CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD
July 19, 2012
Ronald V. Dellums Federal Building
Edward R. Roybal Auditorium
1301 Clay Street
Oakland, California 94626

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

Chairwoman Dooley called the meeting to order at 9:18 a.m.

Board members present during roll call:
Diana S. Dooley, chair
Susan Kennedy
Kimberly Belshé
Paul Fearer
Robert Ross, MD

Board members absent: None

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

Agenda Item II: Approval of Minutes from Previous Board Meetings

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

Presentation: May 22 Board Minutes

Discussion: none

Public Comments: none

Motion/Action: A motion was made to approve the minutes. Dr. Ross seconded the motion.

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

Agenda Item III: Report from the Executive Director

Mr. Lee provided opening remarks including an overview of material distributed to the board for the meeting. He noted that the board received a report from the Robert Wood Johnson Foundation detailing lessons for exchanges from the Aligning Forces for Quality.

A. Exchange Planning Update

Mr. Lee gave an update on potential topics for the August 23rd board meeting including board action on qualified health plans policies. A marketing and branding update will also be provided at that meeting including a potential new name for the Exchange.

B. Federal Establishment Level 1.2 Grant Update

Mr. Lee reported that the Exchange submitted a Level 1.2. establishment grant application to the federal government on June 27. Mr. Lee noted appreciation for letters of support for the application provided by Governor Brown; the Department of Health Care Services (DHCS); the Department of Managed Health Care (DMHC); the California Department of Insurance (CDI); and the Managed Risk Medical Insurance Board (MRMIB). The application requested $196 million to support the Exchange's work through June 2013. Grant application documents are posted on the Exchange website. The federal government's decision on the application in expected in August.

C. Supreme Court Decision Update

Mr. Lee discussed the recent Supreme Court decision on the Affordable Care Act. Mr. Lee stated that California has gained national attention because it has been moving full speed ahead with health care reform and that the Exchange looks forward to focusing fully on implementation. The board received a compilation of press coverage on the decision including an opinion piece authored by Mr. Lee and a front-page story in the *Sacramento Bee*.

Mr. Lee reported the Exchange leadership convened a very constructive Tribal consultation. This was the Exchange's first Tribal consulation, and representatives from California's 109 Tribes were invited to participate. This marked the start of a partnership with California's Indians which will include an ongoing Tribal advisory group and regular consultation.

D. CalHEERS Update

Presentation: CalHEERS Project Update

Mr. Lee introduced David Maxwell-Jolly, Chief Operations Officer, to present an update on development of the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS).

Maxwell-Jolly presented an update on the CalHEERS contract with Accenture which was signed on June 22, 2012. The presentation included an overview of the competitive procurement process, operational functionality, governance and cost.

Presentation: Accenture CalHEERS Project Update

Mr. Maxwell-Jolly introduced Jens Egerland, Accenture's managing director for the state of California. Mr. Egerland presented an overview of the CalHEERS business model, project schedule, implementation timeline, and near-term areas of focus.

Board member Ross thanked Mr. Egerland and asked if the project timeline raises concerns for Accenture. He also asked how the board can help support Accenture. Mr. Egerland replied that timely decision-making will be critical to success. Chairwoman Dooley noted that the quality of the board's decisions will be directly related to the information and explanations they get. She thanked Mr. Egerland.

Mr. Lee said the core of the Accenture partnership has been the very good partnership with Managed Risk Medical Insurance Board (MRMIB) and the Department of Health Care Services (DHCS) which will help in making rapid decisions.

E. Legislative Update

Presentation: Legislative Update Chart July 2012

David Panush, Director of Government Relations, presented a legislative update. In the remaining six weeks of the legislative session, the Exchange will pursue statutory changes necessary to implement the Exchange's work in 2013 including statutory changes to interface with the Employment Development Department (EDD) and the Franchise Tax Board (FTB).

Mr. Panush reviewed key pending legislation. Pertinent items include bills related to essential health benefits and individual market reform legislation. Relative to individual market reform, key issues include examining the extent to which health and wellness incentives, reward programs, and tobacco-use rate adjustments might be allowed. Staff is working with DHCS to specify how the major Medi-Cal eligibility expansion legislation will occur, as well as exploring key issue of integration and alignment of Medi-Cal with the Exchange.

