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July 20, 2011

The Honorable Diana Dooley
Chair, California Health Benefits Exchange

The Honorable Kim Belshé
The Honorable Paul Fearer
The Honorable Susan Kennedy
The Honorable Robert Ross, M.D.
Members, California Health Benefits Exchange

Re: AB 1296 (Bonilla) and Other Legislation Affecting the Exchange

Dear Members of the California Health Benefits Exchange:

We note that at your July 22 Board meeting you will be discussing and taking action on pending legislation. Western Center on Law and Poverty is the sponsor of AB 1296 (Bonilla) which outlines the parameters for California's new Eligibility, Enrollment & Retention (EER) System. We also offer comments on a few of the other bills below.

The Affordable Care Act (ACA) requires states to have a seamless, "no wrong door" system for determining eligibility for and enrolling people into public health coverage programs – Medi-Cal, Healthy Families, the Exchange, and, if enacted, the Basic Health Program. AB 1296 is consumer advocates' vision of this new EER System and while we have had a high-level discussion with Exchange staff on the bill we would welcome the opportunity to engage in a detailed conversation. The legislative report by Exchange staff acknowledges the importance of implementing "no wrong door" but states that the bill is premature. We respectfully disagree that it is premature to have legislation governing the system in place given the timeline to implement. As noted in your Level I grant application, the Exchange plans to commence work by vendors in the first quarter of 2012, the Exchange must be certified in the beginning of 2013, and must be tested by July 2013 to allow for enrollment to begin in mid- to late-2013. With less than two and a half years to make and implement numerous important policy decisions, develop application and renewal forms and processes, and build and test IT components, this legislation is needed this year. If the bill were to be made into a two-year bill it would not go into effect until January 1, 2013. We would urge that the Eligibility & Enrollment Workgroup speed up its timeline and focus on key policy decisions that should be decided in time for legislation to govern the system.

AB 1296 would implement the no wrong door components of the ACA in the California context and in a consumer-friendly way by requiring:

- ✓ the creation of unified applications – paper, telephone and online – for Medi-Cal, the Exchange, Healthy Families, AIM and, if enacted, the Basic Health Plan;
- ✓ real-time determination of eligibility when possible;
- ✓ use of the same eligibility rules regardless of which "application door" a consumer uses;

- ✓ assistance for consumers with their application and the ability for consumers to correct or update their information;
- ✓ seamless transitions between health programs when eligibility circumstances change;
- ✓ streamlining and incorporating existing "application doors" into the new system;
- ✓ disability and language accessibility standards;
- ✓ transparency and accountability standards for the IT system;
- ✓ privacy protections for consumers; and
- ✓ a stakeholder process to develop the system.

We appreciate that Eligibility & Enrollment Workgroups are being formed and look forward to participating in the Individual Workgroup. We hope also to work with you and the Exchange staff on the details of Eligibility & Enrollment legislation to be enacted this year and go into effect January 1, 2012.

Other Legislation: AB 714, AB 792 and SB 703.

Western Center supports AB 714 and AB 792 to maximize enrollment into the Exchange and Medi-Cal. With the opportunity to initiate applications for millions of Californians both in existing public programs and going through life transitions likely to lead to losing health coverage, these measures are critical to creating a "culture of coverage" and achieving the level of enrollment needed for the Exchange to succeed. The Exchange must use multiple avenues to reach out to consumers to avoid the slow start with enrollment as in Healthy Families.

SB 703's creation of a Basic Health Plan (BHP) is critical to consider because of the dramatic increase in affordability it offers low-income consumers. Using the Mercer study assumptions of costs this chart shows the difference in affordability for consumers at either end of the Basic Health Plan income range:

Income Level	Monthly /Annual Income	Exchange Premium	Exchange Cost Sharing Maximum	BHP Premium Estimated by Mercer	BHP Cost Sharing Max Estimated by Mercer
140% FPL	$1,271 / $15,254	3.4 % income = $43	6% health benefit cost	$10	2% health benefit cost
200% FPL	$1,815 / $21,780	6.3% income = $114	13% health benefit cost	$20	4% health benefit cost

Western Center supports SB 703 but believes the BHP should be administered by one of the other programs serving low-income adults – the Department of Health Care Services or the Exchange – to have coverage be as seamless as possible.

We urge the Board to direct staff to engage actively on these bills over the next month and a half.

Sincerely,

Elizabeth A. Landsberg
Director of Legislative Advocacy