

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD

December 20, 2011

East End Complex Auditorium

1500 Capitol Ave.

Sacramento, CA 95814

Agenda Item I: Call to Order, Roll Call, and Welcome

Chairwoman Dooley called the meeting to order at 10:13 a.m.

Board Members Present: Diana S. Dooley, chair
 Kimberly Belshé
 Paul Fearer
 Susan Kennedy
 Robert Ross, MD

Agenda Item II: Closed Session

Agenda Item III: Announcement of Closed Session Actions

Chairwoman Dooley called the meeting to order at 12:44 P.M. After offering apologies for running behind, Chairwoman Dooley announced that the Board had taken roll and assessed conflicts of interest prior to the closed session. One of the contracts discussed in the closed session had to do with IT procurement; Board member Paul Fearer had a conflict of interest and did not participate in that discussion. She reminded everyone that people can participate by webcast and phone.

Public comment: None.

Agenda Item IV: Approval of November 15, 2011 Minutes

Chairwoman Dooley asked for a motion to approve the minutes from the November 15, 2011 meeting.

Presentation: [Board Meeting Minutes - November 15, 2011](#)

Discussion: None.

Motion/Action: Ms. Belshé moved to approve the November 15, 2011 minutes. Mr. Fearer seconded the motion.

Public Comment: None.

Vote: Roll was called, and the motion was approved by a unanimous vote.

Agenda Item V: Report from the Executive Director

Mr. Lee said he is happy to offer participation via phone; he asked for feedback, inviting participants to send emails to tell him how it works. He said there would be a two-minute rule for each set of comments, recognizing that there could be hundreds of people on the phone. The Board also welcomes and encourages written comments.

Mr. Lee said the Board modified the contract with ClearBest, the vendor that helped draft the solicitation for the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), to include their continued support. The Board also approved the solicitation for project management and oversight support. Mr. Lee noted that the draft CalHEERS solicitation would be posted later in evening (December 20, 2011) for public comment.

Mr. Lee announced that on December 16, 2011, the US Department of Health and Human Services (DHHS) released a proposed set of policies on essential health benefits. He announced staff would give a presentation on the proposal, followed by comments.

Discussion: Personnel Matters

Mr. Lee introduced new staff members:

- Teri Lunn, Executive Assistant to COO
- Katie Marcellus, Director of Program Policy
- Gabriel Ravel, Staff Attorney
- David Maxwell-Jolly, Chief Operations Officer
- AJ Meza, Information Systems Technician
- David Panush, Director of Government Relations
- Sharon Stevenson, General Counsel

Mr. Lee said he is thrilled about the talented staff, though there is still work to do, noting that nine senior positions will be posted December 21 and asking the public for help recruiting. Mr. Lee said a letter came to the Exchange recently recognizing the talent of the staff hired but noting that senior staff doesn't reflect the diversity of California. He said there is an offer from Latino Health Alliance to help recruit. As Dr. Ross said previously, Mr. Lee noted that diversity in terms of race, gender, experience, and perspectives needs to appear, and the Board looks to participants for help. People can join the listserv at <http://www.healthexchange.ca.gov/Pages/contactus.aspx> to receive updates on hiring and other Exchange developments.

Public Comment: None.

Discussion: Administrative Update

Mr. Lee gave an update on the outreach the Board has been doing since the last meeting, noting that staff and Board members have convened small group stakeholder meetings

across the state, in San Francisco, LA, Fresno, San Diego, and other locations. Exchange staff, Board members, and representatives from the Department of Health Care Services (DHCS) and others participated to determine how best to enroll the most amount of people by January 1, 2014. The process also will inform the IT design and broader outreach and marketing efforts. Meeting participants serve or represents over 25 counties and rich feedback was received from participants. Exchange staff requests comments from the public and the request and comment submission information are posted on the website with responses welcome through the end of January to inform marketing and outreach efforts.

Mr. Lee noted that meetings occurred with consumer advocates, brokers, providers, and county health and human service officials including union representatives from around state. Mr. Lee discussed some of the responses staff received during the meetings, noting that the Exchange will produce a full report of the process in January and will release a solicitation shortly to begin the process for marketing and outreach, with the Exchange, DHCS, and MRMIB partnering.

Mr. Lee also noted that the Exchange would release a solicitation for assistance in health plan management and delivery system improvement, saying that public input would be requested before any final plan management decisions were made.

Public Comment: Chad M. Silva, Policy Director, Latino Coalition for a Healthy California, thanked the Board for addressing shortcomings regarding staff diversity and being prepared to address them. He offered his organization's help and said they look forward to commenting on essential health benefits.