Also under consideration is bill that would establish a Basic Health Program (BHP) for those between 138 and 200 percent of the federal poverty level which would have many implications for the Exchange. The board opposed this bill last year, recommending that it be a two-year bill, noting that there were many uncertainties and concerns about the impact on the Exchange's risk pool and the number of potential enrollees. The bill was recently amended to give responsibility for the BHP to the DHCS rather than MRMIB. Staff has still not received federal guidance on the program, but the administration is reviewing the pros and cons of the proposal. The Exchange asked UCLA and UC Berkeley to try to project the impact of the BHP using their enrollment model, with results expected by early next week.

Board member Ross noted his hope that, however the basic health program plays out, the principles of integration, no wrong door, and first-class consumer experience follow it.

Board member Belshé thanked Mr. Panush for laying out the history and the trade-offs of the pending legislation. While the same critical concerns endure, the fundamental issue is continuity of coverage. She looks forward beginning an important conversation about the strategies and options available to the board through QHP contracting to coordinate program alignment, achieve a first-class customer experience, and facilitate smooth transitions.

Public Comment:

Gary Passmore, Congress of California Seniors, expressed support for horizontal integration within CalHEERS.

Gilbert Ojeda, director, California Program on Access to Care, UC Berkeley, commended the Exchange on its CalHEERS process. He noted that pending legislation might require changes to the CalHEERS approach.

Betsy Imholz, director of special projects, Consumers Union, commended two bills (AB 714 and AB 792) she supports to maximize Exchange enrollment.

Emily Rusch, CALPIRG, noted that people will be able to register to vote online starting Labor Day of 2012. She encouraged integration of online voter registration with CalHEERS.

Jim Gross, Local Health Plans of California, said his organization sponsored SB 703 related to the Basic Health Program. He noted that there are uncertainties but also great opportunities.

Kristina Wertz, director of policy and programs, Transgender Law Center, noted as the CalHEERS system is thoughtfully and aggressively developed, there is the opportunity to collect better data on the lesbian, gay, bisexual and transgender community, which suffers health disparities due to being un- or underinsured.

Erica Murray, California Association of Public Hospitals and Health Systems, thanked the Exchange for its thoughtful work. She noted that the association strongly supports the Basic Health Plan to support the state's low-income population.

Nahla Kayali, founder and executive director, Access California Services, requested that her organization be considered among those receiving grant funding for community-based education and outreach.

David Duker, chief strategic officer, Choice Administrators, noted it is hard to operate a voluntary small group program in California's very competitive commercial marketplace.

They have a web portal that works, as well as a network of agents, employers, health plan partners, and brokers, and they would be pleased to help in the SHOP implementation.

Beth Capell, Health Access California, pointed out that integration must take into account that most enrollees will previously have employment-based coverage rather than Medi-Cal.

Agenda Item IV: Qualified Health Plans Policies

A. Consumer Response to Changes in Premium: Evidence from Economic Models

Presentation: Simulated Consumer Response to Changes in Premiums

Mr. Lee introduced Dylan Roby, Director of Health Economics and Evaluation Research Program at the UCLA Center for Health Policy Research, to provide a presentation in response to a board request for more information on price elasticity among consumers purchasing health insurance.

Mr. Roby presented a study of the potential effect of small to moderate premium increases on enrollment in the individual market. The study used the California Simulation of Insurance Market (CalSIM) version 1.7 to show the impact on enrollment in 2019.

Discussion:

Board member Kennedy asked how the base premium price was modeled. Mr. Roby explained that their model used the 70 percent actuarial value silver plan with a dollar amount they expect it to be in 2019 after being inflated from today's prices.

Ms. Kennedy asked what assumptions the model includes about enforcement of the penalties. Mr. Roby stated that they assumed penalties will be enforced, and people must make an economic decision based on the cost of the premium minus the penalty they would avoid by maintaining coverage.

Board member Belshé asked why the analysis assumes such a small premium increase. Mr. Roby explained the change was modeled in addition to 6.5 percent annual premium increase already included in the CalSIM model. In response to Ms. Belshé question about the price sensitivity of small businesses, Mr. Roby replied that the analysis did not include small business.

