

**CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD**

**May 22, 2012**

**EDD Auditorium**

**722 Capitol Mall**

**Sacramento, CA 95814**

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

Board member Belshé called the meeting to order at 10:00 a.m.

Board members present during roll call:

Susan Kennedy

Kimberly Belshé

Robert Ross, MD

Board members en route during roll call:

Diana S. Dooley, chair

Board members absent:

Paul Fearer

**Agenda Item II: Closed Session**

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

Chairwoman Dooley called the meeting to order at 12:06 p.m. A conflict disclosure was performed; there were no conflicts from the board members that needed to be disclosed.

In closed session, the board addressed three contract matters. The staff updated the board on the CalHEERS contract negotiations, and the board directed Mr. Lee and the staff to finalize negotiations on and execute the CalHEERS contract. The board approved an extension of the Level I grant from the federal government, and provided authority to request an augmentation of that award by 25 percent. The board also approved the Exchange staff's closing negotiations on a new office space.

**Public comments:** None.

**Agenda Item IV: Report from the Executive Director and Level II Grant Outline**

**Discussion: Personnel Matters**

The board authorized the staff to finalize negotiations on several new exempt positions, and those will be announced soon. Mr. Lee introduced Juli Baker, Chief Technology Officer, and Michael McCluer, Chief Financial Officer. Also joining the Exchange staff

are Simi Chandran, Errol Thomas, Brenda O'Brien, Mona Stoles, Gary Cohen, Bahara Hosseini, Brandon Ross, Daniel Eliav, Frederick Pilot, and Alex Kemper-McCall, who has been transferred from the Managed Risk Medical Insurance Board (MRMIB).

**Presentation:** [Exchange Planning Overview](#)

Mr. Lee presented a planning overview covering federal guidance on operational structures for exchanges (e.g., state-based exchange or federally-facilitated exchange), requirements for federal certification of state-based exchanges through an Exchange “blueprint”, federal grant application timelines and requirements, release by the Exchange of a stakeholder input report on qualified health plan contract strategy, and a discussion and decision calendar for the Exchange board through September 2012.

Mr. Lee noted that the policy recommendations for the outreach, assisters, agents and Small Employee Health Option Program to be presented today are guided by the mission, vision and values of the Exchange including focusing on the consumer experience, emphasizing affordability and being a catalyst for changing the health care delivery system. He also noted that recommendations have been framed by California and national activities and experience that have been informed by stakeholder input gathered during the recommendation development process. Mr. Lee also noted that the recommendations are preliminary and will be refined and revised.

Regarding the operational structure for the Exchange, Mr. Lee noted that, at the May 15 meeting, the board affirmed its planned approach of being a State-Based Exchange rather than further exploring a federal partnership model. Mr. Lee noted that launching a State-Based Exchange will require two elements: submission of “blueprint” to the federal government and award of additional federal funding for establishment activities. The blueprint is the vehicle for federal certification of a State-Based Exchange. States must submit their blueprint applications by November 16, 2012 to begin operations on January 1, 2014.

Regarding federal establishment funding, Mr. Lee noted that the Exchange had planned to submit a request for federal Level II Establishment funding by the end of June, which would have required a full work plan and budget through 2014. He noted that the federal government added additional application dates through 2014 allowing states to apply for multiple rounds of Level I Establishment funding for periods up to 12 months while they continue planning and development work. In light of the availability of additional application dates, Mr. Lee presented a staff recommendation that the Exchange submit a blueprint application by November 16, 2012, and a second Level I grant application to the federal government by the June 29, 2012 filing date for the period August 2012 through June 2013. He noted that board action is not needed on these recommendations at this meeting.

Mr. Lee noted that the Exchange distributed to the board and the public a new report entitled *California Health Benefit Exchange – The California Path to Achieving Effective Health Plan Design and Selection and Catalyzing Delivery System Reform: Stakeholder*

*Input on Key Strategies.* The report summarizes stakeholder feedback from more than forty organizations on a series of questions posed by the Exchange on qualified health plan contracting, benefit design and delivery system reform. The findings from the report will be presented to the board in June.

**Public comments:**

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty and Consumer Alliance, supports the staff recommendation to pursue a Level I grant.

