

**CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD**  
**May 15, 2012**  
**Tsakopoulos Library Galleria, East Meeting Room**  
**828 I Street**  
**Sacramento, CA 95814**

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

Chairwoman Dooley called the meeting to order at 10:00 A.M.

Board members Present:                   Diana S. Dooley, chair  
  Kimberly Belshé  
  Robert Ross, MD  
  Susan Kennedy  
  Paul Fearer

Chairwoman Dooley opened by noting that the focus of the day's meeting was to provide the Board with an opportunity for discussion of and public comment on the potential for federal partnership concurrently with the Board's consideration of information technology systems contracts that would support a state-based Exchange.

Chairwoman Dooley and the Board welcomed Amanda Cowley, Acting Director of State Exchanges within the Center for Consumer Information and Insurance Oversight (CCIIO), in the federal Department of Health and Human Services.

Mr. Lee expressed appreciation for great staff work and partnership with the Department of Health Care Services (DHCS), the Managed Risk Medical Insurance Board (MRMIB), the Office of Systems Integration (OSI), the Department of Social Services, and the range of advocates, interested stakeholders representing consumers, clinicians, plans, and brokers that the Board and staff have met with over the past months.

Mr. Lee provided an overview of the meeting schedule for the remainder of May and June. On May 16, the Exchange, DHCS and MRMIB will co-host a webinar presenting an overview of outreach, marketing, and navigators. This webinar will also serve as a preview of the May 22 Board meeting, when drafts of various options will be presented regarding navigators and assisters, and outreach and marketing.

Materials will be presented in a new standard three-document format: a Board background brief, a Board options brief, and a Board recommendations brief. Staff will continue to bring options to the Board at least one meeting cycle prior to when a decision is required whenever possible.

**Agenda Item II: Federal Partnership Options**

Mr. Lee noted that Exchange staff traveled to Washington, D.C. in March to meet with federal colleagues and discuss California's progress and federal progress in establishing the federally-facilitated exchange. As reported at the April 26<sup>th</sup> Board meeting, the California team was impressed by the progress being made in establishing the federally-facilitated exchange including the progress in developing information technology systems to support eligibility and

enrollment and other program components. In light of the impressive federal progress, the Board requested during the April 26 meeting that the Exchange and state partners engage in discussions with federal colleagues regarding the federal partnership model. A Federal partnership would represent a change of course for California, which is currently working to establish a state-based exchange.

Ms. Cowley was invited to present progress on the federally-facilitated exchange and an overview of the federal partnership model. Ms. Cowley acknowledged the work done by California on its Exchange, noting the impressiveness of stakeholder engagement and the importance of the evidence-based approach to policymaking.

Ms. Cowley stated that key contracts are in place for the federally-facilitated exchange and would operational in 2014 in every state that requires it. She also noted that the federal partnership model is a good opportunity for states that are moving forward with implementing their own exchanges but may not have a fully-functioning exchange by January 1, 2014. She further noted that under the federal partnership model, states would be able to operate activities for plan management and/or consumer assistance. Ms. Cowley noted that states interested in the partnership model can come forward at any time to request partnership, though early notification is preferred.

Applications are due for state-based exchanges at the end of 2012, with approval granted in January 2013. Both approval and conditional approval are available; the latter is available for states that are making progress toward establishing a state-based exchange but are not yet fully operational.

**Discussion:** Dr. Ross asked about Ms. Cowley's confidence regarding the technology build of the federal exchange. Ms. Cowley said she is confident they will have basic operations ready for 2014 but that, like any IT project, system capacity will improve over time. She noted that California's role in discussing the partnership model has helped to inform the federal vision.

Mr. Fearer asked about the benefits of the federal partnership model for states. Ms. Cowley explained that some small states can't have a sustainable state-based exchange because user fees will not support long-term operational costs. She noted that for states in this situation, the partnership model would provide a federal IT platform while allowing the state to maintain control of plan management, issuer activities, and other traditional state functions.

Mr. Fearer asked if the federal partnership model would limit any state-based decisions. Under the federal partnership model, the federal government is ultimately responsible for the administration of the exchange; however, Ms. Cowley noted that the federal government would be open to having further discussions about any particular areas of concern for California.

Dr. Ross asked about deadlines for applying for the federal partnership model. Ms. Cowley explained that there are several options for how to move forward with a federal partnership including the Exchange certification process which will occur by January

2013. She noted that strong communication will be required between the state and the federal government as states decide which model to operate.

Ms. Belshé asked about seamless, simple enrollment, and particularly how a federal partnership model would provide the same customer experience as a state-based exchange. Ms. Cowley stated that the federal government is placing a high priority on customer experience and close integration between federal and state systems, but noted that the federal partnership model would not likely provide the same seamless experience as would be available in a state-based exchange. Ms. Cowley explained that these issues are why the federal government prefers state-based exchanges, noting that eligibility processes should be more seamless within the state.

Ms. Cowley also noted the two eligibility models that are available to partnership states. Under the “assessment” model, the federal government would assess eligibility for Medicaid (Medi-Cal in California) and the Children’s Health Program (Healthy Families in California) and transfer applications of those potentially eligible to the state for final determination. Under the “determination” model, the federal government would determine eligibility for Medicaid and CHIP and notify the state of the final eligibility determination.