B. Newly Prepared Board Recommendation Briefs

Presentation: Qualified Health Plans: Options and Preliminary Recommendations

Andrea Rosen, Interim Health Plan Management Director, and Sandra Hunt, PricewaterhouseCoopers, presented options and recommendations for issues pertaining to

certification and selection of qualified health plans that will be offered in the individual and small business exchanges. The presentation included plan and network design issues and recommendations for strategies to assure quality and affordability. Ms. Rosen noted that analysis and recommendations are preliminary and will change upon receiving input from the board and stakeholders. [Note: detailed qualified health plan options and recommendations are available in a discussion draft available on the Exchange website.]

Board member Belshé noted the importance of having a level playing field not just within the Exchange but also between the inside and outside markets. She asked if, in the absence of legislation or statutory authority, the Exchange could affect that through contracting. She further asked to what extent the recommendations assume legislative changes or contract authority. Mr. Lee said the assumption is that the Exchange will use its contracting authority when there are not legislative or regulatory standards.

C. State Partner Perspectives

Panelists: Brent Barnhart, Department of Managed Health Care
Janice Rocco, California Department of Insurance
Toby Douglas, Department of Health Care Services
Janette Casillas, Managed Risk Medical Insurance Board

Mr. Lee invited the state partner panel to join the board discussion with the board and provide their reactions to the qualified health plan options and recommendations.

Chairwoman Dooley noted that the board, regulators, and stakeholders are working through critical issues that must be decided to enable Accenture to proceed with development of CalHEERS. The work is complex and difficult, but the Exchange is working cooperatively with its partners' staff.

With respect to the issue of adjusting premiums based on tobacco use, Board member Kennedy asked for clarification about the potential for adverse selection if premium adjustments for tobacco are different inside and outside of the Exchange. Mr. Lee stated that adverse selection is a possibility if adjustment policies are different inside and outside of the Exchange. He noted that the Exchange is in discussion with regulators and legislators who are looking at a potential ban on tobacco use as a rating factor.

Board member Kennedy asked if wellness programs would only be allowed in the small business Exchange. Ms. Rosen said more research is needed to determine if wellness programs are allowed in the individual Exchange.

Board member Belshé asked about the recommendation for standardization of cost sharing and asked if value-based benefit design tools such as reference pricing relate to that recommendation. Mr. Lee replied that the staff would research the issue.

Ms. Belshé asked about the responsibility for demonstrating provider network adequacy and particularly what evidence may exist to underscore the adequacy of existing

standards and reporting requirements for determining network adequacy. Mr. Barnhart said traditionally they evaluate network adequacy for every plan before approving it. Ms. Rocco said when insurers file their policy forms detailing the products they are going to sell, the Department evaluates whether the insurer is in compliance with network adequacy regulations. They also receive annual reports with any complaints about timely access to providers.

Mr. Lee then invited the panelists to make their remarks.

Mr. Douglas noted the close collaboration between DHCS and Exchange staff and the historic opportunity that exists to provide more affordable care and work toward shared goals of bending the cost curve; improving quality, access, and payment practices; and ensuring a seamless consumer experience. He also stated that there will likely be significant overlap among providers serving Medi-Cal and the Exchange and noted opportunities for aligning strategies including data reporting, monitoring and payment and delivery system reform.

Ms. Casillas encouraged the Exchange board to adopt strong requirements for plans and providers to be culturally sensitive and provide language access for individuals with limited English proficiency. She also encouraged the Exchange to focus on the consumer experience, offering plans that provide value and a simple shopping experience.

Ms. Rocco noted the thoughtfulness of the qualified health plan policy recommendations. She stated that the standards the Exchange places upon plans participating in the Exchange will impact the carriers of products sold outside the Exchange which could impact who buys inside and outside of the Exchange, at least among those not eligible for subsidies. She also stated that Insurance Commissioner Jones has supported proposals to eliminate balance billing and offered to collaborate with the Exchange on that issue. The department will provide additional comments on the cost sharing in the coming weeks.

Mr. Barnhart noted the importance of consistency between the plans people are evaluating within the Exchange and throughout the market. He noted the role of the regulators in working with the Exchange on network adequacy and financial solvency.

Agenda Item V: Closed Session

Agenda Item VI: Announcement of Closed Session Actions

Chairwoman Dooley called the meeting to order at 1:32 p.m.

