

**CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD**

**April 26, 2012**

**EDD Auditorium**

**722 Capitol Mall,**

**Sacramento, CA 95814**

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

Chairwoman Dooley called the meeting to order at 10:02 a.m.

Board members present:

Diana S. Dooley, chair

Susan Kennedy

Kimberly Belshé

Paul Fearer

Robert Ross, MD

**Agenda Item II: Closed Session**

**Agenda Item III: Announcement of Closed Session Actions**

Chairwoman Dooley called the meeting to order at 1:53 p.m.

Chairwoman Dooley paused to acknowledge the recent passing of Rick Brown. Brown founded the UCLA Center for Health Policy Research in 1994. He advised presidents and senators and many of those present.

Mr. Lee added to Chairwoman Dooley's remarks, noting he had the privilege of working with Mr. Brown, and feels we would not be here without his work and that the work we are doing to expand coverage to millions of Californians is the best way we can honor his memory.

A conflict disclosure was performed; there were no conflicts from the Board members that needed to be disclosed.

**Agenda Item IV: Approval of March 22, 2012 Minutes**

After asking if there were any changes to be made, Chairwoman Dooley asked for a motion to approve the minutes from the March 22, 2012 meeting.

**Presentation:** [March 22, 2012 Minutes](#)

**Discussion:** None.

**Public Comments:** None.

**Motion/Action:** Ms. Kennedy moved to approve the March 22, 2012 minutes. Dr. Ross seconded the motion.

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

## **Agenda Item V: Report from the Executive Director**

### **Discussion: Announcement of Closed Session Actions**

Mr. Lee noted that service center options would be moved to June 12th meeting. The Board received a report on the bids received and status of negotiations for the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) IT contract. This contract would support enrollment in the Exchange as well as Healthy Families and Medi-Cal. Staff was directed to work with the vendor and the other project sponsors—the Department of Health Care Services (DHCS) and the Managed Risk Medical Insurance Board (MRMIB)—to consider all the major issues. The Board anticipates resolution at next Board meeting, May 15.

The Board approved the Exchange entering into a noncompetitive bid contract with Milliman—which already performed assessment work on Essential Health Benefits—to assess the rate trends that may impact the Qualified Health Plan program development and solicitations.

Mr. Lee reported he had informed the Board that the staff has engaged the Center for Healthcare Decisions to conduct the focus groups on consumer views on cost sharing options.

### **Discussion: Personnel Matters**

While the Exchange staff regrets the departure of Sharon Stevenson as general counsel, Mr. Lee noted appreciation that they would still get to work with her in her role at DHCS. In addition, Gary Cohen will join the Exchange as general counsel. Mr. Cohen was most recently director of the oversight group for the Center for Consumer Information and Insurance Oversight (CCIIO). He is an expert on California issues and will be a great asset having served as general counsel of the Public Utility Commission and Deputy Commissioner and general counsel for the California Department of Insurance.

The Board approved a number of potential appointments, which are still in the negotiations process but should be announced soon.

The Exchange continues hiring and building the team. New hires include Thien Lam, who was on loan from MRMIB but is now permanent with the Exchange, serving as deputy director of eligibility enrollment. Other new hires include Becky Patchen, business manager; Juanita Balinski, budget analyst; Frederick Pilot, policy analyst; Kelly Long, contract analyst; Jessica Abernethy, regulatory specialist; and Joan Bermudez, executive assistant.

**Discussion: Administrative Update**

Mr. Lee stated that Exchange staff visited their federal colleagues at CCIIO and in the White House in March, sharing California’s progress and getting an update on the other states’ and federal progress implementing the Affordable Care Act. Federal officials noted that California is “hitting the mark” and they are impressed with the statewide engagement. Exchange staff were also impressed by the progress federal officials are making in standing up the federally-facilitated Exchange that will serve states that do not establish an exchange and states that operated their exchanges in partnership with the federal government. Given the progress of the federally-facilitated Exchange, the Board asked the staff to consider how California’s Exchange might engage the federal government in partnership models as a transitional option to becoming a state based Exchange. An update to be provided in May.

**Discussion: Legislative Update**

David Panush presented a summary of current California legislation that could impact the Exchange. Staff recommends the Exchange take no positions on pending legislation at this time.

**Presentation:** [Key Legislation: Highlights](#)

Presentation: [State Legislative Report](#)

Presentation: [Resolution No. 2012-16](#)

Staff compiled an inventory of about 30 bills affecting the Exchange. A few of the most significant bills were presented.

David Panush also provided a timeline for submission of comments to the federal government on interim final Exchange and Medicaid regulations. Chairwoman Dooley asked for a resolution to give authority to the executive director to join in comments by MRMIB and DHCS on interim federal DHS Exchange rules related to Medicaid eligibility.

**Motion/Action:** Dr. Ross moved to give this authority to the executive director; Ms. Kennedy seconded the motion.

**Public comments:** None.

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

**Discussion:** There was discussion concerning the five geographic rating regions that are being considered by the legislature.