Dr. Ross asked what notification an applicant would receive under the assessment model if the federal government found the applicant to be potentially Medicaid or CHIP eligible. Ms. Cowley said the consumer wouldn’t get anything because the system would only make an assessment of determination before passing the case to the state for final determination.

Ms. Belshé asked about redundancy of data and Ms. Cowley said all information would be transferred to the state so there wouldn’t be a duplicated application process. Ms. Belshé clarified that the redundancy could occur in making an eligibility determination in the state based on the federal determination.

Mr. Lee thanked Ms. Cowley and discussed the three options for partnership (state-administered plan management, consumer assistance or both), noting the one under consideration in California involves the state performing plan management and consumer assistance, outreach and education.

**Public Comment:** Beth Capell, Health Access California, asked if California would be fully-funded to continue developing its information technology system during the transition and wondered why the call center and website wouldn’t be part of the consumer assistance the state would operate.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, said California should move forward with the CalHEERS system, echoing Ms. Belshé’s concerns regarding seamlessness. She also shared Ms. Capell’s concerns about the call center and website, noting that there are concerns about linguistic and culturally appropriate assistance.

Elizabeth Imholz, Director of Special Projects, Consumers Union, echoed concerns with previous commenters and asked whether a state could have its own brand, presence, and logo on the web portal under the federal partnership. They also share the concern about a federal call center and its language capacity.

Autumn Ogden, Policy Coordinator, California Coverage and Health Initiatives, said the Exchange, whether it uses a federal partnership model or continues ahead as a state-based exchange, should retain a priority of creating a first-class consumer experience, access the maximum amount of federal funding, create a centralized rules engine with a single point of entry, and provide seamless linkage to all coverage options, doing so in real time.

Stephanie Hodson, public policy associate, United Ways of California, would be interested to learn how partnering with the federal government might be able to help as the state formulates its Navigator program, possibly by providing additional funding. She also noted the importance of human services integration, hoping to see existing connections protected and modernized.

Athena Chapman, director of regulatory affairs, California Association of Health Plans, expressed concern of any proposal to have county welfare offices involved in eligibility and enrollment for the Exchange. She noted the continued importance for county offices in serving the new Medicaid-eligible consumers in 2014, but stated that the Exchange should work with an entity that can be held accountable for meeting high customer service metrics, strict application processing timeframes and training for staff.

Elizabeth Abbott, project director, Health Access, noted the importance of languages and cultural sensitivity in California and noted her prior experience with federal call centers that were unable to offer fluency in the many languages consumers required. The Board and the federal colleagues must consider this when discussing partnership options.

Sara Nichols, government relations advocate, SEIU California, appreciated Ms. Cowley's information and candor, and noted that SEIU's priority is the success of the Affordable Care Act and its viability in California.

On Phone: Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network, expressed concern about the call center and website under the federal partnership model as linguistic and cultural issues could cause access problems, particularly in regards to translations into the Medi-Cal threshold languages.

Ms. Cowley thanked participants for their comments and reiterated the federal government's priority for a first-class consumer experience for both partnership exchanges and state-based exchanges. She noted that customization of the call center and the website were not included in the early vision of partnership; however there may be future guidance on the potential to tailor the visual experience to the needs of the state.

Ms. Cowley further noted that Navigator grants made under Section 1311 of the Affordable Care Act cannot be used to fund the Navigator program, but it can fund training and technical assistance for the Navigator program. The establishment grant

money is available for federal partnership model states or those states working to build their own state-based exchanges. These grant funds would also be there for a state transitioning from the former to the latter. Funding can be awarded through the end of 2014. A more flexible schedule for requesting additional funding is also being proposed beginning August 1. This would allow more opportunities for states to apply for federal funds that would support efforts at any point in their journey and from model to model.

Public portion adjourned at 11:04 A.M.

### **Agenda Item III: Closed Session**

Chairwoman Dooley called the meeting back to order at 4:15 P.M. A conflict disclosure was performed; there were no conflicts from the Board members that needed to be disclosed.

### **Agenda Item IV: Exchange Federal Partnership Options**

Mr. Lee said the Board thoroughly discussed the implications of a potential federal partnership model. Though excited by the good planning and work done federally, given California's readiness, he indicated that the Board had unanimously agreed to proceed with the state-based exchange. Mr. Lee noted his appreciation for the many partnerships within California as well as with the federal government. The Board also received a status report on the CalHEERS contract and directed staff to complete the contract in the next week.

The Board announced the award of the contract for project management support services and independent verification and validation for the CalHEERS project, for which the Board had given authority to staff to engage in, to First Data.

The Board decided to carry over service center contracting discussions to the June 12 meeting. Mr. Lee noted that the May 22 Board meeting agenda is very full, with a presentation of options for marketing, outreach, navigators, and the SHOP program.

Mr. Lee also noted two individuals have joined the Exchange in senior leadership roles – Juli Baker, Chief Technology Officer, and Michael McCluer, Chief Financial Officer. Ms. Baker has a long history of working in technology and Mr. McCluer has worked extensively in private section finance. Mr. Lee said he would introduce the rest of the new staff at the next Board meeting.

**Discussion:** None.

**Public Comment:** Beth Capell, Health Access California, acknowledged the hard work of the Board and staff.

### **Agenda Item V: Adjournment**

The meeting was adjourned at 4:23 P.M.