Mr. Lee noted that the board addressed several contract matters in closed session. The Exchange will engage Manatt Health Solutions to support coordination and integration work with the Medi-Cal program. The National Option Research Center (NORC) and Larry Bye will be retained to develop and implement the evaluation and research plan for the Exchange blueprint to be filed with the federal Health and Human Services Department. Chris Kelly will be retained under a personal services engagement for one year to oversee marketing work and support

private partnership efforts. Robert Half International was given approval to hire up to five technical consultants in the finance area.

The board discussed personnel matters, including adopting a recommendation from the senior leadership that the Exchange's exempt employees be subject to the same furloughs and pay reductions that apply to state workers.

Since the last meeting, the Exchange has brought on three new staff members Carmen Hiller, Judy Michel, and Dale Palolucci.

Public comments: none

Agenda Item VII: Qualified Health Plans Policies (continued) and Stakeholder Reaction Panel

Ms. Rosen concluded her presentation following the closed session. Ms. Rosen noted that the Exchange will host webinar presentations on qualified health plan issues in the coming weeks and will post a form on the stakeholder website for written comments.

Discussion:
Board member Belshé noted the importance of calling out "transparency" more explicitly on slide 22 regarding promoting better quality and more affordable care. Ms. Belshé also noted the importance of pursing alignment of Medi-Cal and other state programs to promote continuity of coverage.

Board members asked the presenters about risks and benefits relating to essential community providers, and the cost impact of requiring the Medi-Care part D for drug formularies. Ms. Rosen said she would research these issues.

D. Stakeholder Reactor Panel

Panelists:
Richard Scheffler, UC Berkeley
Anthony Wright, Health Access
Charles Bacchi, California Association of Health Plans
Anne McLeod, California Hospital Association
Dr. Larry deGhetaldi, Palo Alto Medical Foundation and California Medical Association
Catherine Dodd, San Francisco Health Service System and the Pacific Business Group on Health

Mr. Scheffler mentioned the rise in the health insurance costs in California in the last 10 years and noted the importance of affordability of products offered in the Exchange.

Mr. Wright noted the importance of standardization of benefits to reduce adverse selection. He also cautioned that wellness programs can prompt adverse selection and he urged the Exchange not to tie wellness programs to benefit design or premiums. His

organization believes the essential community provider recommendation is too broad, and noted that many of those who will be newly insured are currently getting care through safety-net providers.

Mr. Bacchi states that the qualified health plan standards recognize that many plans already provide quality care and consumer protections and noted that augmenting those standards through contracting will reduce costs and improve care. He noted the work that must be done relative to process and timing of product filings, rate review and the bid submission. He stated CAHP's support for the recommendation that network adequacy standards build on California's exisiting standards. He also stated that wellness incentives and tobacco rating should be considered.

Ms. McLeod stated the Exchange will be most successful if it has many plans, many people covered, and many providers available. CHA appreciates the suggestion of broadening the definition of the essential community provider to match the federal definition as many low income and uninsured receive their care from a wide range of public and private community hospitals. She noted that improvements could be made with respect to the recommendation for reducing administrative burden. She also emphasized the importance of monitoring access to ensure that patients get needed care.

Dr. deGhetaldi shared three principles of health care reform: patients and families, in the context of their culture, must be the center of health care; any ethical national policy needs to start with expansion of coverage; and primary care needs to be the center of the health care system or it will collapse.

Ms. Dodd said the recommendations reflect innovations and strategies that many have already implemented to achieve higher value in their health care systems. She noted the importance of transparency and providing information about quality and cost; the need to fill gaps in the existing provider performance measurement system; and she emphasized the importance of setting high performance standards from the start.

Discussion:
Board member Ross thanked the participants. He asked Mr. Wright to elaborate on his comments about using the qualified health plan contracting process to address racial disparities. Mr. Wright pointed out that the majority of those in the Exchange will be from communities of color and limited English proficient populations. This is an opportunity to both collect data and encourage plans to think about targeted interventions and strategies to confront the issue of disparities. Mr. Lee said one of the elements in the eValue8 tool (recommend for use in the health contracting process) is how plans address, measure, and serve the needs of their diverse populations.

Public Comment:
Gary Passmore, Congress of California Seniors, hopes the Exchange will focus on the issue of provider-network adequacy.

