Members Present
Steve Davis, Marin County Health and Human Services Agency
Diana Perez, Solano County Health and Social Services
Carol Peters, Tuolumne County Department of Social Services
Tracy Russell, Chair, Amador County Health and Human Services Agency
Jackie Steele, Amador County Health and Human Services Agency

Members Absent
Mary Huttner, California Healthcare Association
Connie McLain, Calaveras County Works & Human Services Agency
Penny Smith, Shasta County Department of Social Services
Mary Stanley, Madera County Department of Social Services

Others in Attendance
Rebecca Carey, ISAWS
Angela Gilliard, Western Center on Law and Poverty
Cindy Lackey, Nevada County
Nancy O’Hara, Yuba County
Elizabeth Shanower, CALWIN
Barbara Spencer, Tehama County
Darlene Washburn, Napa County

With five members present, there was a quorum.

Approval of Minutes
The Committee approved the minutes from both the June 16 and August 18, 2004 meetings.

Report on CMSP Governing Board Action from August 2004 Meeting

The Board directed the Administrative Officer to continue third party administrator (TPA) contract negotiations with Blue Cross of California. A revised pricing proposal is expected to be presented to the Board in September. Transferring CMSP to a TPA is a large undertaking that includes developing the program under Blue Cross administration; defining roles between the Board, Blue Cross, the provider and client communities; transitioning state activities, etc.

Eligibility related functions will remain much the same under Blue Cross administration. The counties will continue the determination function; there will be little or no changes to the electronic systems (files will need to be transmitted to the new vendor); a contract
between MedImpact and Blue Cross will need to be executed; and clients will receive a new card from Blue Cross.

CMSP will be a self-funded program under the Blue Cross administration that includes the following:
- A medical home for clients
- A stronger system of specialty care
- Providers who are also Medi-Cal providers

Some of the details yet to be worked out include the following:
- Contractual arrangements. Perhaps a contract between the Board and Blue Cross; and then contracts between Blue Cross and providers.
- Provider rate setting. Will the Governing Board set provider rates or will Blue Cross?
- Implementation date. It is currently scheduled for July 1, 2005, but that seems increasingly ambitious given the many details to work out and coordinate.
- Public hearings. If the Board decides to contract with a TPA for CMSP, hearings will need to be scheduled for late fall or early winter.

Mr. Kemper also reported that the CMSP budget for FY 2004-05 is within anticipated parameters. There was an increase in revenue from Realignment.

Under the California Performance Review, there is a proposal to move the medically indigent population to Medi-Cal. There are many details to be worked out. If CMSP pursues a contact with Blue Cross, there will need to be a provision in the contract regarding termination should the state realign programs.

**State Budget Impacts on CMSP**

Since this agenda item is not currently an active topic, the item can be removed from the agenda.

**Reduced Eligibility Certification (REC) Workgroup Report**

Ms. Genny Fleming reported that a CMSP All County Letter (ACL) went out transmitting copies of a letter to beneficiaries. The letter will target those clients eligible in September, and provides information relating to the upcoming changes in CMSP eligibility rules: limited certification periods and the 200% FPL income test.

Another ACL will be sent later in the month transmitting an updated policy list, a “questions and answers” document, a list of conversion activities, a county training needs survey and two forms (CMSP 210 and 1153).

Ms. Elizabeth Shanower mentioned that CALWin conducted an all-day meeting earlier in the week to further its system implementation plans. It is projected that the REC changes will be incorporated into the system when Solano and Sonoma counties convert to the CalWIN system in 2005. Ms. Shanower clarified that under the ISAWS program, applications will be counted on an individual basis. She also had a question
on the CMSP Form 237 regarding which reason will be recorded if two or more reasons existed for denials. It was decided that the matter would be referred to the workgroup.

Mr. Kemper announced the formation of an eligibility allocation workgroup and extended an invitation to counties to participate. The workgroup will assist in the development of an allocation methodology for CMSP eligibility administration funds for the second half of FY 2004-05 and subsequent fiscal years. Mr. Kemper sent an e-mail to Ms. Linda Wright (Trinity County) requesting that she forward the invitation to participate to the Northern California Welfare Directors and the Small County Welfare Directors groups. He will also send Ms. Fleming a note of invitation to participate to be forwarded to her eligibility related e-mail lists. It would be desirable to have both eligibility and fiscal representatives from interested counties on the workgroup. It is anticipated that the first of possibly three meetings will be held by mid October. A proposed allocation methodology will be presented to the Governing Board in early December.

**Disability Application Assistance Program**

Ms. Sharon Schuster reported that 206 clients have been referred to counties for coordination of DAPD applications. To date, 40% have converted to Medi-Cal. There will be a conference call of the DAAP workgroup on September 22, 2004. The task will be to develop a month-of-death procedure for disability applications and to develop policy that implements the Board’s policy on cooperation as a condition of eligibility.

The issue was raised regarding Medi-Cal’s acceptance of the new CMSP Form 210 (CMSP application). Numerous attempts have been made to obtain a decision from Medi-Cal staff as to their position. This is a concern to both the DAAP and REC workgroups. Mr. Kemper proposed the position that county welfare departments assert that the client applied for medical benefits on a certain date. The form used should not be an issue. If the client is approved for disability and if there is any information needed to fulfill Medi-Cal application requirements, the information can be collected then. If the Medi-Cal Program administration later opposes the use of the CMSP Form 210 as a basis for a later Medi-Cal application, then it becomes a policy issue between the Medi-Cal Program and the Governing Board.

**Eligibility Issues**

**IRA Exemptions**: The discussion continued from the last meeting. An informal survey of counties indicated that data is not readily available to indicate the number of applications denied due to excess property involving IRA accounts. However, a number of counties indicated that it would be desirable to have policy be consistent with Medi-Cal. The following concerns with following Medi-Cal policy were raised during the meeting:

- If applicants converted their IRAs to a pay status, the process would take some time. Meanwhile a case would be granted for possibly six months without knowing what the IRA income would be. During the certification period the client would begin receiving the income but not have to report it.
- Often clients with IRAs are applying for catastrophic care.
• It may not be ethical to use CMSP funds to cover health care for clients with large amounts of money.

• If the policy covered IRAs, should it cover all pension plans?

• If CMSP conforms to Medi-Cal policy, the client still could be denied for excess income if it were known what the IRA income would be.

• Once a client no longer needs or qualifies for CMSP, they may not be able to reverse the structure of the IRA (the policy may put the client at a disadvantage.)

It was decided that more information is needed to further the discussion and make a decision. Mr. Steve Davis will research the following questions:

• What is the background/reasons that the Department of Health Services came to this decision?

• How long does it generally take to convert an IRA to a pay status and determine what the income will be?

• What percent of IRA-involved cases are catastrophic? Do they lend themselves to the DAPD process?

Ms. Cindy Lackey asked a related question. If a client had mutual funds that were annuitized and now in pay status, would this be treated like CMSP treats the IRA issue? Many questions came up from the discussion including how the account was set up. Ms. Lackey will re-examine the case with these questions in mind.

Public Comments

Ms. Diana Perez questioned the direction of CMSP ACL 97-3 that directs a county never to destroy cases with a disability application component. There are normal exceptions to case destruction, i.e., those involving litigation. However, meeting participants were also confused by the ACL’s directive. Ms. Fleming will look into the matter.

Next Meeting

The next meeting of the Eligibility Committee will be on Wednesday, October 20, 2004 from 10:00a.m. to 1:00p.m. at the CMSP Governing Board Office.