

The
California
Endowment

August 8, 2011

Diana Dooley, Chair
Health Benefit Exchange Board of California
c/o State Health and Human Services Agency
1600 Ninth Street, Room 460
Sacramento, CA 95814



Madam Chair:

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I wanted to apprise you, as well as our colleagues on the Exchange Board as well as staff, of a grant-support relationship that my employer, The California Endowment, has with two organizations employing other Exchange Board members, including yourself.

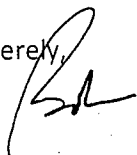
In the first instance, The California Endowment has been a long-time funder and supporter of the Public Policy Institute of California (PPIC), which has recently employed Exchange Board member S. Kimberly Belshe. While our foundation's grant funds do not directly support Ms. Belshe's salary, I thought it prudent to disclose the fact.

In the second instance, our foundation has had a series of grants supporting work of the state Health & Human Services Agency and Departments of Health Services and Public Health. None of these dollars go to support your salary as Agency Secretary.

I have reviewed this situation with Counsel for the Exchange Board, and the concluding opinion was that no specific action needed to be taken in the context of financial conflict-of-interest provisions. Counsel agreed that out of an abundance of caution, I could voluntarily disclose these grant relationships, and recuse myself from decision-making authority at The California Endowment on grants concerning PPIC and state HHS – which is what I have done.

Counsel believes no further action is required on this front, and I wanted to bring the matter to the attention of our fellow members on the Exchange Board.

Sincerely,



ROBERT K. ROSS, M.D.
President and CEO

RKR:jw

cc: Pat Powers, Acting Administrative Officer, California Health Benefit Exchange Board
Gabriel Ravel, Staff Counsel, California Health Benefit Exchange Board ✓