Al Shubert, vice president of managed care and health policy, VSP vision care, noted that the supplemental benefits brief confirmed dental and vision are typically bought separately from health coverage; they are only offered by the same carrier a third of the time. He noted that DMHC confirms that 93 percent of vision care is standalone care.

Francisca Carranza, janitor, Castlewood Country Club, used to get free health care until her union contract expired in 2009. She and her coworkers said they were willing to sacrifice wage increases to maintain benefits.

Maria Lopez, Hyatt Regency Santa Clara, said she and her husband have worked for Hyatt for five years. In 2010, their son was born with a cleft lip and they have to commit one of their paychecks each month to health insurance.

Joanie Rothstein, senior policy analyst, California School Health Centers Association, noted the association is pleased with the focus on wellness, preventive care, and accountability, as well as the expanded definition of essential community providers. They would like to see schools reimbursed by qualified health plans for serving their members.

Kristine Thurston Toppe, director of state affairs, National Committee for Quality Assurance (NCQA), thanked staff for their well-informed recommendations and noted that 90 percent of Californians who are insured are enrolled in plans with NCQA certification.

Vernon Rowen, senior vice president of external and legal affairs, URAC, noted that they are the another private organization that accredits health plans. URAC is concerned about the recommendation to only use only NCQA to accredit plans, noting the Affordable Care Act specifies that qualified health plans can choose any accrediting agency recognized by the United States Department of Health and Human Services (HHS).

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network and the Having Our Say Coalition, noted support for the Exchange's recommendations of using portions of eValue8 to measure quality. They especially urge the Exchange to require health plans to report on health disparity reductions and cultural competency.

Marcia Dávalos, director of regional networks, Latino Coalition for a Healthy California and the Having Our Say Coalition, thanked the staff for their work and noted their focus on language capacity and cultural competency must be a high priority.

Laura Elizabeth Lopez, executive director, Street Level Health Project and the Having Our Say Coalition, believes the Exchange should require health plans to work with clinics and essential community providers since the people in her community have a trust relationship with them.

Marie Lopez, Visión y Compromiso, supported Ms. Sanders's comments and voiced support for eValue8 modules addressing health disparity reductions and cultural competency. The communities most impacted are those of color, and especially Latinos.

Micah Weinberg, senior policy advisor, Bay Area Council, stressed the importance of having the same rules inside and outside the Exchange. He expressed concern about effecting market change through contracting which, he noted, could disadvantage those participating in the Exchange by giving their competitors more flexibility.

Silvia Yee, senior attorney, Disability Rights Education & Defense Fund, commented if plans are allowed to reduce or alter affordability with tobacco use rating factors and wellness program incentives, they must ensure these programs are accessible. Print materials should be available in alternate formats, meetings and therapy should be available in accessible locations and with translation into American Sign Language, and fitness facilities should have equipment for those with disabilities, for example.

Carmela Castellano-Garcia, president and CEO, California Primary Care Association, is concerned that the recommendations fail to take into account the intent of the Affordable Care Act relative to safety net providers. She stated that the proposal to create an overly broad definition of essential community clinic by including anyone who sees more than 30 percent of Medi-Cal patients is problematic.

Alisha Tran, Asian Health Services, interpreted for a resident of Alameda County. The resident asked that the Exchange support more interpreters and access for his community so that everyone can be healthier and have better lives.

Tina Diep, Chinese community health advocate, Asian Health Services, translated for Jenny Lu, who immigrated from China in 1986. Ms. Lu asked that the Exchange make interpreter services available as soon as possible, so they can have more security and better health.

On phone: Jason Gabhart, California Optometric Association, urged the Exchange to treat optometrists as primary providers. Qualified health plans must cover pediatric vision benefits, and should include optometrists in their networks to ensure there is no delay for these services. Pediatric vision benefits should include a comprehensive eye exam and optical prescriptions, including material benefits.

On phone: Abby Coursolle, National Health Law Program, expressed concern about value-based design and urged the Exchange to consider adopting higher standards, noting existing oversight methods haven't been sufficient. She expressed strong support for the principles in the board brief for alignment with Medi-Cal.

