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MEDIA CLIPS

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[Health insurers line up to compete in California's exchange](#)

Los Angeles Times

October 31, 2012

California's health insurance exchange said more than 30 plans are expected to vie with one another for spots in the state-run marketplace opening next fall.

State officials, and those in other states, are eager to flex their purchasing power under the federal healthcare law by selecting only certain individual and small-business health plans for 19 different regions across California.

The exchange, branded Tuesday as Covered California, will negotiate with insurers for the best rates and will assist consumers and small businesses in choosing a plan by separating them into five categories based on cost and level of benefits.

"There will be a lot of competition and interest, which will enable the exchange to be an active purchaser in every region and pick the best five or six plans," said Peter [Lee](#), executive director of the California exchange.

"The plans we will be offering in San Diego will be very different from the set of plans in Sacramento or Los Angeles," said Lee, a former Obama administration healthcare official.

Insurers who aren't chosen to be among the exchange's plans can still offer policies outside the exchange. But many people seeking coverage are expected to go through the exchange because they can get government financial and educational assistance.

The exchange's five-member board picked the Covered California name after testing several monikers with consumer focus groups. The tentative tag line is: "Your destination for affordable healthcare." Other finalists included Eureka, Ursa and Avocado.

"Covered is an action verb, and if we do our job, that's what we want to happen," said Robert Ross, an exchange board member and chief executive of the California Endowment.

Overall, Lee said, 33 insurers and other organizations have expressed a nonbinding interest in bidding for business through the exchange. As many as 13 plans may bid in the Los Angeles area, and about 20 plans have signaled interest for the San Francisco market, according to the exchange.

California's four largest insurers in the individual market — Kaiser Permanente, Anthem Blue Cross, Blue Shield of California and [Health Net Inc.](#) — have indicated interest in the exchange. Smaller insurers and large hospital systems may offer health plans in specific areas.

Officials are expected to pick the winning health plans and negotiate rates by June. Consumers will start enrolling in the exchange next October for policies taking effect in January 2014.

The exchange is responsible for enrolling nearly 2 million new people in Medi-Cal, the state's [Medicaid](#) program for the poor and disabled, and helping an additional 2 million Californians purchase coverage with federal subsidies earmarked for families earning about \$92,000 or less annually.

A family of four in California earning \$70,275 would have to pay about \$556 a month for subsidized coverage, according to the Kaiser Family Foundation.

Industry officials say they welcome the increased competition.

"The exchange has a very complicated job selecting plans in regions," said Patrick Johnston, chief executive of the California Assn. of Health Plans. "We are working with them and we want to emphasize that affordability matters most."

The ability of the exchange to lower healthcare costs remains unclear. Experts said average premiums could rise in the exchange because the [Affordable Care Act](#) requires improved benefits, but consumers' out-of-pocket medical costs could decrease under those same changes.

California insurance officials have expressed concern about substantial rate hikes for some existing policyholders going into the exchange.

Under a new rating map approved by state lawmakers, the Department of Insurance estimated that premiums for similar coverage could increase as much as 25% in West Los Angeles, 22% in the Sacramento area and nearly 13% in Orange County.

Janice Rocco, the state's deputy insurance commissioner for health policy, said her agency is pushing a new rating map that would cap increases at 8%. That proposal could be considered during a special legislative session in the coming months.

"We want to minimize the rate spikes," she said.

Lee said the exchange is comfortable with the current rating regions, but it's open to legislative changes.

['Last Distraction' Removed As California Moves Ahead on Health Reform](#)

KPBS

November 7, 2012

First, there was uncertainty over a U.S. Supreme Court challenge. Then came the race for the presidency.

Now, California lawmakers say the uncertainty is over and nothing can stop them from bringing health coverage to millions of uninsured Californians under President Obama's signature health care law.

"This removes the last distraction and question from anyone's mind that we won't be launching a dramatic expansion in coverage in California," said Peter Lee, executive director of California's health insurance exchange, a key piece of the expansion.

On Wednesday, Lee and other California health leaders celebrated Obama's re-election as a green light for fully implementing the Affordable Care Act. They also applauded the passage of Gov. Jerry Brown's tax initiative, Proposition 30, saying its success may have prevented additional health cuts at the state level.

