

Public Comment: None.

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

Agenda Item IV: Report from the Executive Director

Chairwoman Dooley thanked Patricia Powers, Executive Transition Consultant, California Health Benefit Exchange, for all her work in successfully positioning the Board and introduced Peter Lee, Executive Director, California Health Benefit Exchange, to give his report. Mr. Lee acknowledged and appreciated the staff for all its work, noting that Board meetings are works of partnership.

Discussion: Contract Award & Solicitation Approval Update

Presentation: [Award of Contract for Information Technology Procurement Consulting Firm](#)

Presentation: [California Health Benefit Exchange Board Resolution No. 2011-05](#)

Mr. Lee described the competitive selection process for the RFP and said that Resolution No. 2011-05 gives him authority to enter a contract with ClearBest to help write the RFP. Ms. Powers noted that ClearBest is California-based, has experience in procurement, and helped with the SAWS systems, demonstrating knowledge of county Medi-Cal systems.

Motion/Action: Ms. Kennedy moved to approve the California Health Benefit Exchange Board Resolution No. 2011-05. Dr. Ross seconded the motion.

Public Comment: Beth Capell, Policy Advocate, Health Access, asked for the name of the consulting firm. Mr. Lee said ClearBest was the consulting firm.

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

Discussion: Administrative Update

Mr. Lee said that the Exchange is actively recruiting to build out staff, including the General Counsel, Chief Information Officer, and Chief Operating Officer. He said that staff is looking into contracting with an executive recruitment firm to help with further recruitments.

Public Comment: None.

Discussion: Legislative Update

Mr. Lee noted that AB 1296 was signed into law and reported that staff is looking into the implications.

Public Comment: None.

Agenda Item VI: Strategic Visioning

Presentation: [FINAL - California Health Benefit Exchange Vision, Mission and Values](#)

Mr. Lee presented a proposed Vision, Mission and Values Statement to the Board and discussed the context in three buckets: words matter, process matters, and results matter. He explained that the statement is a community product that builds on the input received over many Board meeting and stakeholder sessions and the work of the California Health Care Foundation, which prepared four different Exchange Design Options.

Discussion: Mr. Lee and the Board members discussed various edits to the Vision, Mission and Values Statement to be added as improvements. Mr. Lee said the Board would be acting on the statement “as amended by the Executive Director” and noted that his amendments were from stakeholders and the paired work between the last Board meeting and this of two Board members, Dr. Ross and Chairwoman Dooley. Mr. Lee said that providing the best statement possible is critical because others will look at it as the first in the nation.

Dr. Ross thanked Mr. Lee and everyone who provided comments, hoping that stakeholders recognize their input. He noted the example of financial security as a comment and how it reminded members of affordability and including that in the statement.

Ms. Belshé expressed her thanks and echoed Mr. Lee’s comments that words matter. She said the statement is a solid presentation of the vision, mission, and values and noted that at the September Board meeting members talked about being aspirational, asking how the statement shows that. Mr. Lee said that it is embedded in the value of partnership because reform hinges on successful partnership between a variety of entities.

Ms. Belshé noted that the Exchange Board was given significant tools and authorities by the legislature and that the Vision in particular does a good job of representing how the Board will do everything they can to increase the number of insured Californians and doing so in a way that improves the health system and addresses health status.

Motion/Action: Dr. Ross moved to approve Vision, Mission and Values Statement as amended by the Executive Director. Ms. Kennedy seconded the motion.

Public Comment: Anthony Wright, Executive Director, Health Access, said the Board had a strong statement and thanked them for listening to stakeholder input. He noted that the statement does not adequately explain how the California Health Benefit Exchange will be different from other exchanges and should signal how it will promote broader coverage, in particular through providing subsidized insurance.

Ellen Wu, Executive Director, California Pan-Ethnic Health Network, commented that there needs to be more focus on assuring that diversity issues and the needs of non-English speakers are at the forefront of the changes being made. She said that the vision should include a statement about decreasing health disparities and noted that “best value” should mean appropriate care, “catalyst” should promote prevention and wellness, and “partnership” should include reaching out to communities of color.

Julie Silas, Senior Policy Analyst, Consumers Union, commented that the Board should identify those who represent consumers under “Partnerships.”

