



Department of  
**Health Care Services**



# Affordability and Benefits “Wrap” Programs

Stakeholder Advisory Committee

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# BACKGROUND

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- Current Medi-Cal policy for coverage of Newly Qualified Immigrants
  - Covered populations
  - Scope of covered benefits
- Current Medi-Cal policy for Pregnant Women
  - Coverage options – full scope vs. pregnancy only
  - Scope of covered benefits
- Affordable Care Act Considerations
  - Newly Qualified Immigrants
  - Pregnant Women

# OVERVIEW OF POLICY: NEWLY QUALIFIED IMMIGRANTS

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- Senate Bill 1, §14102 (Chapter 4, Statutes of 2013)
- Establishes new affordability and benefit coverage wrap for newly eligible adult immigrants, 21-64, who are childless
- Requires enrollment into Exchange coverage with an advanced premium tax credit
  - Covers Medi-Cal covered benefits they would have otherwise been eligible for but for the 5-year bar and that are otherwise not provided by their qualified health plan in the Exchange
  - DHCS will pay on behalf of the individual:
    - insurance premiums minus their applicable premium tax credit
    - cost sharing charges so that the individual has the same cost sharing charges as he/she would have had under Medi-Cal
- If eligible but barred from Exchange enrollment due to not being within an available enrollment period or the Exchange/DHCS have not operationalized the “wrap”, coverage will be provided under Medi-Cal
- Once the wrap is operational, the individual will be required to enroll into Exchange coverage

# OVERVIEW OF POLICY: PREGNANT WOMEN

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- Administration Proposed Amendments (ABx1 and SBx1, May 14, 2013)  
SEC. §14148.65
- Proposed approach:
  - Establishes new affordability and benefit coverage wrap for women who are eligible for pregnancy-only benefits under Medi-Cal
  - Requires informing the woman at the time of applying for pregnancy-only coverage of the following:
    - ✓ Coverage options that will be afforded to the woman under Medi-Cal or the Exchange;
    - ✓ DHCS will pay their insurance premiums minus their applicable premium tax credit;
    - ✓ DHCS will pay their cost sharing charges so that the individual has the same cost sharing charges as he/she would have had under Medi-Cal;
    - ✓ Covering Medi-Cal services not otherwise covered by their qualified health plan that would have been provided to them under the Medi-Cal pregnancy-only benefit (for example dental services);
  - If enrolled in Exchange coverage and a woman subsequently becomes pregnant and is within the applicable income limits for pregnancy-only coverage under Medi-Cal, she will also be informed of the Medi-Cal affordability and benefit wrap option.

# KEY OPERATIONAL ISSUES

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- Finalizing technical assistance with legislative staff on the pregnancy affordability and benefit wrap
- Ongoing coordination with DHCS and Covered CA
  - CalHEERS must be operational to implement the new policy – timing??
  - Develop business rules and eligibility flows
  - Develop appropriate informing notices including information on due process
  - Establish processes for paying premiums and cost sharing which minimizes undue burden on individuals
- Engagement of stakeholders on implementation plans
  - Education of plans and providers regarding coordination of benefits
- Assessment of impacts to other key systems such as the Medi-Cal claims systems (health and dental), Medi-Cal Eligibility Data System, county consortia systems,
- Federal guidance regarding minimal essential coverage
- Federal approvals

# QUESTIONS AND ANSWERS

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## Contact Information

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