More cuts would have complicated the state's implementation of the federal law, whose major provisions debut in 2014 and include the health exchange and an expansion of Medi-Cal, the state's version of Medicaid. More than 2 million people could gain coverage in the first year.

"Prop. 30 provides some breathing room (and) gives us the opportunity for a stable foundation from day one," said Diana Dooley, secretary of the California Health and Human Services Agency.

The way ahead is not entirely clear of potential threats, however. Congressional Republicans have vowed to weaken the law, and upcoming budget negotiations could provide them an opportunity.

California has the most uninsured residents in the country -- about 7 million -- and therefore potentially the most to gain.

Some uninsured residents will be able to purchase federally subsidized insurance through the exchange, which will offer a marketplace of health plans. Individuals and families making between 138 and 400 percent of the federal poverty level, or up to \$92,200 for a family of four in 2012, will be eligible for the subsidies.

The exchange plans to open in October 2013 with an open enrollment period, with coverage to commence in 2014.

By 2019, up to 2.1 million Californians could enroll in the subsidized coverage, according to a joint analysis by UCLA and UC Berkeley.

Exchange leaders didn't wait for the Supreme Court or the election to get rolling. They already have awarded a \$359 million contract for the development of the online portal and have begun soliciting health plans for the program, called "Covered California."

“Over the coming months, people will very much be looking to California as a model for how an exchange could work,” said Larry Levitt, a senior vice president at the Kaiser Family Foundation. “Particularly as states that are somewhat more behind try and catch up, I have no doubt they’re going to be calling Sacramento to get some advice.”

The Medi-Cal expansion will broaden eligibility for the program by raising the qualifying income level and allowing those who were previously ineligible, such as single adults, to access coverage. Up to 1.6 million Californians could enroll in Medi-Cal under the expansion by 2019.

That process is already under way. About half a million low-income Californians are covered in the “Bridge to Reform,” the state’s precursor to the Medi-Cal expansion.

In Sacramento, state lawmakers are preparing for a special legislative session, called by Gov. Brown, to focus on the implementation of the health law. Bills approved during the special session take effect more quickly – 91 days after adjournment – than those in the regular legislative session.

Work will begin in earnest in January.

In part, California lawmakers have been waiting for direction from the federal government, which soon is expected to release a torrent of regulations and guidance to help states implement the law.

Sen. Ed Hernandez, Democratic chairman of the Senate Health Committee, has ambitious plans for legislation, including a measure that the governor vetoed this year. The bill would have, among other things, implemented a key piece of the federal law that requires health plans to cover anyone regardless of pre-existing medical conditions.

Both Hernandez and Democratic Assemblyman Richard Pan, chairman of the Assembly Health Committee, acknowledge that challenges remain, both at the state and federal levels.

Even though the vast majority of funding for the law is from the federal government, Pan said he worries about the long-term financial impact on the state.

Hernandez pointed to marketing and outreach as a critical challenge, especially in a state with large and diverse ethnic populations. If Californians don’t know about the exchange, he said, they won’t be able to participate.

“The key to success will be having as many people as we possibly can to spread the risk on the exchange,” he said.

Emily Bazar is a senior writer at the CHCF Center for Health Reporting, based at the USC Annenberg School for Communication and Journalism. The center is funded by the nonpartisan California HealthCare Foundation. Deborah Schoch and John M. Gonzales contributed.

[States try to innovate with health exchange](#)

USA Today

November 10, 2012

States should use their creation of health insurance exchanges required by the 2010 health care law to create prevention programs aimed at promoting long-term savings, expert say, but state officials argue that those "wish lists" might have to wait so states can meet their deadlines.

"To do something different, I sure wish we had an extra year," said Howard "Rocky" King, executive director of Cover Oregon, Oregon's health insurance exchange. "Our first priority is to come up with something that works."

That means states such as Oregon hope to build the foundation of their exchanges first and then add the extras over the next few years.

"States could play a huge, important role in prevention and care coordination," said Ken Thorpe, head of Emory University's health policy department. "But if we're looking at yesterday's benefits, we'll get yesterday's problems. We need to pull costs out of the system."