Cindy Ehnes, President and CEO, California Children’s Hospital Association, commented on the issue of affordability, discussing the ability of hospitals to focus on care. She noted that if the underlying cost structure is not addressed then it will result in cost shifting to plans and providers and hoped that the Board would tackle this issue with courage. She commented specifically on gaps in coverage, noting that it is essential that consumers get care but saying that there are costs created and go into the underlying structure of the product. She said that if products have a structure that’s unaffordable, the only way to reach a good premium is to ratchet down on providers and noted that that will have an effect on care.

Cary Sanders, Director, Having Our Say Coalition, echoed the comments of CPEHN and said she looks forward to meetings in other locations, and also underscored the importance of the Exchange Board’s meetings being accessible to those who are not able to attend in person.

Amparo Cid, California Rural Legal Assistance Foundation, commented that the mission should include more than just affordability, that the issue of best value should also address appropriateness of care, and that the mission should clearly address promotion of wellness.

Steve Young, Senior Vice President and General Counsel, Insurance Brokers and Agents of the West, commented that partnership with producers is very important and noted that they have a larger role than simply selling insurance.

Austin Price, Health Care Associate, CalPIRG, commented that California scored well on CalPIRG’s “Making the Grade” report for having pro-consumer choice but said there can be improvement because the establishing legislation was not explicit enough in promoting delivery system reform.

Anne McLeod, Senior Vice President of Health Policy, California Hospital Association, encouraged the Board to allow stakeholders additional time to review and comment on the Vision, Mission and Values Statement before adopting it. She said that value means different things for different people and that it’s based on the situation. She noted that she hopes the Board seeks to address the underlying cost issues but warned against cost shifts, saying that the Board should use the organic market forces of open competition to drive costs.

Denise Lamb, Program Coordinator, Black Women for Wellness, echoed the comments of Ms. Wu and asked the Board to address the reduction of disparities.

Doreena Wong, Project Director of Health Access Project, Asian Pacific American Legal Center, asked that the Board allow public comment via the webcast, hold meetings across the state, and make a better effort in advertising its translation services. She commented that best value should be the best quality health care and the inclusion of small business in the statement is helpful because it affects the Asian community. Ms. Wong supported CPEHN's recommendations and asked that the "results value" include cultural and linguistic access.

Chad Silva, Policy Director, Latino Coalition for a Healthy California, commented that affirming the importance of diversity is crucial and noted that diversity it should be considered in staff and Board composition.

Ronald Coleman, Statewide Policy Analyst, California Immigrant Policy Center, commented that the Board should look at how to engage immigrant communities, noting that community-based organizations and prevention should be added to the statement.

Maria Lopez, Health Policy Specialist, California Partnership, commented that her organization wanted to see additional acknowledgement of disparities, language and cultural access, and issues of sexual orientation in the statement.

Chairwoman Dooley said that the Board would make a decision today and said she believes the revised statement covers most of the comments, noting that she agreed that adding "health disparities" to the statement was a good suggestion. She said "value" means different things but specifically mentioned that value is defined from the perspective of the consumer.

Ms. Belshé agreed with Chairwoman Dooley and said "value" means more than just cost but includes service.

Dr. Ross said that many of the comments made belong in a more detailed strategic plan and not in the Vision, Mission and Values Statement. He noted that the Board cannot define "value" and that the consumer must decide what it means to them. He said he also supported adding language about wellness and health equity to address disparities in health coverage.

Mr. Lee then read back a summary set of proposed edits to the Vision, Mission, and Values Statement that reflected and incorporated many of the comments made in open session as directed by the Board.

Note: Roll was called on the motion as amended by Mr. Lee, and it was approved by a unanimous vote.

Chairwoman Dooley noted that, in response to Ms. Wong's comment, Exchange staff would look into developing mechanisms to allow comments to be made by those not physically present at meetings and would look into how to more prominently display that translation services are available.

Agenda Item VIII. Notice of Proposed Rulemaking and Request for Information Comments

Presentation: [NPRM Discussion of HBEx Comments Presentation](#)

Presentation: [California Health Benefit Exchange Board Resolution No. 2011-04](#)

Presentation: [California's Comments on Proposed Rules Cover Letter](#)

Presentation: [California's Comments on Proposed Rules for Establishment of Exchanges and Qualified Health Plans](#)

Presentation: [California's Comments on Proposed Rules for Reinsurance, Risk Corridors and Risk Adjustment](#)

Presentation: [Memo to the Board - Preliminary Issue Identification and Comment Areas in Federal Notices of Proposed Rulemaking on the ACA](#)

Presentation: [California Health Benefit Exchange Comments on Summary of Benefits and Coverage and Uniform Glossary](#)

Mr. Lee said that the Exchange was preparing to submit joint comments with the Department of Health Care Services, Department of Managed Health Care, California Department of Insurance, and Managed Risk Medical Insurance Board to the federal government in response to a series of proposed rules, saying that the Exchange is dedicated to engaging the public to help inform its comments.