Gilbert Ojeda, director, California Program on Access to Care, UC Berkeley, commended the board and Mr. Lee on their approach to the grant application which will provide additional time to further develop policies in critical areas such as outreach and assistance.

**Agenda Item V: Outreach and Marketing**

Mr. Lee introduced the presentation by noting that the recommendations include stakeholder comments received to date as well as a review of similar work underway around the country. He also noted that each policy area presented today includes a set of principles that were developed with the partners in doing the planning and oversight including DHCS and MRMIB to provide a framework for development of recommendations by the Exchange's consultants. He encouraged stakeholder comment on the principles as well as the recommendations. The materials presented represent a series of preliminary recommendations from the staff on the components of the outreach and marketing plan.

David Panush, Director of Government Relations for the Exchange, noted that the Exchange's ambition is remarkable, with a goal of reaching 2.8 million people, and emphasized the importance of partnership with DHCS and MRMIB.

**Presentation:** [Outreach and Marketing for the California Health Benefits Marketplace](#)

Mr. Panush introduced Valerie Vento and Maggie Linden, to present preliminary recommendations on outreach and marketing. The presentation included guiding principles, coverage goals, target audiences, key components of the marketing and outreach plan, grant program options, and budget estimates.

**Discussion:**

Board member Ross thanked Ogilvy and staff for their thoughtful proposal, which feels suited to California and incorporates many lessons learned over the years in similar efforts. He particularly welcomed the grants program element, and would like additional information about how the grassroots work is being synchronized with the paid media. He invited stakeholder comment, particularly from ethnic and grassroots organizations, into the planning process.

Board members and Mr. Lee engaged in a discussion about the amount that would have to be spent on paid media and grants to get 2.8 million individuals enrolled in coverage in the first year. Mr. Lee noted that Exchange staff have asked Ogilvy to develop cost estimates on paid media that will begin in 2013. Those estimates will be presented to the board and will be part of subsequent funding requests to the federal government and reviewed by the board.

Board member Kennedy asked if metrics would be available to measure acquisition cost using unpaid media approaches such as cash jackets. Ms. Vento answered that they are working to identify and develop metrics to gauge consumer response from unpaid media.

Board member Belshé thanked Ogilvy for their extraordinary work. She asked about the challenge of messaging around the Exchange's open enrollment period given that DHCS and MRMIB's programs have ongoing enrollment processes. Ms. Linden noted that these messages will be vetted in consumer testing and recommend using paid media throughout the year to inform individuals who will be able to sign up outside of the Exchange open enrollment period.

Board member Belshé asked for an update on brand development work. Ms. Vento stated that they have started to work on an overall brand for the marketplace which will inform more in-depth work on brand architecture. Board member Belshé noted that brand development is a twofold process, with the creative execution that brings a brand to life as well as the operational decisions the board will make to make give life to the brand in practice.

Board members asked about the estimated acquisition costs for individuals and the timeframe for providing those estimates. Mr. Lee stated that research on acquisition cost is underway and noted that the phase I budget presented today is a planning budget that does not include paid media.

**Public Comment:**

On phone: Doreena Wong, project director of health access projects, Asian Pacific American Legal Center, was impressed with the information and encouraged the board to take advantage of existing ethnic networks and leverage its outreach dollars by using their formal and informal relationships.

Beth Capell, Health Access California, noted the importance of framing principles for Exchange-eligible customers in different circumstances including those who are uninsured for only a portion of the year, those who are currently buying coverage in the individual market and will be eligible for a subsidy in 2014, and those who can be transitioned from existing public programs to Medi-Cal coverage in 2014.

Sonya Vasquez, policy director, Community Health Councils, reiterated the importance of utilization messaging which is important to retention and prevention, and stated that the largest target population does not have a history of using coverage or is using it sporadically.

Elizabeth Imholz, director of special projects, Consumers Union, noted the importance of brand development and focus group work that is underway, and is interested in reviewing the products and data that will be produced.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, appreciates the presentation's breadth and depth and its impressive details. She encouraged the board to adopt the gold level of spending to reach California's diverse populations through partnership with community-based organizations. She also encouraged the Exchange to work with smaller ethnic media outlets.

