

## BUDGET NARRATIVE

California is requesting \$3,400,000 of the Consumer Assistance Grant funds with the goal of expanding and building capacity in California's existing consumer assistance programs to promote immediate improvements in health insurance consumer assistance.

The Department of Managed Health Care's (DMHC) Help Center currently supports 21 million health plan enrollees in California. This statutorily mandated program is experienced in handling consumer inquiries, complaints, grievances and informing consumers of their health care rights and responsibilities. For Fiscal Year 2010/2011, the Help Center has an estimated budget of \$10,000,000<sup>1</sup> and authorized positions of 67 Personnel Years (PYs) to support current customer assistance workload.

### 09-10 Fiscal Year Budget for the DMHC Help Center

Personnel Services	\$4,502,822
Staff Benefits	\$1,443,893
Contractual Costs and Procurement – Interdepartmental and External	\$ 790,550
General Expenses	\$ 190,000
Communications	\$ 130,000
Printing	\$ 35,000
Postage	\$ 3,500
Travel	\$ 71,500
Training	\$ 30,000
Facilities Operation	\$ 534,412
Information Technology	\$ 5,000
Total Expenditures	\$7,736,677

The Office of the Patient Advocate (OPA) is a statutorily mandated program responsible for providing health care consumers with tools to make informed decisions regarding their health care, publishes an annual Report Card; oversees a network of HMO Enrollee Regional Outreach Information Centers; and works seamlessly with the DMHC on advocacy efforts. For Fiscal Year 2010/2011, the OPA has an estimated budget of \$4,387,000<sup>2</sup> and authorized positions of 12 PYs to support current workload.

### 09-10 Fiscal Year Budget for the OPA

Personnel Services	\$ 680,279
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<sup>1</sup> At this time, the Fiscal Year 2010/2011 budget for California has not been passed.

<sup>2</sup> At this time, the Fiscal Year 2010/2011 budget for California has not been passed.

Staff Benefits	\$ 199,697
Contractual Costs and Procurement – Interdepartmental and External	\$1,997,500
General Expenses	\$ 710,653
Printing	\$ 67,126
Communications	\$ 15,510
Postage	\$ 35,200
Travel	\$ 66,065
Training	\$ 12,000
Facilities Operation	\$ 196,400
Utilities	\$ 1,000
Information Technology	\$ 6,375
ProRata	\$ 158,386
Total Expenditures	\$4,146,191

**Estimated Funding Requirements of the Grant Proposal:**

**Website Enhancement: \$ 525,000**

This website is designed to provide updates on the state’s efforts to implement health care reform. The consumer assistance portion of the website needs substantial development to have consumer friendly access, meet a wide range of consumer needs and to be a portal to the Help Center and other government partners able to assist consumers on their health care needs. Through a competitive contract the funds will be used for: (1) Website redesign and reorganization of the state health care reform website ([www.healthcare.ca.gov](http://www.healthcare.ca.gov)) - \$400,000 and (2) Website translation into other languages, development of website content, and consumer testing - \$125,000.

**Consumer Education Campaign: \$1,975,000**

The goal is to develop and implement a multi-cultural social marketing campaign notifying Californians of the coordinated point of contact to reduce consumer confusion about which state agency to call for information, education, and assistance with their group health plan or health insurance. Through a competitive contract the funds will be used to: (1) Media Planning and Early Implementation: \$150,000; (2) Media Buy: \$1,120,000; (3) Social Networking/New Media: \$55,000; (4) Statewide Partnership Network: \$350,000; (5) State Staff Travel: \$10,000; (6) Collateral Materials: \$150,000; and (7) Research/Evaluation \$150,000.

**Communications Systems Enhancement:**

**\$ 900,000**

The goal is to invest in a state of the art communications system that will provide the most efficient platform for call handling, and will support new functionality for online communications between staff and consumers to assist in the anticipated increased call volume. The Help Center will be the coordinated point of contact for Californians regarding their health insurance questions. Through a competitive contract the funds will be used to: (1) System hardware system hardware, initial consultation, and training: \$465,000; (2) Creation of online grievance/Independent Medical Review application: \$194,425; (3) Project Manager: \$225,575; (4) Annual lease of hardware: \$15,000.

**TOTAL GRANT PROPOSAL:**

**\$3,400,000**

California will use the proceeds from the Consumer Assistance Program Grant to expand the capacity of existing program initiatives that educate consumers on their rights, assist consumer problems and concerns and respond to questions related to the implementation of federal health reform. The Website Enhancement grant funds will be used on a one time basis to specifically enhance and redesigned the current website to be a consumer friendly website. Once the redesign and development is complete, existing staff will be able to maintain the website. The Consumer Education Campaign grant funds will be used on a one time basis to develop short and long term strategies for reaching all Californians. Once those strategies are in place, the DMHC, OPA, and other government agencies will have a plan in place to ensure that Californians are aware of their health care rights and responsibilities, resources available, and where to go to for assistance in California. The Communication Systems Enhancement grant funds will be used on a one time basis to enhance a communications system that will allow staff to answer more calls and respond to consumers with questions on the [www.healthcare.ca.gov](http://www.healthcare.ca.gov) website and the DMHC website. This communications system also utilizes the internet for calls rather than the land line systems. It is anticipated that the costs savings achieved by the Help Center no longer having any long distance phone bills will offset the cost of the annual lease amount.

Any unspent grant funds allocated for the communications system enhancement or the website enhancement will be allocated to the consumer education campaign.