



California Health Benefit Exchange

Board Members

Kimberly Belshé
Diana S. Dooley
Paul Fearer
Susan Kennedy
Robert Ross, MD

July 26, 2011

The Honorable Ed Hernandez, O.D.
Chair, Senate Health Committee
ATTN: Scott Bain, Senate Health Committee
State Capitol, Room 2191
Sacramento, CA 95814

Re: Senate Bill 703

Dear Senator Hernandez:

At the July 22 meeting of the California Health Benefit Exchange (Exchange), the Board discussed and took positions on pending legislation affecting the Exchange, including Senate Bill (SB) 703.

The Board voted 3-0 to oppose SB 703 unless it is amended to be a two-year bill. The federal government has not yet issued guidance on the Basic Health Program that will be critical to fully understand the risks and benefits for states associated with this optional program. The Board believes that additional analyses are also needed to understand the potential impact on the Exchange risk pool and potential enrollees, as well as possible alternative solutions to the issue of affordability, to better inform the decision of whether California should implement a Basic Health Program.

Please note that Diana Dooley, Secretary of the Health and Human Services Agency and Chair of the Exchange Board, abstained from all votes because the Administration has not yet taken positions on pending legislation. Board member Dr. Robert Ross had a previously scheduled engagement and was unable to attend the meeting.

Please feel free to contact me at (916) 651-8062 if you have any questions about our position.

Sincerely,

A handwritten signature in blue ink that reads "Patricia Powers".

Patricia Powers
Acting Administrative Officer of the Exchange

cc: Chair and Members, California Health Benefit Exchange Board
David Panush, Office of Senate Speaker Pro Tempore Darrell Steinberg
John Ramey, Executive Director, Local Health Plans of California