

ABSTRACT

The California Health Benefit Exchange submits this Level I Establishment Grant application for the time period July 1, 2011 to June 30, 2012. California will engage in planning, research and early implementation as appropriate in all 11 core areas identified in the federal Department of Health and Human Services application. The funding requested in this application will help the state develop policy goals for the California Exchange consistent with state and federal law as well as secure staff, consultants and expert resources and actively engage stakeholders to inform and support Exchange planning and implementation activities.

In 2010, California enacted one of the first state laws in the nation establishing a health benefit exchange under the ACA, the California Patient Protection and Affordable Care Act (CA-ACA). CA-ACA implements the federal law related to Exchanges and sets the path and framework for the California Health Benefit Exchange and related programs. During the 2010-11 planning grant phase California conducted critical background research and planning and established the Exchange board chaired by the Secretary of CHHS which has already met five times since April 2011. The Board hired an Acting Administrative Officer and is in the process of conducting a search for a permanent Executive Director and other senior staff positions in the Exchange. The Board is subject to the state's open meeting law and provides a regular forum for stakeholder input and public visibility.

California also used the planning grant period to initiate active collaboration and coordination with other affected state agencies and programs including the Department of Health Care Services (California's Medicaid agency) and the Managed Medical Risk Insurance Board (MRMIB), which administers the Children's Health Insurance Program, the California Department of Insurance and the Department of Managed Health Care (DMHC).

California anticipates that the Level I Exchange Establishment grant funding requested in this application will support the state in moving to the next level of planning, development, and implementation for the California Exchange. During the Level I grant period California will begin developing core staff capacity and ensure sufficient talent and skills to support development and implementation of Exchange programs going forward. With an eye toward realistic long-term sustainability for the California Exchange, California's application proposes to supplement Exchange staff with a complement of time-limited and issue-focused consultants and experts to research, analyze and make recommendations to the Exchange Board in critical core areas.

One of the main activities early in the grant period will be development of a detailed and comprehensive three-year business and operational plan outlining the key tasks, milestones, and timeline necessary to achieve successful operation of the Exchange. Over the one-year period of the grant the state will move to initial implementation in those areas with longer lead times, such as IT capacity and infrastructure development, and other core areas with time sensitivity identified through the business and operational planning process. Level I resources will provide the information, data and consideration of options to support the state's preparation and submission of a Level II Exchange grant in Spring 2012, leading to full implementation and operation of the Exchange by 2014.

California has been and continues to be a leader in health reform implementation. Funding of this grant proposal will continue California's leadership role and serve as a model for other states.