Asian Health Services, translated for Arafina Disparas, who came from the Philippines seventeen years ago. Getting care for health issues in the United States was so different; though she speaks English, she found the system very hard to navigate. She hopes the new health program will provide support for people like her.

[On phone]: Edie Ernst, Private Essential Access Community Hospitals, spoke on behalf of safety net hospitals throughout the state, strongly supporting the recommendation to

adopt a broad definition of essential community providers, including all disproportionate share hospitals and their associated clinics, community clinics, and physicians and groups that serve low-income and Medi-Cal patients. She requested that the Exchange establish accountability measures to ensure the actual utilization of essential community providers.

Tim Madden, American College of Emergency Physicians, noted emergency medicine is unique in that people do not choose where they go. It is common for emergency departments to see people who are not in their networks. Caps placed on out-of-network care are a problem.

Leslie Toy, policy advocate health access project, Asian Pacific American Legal Center, and the Health Justice Network, noted that language barriers lead to long wait times and cause feelings of mistrust. The requirements for language access should be based on the threshold languages.

Jackie Maruhashi, staff attorney, Asian Law Alliance, supports the requirement that plans provide language access that is culturally competent, and to collect demographic information, specifically ethnic data, to help reduce disparities in all communities.

Erica Murray, California Association of Public Hospitals and Health Systems, commented that the proposed definition of essential community providers is too broad. All qualified health plans should include essential community providers as 15 percent of their networks.

Mayada Abdullah, programs director, Access California, serves primarily immigrants and refugees. She requested clarification on the mental health component, if mental health benefits will be available to Exchange participants and if that will be clear to consumers while they are picking plans.

Michael Johnson, director of public policy, Blue Shield of California, believes the recommendations on essential community providers balance affordability with access. Without affordability, access to essential community providers is meaningless. The recommendation regarding the participation of plans in a portion of a rating region was thoughtful, and a good solution for how to allow local participation by plans. When it comes to direct enrollment issues, informed consumer decisions are critical, but if plans have to promote their competitors, that diminishes the attractiveness of the Exchange.

Jacob Smith Yang, capacity building director, Asian & Pacific Islander American Health Forum, described data collection as a strategy to promote better quality care. Consistent, accurate, and standardized data collection is critical to eliminating health disparities.

David Chase, California outreach director, Small Business Majority, supports the general recommendations regarding standardization. Small business owners vary wildly in terms of employee numbers, ages, and other factors. Wellness incentives present legitimate concerns, but are worthy of discussion.

Bill Wherle, vice president of health insurance Exchanges, Kaiser Permanente, expressed support for a number of the recommendations and the general thrust, particularly relating to standardization. Kaiser disagrees with the criticism of the recommendations being overly regulatory. The Exchange is laying out a set of ground rules, and that can be powerful and has been missing from the California market.

John Connolly, Insure the Uninsured Project, urged the Exchange to establish Department of Managed Health Care standards for all qualified health plans. The Exchange should devise its own consumer satisfaction and plan and provider quality rankings and make them public after the first year.

Betsy Imholz, director of special projects, Consumers Union, expressed strong support for the recommended direction of standardization, especially in terms of cost sharing.

On phone: Cindy Ehnes, California Children's Hospital Association, noted the importance of standardization as essential for consumer understanding and for regulation of actuarial value. She also stated that health plans should be required to contract with essential community providers, such as children's hospitals.

Ken Krebs, attorney and private citizen, recommended fairness with respect to mental health issues and recommended placing a greater emphasis on fitness and wellness.

Mike Prosio, regional vice president of government relations, Anthem Blue Cross, applauded the Exchange's Herculean effort and feels the staff has struck a balanced approach. Anthem Blue Cross agreed with many or most of the recommendations. Anthem Blue Cross echoed Mr. Bacchi's concerns about timelines for the qualified health plan selection process and for the rate filing process and Blue Shield's comments about marketing and enrollment.

On phone: Aditi Goel, Silicon Valley Leadership Group, spoke on behalf of Emily Lamb, noting she believes strongly in the Small Employer Health Options Program, which is so important to their workers and the state.

Yeri Shon, intake coordinator, Korean Community Center of the East Bay, noted she works with many monolingual immigrant families who need providers and clinical staff and materials in their own language. She stated that plans should provide data to help increase cultural competency and reduce disparities.

