

**HEALTH COMMISSION**

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 22-93

ADVISING THE BOARD OF SUPERVISORS OF THE HEALTH COMMISSION'S CONCERNS REGARDING MAXIMUM ENROLLMENT LEVELS OF MEDI-CAL BENEFICIARIES PROPOSED BY THE STATE DEPARTMENT OF HEALTH SERVICES FOR THE MANAGED CARE MAINSTREAM PLAN IN SAN FRANCISCO

WHEREAS, the State Department of Health Services filed managed care emergency regulations (R-12-93) on May 14, 1993, concerning prepaid health plan and primary case management contracts in designated regions, including minimum MediCal beneficiary enrollment levels for each plan operating under the two-plan model in each region, and the maximum MediCal beneficiary enrollment level for the mainstream plan in each designated region; and,

WHEREAS, the regulations also state that the Department of Health Services will redetermine the maximum enrollment levels every two years and describe the process for local government input on the mainstream plan maximum enrollment levels; and,

WHEREAS, the Department of Health Services released proposed maximum enrollment levels for the mainstream plan on July 15, 1993, and the County Board of Supervisors in each designated region has 30 days from July 15, 1993 to submit written comments on the mainstream plan maximum enrollment levels in their counties to the Department; and,

WHEREAS, the proposed maximum enrollment level for the mainstream plan in San Francisco is 28,289, or 49% of all mandatory managed care MediCal aid categories in San Francisco, for the transition period prior to implementation of the two-plan model, set for March 1, 1995; and,

WHEREAS, the proposed maximum enrollment level does not constitute a guarantee of membership, as enrollment in managed care plans during the transition period will remain voluntary; and,

WHEREAS, the proposed maximum enrollment level for the mainstream plan of 28,289 beneficiaries means that 28,861 beneficiaries, or 51% of all beneficiaries in San Francisco in mandatory managed care aid categories, would remain as the local initiative allocation; now, therefore, be it

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RESOLUTION NO. 22-93 (Cont'd.)

RESOLVED, that the Health Commission has grave concerns about the proposed maximum enrollment level for the mainstream plan, primarily because we oppose a dramatic enrollment of MediCal beneficiaries into managed care plans during the period while the local initiative is being developed as it substantially alters the landscape for planning, it provides a great competitive advantage to one provider, and the State is in effect breaking its good faith with the local initiative to support a reasonable planning process; and be it

FURTHER RESOLVED, that the City and County of San Francisco has concerns with the rationale used for setting maximum allocation, since paid disproportionate share days at 51% of the total days in the mandatory aid categories does not appear to be relevant in any way to the percent of enrollees that should be in the local initiative; and be it

FURTHER RESOLVED, that the City and County of San Francisco has concerns with the proposed maximum allocation because the mandatory categories which could be enrolled in the mainstream plan during the transition period represent the lowest cost MediCal beneficiaries, leaving the highest cost MediCal beneficiaries to be clustered with other providers, creating a great financial disadvantage to the remaining providers; and be it

FURTHER RESOLVED, that setting the maximum enrollment levels for the mainstream plan at 49% of mandatory MediCal aid categories is not consistent with the State Department of Health Services' own final Strategic Plan for the Transition of MediCal to Managed Care which states, on page 45, that "In practice, the Department expects to set a maximum enrollment for the mainstream plan at approximately 30-40% of the total MediCal managed care eligibles in most counties"; and be it

FURTHER RESOLVED, that we have established a policy in San Francisco that all providers should be enrolling *all* MediCal beneficiaries, not just the State's mandatory categories; and be it

FURTHER RESOLVED, that the Health Commission advises the Board of Supervisors to recommend to the State that the local initiative planning body should be given a chance to consider if, and how many, MediCal enrollees there should be in the interim period; and be it

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RESOLUTION NO. 22-93 (Cont'd.)

FURTHER RESOLVED, that the Health Commission advises the Board of Supervisors to recommend to the State that the local initiative planning body should be given an opportunity to review and approve all applications to serve MediCal managed care beneficiaries during the interim period, and be it

FURTHER RESOLVED, that the Health Commission advises the Board of Supervisors to provide comment to the State Department of Health Services on the proposed maximum enrollment level of MediCal beneficiaries for the managed care mainstream plan in San Francisco, including our grave concerns and recommendations as stated in this Resolution; and be it

FURTHER RESOLVED, that the Health Commission advises the Board of Supervisors to send the attached letter to the State Department of Health Services as well, which contains further questions posed to the State.

I hereby certify that the foregoing resolution was adopted by the Health Commission at its meeting of Tuesday, August 3, 1993.



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Sandy Ouye Mori  
Executive Secretary to  
the Health Commission