The California Managed Risk Medical Insurance Board
PO Box 2769
Sacramento, CA 95812-2769
Phone: (916) 324-4695
Fax: (916) 324-4878

Board Members
Clifford Allenby, Chair
Samuel Garrison
Ellen Wu

Ex Officio Members
Diana S. Dooley

NOTICE OF PROPOSED RULEMAKING
ER-5-13

TITLE 10, INVESTMENT, CALIFORNIA CODE OF REGULATIONS
CHAPTER 5.6 ACCESS FOR INFANTS AND MOTHER PROGRAM
ARTICLE 2. ELIGIBILITY, APPLICATION AND ENROLLMENT

AMEND SECTIONS 2699.200, 2699.201, 2699.202, 2699.205, 2699.208, 2699.209, 2699.210, 2699.211, 2699.400

NATURE OF PROCEEDING
NOTICE IS HEREBY GIVEN that the Managed Risk Medical Insurance Board (MRMIB) is proposing to take the action described in the Informative Digest.

The Board has not scheduled a public hearing on this proposed action. However, the Board will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 calendar days before the close of the written comment period.

WRITTEN COMMENTS
Notice is also given that any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the:

Managed Risk Medical Insurance Board
Attn: Alissa Harris
1000 G Street, Suite 450
Sacramento, CA 95814

Comments may also be submitted by facsimile (FAX) at (916) 445-0898 or by e-mail to aharris@mrmib.ca.gov. Comments must be received by no later than **5:00 p.m. on March 31, 2014**. The Board will consider only comments received at the Board offices by that time.

AUTHORITY AND REFERENCE
Authority: Section 12696.05, Insurance Code, Section 77 of AB 82 (Chapter 23, Statutes of 2013).
Reference: Sections 12696.05, 12698, and 12698.30 of the Insurance Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Access for Infants and Mothers (AIM) program is a state and federally-funded program administered by the Managed Risk Medical Insurance Board (MRMIB or Board) (Insurance Code Section 12695 et seq.). The program provides low cost health insurance to uninsured, middle income pregnant women. The total cost to the individual subscriber is 1.5 percent of her adjusted annual household income. The State of California and the federal government supplement the subscriber contribution to cover the full cost of care.

On June 27, 2013, the Governor signed AB 82 (Chapter 23, Statutes of 2013), the 2013 Omnibus Health Trailer Bill. Section 24 of AB 82 added subdivision (d) to Insurance Code Section 12698, requiring use of Modified Adjusted Gross Income (MAGI) in calculating AIM eligibility effective January 1, 2014, pursuant to the Federal Patient Protection and Affordable Care Law (Public Law 111-148, amended by Public Law 111-152, jointly referred to here as the ACA).

On June 27, 2013, the Governor also signed ABX1-1 (Chapter 3, Statutes of 2013-13, First Extraordinary Session). Section 2 of ABX1-1 amended subdivision (a) of Insurance Code Section 12698.30 to require that AIM eligibility continue through the end of the month in which the 60th day following the end of a pregnancy falls, rather than ceasing coverage on the 61st day following the end of the pregnancy.

At its November 20, 2013 public meeting, the Managed Risk Medical Insurance Board adopted emergency AIM regulations to implement provisions concerning eligibility, enrollment and subscriber contributions and to make additional technical changes concerning MAGI eligibility in compliance with AB 82, and end-of-month disenrollment in compliance with ABX1-1 as well as other technical changes. The emergency regulation took effect on December 27, 2013, and was implemented for AIM subscribers beginning January 1, 2014.

The proposed regulation will bring the AIM application and eligibility process into conformity with federal requirements that states provide a streamlined application that can be used across multiple programs, giving applicants “no wrong door” access to programs for which they may be eligible. The proposed regulation will reduce the burden on applicants by removing requirements that certain documentation and a prepayment must accompany the application. The proposed regulation will also provide subscribers with a longer period of coverage, to the end of the month in which the 60th day post-partum occurs, as required by recent legislation.