**Public comments:**

Beth Capell, Health Access California, expressed support for the Exchange considering federal partnership options as the Exchange considers all options to be operational and ready for open enrollment in October 2013.

## Agenda Item VI: Exchange Planning Status

Staff is working with consultants and laying out a time frame for Board consideration of Level 2 grant elements including stakeholder engagement and QHP strategy.

### **Presentation:** [California Health Benefit Exchange Planning Overview and Context](#)

The May 15 meeting will include a review of the status of the CalHEERS contract. A second June Board meeting has been added. It is likely another meeting will be added in May as well. This is a working timeline; the items on it may change and at least ten days' notification will be provided before additional Board meetings.

The Exchange is planning to submit a Level II grant application on June 29.

Mr. Lee presented for discussion a proposal of potential "Stakeholder Engagement Options" that presented options for structuring new advisory committees to the Board that could take effect in 2013. The Board noted interest and support for the direction reflected in the discussion draft and welcomed stakeholder input on the options presented.

In addition to the formal Board meetings, more stakeholder input forums will be conducted, perhaps via webinar, sharing options on the elements listed in the calendar, which will be sent out to the listserv. The Board noted its interest in hearing the views of the broad range of stakeholders. In addition, in May the Board will host a stakeholder session in regard to outreach and navigator options.

**Discussion:** Ms. Belshé inquired about the process for Ogilvy and other key contractors to incorporate the input of stakeholders in their work products. Mr. Lee noted that the Exchange has many avenues for accepting stakeholder feedback and has posted written feedback on its website and shared it with contractors to ensure transparency.

Dr. Ross thanked Mr. Lee and the staff for being thoughtful and expansive in stakeholder outreach. He looks forward to public comments about where we may be perceived as coming up short. Mr. Lee noted that the Exchange is wrestling with various questions informing the formation of advisory groups: how big they should be, what the attributes of membership ought to be, if they should be public, how members need to be engaged. The Exchange staff will return to the Board with a refined recommendation.

Mr. Lee provided an update on the qualified health plans planning process. There will be a public report on the meetings held across the state and comments submitted by the groups held. Mr. Lee noted that as part of the outreach research, the Exchange has commissioned focus groups to be conducted. There are separate groups for men and women, and they are held in English and Spanish. There was discussion of focus group responses to Exchange messaging. Positive response received to the Exchange as a one-stop marketplace that is trustworthy and reliable and helps consumers understand and compare plans. Access to affordable care, economic security, and prevention also elicited positive responses. Insurance related messages such as insurance

leads to general well-being, responsibility to have insurance, did not elicit as positive responses. There is however a positive view of coverage being a community issue.

**Discussion:** None.

**Public Comment:** Beth Capell, Heath Access California, encouraged staff to take public comment directly rather than through consultants, noting assisters are different from broad outreach and marketing, and expressed concerns about consumer literacy in regards to cost-sharing.

Chad Silva, policy director, Latino Coalition for a Healthy California, expressed concerns that the proposed stakeholder engagement process could exclude some groups but noted that he was happy to see that the Exchange addressed prevention and wellness in regards to QHPs.

Gilbert Ojeda, director, California Program on Access to Care, UC Berkeley, discussed his group's capitol briefing on stakeholder engagement and recommended the Exchange use the findings from that briefing.

Elizabeth Landsberg, Western Center on Law and Poverty and Consumer Alliance, discussed having a venue for talking about the eligibility and enrollment single application system and noted her appreciation for the joint approach of the partners.

On phone: Abigail Coursalle, The National Health Law Program and the Health Consumer Alliance, discussed outreach, noting that committees must be inclusive.

Elizabeth Imholz, director of special projects, Consumers Union, appreciated the move to reactivate the individual and SHOP stakeholder groups and noted her appreciation that the focus groups would address plan choice.

Bill Wherle, vice president of health insurance Exchanges, Kaiser Permanente, referring to Mr. Lee's presentation, wondered which specific decisions needed to be made to complete the Level II grant application.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, discussed qualified health plans and focus groups, noting her appreciation for discussion of prevention and wellness, health disparities, and quality care.

Judy Gould, state regulatory specialist, California Dietetic Association, discussed prevention and asked if assisters, navigators, and promotores were being used interchangeably.

Mr. Lee explained that navigators are likely to be paid by the Exchange while others will be considered assisters, noting that the Exchange hopes to support people with their range of tasks they will be performing anyway, whether or not they are receiving compensation for those tasks.

Norberto Gutierrez, restaurant worker, with translation by Ivana Krajinovic, Unite Here Health, has worked in the same small restaurant for thirteen years and gave his story. Ms. Krajinovic noted that doing something about the price of health care for workers in small businesses will give them extra money and help them provide an education to their children.

Mr. Lee issued a reminder that over five hundred thousand Californians work in food service and have no insurance. He thanked Mr. Gutierrez for his input and for putting a face to such workers.