Gabriel Ravel, Staff Counsel, California Health Benefit Exchange, said that the comments in development for being submitted regarding Reinsurance, Risk Corridors, and Risk Adjustment and Establishment of Exchanges and Qualified Health Plans were similar to those presented at the September 2011 Board meeting but they reflected changes that were included in consultation with stakeholders and other departments involved in developing comments. Mr. Ravel said the final comments would be submitted in accordance with the federal deadline on October 31, 2011.

Deborah Kelch, Consultant, California Health Benefit Exchange, discussed the Summary of Benefits and Coverage and Uniform Glossary (SBC) comments that were submitted on behalf of the Exchange, separate from the partner departments, today, October 21, 2011 to meet the federal timeline. Ms. Kelch explained California's proposed comments on the proposed Exchange Eligibility regulations.

Discussion: Ms. Belshé asked Ms. Kelch for clarification about the individual exchange application. Ms. Kelch answered that it only referred to what happens to an individual once they arrive at the Exchange rather than discussing the system in general.

Ms. Belshé noted that the Summary of Benefits and Coverage and Uniform Glossary regulations (to which comments were submitted that day) seem to move away from being consumer friendly and asked if the NAIC or others had expressed similar concerns about consumers. Ms. Kelch said there are some vulnerabilities for consumers because they must know a lot about their individual situations. She noted that, as an example, for tax credits the federal government must have the resources available so consumers can determine their potential liabilities if they receive too great a credit. Lesley Cummings, Consultant, California Health Benefit Exchange, reviewed the Premium Tax Credit comments. Ms. Cummings said that to receive a tax credit an individual must first be screened for Medicaid, noting that Health Access had provided good comments on this issue.

Mr. Lee discussed the fact that the federal government also released a Request for Information about the Basic Health Program and noted that the Exchange would post a draft of its comments on the Request for Information next week before submitting the comments on the October 31, 2011 deadline. Chairwoman Dooley thanked Mr. Lee and staff and said that the action before the Board is to give the Executive Director authority to submit comments on federal rulemakings and requests for information.

Public Comment: Ms. Capell commented that while the comments are generally good there are some problems. She said there is concern about comments stating California should defer to current market practices, concern about changes to the market rules necessary to conform the federal law, and hope that the Board would address adverse selection by changing state law. In regards to the Summary of Benefits and Coverage, Ms. Capell said it was an attempt to provide clarity to consumers that failed. In regards to the premium tax credits, she said Health Access is finalizing a paper about people losing their coverage, noting that the Institute for Health Policy Solutions (IHPS) perspective may expose consumers to a tax liability.

Ms. Silas commented that Consumers Union believes that qualified health plans offered in the Small Business Health Options Program (SHOP) should require dependent coverage and that the state should encourage the federal government to also require them. She noted that the Summary of Benefits and Coverage regulations had good intentions but that there should be a federal standard for “reasonably compatible.” Ms. Silas echoed Ms. Capell’s comments about IHPS, noting her appreciation for staff’s perspective on family coverage determinations and stating that there should be some safe harbors for tax credit reconciliation so individuals are given reasonable protection.

Elizabeth Landsberg, Legislative Advocate, Western Center on Law and Poverty, echoed Ms. Silas’ comments on reasonable compatibility and highlighted the issue of looking at tax data without looking for Medicaid eligibility.

Kathleen Hamilton, Director of Governmental Affairs, Children’s Partnership, commented about concerns regarding dependent coverage and said she was struck by slide #5 in that the SHOP was an orphan in the graphic. She asked that the Exchange

staff consider the comments from the SHOP workgroup to flesh out its place further and said the SHOP should at least have the same connections to other programs as the individual Exchange has.

Silvia Bruckback, Intern, Disability Rights Education and Defense Fund, commented that there need to be face-to-face connections between people and the Exchange.

Ms. Sanders said CPEHN was concerned about language interpretation access and meaningful access in the Summary of Benefits and Coverage proposed regulations, noting they would like to see California take the lead in pointing out the lack of federal standards in the process. She said there should be some type of identifying mark for assistors, such as a seal, so people are not scammed.