Otherwise, more people will be covered through the 2010 health care law, also known as the Affordable Care Act, but premiums will continue to go up, Thorpe said

Rather than focusing purely on making insurance available, states could build evidence-based prevention and lifestyle-change options into the plans. They could insist that their insurers pay teams of hospitals, primary-care physicians, home health care professionals and hospice providers a set price to care for a consumer, rather than pay by the injection, scan or visit.

Without such changes, Thorpe said, health care costs will keep rising.

So far, Thorpe said, California has done the most to promote innovation in its health care exchange.

Health exchanges are state- or federally run websites that allow consumers to choose a health plan, as well as to compare benefits and costs of each plan. Some states will allow all insurers to participate; others have asked insurers to bid to participate; and some states are creating a list of requirements insurers must meet to participate.

Peter Lee, California Health Benefit Exchange's executive director, said that insurance has "been a game of avoiding sick people" to keep insurers' costs low. Now insurers must take everyone, and that means keeping chronically ill people stable and trying to prevent people from becoming sick in the first place.

In part, California can push for change because there are so many players: 33 health plans submitted bids to be part of the health exchange.

"The exchange has asked the plans not just for the lowest cost on Day One, but the lowest costs over the long term," Lee said. "Our board said one of our values is to be a catalyst for change."

California officials wanted health plans to show how they pay for and reward primary care, provide better care for the chronically ill and build in preventive services, Lee said.

Not every state is moving this direction. C.J. Bawden, spokesman for the Silver State (Nevada) Health Insurance Exchange, said their main goal is to take as little money from the federal government as possible by outsourcing much of the technology of their exchange to Xerox, rather than building from the ground up.

"A lot of states want to build it from the ground up and keep it in-house," Bawden said. "We came out with a good business plan." Everyone with plans that meet federal and state requirements may participate in what Bawden called a "free-market" approach.

"We're trying to facilitate without doing a lot of market disruption," he said.

Washington, D.C., exchange officials are waiting to hear what the plans will come up with, but they included preventive services, health club memberships and coordinated care included in the plans on their wish list.

Mohammad Akhter, the chairman of the exchange, said Washington's main innovation was that exchange board members are experts in medicine and education and not politicians.

"We expect more innovations because of that," he said.

Negotiating possibilities with insurers is difficult until everyone knows just how many people are enrolled in the exchanges, Oregon's King said.

Oregon officials have asked that each carrier offer several plans, so that they'll end up with 10 or so carriers with five or six possibilities each for the small group market. That way, someone who knows she probably won't need a lot of time with the doctor can choose a high-deductible plan.

In the meantime, the state is testing out new care models in their Medicaid and state health programs to see what works to keep costs down, King said. These things include preventive-care programs, as well as making sure doctors are paid to keep people healthy, rather than through a fee-for-service program. In Rhode Island, only four carriers exist, but officials still hope to set up different products than were available before. They'll be negotiating with the insurers over the next month.

Christine Ferguson, Rhode Island's director of the health benefit exchange, said the plans will be able to do more with a higher concentration of people.

The state hopes to build the exchange, collect data about what works and what doesn't, and then re-evaluate. For example, do cancer screenings and immunizations affect the number of days people go to work or children go to school?

"So we're looking at improvement," she said. "The exchange is a catalyst to move the debate to reform."

[33 insurers interested in California health market](#)

Sacramento Bee

November 1, 2012

Some 33 [health insurers](#) have indicated that they're interested in selling coverage through the state's new online exchange, officials said this week.

Officials with the California Health Benefit Exchange, the state agency creating the market, said they were pleased with the response from the [insurance industry](#). The expressions of interest from the companies are nonbinding, however.

The exchange, which will be marketed under the name Covered California, is a major part of the federal government's overhaul of the [health care system](#). Thanks to federal subsidies, an estimated 2 million uninsured Californians are expected to buy [health coverage](#) through the exchange, which opens for business in 2014.

With 33 insurers expressing interest, "we'll have plenty of choice," said [Andrea Rosen](#), the exchange's interim health plan management director.

[Peter Lee](#), the exchange's executive director, said the 33 include major carriers such as Anthem, Kaiser, HealthNet and [Blue Shield](#) of California.

Rosen said five of the carriers intend to sell coverage statewide. Ten or 11 companies plan to sell coverage in the [Central Valley](#), including Sacramento.