Jennifer Eames-Huff, Consumer Purchaser Disclosure Project and the Pacific Business Group on Health (PBGH), noted that, overall, PBGH is supportive of the staff recommendations.

Luella Penserga, Alameda Health Consortium, noted that her organization has been working closely with the clinics and their county on the low-income health program. They support moving toward standardization, which will make it easier for their patients and their providers

Albert Carlson, SEIU Local 521, 721, and 1021, noted that as the Exchange defines essential community providers, it must look at the core, which are the public hospitals and community clinics.

Marti Fisher, California Chamber of Commerce, expressed concern that the first-class experience envisioned may become unaffordable. While tax credits keep it affordable, they will not keep down the Exchange's own costs.

Lisa Folberg, California Medical Association, voiced support for many of the recommendations, including the one to broaden the definition of essential community providers. Allowing current regulators to perform all oversight will not be sufficient.

Chris Kaboos, eligibility worker, Del Norte County Department of Health and Human Services, said plans should cover more, noting that he is diabetic and most of his medications are not covered. He should be buying food for his kids with the money he has to spend on medication.

Nahla Kayali, founder and executive director, Access California Services, explained that hers is a family resource center that would like to be recognized as an ambassador to that community and receive grant funding.

Agenda Item VIII. Previously prepared Board Recommendation Briefs for Action

Mr. Lee announced that the issues under this agenda item would be postponed to the August board meeting in the interest of time. Mr. Lee asked that any written comments on the issues be provide by August 6.

Agenda Item VIII: Service Center Options: Next Steps

Presentation: Service Center Options

Mr. Maxwell-Jolly presented the first of two service center options under consideration referred to as a centralized multi-site service center model. Craig Tobin from Exchange-contractor Eventus discussed service center best practices. Meg Sheldon of the County Welfare Directors Association presented the second option referred to as the integrated state/consortia service center model.

Discussion:
Board member Ross asked for clarification on the distinction in the first model between the primary and the secondary and tertiary centers. Mr. Maxwell-Jolly responded that the primary location will house organization management staff, and Mr. Tobin noted that the primary location will house all of the support functions including quality assurance staff.

Dr. Ross noted the variability in performance in county call centers as reflected in the data that was shared with the board (available on the Exchange website). In response,

Ms. Sheldon noted that county call centers were implemented without preplanning or statewide standards. Ms. Sheldon urged the board not to assume that counties are only capable of performing at today's levels.

Board member Belshé asked how staff would compare and evaluate the two models. Mr. Maxwell-Jolly responded that the two options would be weighed against best practices to determine which of the alternatives best delivers on quality customer service.

Ms. Belshé asked where the authority would rest for holding service sites accountable for performance under each model. Mr. Maxwell-Jolly responded there were two options for ensuring accountability under the multisite model: either by Exchange management if call centers were staffed by state employees, or by a vendor if the call centers were staffed under contract. Ms. Sheldon responded that accountability in the consortia model would be enforced through regulatory or contractual arrangementst, noting that any underperforming county would be subject to removal from the service.

Board member Kennedy questioned a prior comment that current county performance data is not relevant in evaluating potential future county performance. Ms. Sheldon responded that current data should be taken in context. They inform rather than predict.

Ms. Kennedy expressed concern about the lack of other models to which to compare the two options particularly with respect to how much it would cost to achieve a certain level of performance. Mr. Maxwell-Jolly noted that there are three staffing options under the centralized multi-site service structural model which could have different costs. Mr. Maxwell-Jolly recommended staging the decision by first choosing a structural model and then deciding on the staffing approach.

Ms. Kennedy asked if there had been a discussion about contracting with an entity that currently operates a service center. She noted that while it may not be a model we would choose to use, it would trouble her to lose that option as something with which to compare performance and cost. Mr. Maxwell-Jolly agreed that should be taken into account and noted that there could be a cost comparison between a contracted-staff model, a state-based model, and a mixed model. Mr. Lee said data on that issue would be provided for the next board meeting.

Board member Fearer asked for additional analysis on the options. He noted that between the two models there is not a unitary set of advantages and challenges.

Ms. Belshé noted that whether the service center uses county, state, or private workers, they will take on new roles, new responsibilities, and new expectations in terms of performance. She expressed interest in learning what to expect if the Exchange ends up working with county, state, or private employees, and stated that the Exchange must ensure relationships are being structured to create proper incentives.

