

DRAFT
California Health Benefit Exchange
Overview of Federal Establishment Grant, Level 1
June 15, 2011

Grant Period: 12 months (July 1, 2011 – June 30, 2012)
90-day retroactivity for incurred costs

Approach:

- Interview other states and analyze other Level I proposals.
- Compile inventory of research/analyses; including CA-specific studies.
- Describe accomplishments to date – including creation of the Exchange Board and implementing conforming state health insurance market reforms.
- Request funds for creation of overall business and operational three-year plan for the Exchange.
- Request funds for engaging in research, analyses, and planning processes to identify and select policy solutions and prepare for operations by 2014.
- Request funds to begin implementation for select required core areas – notably IT – first quarter 2012 to be operational by 2013. NOTE: Decisions that influence initial implementation phase will be analyzed and decided upon in early months – e.g., consumer assistance functionality.
- Request funds for planning and conducting stakeholder participation.
- Create staffing plan that meets California enabling legislation and balances with consulting expertise for long-run sustainability.
- Assume Spring 2012 Level II grant application.

Federal Application Requirements:

- Develop proposal activities, deliverables and budget by 11 core areas reflected in the application. Level I grantees need not address all of the core areas and can limit the proposed application activities to the one-year grant period.
- Propose to meet federal recommended and mandatory key milestones for the grant period.
- Grant funds may only be used for implementation activities and functionalities that are integral to Exchange operations.
- States must respond to and incorporate federal Exchange guidance to date, including, for example, multiple detailed guidance documents regarding information technology and integration with existing state health programs such as Medicaid (Medi-Cal).
- Obtain letters of endorsement: Governor, Insurance Commissioner, Medi-Cal Director. For California, also Director, Department of Managed Health Care.

Proposed Staffing:

- FTEs: 75

Proposed Budget:

- Estimate at this time: \$40,266,000
- Consultant Cost: 28,385,000
- Exchange Cost: 11,881,000