

By-Laws California Health Benefit Exchange

ARTICLE I

Authority

The California Health Benefit Exchange Board (Board) is established by California Government Code Sections 100500–100521.

ARTICLE II

Purpose

Section I. Vision. The vision of the California Health Benefit Exchange is to improve the health of all Californians by assuring their access to affordable, high quality care.

Section II. Mission. The mission of the California Health Benefit Exchange is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

Section III. Values. The California Health Benefit Exchange is guided by six primary values:

1. Consumer-focused: At the center of the Exchange's efforts are the people it serves, including patients and their families, and small business owners and their employees. The Exchange will offer a consumer-friendly experience that is accessible to all Californians, recognizing the diverse cultural, language, economic, educational and health status needs of those we serve.
2. Affordability: The Exchange will provide affordable health insurance while assuring quality and access.
3. Catalyst: The Exchange will be a catalyst for change in California's health care system, using its market role to stimulate new strategies for providing high-quality, affordable health care, promoting prevention and wellness, and reducing health disparities.

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4. Integrity: The Exchange will earn the public's trust through its commitment to accountability, responsiveness, transparency, speed, agility, reliability, and cooperation.
5. Partnership: The Exchange welcomes partnerships, and its efforts will be guided by working with consumers, providers, health plans, employers and other purchasers, government partners, and other stakeholders.
6. Results: The impact of the Exchange will be measured by its contributions to expanding coverage and access, improving health care quality, promoting better health and health equity, and lowering costs for all Californians.

ARTICLE III

Powers and Duties

The powers and duties of the Board shall include the powers and duties granted to the Board in Title 22 of the Government Code and all powers necessary or convenient to carry out the functions authorized by the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

ARTICLE IV

Members

Section I. Appointment. Appointment of Board members is governed by Government Code Section 100500. The Governor shall appoint two members of the state Board. The Secretary of the California Health and Human Services Agency or his or her designee shall serve as a voting, ex officio member of the Board. The Speaker of the Assembly and the Senate Rules Committee shall each appoint one member of the Board. Members of the Board, other than an ex officio member, shall be appointed for a term of four years, except that the initial appointment by the Senate Rules Committee shall be for a term of five years, and the initial appointment by the Speaker of the Assembly shall be for a term of two years. Appointments by the Governor made after January 2, 2011 shall be subject to confirmation by the Senate. A member of the Board may continue to serve until the appointment and qualification of his or her successor. Vacancies shall be filled by appointment for the unexpired term. The Board shall elect a chairperson on an annual basis.

Each person appointed to the Board shall have demonstrated and acknowledged expertise in at least two of the following areas:

- (A) Individual health care coverage.
- (B) Small employer health care coverage.
- (C) Health plan benefits administration.
- (D) Health care finance.
- (E) Administering a public or private health care delivery system.
- (F) Purchasing health plan coverage.

In making appointments to the Board, the appointing authorities shall take into consideration the cultural, ethnic, and geographical diversity of the State so that the Board's composition reflects the communities of California.

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The Board shall include at least one voting member who is a consumer representative.

Section II. Duties. Each member of the Board shall have the responsibility and duty to meet the requirements of Title 22 of the Government Code; the Federal Patient Protection and Affordable Care Act, as amended, and all applicable State and Federal laws and regulations, to serve the public interest of the individuals and small businesses seeking health care coverage through the Exchange, and to ensure the operational well-being and fiscal solvency of the Exchange.

Section III. Compensation and Expenses. A Board member shall not receive compensation for his or her service on the Board but may receive a per diem and reimbursement for travel and other necessary expenses, as provided in Section 103 of the Business and Professions Code, while engaged in the performance of official Board duties.

Section IV. Conflict of Interest Code. Board members shall file statements of economic interest as required by the Political Reform Act. The terms of the standard Conflict of Interest Code (set forth in 2 Cal. Code Regs. § 18730) adopted by the Fair Political Practices Commission and as may be amended, are incorporated by reference and constitute, in part, the Conflict of Interest Code of the California Health Benefit Exchange.

ARTICLE V

Office Location

Section I. Principal Office. The Board shall have its principal office in the city of Sacramento.

Section II. Other Offices. Branch or subordinate offices may be established elsewhere within the State of California, if appropriate and economically feasible.

ARTICLE VI

Committees

Standing committees shall be appointed by a majority vote of the Board as the Board deems necessary. Members of standing committees may not be compensated for their services, except that they may be paid reasonable per diem and reimbursement of reasonable expenses for attending standing committee meetings.

ARTICLE VII

Officers and Duties

Section I. Chair. The Board shall elect a Chair. The term of the Chair shall be no longer than a year and the Chair will hold office until their successors are duly elected.

Section II. Chair Duties. The Chair shall be the executive head of the organization and shall preside at all meetings. The Chair is authorized to represent the Board before all public bodies, to sign papers on behalf of the Board and/or the Exchange as authorized by the Board, and to perform such other duties as the Board may from time to time assign. In the event that the Chair cannot attend a meeting, the Chair shall designate another Board member to serve as the Chair during his or her absence.