Discussion: Exchange Procurement Policy

Presentation: [Procurement Process - General](#)

Presentation: [Resolution No. 2011-09](#)

Mr. Lee presented the general procurement process to the Board for approval, noting that staff had presented it at a prior Board meeting. Mr. Lee noted that while the Exchange welcomes comments on standard solicitations it will not follow the same path as the CalHEERS solicitation in which staff publish a draft and take comments to include in the final version.

Chairwoman Dooley asked for a motion to adopt a standard procurement process for contracts over \$150,000.

Motion/Action: Ms. Belshé moved to adopt the standard procurement process, and Dr. Ross seconded the motion.

Public Comment: None.

Vote: Roll was called, and the motion was approved unanimously.

Discussion: Essential Health Benefits Presentation

Ms. Marcellus gave a presentation on the recently released Essential Health Benefits informational bulletin.

Presentation: [Presentation - Essential Health Benefits](#)

Ms. Belshé commented that the federal government went in an understandable direction in offering an approach that acknowledges the diversity of states and offers flexibility, but effectively transfers the difficult questions to the state. She noted it's important for the Exchange and legislature to navigate the issue but raised concerns as to how that navigation will occur, especially in regards to mandate-rich states and how that affects affordability for consumers.

Dr. Ross asked if it was too early to think about next steps for the Exchange. Mr. Lee said that some benchmark plans had been identified and that understanding the gap between richer plans and more limited plans would be important.

Mr. Lee shared the timeline for commenting to the federal government, noting that comments are due by the end of January and that staff would have comments developed for Board review by the January meeting. Mr. Lee noted that staff has not developed a recommendation about whether or not the Board should submit comments.

Mr. Lee said it is unclear whether the Exchange, the legislature, or the executive branch would be responsible for determining what is considered the benchmark plan and noted clarification is necessary.

Mr. Fearer asked if there will be any differences between essential health benefits in the individual and SHOP Exchange and the Basic Health Program. Ms. Marcellus said the benchmark plans apply to health plans in and outside the exchange while the Medicaid benchmark rules will be released separately and could be different. Mr. Lee said there is room for some plan variation and that the Exchange will need to make the policy decision whether to have identical products in the individual market and SHOP.

Ms. Belshé noted that issues dealing with benefits are sensitive and challenging and that the Board could use existing resources, such as the California Health Benefit Review Program, to provide data and analysis that give a strong evidentiary basis.

Public Comment:

Beth Capell, Legislative Advocate, Health Access California, said she provided comments during federal listening session and observed that, since 1975, California has required coverage of medically necessary care for many categories required under federal law. She noted that Health Access is very concerned that some of the proposals might

limit benefits currently standard in California and said they would be providing written comment, saying they want to preserve the level of coverage most Californians have today in the commercial market.

Gilbert Ojeda, Director, California Program on Access to Care, UC Berkeley School of Public Health, discussed a report from the health development council and asked that the Board have a special briefing on the report, possibly as soon as the next meeting.

Alana Ketchel, Pacific Business Group on Health, provided comment over the phone. She noted their concerns about the level of state to state variation and suggested that California partner with other states, saying California should use a small group plan as a benchmark to avoid rate shock.

Chairwoman Dooley noted that it is early in the discussion of essential health benefits and defining them will be a priority and Mr. Lee said data and evidence must be used in all decision making.

Agenda Item VII: Presentation of Draft Information Technology (California Health Care Eligibility, Enrollment, and Retention System) Solicitation

Mr. Lee introduced the presentation of the draft IT solicitation, noting that the draft solicitation would be posted later in the evening. He thanked DHCS, MRMIB, the Office of Systems Integration (OSI), and ClearBest and thanked the public for the feedback.

Yolanda Richardson, senior consultant, California Health Benefit Exchange, and Diane Koelzer, Acting Project Director for CalHEERS, presented an overview of the solicitation in California Health Care Eligibility, Enrollment, and Retention System (CalHEERS).

Presentation: [Agenda Item VI-Draft CalHEERS Solicitation Presentation](#)

Discussion: Dr. Ross noted his appreciation for the draft solicitation and praised the work done by staff and consultants, saying it reflected a lot of stakeholder engagement and input. He said he wanted to see the importance of this solicitation and its impact on California reflected in the preamble and wants to include a reference that defines what a first-class experience means to the consumer, noting that he looks forward to stakeholder comments.

Ms. Belshé echoed Dr. Ross' comments, particularly in establishing a context in business goals on behalf of consumers, noting that the UX 2014 prototype is an exciting effort that attempts to define what the exchange means by first-class experience.