[Health plans vie for spots in Benefit Exchange](#)

Sacramento Business Journal

Kathy Robertson

November 5, 2012

Health plans, eager to be part of a huge emerging insurance marketplace in California, are vying for a spot in the Health Benefit Exchange.

A total of 33 health insurers responded to a nonbinding request for expressions of interest in the insurance program, which is set to launch in 2014 under federal health reform. Combined, the plans offered more than 400 different products.

The response suggests hefty competition in the new program, which could help drive down costs. It also indicates significant interest — or anxiety — by health plans that want a role in a new marketplace that may serve as many as 4.7 million Californians.

“Plans are basically trying to hedge their bets on the most dynamic sector of the marketplace,” said [Peter Boland](#), a Berkeley health care consultant. “If that market is literally up for grabs to be fundamentally restructured, one has to pay attention.”

The exchange — which adopted the name “Covered California” at its October board meeting Tuesday in Sacramento — has divided the state into seven areas by population.

Counties are grouped into 19 subregions for contracting purposes.

[Andrea Rosen](#), staff counsel and lead on qualified health plan issues, told the exchange board that five plans have proposed statewide coverage, and each area of the state has at least six bidders. Six plans have proposed multiple products for the Sacramento area.

“The big question has been: Will health plans want to play?” [Peter Lee](#), executive director of the exchange, said Tuesday. “This is a strong statement of support.”

Big players and small

The information is confidential, but four big players have publicly acknowledge their interest: [Kaiser Permanente](#), [Anthem Blue Cross](#), [Blue Shield of California](#) and Health Net. The rest likely include regional health plans with plans to serve smaller markets.

“This is very good news for the exchange — and the approach the exchange has taken to establish regions and subregions, so small plans can play to their strengths,” said [Albert Lowey-Ball](#), a Sacramento health care consultant.

It’s only an initial step in the process, however.

A tentative timeline shows a rolling deadline in January, February and March for different phases of the proposal, with a final decision on which plans will participate by June 30.

The board decided Tuesday how much choice will be available in the small-employer sector of the program, which will run separately from the program for individuals.

Employers will choose one of three tiers — gold, silver or bronze, depending on the richness of the benefit — and employees will choose among available health plans in that tier. The policy will be reviewed in July 2014.

“This means more choice than most large employers,” [Michael Lujan](#), director of the exchange’s small employer program, told board members Tuesday.

How will it work?

The big unknown for the entire program relates to numbers.

Businesses with fewer than 50 employees will be able to shop in the exchange in 2014; the size increases to 100 employees in 2016.

There’s a separate program for individuals and much speculation about whether small employers who offer insurance will drop it and send workers into the exchange as individuals.

Federal health reform requires most Americans to have insurance or pay a fine; this is expected to drive individuals to the exchange.

Employers with 50 or more employees have to provide insurance or face a penalty, but small employers do not. Penalties for large employers, set at \$2,000 or \$3,000 per head, depending on circumstances, aren’t big enough to act as a deterrent because annual coverage for employees typically costs more.

This makes the size of the potential new individual market — traditionally a challenging one due to high overhead — a big question mark.

“Nobody knows how many employers will ‘dump and run,’ ” Boland said. “It’s the unspoken elephant in the room because it’s not something employers discuss publicly.”

The recent flap over participation by Rancho Cordova eye-care giant [VSP Global](#) in the individual market suggests the stakes.

In August, the exchange board voted to allow stand-alone vision plans to participate in the small employer program, but barred them from the individual market. In a Business Journal editorial Aug. 31, VSP president and CEO [Rob Lynch](#) blasted the exchange for narrow consumer choices and failing to support the longtime local company.

A slew of local and legislative supporters weighed in and the board reversed its decision Tuesday, pending federal approval.

VSP has more than 56 million members nationwide. The company began selling individual policies in 2007. VSP had 38,000 members nationwide in this category in January.

Like other plans, VSP wants the ability to compete for more — and Covered California offers access to a huge chunk of new business.

“In California’s highly competitive insurance market, it’s not a surprise that many health plans want to position themselves in the new marketplace,” said [Patrick Johnston](#), president and CEO of the [California Association of Health Plans](#).