Stephanie Hodson, public policy associate, 211 California and United Ways of California, encouraged the Exchange to begin stakeholder engagement sooner rather than later in light of the various upcoming deadlines and grant application.

On phone: Doreena Wong, Asian Pacific American Legal Center, expressed interest in expanding stakeholder engagement groups so they aren't exclusive and asked for focus groups in other languages. Plans should also have provider networks that are culturally and linguistically appropriate.

Mr. Lee recognized the need to include a broader range of focus groups and noted that message development wouldn't be complete when the Level II grant is submitted.

Sarah Muller, director of public affairs and government communications, California Association of Public Hospitals and Health Systems, asked if there would be further discussion about the definition and role of essential community providers in QHPs.

Mr. Lee said essential community providers are central to QHP strategy and anticipates discussion options in July and finalizing details in August.

### **Agenda Item VII: Small Business Health Options Program (SHOP) Landscape**

Over the past six months, the Board has received a variety of materials and information on SHOP issues which is posted on the Exchange website. The Exchange has also benefited from work others have done, such as the survey done by the Pacific Community Ventures, on small employer health care decision making (presented in December); a series of meetings held around the state by Small Business Majority, who shared a report with the Board; and the February 2012 issue of *Health Affairs*, focused on the future of small business insurance Exchanges. Mr. Lee then introduced a panel of presenters that were invited by Exchange staff to present a landscape overview of SHOP issues.

#### **Panel: The SHOP Landscape**

##### Panelists

Sandra Hunt, PricewaterhouseCoopers

John Grgurina, San Francisco Health Plan

John Arensmeyer, Small Business Majority

Roxanna Bautista, Asian & Pacific Islander American Health Forum

Dan Webb, The Webb Group Insurance Services

Ms. Hunt gave an overview of the work PriceWaterhouse Coopers is doing with the Exchange to establish the parameters for the SHOP. They will also be giving input on the development of the QHPs.

**Presentation:** [Overview of SHOP Options](#)

Mr. Grgurina shared his experience running a small employer choice product, PAC Advantage, which was a nonprofit pool and very similar in that was a voluntary Exchange.

**Presentation:** [PAC Advantage Experience](#)

Mr. Arensmeyer shared perspectives and recommendations for establishing the SHOP informed by his work with small businesses including market dynamics and marketability of Exchange plans, the role of brokers relative to SHOP, and the importance of outstanding customer service.

**Presentation:** [Small Business Perspective](#)

Ms. Bautista and Mr. Webb provided shared their recommendations on establishing the SHOP Exchange from the consumer advocate and broker perspective, respectively.

**Discussion:** There was discussion of Exchange market dynamics relative to small business owners. It was noted that businesses with no employees are ineligible for the small business tax credits or access to insurance plans in the SHOP Exchange. Accordingly, the Exchange should have a strategy to enroll these business owners in the individual Exchange such as partnering with chambers of commerce and similar organizations, to have those organizations help with navigators, and help design and participate in focus groups.

Ms. Belshé addressed the issue of employee choice. Mr. Grgurina talked about health plans wanting to cover all employees in a small business, and Mr. Arensmeyer said employers liked offering choice. But she wondered what individuals think about choice, noting she would appreciate some evidence on the matter. Ms. Hunt's firm will present a paper on that issue at the next Board meeting. People do like choice, but in Massachusetts, they've greatly narrowed the choices available because too much choice is confusing.

**Public Comment:**

Jim Mullen, senior legislative analyst, Delta Dental, felt that, in Mr. Arensmeyer's presentation, there was a sense that a dental benefit would be supplemental or could be offered after January 1, 2014, but in the essential health benefit package, the tenth category is pediatric vision and oral care, so a state would not be certified if it only offered dental coverage to children.

Al Shubert, vice president of managed care and health policy, VSP, noted that standalone vision plans are currently not allowed to participate in the Exchange but that California should consider legislative options to amend this policy.

Mr. Lee noted the Board has yet to take up this matter, and is still considering the options.

Micah Weinberg, senior policy advisor, Bay Area Council, noted the Exchange should work with insurers to design products that achieve delivery system reform.

Suzie Shupe, executive director, California Coverage and Health Initiatives, noted that navigators will perform an important function within the SHOP because many minority-owned businesses are more comfortable working with them than agents, saying that community-based organizations and navigators could play a role in connecting the individual Exchange and the SHOP.

Anthony Wright, executive director, Health Access California, asked the panel about marketing timing and where to begin. Mr. Arensmeyer said to begin quickly to reduce misinformation and increase knowledge, noting that all stakeholders should talk to people they know to generally spread information. Mr. Grgurina noted that agents could get involved by moving employees who may not be eligible for employer-based coverage into the Exchange and that linking agents and navigators could get nearly everyone covered.

**Agenda Item VIII: Adjournment**

The meeting was adjourned at 4:18 p.m.