Section III. Executive Director. The Board shall hire an Executive Director who shall act under the authority of, and in accordance with the direction of, the Board. The Executive Director shall be the chief administrative officer of the Exchange and shall direct, administer, and manage the operations of the Exchange.

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Section IV. Staff

The Board may appoint, retain, and remove executive staff in accordance with the provisions of Government Code Section 100503. As necessary, the Executive Director shall appoint, retain and remove all nonexempt staff as necessary and, where applicable, in accordance with civil service rules.

ARTICLE VIII

Meetings

Section I. Regularly Scheduled Meetings. Regular meetings of the Board shall be held on a regular basis at a time and place to be specified by a vote of the Board.

Section II. Open Meetings. All meetings of the Board, except those closed sessions permitted by law, shall be open and public. All meetings shall conform to the Bagley-Keene Open Meeting Act, including requirements for notice of meetings, preparation and distribution of agendas and written materials, inspection of public records, closed sessions and emergency meetings, maintenance of records, and disruption of a public meeting, subject to the exceptions in Government Code Section 100500(j). Those provisions of law which govern the conduct of meetings of this Board are hereby incorporated by reference into these Bylaws.

Section III. Notice of Meetings. Notice of each regular meeting shall be posted at least 10 days prior to the time of the meeting and shall include the time, date, and place of the meeting and a copy of the meeting agenda. Notice of any meeting of the Board shall be given to any person so requesting. Upon written request, individuals and organizations wishing to receive notice of meetings of the Board will be included on the distribution list for notice of regular meetings.

Section IV. Special Meetings. Special meetings may be called by the Chair if compliance with the 10-day notice would impose a substantial hardship on the Board or if immediate action is required to protect the public interest, subject to the provisions of the Bagley-Keene Open Meeting Act.

Section V. Public Participation. In furtherance of Government Code Section 11125.7, the Board shall provide an opportunity for members of the public to directly address the Board on each public session agenda item before or during the Board's discussion or consideration of the item. This opportunity may not, at the Board's discretion, apply to an agenda item that has already been considered by a committee composed exclusively of Board members at a public meeting where interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the

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item, unless the item has been substantially changed, as determined by the Board, since the committee heard the item. The opportunity to comment shall not apply to closed sessions as authorized under the Bagley-Keene Open Meeting Act, including Section 11126, and under Section 100500 (j).

Section VI. Reasonable Procedures Necessary to Complete Board Business. As necessary to ensure that the open session of a meeting is conducted in orderly fashion and in accordance with the timeframes noted in a published agenda for that meeting, the board may impose limitations on the total amount of time allocated for public comment on particular issues and for each individual speaker. Such time limitations shall be announced by the Chair at the beginning of each open session meeting.

Section VII. Remote Participation. Board members may participate in regular or special meetings by telephone or video conferencing, subject to the provisions of the Bagley-Keene Open Meeting Act. Board members participating by such media shall be counted for quorum purposes, and their votes shall be counted when determining the actions of the Board.

ARTICLE IX

Quorum

Three of the appointed voting members of the Board shall constitute a quorum of the Board. The Board may act only upon the affirmative vote of at least three members.

ARTICLE X

Rules of Order

Discussion and proceedings before the Board and between Board members shall be conducted in accordance with Robert's Rules of Order (Newly Revised) when not in conflict with rules of the Board and other statutory requirements.

ARTICLE XI

Procedures for Conduct of Business

Section I. Signature Authority of the Executive Director. The Board confers signature authority to the Executive Director and his or her designee for the purpose of executing all contracts and other legal documents on behalf of the Board.

Section II. Contracts in Excess of \$150,000. For all contracts valued at \$150,000 or less, the Board delegates its authority to enter into or amend

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contracts to the Executive Director and the Chief Operations Officer, provided that the Executive Director or the Chief Operations Officer deems each such contract to be necessary and appropriate to carry out the provisions and purposes of the California Patient Protection and Affordable Care Act. For all contracts in excess of \$150,000, after the Board has authorized expenditure for such contracts, the Board delegates to the Executive Director and his or her designee the authority to award and enter into such contracts subject to the Board's duly adopted procurement policy.

Section III. Incidental Contracts. For all contracts of \$10,000 or less, the Board authorizes the Executive Director to delegate authority to his or her designee to enter into or amend contracts for the sole purpose of the procurement of goods, equipment, and administrative service agreements necessary to carry out administrative operations of the Exchange. This authorization does not extend to contracts for consulting services.

Section IV. Review of Contracts. Notwithstanding the above, the Board shall periodically review the contracts entered into by the Executive Director and his or her designee on behalf of the Board, excepting those contracts for sums of \$5,000 or less, and shall ratify all such contracts as necessary and consistent with the California Patient Protection and Affordable Care Act.

Section V. Administrative Authority. The Board delegates to the Executive Director the authority to establish administrative policy to ensure compliance with federal and state laws, regulations, and policies governing government operations.

ARTICLE XII

Amendments

These Bylaws may be amended or repealed by the Board at any duly noticed regular or special meeting by a majority vote of the Board.

ADOPTED: [Date]

Peter V. Lee
Executive Director, California Health Benefit Exchange