[Exchange Picks New Name: Covered California](#)

California Healthline

November 1, 2012

The California Health Benefit Exchange board voted Tuesday to adopt a new name for the health insurance coverage it will offer starting January 2014 -- Covered California.

The decision comes after months of work. In August, the long list of potential names was winnowed to about a dozen possible names -- including CaliHealth, CalAccess, Wellquest, PACcess and Covered California. The list also included unusual trademark names such as Ursa, Healthifornia, Eureka, Beneficia, Cal-Vida and Condor, as well as the crowd favorite, Avocado.

After designing logos, holding focus group meetings and running trademark searches, that list was cut down to four finalists in September: Ursa, Eureka, CaliHealth and Covered California. Trademark concerns emerged around Ursa and CaliHealth, and those names were dropped, said Chris Kelly, who made the final name presentation to the exchange board.

Kelly presented final logo designs to the board for Covered California (tagline: "Your destination for affordable healthcare"), a related-but-separate design for Covered, CA and Eureka ("Where California discovers affordable healthcare"). After gauging the final set of focus group opinions, Kelly said the recommendation to the board was to go with Covered California.

Eureka was seen by focus groups as more of a private insurance program, Kelly said. Covered California was particularly well-liked by the Latino population in the focus groups, and by almost two-thirds of respondents overall.

"We're looking for a brand consumers can relate to, and inspire them to enroll in health care in the exchange," said Oscar Hidalgo, director of communication and public affairs at the exchange. "This is a real pivot point for us, using that brand and tagline and logo for future campaigns to help consumers relate to our mission. We're still working on a few other things to complement that, and that should be done by the next exchange board meeting."

The next steps, Kelly said, are to secure the final trademark and finalize the logo and tagline, which should be done by Nov. 12. Those final designs should be ready for the next exchange board meeting, he said, on Nov. 14.

[Health Care Stakes Are High In California](#)

Kaiser Health News

November 5, 2012

SAN FRANCISCO -- If Caroline Cunningham wakes up in her Studio City, Calif., home on Wednesday morning to a President-elect Mitt Romney, she knows the first thing she will do: "I have to rush and get back surgery."

Cunningham, a 62-year-old mental health therapist with spinal stenosis, has health insurance coverage through a temporary program established for people with pre-existing conditions under the Affordable Care Act. The pre-existing condition insurance plans, mandated in every state and subsidized by the federal government, offer coverage to those deemed uninsurable.

But the high risk pools, as they are known, have an expiration date. They are slated to shut down in January 2014 when, under the federal health law, people with pre-existing conditions can buy plans from private insurers through newly created insurance exchanges.

If Romney follows through with his pledge to dismantle President Barack Obama's signature domestic legislation, and Congress is unable to quickly enact a meaningful alternative, Cunningham worries she will, once again, be uninsured. "I called the Romney campaign and asked them what they're going to do," said Cunningham. "I hope they wouldn't dump us."

More than any other state, California has wagered heavily on the Affordable Care Act: It has moved quickly to erect an insurance exchange and establish the high risk pool. It's also codified federal consumer protections into state law. In 2010, the state signed a \$10 billion Medicaid waiver with the Obama administration that has allowed counties here – from Democratic Los Angeles to Republican San Diego – to enroll as many as 500,000 low-income adults into a 'Medicaid-lite' program years ahead of the law's expansion of the federal-state program for the poor. Similar to the high risk pool, 'Medicaid-lite,' which is officially called the Low Income Health Plan, is envisaged as a temporary measure until January 2014. That's when California would open up its Medicaid program to millions of poor people, an expansion paid for largely by the federal government.

But if a Romney Administration follows through with its vow to undo the health law, that deadline could come and go without an expanded Medicaid program or a health insurance exchange in place.

"It's the ballgame at stake," said Anthony Wright, executive director of Health Access California, an advocacy group. "We go from the major reforms to a salvage operation."

The various provisions in the health law and California's Medicaid waiver were all designed to work in concert. "The fundamental design of health reform in California was a layering of stuff," said Peter Harbage, a policy analyst who has advised Republican and Democratic administrations on health issues. "Phase one, phase two and phase three, and if one of the later phases doesn't materialize, then people could be left without insurance."