Serena Clayton, executive director, California School Health Centers Association, echoed the comments about the thoughtfulness of the plan and recognition of need for grassroots partners particularly for the adolescent and young adult population.

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty and Consumer Alliance, appreciates the inclusion of community grants to reach people at the local level, but stated that it would be helpful to know which strategies are most effective in reaching eligible individuals. She noted that the report refers to the Exchange, Medi-Cal, and Healthy Families as the marketplace, which may be confusing since Medi-Cal remains free.

Chad Silva, policy director, Latino Coalition for a Healthy California, asked for an extended deadline for stakeholder comments on the draft plan.

Alice Kessler, Transgender Law Center, joined by a number of LGBT groups, expressed they were pleased to see components of outreach to this underserved community and recommend that LGBT people be included among the entertainment industry messengers and elected official influencers and other community validators

Meaghan McCamman, associate director of policy, California Primary Care Association, recommended moving forward with the gold level grant option. They would like to partner with the Exchange in medically underserved communities and think it is important to have outreach linked with the assister program.

Perfecto Munoz, citizen, felt the group did a great job of establishing objectives and goals. He encouraged the Exchange to work with community-based organizations that already served the eligible population.

Carla Saporta, health policy director, Greenlining Institute, noted that inclusion of grants will help target people of color through community-based organizations. She recommended funding at the gold level and encouraged the Exchange to provide media in the top Asian languages and the other Medi-Cal threshold languages

Stephanie Hodson, public policy associate, United Ways of California, encouraged the Exchange to focus on partnerships with known, trusted, community messengers, such as United Way.

Patrick Pine, administrator, Robert F. Kennedy Medical Plan, covers farm workers. Along with other Taft-Hartley plans, they are working at the federal level to determine how these plans will be treated under the various Exchanges and would like to have a discussion about these plans relative to the Exchange once we have clarity from the federal level.

Gilbert Ojeda, director, California Program on Access to Care, UC Berkeley, noted that the Exchange will receive substantial in-kind support in its marketing and outreach efforts.

Suzie Shupe, executive director, California Coverage and Health Initiatives, noted that she was pleased to see the scope and depth of the plan and the thoughtfulness of the principles regarding linguistic and cultural diversity given how difficult it will be to reach the diverse communities. She recommends funding at the gold level or above.

Paul Castro, deputy program director, California Human Development, encouraged the Exchange to include farmworkers as a target population.

Mr. Lee responded to questions posed by the public noting that the marketplace will have a name in the fall of 2012. In response to requests for a delay of the May 31 comment deadline, he noted that comments are needed by May 31 for Phases I and II so that staff can revise recommendations prior to the June 12 board meeting. Mr. Lee stated that farmworkers and LGBT officials have been identified for partnerships.

#### **Agenda Item VI: Assisters, Navigators, Brokers, and Consumer Assistance**

Mr. Panush introduced Brightstar Ohlson and Julie Wigand from Richard Heath and Associates to present preliminary recommendations for the Assisters Program. The presentation included principles and priorities, program design options and compensation amounts, and estimated program costs.

**Presentation:** [Statewide Assisters Program Design Options and Recommendations for the California Health Benefits Marketplace](#)

Mr. Panush introduced Sandra Hunt from PricewaterhouseCoopers, who presented the individual agent payment option proposal. Mr. Panush expressed appreciation for the various agent groups who have given input. Ms. Hunt presented on issues related to agent participation in the individual Exchange. She noted that options include plans paying agents directly; the Exchange paying agents, or the Exchange paying the agents as navigators. Staff recommend the first option – direct payment by plans – with Exchange oversight.

**Presentation:** [Individual Market: Agents Payment Options](#)

**Discussion:**

Board member Belshé noted that one of the themes of the discussion thus far is California's tradition of community based outreach and enrollment and what we have learned works yet we are planning in the context of a different world with multiple pathways to consumer assistance, including a web portal and call center, simplified application, a requirement to not ask for too much information and real-time data verification. Board member Belshé asked how estimates related to assister productivity account for these new factors. Ms. Wigand stated that estimates were based on production under Healthy Families and feedback from community-based organizations on what their productivity might be under different compensation arrangements.

Board member Belshé encouraged staff to closely consider productivity assumptions in light of the technology that will be available to simplify the enrollment process and the service that will be provided by the call center.

