

December 3, 1999

Ms. Nancy-Ann Min DeParle, Administrator  
Health Care Financing Administration  
Bureau of Policy Development  
Office of Chronic Care and Insurance Policy  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Dear Ms. Min DeParle:

We are writing to submit for your review and approval an amendment to California's Title XXI State Plan to be effective March 1, 2000. California is revising its State Plan to allow a Family Contribution Sponsor to pay for a family's Healthy Families Program (HFP) premiums for the first 12 months of enrollment.

Under California State law, HFP families are required to pay monthly premiums in order for their child(ren) to remain enrolled in HFP. Premiums range from \$4 - \$9 per child per month but cannot exceed \$27 per month. State law was changed in the 1999-2000 budget process to permit Family Contribution Sponsors to pay HFP premiums on behalf of families. The Family Contribution Sponsor program is viewed by the State as a new component of our multifaceted outreach effort. While we have no evidence to suggest that California's HFP premiums are an impediment to enrollment, we are aware that some community groups would like to use sponsorship programs as a focal point of their outreach activities. These groups have expressed interest in "sponsoring" children while the family learns about and becomes accustomed to having health coverage for their children. Sponsorship may encourage enrollment from families who are new to health insurance and may be reluctant to commit to paying monthly premiums at the onset of their enrollment.

Under California's revised Title XXI State Plan, a Family Contribution Sponsor will be permitted to pay the first 12 months premium for an applicant. A person or entity that wants to be a Family Contribution Sponsor must register with the Managed Risk Medical Insurance Board (MRMIB) by completing a form developed for that purpose. In order to prevent violation of federal fraud and abuse laws and avoid plan steerage, certain

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individuals and entities are not eligible to become Family Contribution Sponsors. Ineligible individuals and entities include: (1) a person that is a health, dental or vision provider that participates in HFP, or an organization composed primarily of or controlled by such persons, (2) an entity, including governmental, school, non-profit and charitable organizations, that is, or that operates an institution or facility that is a health, dental, or vision provider that participates in HFP, (3) a participating plan, or (4) any person or entity acting on behalf of or representing a person or entity identified in (1) through (3) above. Each eligible sponsor will receive a sponsor identification number after registering.

For each applicant being sponsored, the Family Contribution Sponsor will submit with the Healthy Families Application a completed and signed Family Contribution Sponsorship Form and payment for 12 months of family premiums. Requiring sponsors to pay 12 months at the time of application guards against potential disenrollment of a child if the Family Contribution Sponsor stops paying premiums before the child's 12-month eligibility period has expired. It also eliminates the need for follow-up action by the applicant to ensure that the Family Contribution Sponsor is paying the family contribution. No premium adjustments for a sponsored family will be made during the first 12 months in the program.

We have attached the revised page of California's Title XXI State Plan, as well as copies of the registration and sponsorship forms. Public notice was provided prior to the September and November 1999 meetings of the Managed Risk Medical Insurance Board that Sponsorship would be discussed. In addition to discussion at the Board meetings, written comments on the draft regulations on Sponsorship were accepted from the release of the regulations in September until the November Board meeting. At the November 8, 1999 meeting the Board approved the regulations subject to federal approval of California's State Plan Amendment on Sponsorship.

We look forward to your approval of this amendment so that California may continue to aggressively promote enrollment in HFP and reduce the number of uninsured children in the state.

Sincerely,

Sandra Shewry  
Executive Director  
Managed Risk Medical Insurance Board

Douglas Porter  
Deputy Director, Medical Care Services  
Department of Health Services

# HEALTHY FAMILIES PROGRAM FAMILY CONTRIBUTION SPONSOR REGISTRATION FORM

Please print in blue or black ink only.

Name of Sponsoring Person or Entity: \_\_\_\_\_

Sponsor's Address: \_\_\_\_\_  
(Number and Street Name)

\_\_\_\_\_  
(City, State, Zip Code)

Sponsor's Telephone #: \_\_\_\_\_

Sponsor's Fax #: \_\_\_\_\_

***If the sponsor is an organization, provide name, title and telephone number of authorized representative***

Authorized Representative: \_\_\_\_\_

### **The following persons or entities are not eligible to be a Family Contribution Sponsor:**

A person that is a health care provider that participates in the Healthy Families Program or an organization composed primarily of or controlled by such persons.

An entity, including governmental, school, non-profit and charitable organizations, that is, or that operates, and institution or facility that is a health care provider that participates in the Healthy Families Program.

A participating plan.

Any person or entity acting on behalf of or representing a person or entity listed above.

### **The undersigned certifies that the sponsoring person or entity:**

is eligible to be a family contribution sponsor.

acknowledge(s) that the Managed Risk Medical Insurance Board has taken no position to whether payment of premiums as a family contribution sponsor by any person or entity would be in violation of federal fraud and abuse laws.

will allow each applicant sponsored to make their own choice of participating plans in their county of residence as identified by the Healthy Families Handbook.

**Signature :** \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Print)

\_\_\_\_\_  
(Signature)

***Information about sponsors who are organizations may be public information***

# HEALTHY FAMILIES PROGRAM SPONSORSHIP FORM

Please fill in all information, attach a check or money order and enclose a form for **each** application.

Sponsor's Name:

Sponsor's ID #:

Authorized Representative:

Phone Number:

Check/Money Order Number:

Amount of Check/Money Order:

(One Check Per Application)

Sponsor's Signature:

Sponsorship is being provided for the applicant listed below:

Applicant's Name:

(Please Print Clearly)

Applicant's Address:

(Number and Street Name)

(City, State, Zip)

Child(s) Name	Child(s) Date of Birth (MMDDYY)	Child(s) SSN # (Optional)
1.		
2.		
3.		
4.		
5.		

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Child(s) SSN # (Optional)

1.

2.

3.

4.

5.

I understand that my family contribution is being sponsored and the premium is being paid in advance for the first twelve (12) months in the program.

I was allowed to choose my plans from the list in the Healthy Families Handbook.

Signature: \_\_\_\_\_ **Date:** \_\_\_\_\_  
(Print Name of Applicant)

\_\_\_\_\_  
(Signature of Applicant)