal law.

Item	Description	Exemptions	Implementation
<b>Require co-pays</b>	<b><u>Requires co-pays up to</u></b> \$50 non/emergency ER services \$100 day/\$200 max. hospital inpatient \$3 preferred Rx refill \$5 nonpreferred Rx refill \$5 outpatient services and dental	Family PACT	DHCS to issue notice declaring implementation date.  Rates set with assumption all co-pays collected. <sup>2</sup> Providers can refuse services if copay not paid.
<b>Limit hearing aid benefit</b>	Benefit cap of \$1510 for hearing aids	EPSDT, LTC in SNF or ICF, and developmentally disabled; AIDS Foundation, Senior Care Action Network	Either 210 days after budget bill effective or 60 days after fed. approval secured, whichever later.
<b>Impose “soft” cap on office visits</b>	Seven office visits per beneficiary/year	Pregnancy-related visits; EPSDT; developmentally disabled beneficiaries receiving LTC in a SNF, ICF, or facility under pilot project; Family PACT; AIDS Healthcare Foundation; Senior Care Action Network  7-visit limit may be exceeded upon physician attestation.	Either first day of month following 180 days after budget bill effective or first day of month 60 days after fed. approval secured, whichever is later. Thereafter, benefit caps apply on a FY basis.
<b>Eliminate OTC cough medicine</b>	Nonlegend acetaminophen-containing products selected by DHCS are not covered benefits.	Children’s acetaminophen-containing products; EPSDT	First day of month 90 days after budget bill effective or 60 days after fed. approval secured, whichever is later.
<b>Limit nutritional supplements</b>	Coverage for enteral nutrition products is limited to those administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube.	EPSDT; DHCS may deem products a benefit for patients with malabsorption and inborn errors of metabolism.	6/1/2011 or 60 days after federal approval secured, whichever is later.

<sup>2</sup> Managed care plans are not required to implement co-pays. However, the state’s payments to plans will be adjusted as if co-pays were collected.

<b>Item</b>	<b>Description</b>
<b>Rx Pricing Benchmarks</b>	States intent of legislature to enact legislation by 8/1/2011 establishing new Rx reimbursing methodology based on actual acquisition cost.
<b>Extend Rogers/poststabilization rates</b>	Extends rates paid to noncontract hospitals for emergency inpatient services (“Rogers” rates) <i>and</i> poststabilization to January 1, 2013.
<b>MCO Drug Rebates</b>	Requires state to begin collecting the federal basic rebate (23%) for drugs dispensed through MCOs.



# What Other Plans Are Doing

## CO-PAYS

Medi-Cal Cuts	COHS A	COHS B	COHS C	Local Initiative A
<b>CO-PAYS</b>	Implement consistent with State FFS with the following exceptions:	Implement only AFTER CMS decision with the following exceptions:	Implement 10/1/11 with the following exceptions:	Implement only AFTER CMS decision with the following exceptions:
Physician Visits	Exclude preventive services	Implement with exemption criteria TBD	PCPs effective 1/1/12	
ER	Exclude Level V and ER Admits	Waive upon admission and/or nurse advice referral	As Is	Implement as is but may make additional recommendations in August
Hospital IP	As Is	As Is	As Is	
Pharmacy	As Is	Implement with exemption criteria TBD	As Is	