Determination of Inconsistency/Incompatibility with Existing State Regulations: After conducting a review for any similar regulations, the Board has concluded that these are the only regulations dealing with AIM application and eligibility. Therefore, MRMIB has determined that the proposed regulation is not inconsistent or incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

MRMIB has made the following initial determinations:

Mandate on local agencies and school districts: None

Cost or savings to any state agency: The AIM program is funded by a combination of state and federal subsidies and subscriber premiums. The proposed regulation would modify provisions concerning eligibility, enrollment and subscriber contribution. The state fund may have costs since more people will be eligible for coverage. However, at this time, the amount of costs is unknown because the change of caseload in the AIM due to this regulation cannot be identified.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None

Other nondiscretionary cost or savings imposed on local agencies: None

Cost or savings in federal funding to the State: The AIM program is funded by a combination of state and federal subsidies and subscriber premiums. The proposed regulation would modify provisions concerning eligibility, enrollment and subscriber contribution. The state fund may have costs since more people will be eligible for coverage. However, at this time, the amount of costs is unknown because the change of caseload in the AIM program due to this regulation cannot be identified.

Cost impact on representative private person or business: The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant effect on housing costs: None

Results of Economic Impact Analysis/Assessment: The MRMIB concludes that it is: (1) unlikely that the proposed action will create any jobs within the State; (2) unlikely that proposed action will eliminate any jobs within the State; (3) unlikely that the proposed action will create any new businesses within the State; (4) unlikely that the proposed action will eliminate any existing business within the State; and (5) unlikely that the proposed action will cause the expansion of business currently doing business within the State.

Benefits of the Proposed Action: The proposed action would benefit the health and welfare of California residents. The proposed regulation brings the AIM application and eligibility process into conformity with federal requirements that states provide a streamlined application that can be used across multiple programs, giving applicants “no wrong door” access to programs for which they may be eligible. The proposed

regulation reduces the burden on applicants by removing requirements that certain documentation and a prepayment must accompany the application. The proposed regulation provides subscribers with a longer period of coverage, to the end of the month in which the 60th day post-partum occurs, as required by recent legislation.

Significant, statewide adverse economic impact directly affecting businesses: The Board has determined that the proposed regulations will not have a significant statewide adverse impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

Small Business Determination: The Board has determined that the proposed regulations will not affect small businesses. AIM is a program for pregnant women funded by the state, the federal government and subscriber premiums. The MRMIB is not aware of any cost impacts that a small business would incur in reasonable compliance with the proposed action.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the MRMIB must determine that no reasonable alternative it considered, or that has been otherwise identified and brought to the agency's attention, would be more effective in carrying out the purpose for which the adoption of this regulation is proposed or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

MRMIB invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation during the written comment period, or at the public hearing.

CONTACT PERSON

Inquiries concerning the proposed adoption of this regulation and written comments may be directed to:

Alissa Harris
Managed Risk Medical Insurance Board
1000 G Street, Suite 450
Sacramento, CA 95814
(916) 324-0571

or

Tony Lee
Managed Risk Medical Insurance Board
1000 G Street, Suite 450
Sacramento, CA 95814
(916) 327-8000

INITIAL STATEMENT OF REASONS
The MRMIB has prepared an initial statement of reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL
Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which this proposal is based, may be obtained upon request from the Managed Risk Medical Insurance Board at 1000 G Street, Suite 450, Sacramento, CA 95814. These documents may also be viewed and downloaded from the MRMIB website at www.mrmib.ca.gov

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE
All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named above.

You may obtain a copy of the final statement of reasons once it has been prepared by making a written request to the contact person named above. The Final Statement of Reasons and the Rulemaking File will also be posted on the MRMIB website at www.mrmib.ca.gov.

AVAILABILITY OF CHANGED OR MODIFIED TEXT
After holding the hearing and considering all timely and relevant comments received, MRMIB may adopt the proposed regulations substantially as described in this notice. If MRMIB makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Board adopts the regulations as revised. Please send requests for copies of any modified regulations to attention of Alissa Harris at the address indicated above. MRMIB will accept written comments on the modified regulations for 15 days after the date on which they are made available.

WEBSITE ACCESS
Materials regarding this proposal can be found at www.mrmib.ca.gov