While other states have a higher percentage of uninsured residents – Texas leads the nation with one in four residents lacking coverage – California has the largest number of people uninsured with 7 million, more than the entire population of Massachusetts or Arizona. And while the state legislature is

controlled by Democrats, its persistent budget deficit – and a constitutional requirement that lawmakers balance the budget each year – have stymied state attempts to achieve universal health coverage.

It's not for lack of trying. California last came close to passing universal health insurance legislation in 2008 after nearly two years of nail-biting negotiations. The bill was even supported by former Republican Gov. Arnold Schwarzenegger and modeled after Massachusetts' plan signed by former Gov. Romney in 2006. It would have required all Californians to carry coverage and insurance companies to accept all applicants. But the state's mounting deficit – at the time it was \$14.5 billion -- derailed the effort and cooled any ambition for a state-based solution.

As for California's nascent health insurance exchange, now called Covered California, spokesman Oscar Hidalgo said in an e-mail, "We are moving forward with our mandate to implement the California exchange." Indeed, the oversight board and staff of Covered California have been busy putting into place the state's online insurance shopping portal and vetting the menu of a la carte insurance products. But there is widespread agreement that the online marketplace would falter if a Romney Administration were to cut off the federal subsidies aimed at helping working-class and middle-income individuals and families to buy coverage on the exchange.

But even in beleaguered California, there remain some who are optimistic that a Romney Administration would not signal the end of a comprehensive plan to deal with the uninsured.

Michael Cousineau, an associate professor of family medicine at the Keck School of Medicine at the University of Southern California and a long-time advisor to state and county officials on health care financing, said Romney's preference for state control could mean his administration might allow California to extend its Medicaid waiver and coverage expansion of low-income adults. "The question is how much money would the federal government put into it?" said Cousineau.

But a new administration in Washington turning off the spigot is not the Golden State's only worry. On Tuesday, Californians will weigh in on a ballot measure, Proposition 30, that would increase the state's sales tax by .25 percent and raise income taxes on high-income earners. The initiative's biggest backer is California Gov. Jerry Brown who has said if the measure fails, he will be left with an \$8.5 billion budget hole. That deficit will largely be closed by cuts to public schools, Brown and Democratic lawmakers argue, since the legislature has already slashed \$23 billion in funding for health and welfare services, criminal justice and other programs.

Still, health care leaders here say if Proposition 30 fails, and Obama holds onto his job and the Affordable Care Act, the state will nonetheless enter a grim era of budget austerity. In that scenario, where the state is likely to cut weeks off the school year for public school children, Brown might be unwilling, they say, to move ahead with California's planned Medicaid expansion. "It would be very hard," said Wright, "to move forward with anything that even costs a dime."

[Insurers Express Interest in Participating in State's Insurance Exchange](#)

October 31, 2012

California Healthline

Peter Lee -- executive director of the state's health benefit exchange -- said that 33 insurers and other organizations have expressed nonbinding interest in participating in the state's insurance exchange, the [Los Angeles Times](#) reports (Terhune, *Los Angeles Times*, 10/31).

About the Exchange

The federal health reform law requires states to launch online insurance marketplaces by 2014. California's exchange primarily will serve individuals and small businesses.

About 4.4 million Californians are expected to use the exchange by the end of 2016. Officials plan to open registration for the exchange in October 2013 ([California Healthline](#), 10/29).

Insurer Interest in Participating in Exchange

According to the *Times*, the state's four largest insurers in the individual market -- Anthem Blue Cross, Blue Shield of California, Health Net and Kaiser Permanente -- have indicated that they are interested in selling plans through the exchange. Meanwhile, smaller insurers and large hospital systems also might offer health plans in certain areas through the exchange.

Lee said, "There will be a lot of competition and interest, which will enable the exchange to be an active purchaser in every region and pick the best five or six plans." He added, "The plans we will be offering in San Diego will be very different from the set of plans in Sacramento or Los Angeles."

Exchange officials are expected to select health plans for the exchange and negotiate rates by June 2013.

Insurers that are not chosen still will be able to offer their policies outside the health exchange.

Exchange Board Selects Name

Meanwhile, the exchange board on Tuesday decided to call the exchange "Covered California."

The new name beat out other finalists, such as Eureka, Ursa and Avocado.