Julianne Broyles, Legislative Advocate, California Association of Health Underwriters, echoed the comments about the SHOP and the lack of additional people who enroll people in health care. She said she is alarmed at the lack of input from agents and brokers in decision making, noting that in the individual Exchange brokers will be involved in getting sole providers signed up for coverage. Ms. Broyles said from the proposed comments it seems that the Exchange will be setting rates on products offered in the Exchange and noted that it's unrealistic to expect all people will sign up during open enrollment, commenting that an agent or broker should present to the Board.

David Chase, California Outreach Director, Small Business Majority, expressed his concern that the Exchange viewed agents and brokers as a threat rather than a partner. He noted that California should ask for maximum flexibility and require dependent coverage in the SHOP.

Allison Barnett, Legislative Advocate, California Dental Association, commented that the Board should look at how dental benefits work in the Exchange.

Mr. Lee clarified that any comments he submits as the Executive Director would be done with help and comment from paired Board members, per Bagley-Keene.

Motion/Action: Ms. Kennedy moved to approve California Health Benefit Exchange Resolution No. 2011-04. Ms. Belshé seconded the motion.

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

Agenda Item VII: Exchange Design Options (California Affordable Coverage Enrollment System Design Plan)

Presentation: [California Affordable Coverage Enrollment System Design Plan Presentation](#)

Mr. Lee discussed the California Affordable Coverage Enrollment System (CACES) design plan, clarifying the discussion is about systems and not who does what.

Discussion: Ms. Powers and David Maxwell-Jolly, Undersecretary, California Health and Human Services Agency, presented on the application. Ms. Belshé asked about the single application and if there's a single application process and portal for everyone. Mr. Maxwell-Jolly and Ms. Powers engaged with Ms. Belshé about how a single application would be required by law but there may be multiple presentations for different users of that application. For example, the order and format in which the information is collected might not be the same for a consumer applying on the Exchange website and a county eligibility worker. Ms. Belshé asked for staff to set up a presentation on the User Experience 2014 Project for the next Board meeting.

Public Comment: Ms. Landsberg commented that there shouldn't be duplication of MAGI functionality in MRMIB and the Exchange, noting that the RFP has implications for the consumer experience and that bids must have coordination with public programs, non-MAGI, and others. She commented that the IT procurement process should include horizontal integration as a requirement rather than optional functionality. She asked the Board how there will be public comment once bids have been received.

Ms. Capell asked if the RFP will create the IT for Medi-Cal MAGI-eligible individuals and Mr. Lee confirmed that that is why the Exchange is working closely with DHCS. Ms. Capell commented that it seemed that a decision has been made for the Exchange to do MAGI. Chairwoman Dooley said that the ACA requires Medicaid eligibility determinations to be done in the Exchange so California has to do it in a way that works with the law. Ms. Capell commented that she is concerned about the steering of individuals.

Ms. Silas commented that she sees some core functions in the May 2011 CMS regulations that are not included in California's core requirements.

Kim McCoy Wade, Consultant, Alliance to Transform CalFresh, commented that the Exchange needs to scope out the costs for SAWS and non-SAWS CalFresh and other human services-related functions that may be linked to Exchange IT design, and said the Exchange should add integration with human services as a core goal.

Kerry Birnbach, Nutrition Policy Advocate, California Food Policy Advocates, commented that the Exchange should plan for horizontal integration and allow people to apply for CalFresh and other human services programs at the same time when they apply for health services.

Leticia Alejandre, Executive Director, California Family Resource Association, supported horizontal integration at the appropriate time.

Ms. Lopez supported horizontal integration at the appropriate time.

Ms. Sanders supported horizontal integration at the appropriate time.

Ms. Belshé encouraged the Exchange Board to be clear about the critical building blocks to include as part of the RFP in regards to horizontal integration. She commented on her

earlier questions about the single application process, noting that she is still not clear about whether it's a single, new portal or if it's the use of the existing SAWS system to process new applications.

Mr. Lee noted that there were significant issues related to how the system will be used and who will use it that need to inform the direction of the RFP.

Chairwoman Dooley said that while the Exchange is on a very aggressive timeline, the solicitation must be done right rather than being done to reflect artificial deadlines.

Agenda Item IV: Adjournment

The meeting adjourned at 4:18 PM.