Public comment:

Beth Abbott, Health Access California, cautioned that deciding what entity will be given the service center function based on the similarity to the work they are already doing indicates improper conflation and assumptions of similarity.

Vanessa Cajina, Western Center on Law and Poverty, stated the integrated state consortium model gets at many of their concerns. The Center requested that the option adopted by the board be culturally, functionally, and linguistically appropriate, and serve the working people and their families.

Albert Carlson, SEIU Local 521, 221, 721, and 1021, strongly supports the fourth option, which would be best for clients and the Exchange. California is a big state that needs local solutions. Just the top eight counties are more populous than any other state. Carlson stated existing state law requires that this work be done by state workers.

Nathan Wolman, human resources specialist, San Diego County, and SEIU 221, stated that it would be best to build on existing infrastructure noting that the implementation of any new system will be unforeseen challenges.

Louise Ganyo, eligibility worker, Mendocino County and SEIU 1021, pointed out it has taken years to reach her experience level, and you can't just train a replacement in one week. In two to three years, a worker may have a general gist of what's going on.

Maria Camposeco, eligibility worker, Medi-Cal, in San Francisco, pointed out they took 7,000 calls with only a three percent drop rate. She stated that eligibility workers can help refer people to human services and can convey information to people to help them access any type of medical care.

Erica Watkins, eligibility worker, Contra Costa County and SEIU 1021, stated that big corporations should not profit from the poor. County workers are already doing this work, effectively and passionately.

Thelma Starr, eligibility technician, SEIU 1021, stated that county workers are currently doing the work and recommended the Exchange choose the county consortium option.

Hellan Roth-Dowden, SEIU Local 1000, stated Medi-Cal work should be done by Medi-Cal workers. She commented that the more the Exchange seeks control over the service centers, the more the Exchange looks like Medi-Cal.

Carla Sapporta, Greenlining Institute, appreciated the recommendation of adding "accuracy" to the principles. The Institute sees development of the service center as an opportunity to maximize funds by investing in effective local hire programs, which will create job opportunities for California's most vulnerable populations.

Chris Kaboos, eligibility worker, Del Norte County Department of Health and Human Services, stated that he has four hundred people in his caseload. He stated his believe that most do not want to talk to a call center; they want to talk to their worker.

Cynthia Landry, Alameda County Social Services, noted county call center staff are trained on how to handle relationships and problems, noting that their director demands nothing less than outstanding customer service.

Cary Sanders, director of policy analysis, California Pan-Ethnic Health Network and the Having Our Say Coalition, stressed that, regardless of the model chosen, it is crucial to hire internal bilingual staff. The service center has to provide assistance in any language, but monitoring quality and using these tools—data analytics, monitoring calls—can only be done with in-house staff.

Jackie Maruhashi, staff attorney, Asian Law Alliance, stated that she is unsure if an integrated or central command center will work. She also noted that there must be bilingual and bicultural staff on hand.

Nadeen Roach, SEIU 1021, has worked in Solano County for fifteen years, and voiced support for option four, the county consortium option.

Grace Sepulveda, eligibility worker, Ventura County and SEIU 721, described the counties' strong commitment and open door policy for anyone seeking assistance with any program.

Renato Peña, SEIU, worked in San Francisco for seventeen years at the state and county level in various agencies, and stated that his coworkers want the board to consider their professionalism as eligibility workers, their dedication to their clients, their multicultural capacities, and that they're ready to accept the challenge.

Rosemarie Flores, eligibility supervisor, Sacramento County and SEIU 1021, stated the Exchange cannot take a cookie cutter approach on this kind of timeline and pump out public-service-oriented professionals.

Athena Chapman, director of regulatory affairs, California Association of Health Plans, would support a process similar to a normal RFP process which the Exchange could use to evaluate all bidders in an objective manner.

Chairwoman Dooley asked the staff to look at a hybrid model—a path that has not been considered today that would use the best of both models. She will work with the Exchange staff and direct her own staff to find a path that takes the best of both models and incorporates the need for a clear process with transparency about costs, risks, and benefits.

Agenda Item X: Adjournment
The meeting was adjourned at 5:23 p.m.