Robert Ross -- an exchange board member and CEO of the California Endowment -- said, "Covered is an action verb, and if we do our job, that's what we want to happen."

The tentative tag line for the exchange is, "Your destination for affordable health care" (*Los Angeles Times*, 10/31).

['Covered California' the New Name of California's Health Benefit Exchange](#)

Capital Public Radio

October 30, 2012

(Sacramento, CA)

Tuesday, October 30, 2012

Planners decided on "Covered California" after months of testing and consideration.

LEE: "I have a whole raft of staff that are saying, 'Finally, I can get a business card!'"

Peter Lee is Executive Director of the Exchange, which is now known as 'Covered California.'

He said planners used focus groups to come up with a name that resonated with a diversity of Californians.

LEE: "Seventeen percent had heard about a thing called exchange but we are going to have a much better outreach with a name that actually conveys what we're doing."

'Covered California' is still in development. Planners hope the online marketplace will help millions buy affordable coverage starting January 2014.

[California insurance exchange to add eye care for individuals; VSP satisfied](#)

Sacramento Bee
October 27, 2012

Moving to make peace with a furious and influential Rancho Cordova insurance company, state officials are planning to tweak the rules of California's fledgling online insurance market.

The company, [Vision Service Plan](#), had threatened to leave California but said Friday it is "pleased" with the proposed new rules. The revisions are expected to be approved Tuesday.

The flap is over the California Health Benefit Exchange, which is building the state's new insurance market – a key element of the federal Affordable Care Act, President Barack Obama's overhaul of the [health care system](#).

The online market opens in 2014 and is supposed to provide affordable coverage for an estimated 2 million uninsured Californians.

In August, the agency's board decided that stand-alone vision insurers, such as VSP, could sell coverage to small businesses but not individuals, which would keep them from competing for a significant slice of consumers.

VSP protested, noting that most Californians get eye-care insurance through stand-alone companies. The company, which employs 2,100 in the Sacramento area, threatened to leave the state, and postponed hiring 150 workers. The company got public support from Senate President Pro Tem Darrell Steinberg, D-Sacramento, Insurance Commissioner Dave Jones and the [Sacramento Metropolitan Chamber of Commerce](#).

The board's reasoning had to do with federal tax subsidies being offered to individual purchasers.

Letting individuals buy eye-care insurance from one company and the rest of their coverage from someone else would require carving up the tax subsidies between companies. The board decided that was too complicated, at least in the first year of operation.

Critics, however, said stand-alone dental insurers were being allowed to sell to individuals in the market.

Facing the protests from VSP and a smaller Rancho Cordova eye-care insurer, Superior Vision Holdings, the agency promised last month to revisit the issue. On Friday it offered up its changes.

In a memo to the board, staffers proposed letting stand-alone companies sell eye-care coverage to adults. They also proposed letting those companies sell vision coverage to children as well, but the agency first needs clarification on a wrinkle in the new federal law.

"The dilemma for us is the lack of clarity in the federal law," said exchange spokesman Oscar Hidalgo.

The board is to vote on the proposed changes Tuesday.

[Health exchange will ask board to allow stand-alone vision plans](#)

Sacramento Business Journal

October 26, 2012

Staff at the [California Health Benefit Exchange](#) will recommend Tuesday that the board change its policy to allow stand-alone vision plans to compete for business in both the individual and small business programs.

An Aug. 23 [decision by the board](#) to bar these plans from selling to individuals in the exchange for at least a year prompted backlash from [VSP Global](#), including a threat by CEO [Rob Lynch](#) to move the eyecare giant's Rancho Cordova [headquarters out of state](#). Lawmakers and business leaders in the region asked for reconsideration of the policy.

A [brief posted on the exchange website](#) Friday afternoon offers a revised recommendation.

"We are pleased with the board recommendation and hopeful for a positive vote next week," said [Pat McNeil](#), corporate communications director for VSP Global.

Senate President Pro-Tem [Darrell Steinberg](#) also is pleased with the proposed change, according to a spokesman for his office. "Offering stand-alone vision in the individual market not only makes sense, it provides the better option for California consumers," Steinberg said in a statement. "It also enhances the market for California vision care providers by allowing more participation in the exchange."