Mr. Lee said he would like to underscore and appreciate the comments made by the Board and said this is an incredible opportunity for California to learn from and teach other states. He said the Board is calling on vendors nationally to respond. Mr. Lee said a number of solicitations will be released shortly and he encouraged participants to look at the draft CalHEERS solicitation in the context of the marketing and outreach solicitations

to be released in the future, saying they can't be separated although they are on multiple tracks.

Dr. Ross thanked The Children's Partnership for sharing their prepublication draft of their report "Building a Consumer-Driven Eligibility, Enrollment, and Renewal System," noting that it should inform the final version of the CalHEERS solicitation.

Public Comment: Via the phone, Sylvia Yee, Staff Attorney, Disability Rights Education and Defense Fund, noted that it's important, as part of the evaluation criteria, for vendors to incorporate feedback from disabled persons and stressed the need for the Board to target hard-to-reach populations such as the deaf community.

Kathleen Hamilton, Director, The Children's Partnership, said she is pleased to see the mention of a first-class user experience, citing that as a paramount objective of the project and noted that Children's Partnership recognizes that the UX2014 Project is an exceptional model and will encourage the vendor to rely on it.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network, noted her appreciation for the attention paid to cultural and linguistic access in web designs, saying that there is a need to go beyond direct translations to include text written in linguistically appropriate ways. She requested more details on the involvement of stakeholders in the design and testing of the product and echoed comments that including benchmark requirements for the vendors would be helpful.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law & Poverty, noted her appreciation for the Exchange in giving stakeholders the opportunity to provide comment, saying that in most states stakeholders have not had a similar opportunity. Ms. Landsberg said there must be accessibility regarding language and disabilities and the confluence of the two, noting that, per the presentation, a number of pieces of the solicitation will be optional, and asking for the decision process and if the public will be able to provide further input.

Ms. Capell highlighted the importance of what the solicitation represents and the importance of getting it right, expressing her appreciation for pre-enrollment. She said the Board and staff should note where capacity will be needed in the future to continually update the technology, stressing that it will be important to avoid getting stuck with old technology that can't be updated. Ms. Capell stated that the rules engine should not be proprietary and noting that the structure needs to be responsive to stakeholders and changes in the law.

Kerry Birnbach, Nutrition Policy Advocate, California Food Policy Advocates, noted with appreciation that the solicitation explores linkages between health and human services programs and asked how the processes will work. She asked if the capability to link health and human services programs will be included by 2014, noting that if it's not she would want to see it by December 2015.

Ashley Cohen, Policy Director, Insure the Uninsured Project, commented that the IT solution should be the single point of eligibility determination for both MAGI and non-MAGI Medi-Cal, noting that results should be returned to the responsible party. She said there should be a “no wrong door” policy that includes multiple entry points, such as clinics and providers, schools, faith-based centers, supermarkets, and pharmacies and should seamlessly share information with real-time eligibility verifications and consumers receiving instant information. Ms. Cohen said there should be an express or auto-enrollment option for some populations in 2014 and should include a Yelp-like feature for reviews.

Fiona Young, Public Affairs Coordinator, California Family Resources Association, commented on the importance of choosing an IT design that supports horizontal integration, noting that the Exchange must be ready to become a one-stop shop.

Sara Flocks, Public Policy Coordinator, California Labor Federation, asked what impact the ACA will have on employer decisions regarding coverage and advised the Exchange to collect a wealth of data to be available for the public and policymakers to inform future decisions.

Suzie Shupe, Executive Director, California Coverage and Health Initiatives, commented that the IT solution should link with social services to leave open the possibility of horizontal linkage, noting that many of CCHI’s members have people performing enrollment and that the ability to serve entire families’ needs is important. She acknowledged the Board for thinking seriously about providing direct access to the portal as it has been a huge barrier to enrolling people quickly.

Chairwoman Dooley said she hopes that when participants see the product, now and in January, they will feel their concerns are reflected in it.

Agenda Item VIII: Presentation of Understanding Small Employer Health Care Decision-Making in California (InSight at Pacific Community Ventures)

Mr. Lee introduced Ben Thornley and Meredith Willa of Pacific Community Ventures to present on their study “Understanding Small Employer Health Care Decision-Making in California.”

Mr. Thornley and Ms. Willa presented and took questions from the Board.

Presentation: [Health Care + Small Business: Understanding Health Care Decision Making in California](#)

Discussion: Board members asked clarifying questions about the report and the data collected. Ms. Belshé asked about small employer participation, noting that small business owners are more likely to participate in the Exchange when they learn about the benefits and that small business owners tend to be more aware of provisions of the ACA that affect them individually but not those that affect their business.

Chairwoman Dooley commented that outreach will be important to spread the word about the benefits of the SHOP, noting that while there is a great amount of work to do she wanted to be careful in beginning too much outreach too early by promising something that won't exist until 2014.