Board member Ross asked what will be needed to better understand the need for in-person assistance. Mr. Lee noted that they are making educated guesses that will be refined in the course of planning and that are informed by others' experiences, including the experience from Healthy Families.

Richard Heath and Associates is updating their document to make it consistent. Their consistent recommendation is that assisters complete all. If they are not compensating assisters, assisters may not want to enroll people in programs they don't specialize in and want to refer them elsewhere. That reality needs to be balanced with the Exchange's desire to promote a no wrong door consumer experience.

Board member Belshé asked for clarification as to whether all assisters – including direct benefit assisters – will be required to perform all Affordable Care Act duties required of navigators. Ms. Ohlson stated that they are recommending all assister complete all required activities including outreach and education and plan enrollment. Board member Belshé noted potential conflicts of interest relative to plan enrollment performed by direct benefit assisters (i.e., health care providers). Mr. Lee noted that the Exchange would have to monitor for potential conflicts of interest and steering if this recommendation is adopted.

**Public Comment:**

Stephen Young, senior vice president and general counsel, Insurance Brokers & Agents of the West, feels the work done on the assisters program is thoughtful and comprehensive. In light of the funding available for assisters, he encouraged the Exchange to put protections in place to prevent fraud and consumer harm.

Elizabeth Imholz, director of special projects, Consumers Union, encouraged the Exchange to build a strong infrastructure for assisters and assistance including certification for all entities and assisters to ensure quality. She also noted the importance

of initial and ongoing training and suggested that the proposed two-day training may need to be extended.

On phone: Kevin Hamilton, Clinica Sierra Vista, expressed concern about the recommendation that community health centers and other providers be excluded from being paid navigators and did not feel that the financial benefit to the provider of having patients enrolled in coverage would outweigh the costs of enrolling patients in coverage.

On phone: Edie Ernst, Private Essential Access Community Hospitals, believes hospitals should be included as navigators, but requested more clarity on the scope of training and annual certification and if the Exchange planned to pay for training.

Julianne Broyles, California Association of Health Underwriters, concurs with the recommendation of going with option one – direct payment by plans – for agent payment methods. She stated that there should be agreement between the California Department of Insurance and the Exchange on what training will be asked of licensed insurance agents.

Sonya Vasquez, policy director, Community Health Councils, stated that certified application assisters (CAA) help people retain their coverage, troubleshooting problems, and to use their benefits. She stated that payment should not be based solely on enrollment but also on how assisters help people to obtain and keep coverage.

Alice Kessler, Transgender Law Center, encouraged the Exchange to adopt assister strategies to meet the needs of the LGBT community. She also recommended that the Exchange set up a code of conduct for assisters including nondiscrimination guidelines on gender and sexual identity.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network, would like the assister compensation strategy to include grant funding in addition to application payments to account for the cost of enrolling hard-to-reach populations.

Sarah Brooks, assistant director of policy, California Association of Public Hospitals and Health Systems, stated that public hospitals are committed to maximizing enrollment under both the Medicaid expansion and the Exchange and encouraged the Exchange to explore options for safety net providers to receive grants to be reimbursed for costs related to and training of assisters.

Brianna Pittman, legislative advocate and policy associate, Planned Parenthood, expressed concerns about community clinics being deemed direct benefit assisters and not compensated as navigators. She noted that patients won't necessarily choose plans in which they are part of the network, so there may not be a direct benefit.

Kathleen Mossburg, California Family Health Council, expressed concern that the recommended approach set up a two-tiered system with only one group compensated despite having the same training.

Suzie Shupe, executive director, California Coverage and Health Initiatives, appreciate the entity-based approach and the requirement that all assisters to go through certification and recertification. She noted that community-based organizations will be asked to start enrollment work several months in advance of availability of compensation in 2014, and suggested that a grant program would help groups prepare and begin the work. She also noted that a group of fourteen groups submitted a brief to the board containing some similar and some different recommendations.

On phone: Doreena Wong, project director of health access projects, Asian Pacific American Legal Center, stated that her network would need grant funding to perform outreach and enrollment.

Meaghan McCamman, associate director of policy, California Primary Care Association, supports the creation of a hybrid payment model providing payment for completed applications as well as grants for reaching target populations. She noted that community health centers cannot support enrollment assistance programs within existing resources.

Serena Clayton, executive director, California School Health Centers Association, noted that school-based clinics may not fit into the direct benefit model because they do not get reimbursed by insurance for many of their patients and noted that a meaningful definition for “direct benefit” is needed to adequately reflect their complex situation.

Mr. Lee noted that the marketing proposal does include grant funding for outreach and education and, therefore, does represent a hybrid program. The Exchange is deliberating on the issue of engaging and supporting community clinics, and the board needs to make a decision on paying for specific enrollment. The Exchange has to have media partnering with people on the ground, trusted messengers, and the team will be working to make this issue seamless. Mr. Lee noted that the Exchange intends to make training available at no cost to the trainees.

Carla Saporta, health policy director, Greenlining Institute, recommended that training be made available in other languages besides English and encourage compensation for retention.

Vanessa Cajina, Western Center on Law and Poverty and the Health Consumer Alliance, supports a hybrid approach with a grant structure in addition to an application payment. She also noted that training should be based on the amount of time needed to cover the material rather than an amount of time.

Stephanie Hodson, public policy associate, United Ways of California, would support a program design requiring that all enrollment entities, rather than all individual assisters, perform all ACA-mandated functions. This approach would give entities flexibility in enrolling the maximum number of Californians.

Fiona Yong, public affairs coordinator, California Family Resource Association, noted the importance of providing assistance in the later implementation stages as well the early implementation of coverage expansion.

Janice Rocco, deputy commissioner, Department of Insurance, stated the shared goal of creating a certification and monitoring process for the navigator program that is as efficient as possible, and reminded the board that they can call on its state partners for assistance. The Department of Insurance has a comprehensive licensing system for health insurance agents including 205,000 health agents currently licensed to work in California. The Department conducts exams and fingerprinting and has a monitoring system including license suspension and revocation systems as well as fraud investigators. The Department stands ready to help the Exchange with certification of navigators at whatever standards the Exchange sees fit.

Pedro Toledo, Redwood Community Health Coalition, urged the Exchange to support funding for community health centers, especially in rural communities where health centers are often the only entities performing outreach and enrollment activities.

Lorena Madrid, director of health coverage initiatives, Community Health Partnerships, stated that their clinics are in dire need of support to do their work of supporting the uninsured.

Anne McLeod, senior vice president of health policy, California Hospital Association, noted the association's support for a "no wrong door" enrollment policy and expressed concern that compensation will not be available for enrollment work performed by hospitals given that many people encounter the health system for the first time through hospital emergency room. She encourages the Exchange to include hospitals as full partners.

Beth Capell, Health Access California, suggested that agents should have to disclose which plans compensate them and how much they are compensated. Health Access supports the notion of navigators working for entities and the notion of direct benefit assisters.

Chairwoman Dooley asked for clarification about whether providers are currently paid for the enrollment assistance they currently provide, noting that she worked for a hospital with a high Medi-Cal volume that was not paid for those activities. Ms. Wigand clarified that under the current model, anyone who is a certified application assistant is not provided compensation. Of the 30,000 certified application assisters today, about 8,000 are active, with the majority being what are termed direct benefit assisters in the recommendations before the board.

Board member Ross sees two reasons behind the recommendations in terms of whom to pay and who not to pay, with one being the issue of steering and the other being the issue of cost. Ms. Ohlson noted that steering should be monitored even if compensation is not provided to direct benefit assisters. It is anticipated that direct benefits assisters will

comprise about a quarter of pool of the total assistance pool. Compensating everyone would increase the bill for the navigator fund by about \$23 million.

Board member Belshé asked if any entities would not be part of the potential navigator pool. Ms. Ohlson stated that, under the current recommendations, anyone who is not deemed a direct benefit assister can be a navigator if he or she meets the eligibility criteria.

Board member Belshé asked if a recommendation was made regarding how public agencies would be considered in the context of navigators versus direct benefit assisters. Ms. Ohlson responded that a decision had not been made on that issue.

The SHOP Exchange recommendations will be presented at the next meeting, June 12, due to time constraints.

**Agenda Item VII: Adjournment**

The meeting was adjourned at 4:07p.m.