Ms. Belshé expressed concern that small businesses don't know about the tax breaks that exist today and Mr. Lee said that few businesses were using them. Ms. Kennedy asked if this year was the first time businesses could use the credits and Mr. Thornley replied that he believed they started in 2010. Mr. Lee noted that the Treasury Department issued a report recently and that it would be posted on the Exchange's website.

Public Comment: Carla Saporta, Health Policy Director, Greenlining Institute, asked if demographics of the sample were relative to the state, noting that ethnic small business owners often don't have the money to afford a broker or accountant and therefore don't have easy access to information about tax credits. She said she appreciates the comment that ethnic small businesses need outreach. Mr. Thornley said the research showed minority business owners use and trust brokers much less than others and trust most sources less in general, noting that ethnic media and families are more important sources of information. He said their research showed 12% of minority business owners use a broker versus 68% of non-minority business owners and similarly, 14% of minority business owners use an accountant versus 66% of non-minority business owners.

Ms. Young commented that the Exchange should leverage the outreach capacity of community-based organizations to reach the smallest businesses and minority business owners, noting that CBOs are a trusted resource, local, and designed to be accessible.

Micah Weinberg, Senior Policy Advisor, Bay Area Council, commented that the Exchange should be careful in setting up expectations that can't be delivered, noting that small group exchanges in the past have not been lower in price than plans outside the exchange. He noted that a small group exchange could provide things such as employee choice but have not been able to lower the price of plans in the past.

Steve Young, Senior Vice President and General Counsel, Insurance Brokers and Agents of the West, said he didn't believe agents and brokers have a good understanding of the Exchange, noting there is vast unawareness among the more than 400 independent agencies and brokers IBA West represents. He commented on the legal difference between agents and brokers in California and that therefore stating that brokers add to cost is not true if the commission is built into the cost of the premium.

Julianne Broyles, representing the California Association of Health Underwriters, commented on the portion of the study that states brokers are not sharing information about the Exchange with their small business customers, stating this is a result of brokers not knowing where they stand on the point of compensation. She said that the Exchange will see more wholehearted participation by brokers once the issue of compensation is solved.

Al Hernandez-Santana, Director of Policy, California State Rural Health Association, said that outreach and enrollment in rural areas will be challenging.

David Chase, California Outreach Director, Small Business Majority, commented that SBM worked with Mr. Thornley and Ms. Willa and that what he heard about affordability was consistent with SBM's research and informal outreach. He noted that while about 25% of small businesses are eligible for the maximum tax break, about 80% are eligible for a portion of the credit, which took effect retroactive to the beginning of 2010; however Mr. Chase noted uptake has been low. He said that, in regards to employee choice, he believes that this is an important way to distinguish the SHOP from the outside market.

Ms. Belshé asked Mr. Chase if his organization has done research engaging employees about their preferences and values. He said they have not.

Chairwoman Dooley asked Mr. Chase what business advocates are doing to make their members aware of the tax credit, noting that it seems that if there is so little awareness then perhaps advocates are dropping the ball. Mr. Chase responded that while SBM is performing a lot of outreach other business organizations are fighting the law and thus discouraging the use of the tax credit. He said that CPAs also need to take a greater role in communicating to their clients that the tax credit is a worthwhile thing as they are not doing much outreach at the time.

Mr. Silva expressed confusion about the minority population statistic and asked for clarity. Mr. Thornley responded that he was unsure and would look back at the data.

Mr. Lee stated that there were a number of studies with different data points when he arrived at the Exchange, noting that the Board is in the process of finding the most accurate data.

Ms. Sanders asked if interviews were conducted in languages other than English. Mr. Thornley responded that they hadn't but that his organization was working with other groups to do outreach through ethnic media to engage minority business owners.

Dr. Ross commented on the data confusion, noting that California recently became a majority minority state and asked Mr. Thornley to double-check the demographic data. Dr. Ross said the California Endowment is interested in working with small business groups to develop a website, saying he is not sure where it would be but joking that it wouldn't include ".gov" in it and saying he would share any developments.

Chairwoman Dooley said her goal is to have people say the same thing about community-based organizations (that they are "by the community, of the community, and for the community") as they say about the government.

Mr. Lee stated the Exchange would post items to the website and looks forward to receiving comments on the solicitation. He noted that the Exchange will be releasing a

solicitation on the issue of small employer programs and reminded the audience that the 2012 meeting schedule is posted and includes three meetings outside of Sacramento – March meeting in Fresno, July meeting in the Bay Area, and November meeting in Los Angeles.

Agenda Item IX: Adjournment

The meeting was adjourned at 3:23 p.m.