CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD
August 23, 2012
East End Complex Auditorium
1500 Capitol Ave.
Sacramento, CA 95814

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

Chairwoman Dooley called the meeting to order at 10:04 a.m.

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

Agenda Item II: Closed Session

Agenda Item III: Announcement of Closed Session Actions

Chairwoman Dooley reconvened the meeting in open session at 12:36 p.m. A conflict disclosure was performed; there were no conflicts from the Board members that needed to be disclosed.

Mr. Lee noted the Board approved five contracts and interagency agreements as follows:

- Amending an interagency agreement between the Exchange and the Department of Health Care Services (DHCS) for IT support.
- Providing staff authority to amend the Ogilvy contract and to begin implementing phases I and II of the outreach and media work, including the establishment of the assisters and community grant program under subcontract with Richard Heath and Associates. The Level 1.2 grant award provides the funding for these activities.
- Authorizing staff to issue a request for proposals (RFP) for support for the upcoming Qualified Health Plan (QHP) solicitation. This will include assistance in developing, managing, and conducting the solicitation.
- Authorizing staff to explore upon approval from the Attorney General retaining outside legal counsel.
- Amending an existing contract with Eventus, which is providing expertise relative to the implementation of the service center to continue the next round of planning and design steps.

Mr. Lee announced Gary Cohen, General Counsel, will return to Washington to rejoin the Obama Administration as Director of the Center for Consumer Information & Insurance Oversight (CCIIO). Mr. Lee also announced the resignation of Michael McCluer as the Chief Financial Officer.

Agenda Item IV: Approval of Prior Meeting Minutes
After asking if there were any changes to be made, Chairwoman Dooley asked for a motion to approve the minutes from the June 12 and June 19 Board meetings.

Presentation: June 12, 2012, Minutes

Presentation: June 19, 2012, Minutes

Discussion: None

Public Comment: None

Motion/Action: Board member Ross moved to approve the minutes from June 12 and June 19, 2012 meetings. Board member Kennedy seconded the motion.

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

Agenda Item V: Board Governance/Operations
Mr. Lee introduced two business items on the agenda: the annual Board chair election and the need to adopt a set of bylaws.

A. Election of Chair

Motion/Action: Board member Fearer nominated Chairwoman Dooley to continue as Board chair. Board member Ross seconded the motion.

Vote: The motion passed unanimously.

B. Exchange Bylaws

Staff counsel Gabriel Ravel presented the Exchange bylaws.

Presentation: Exchange Bylaws

Mr. Ravel noted three minor additions were made to the original draft bylaws discussed in June: the Exchange's vision and mission statements; the statutory criteria for Board member selection, including considering the cultural, ethnic, and geographic diversity of the state; and the federal requirement that at least one Board member represent a consumer representative.

Public Comment: None

Motion/Action: Board member Kennedy moved to adopt Resolution 2012-48, approving the bylaws as revised. Board member Ross seconded the motion.

Vote: Roll was called, and the motion was approved unanimously.

Agenda Item VI: Report from the Executive Director

A. Exchange Planning Update

Mr. Lee announced that the federal government formally expressed its intent to award a $196 million Level 1.2 grant to the Exchange.

Mr. Lee also announced the Center for Consumer Information and Insurance Oversight (CCIIO) released the final Exchange blueprint application for federal certification. The application is due November 16, 2012.

Presentation: Executive Director's Report

Mr. Lee reviewed the 2012 Board discussion and decision calendar. He noted the Exchange plans to apply for its next Establishment Grant in November.

B. Legislative Update

Presentation: Legislative Update Chart

David Panush, Director of Governmental Relations, provided on overview of the status of various bills of interest to the Exchange. Mr. Panush noted Governor Brown sent a letter to the legislative leadership suggesting he would be calling a special session related to issues on the implementation of the Affordable Care Act when the Legislature reconvenes in regular session December 3, 2012.

C. CalHEERS

Presentation: CalHEERS Timeline (See Slide 3)

Juli Baker, Chief Technology Officer, reported on the status of the CalHEERS project. The project is in the sixth week of the requirements validation process. Ms. Baker reviewed the key CalHEERS development milestones.

D. Exchange Naming and Branding

Presentation: Branding the Exchange (See Slide 4)

Chris Kelly, Senior Advisor on Marketing, presented on Exchange naming and branding. He presented several possible names and a timeline for selection. Mr. Kelly noted staff will present the three best names for Board action in the coming months.

Public comment: None

Agenda Item VII: Individual Market—Previously Prepared Board Recommendation Briefs for Action

A. Premium Aggregation

Presentation: Premium Aggregation

David Maxwell-Jolly, Chief Operating Officer, presented the staff recommendation on premium aggregation in the individual Exchange in which enrollees in the individual Exchange would pay premiums directly to their qualified health plan.

Motion/Action: It was moved and seconded to adopt recommendation Resolution 2012-37, subject to any revisions, comment and discussion.

Discussion:

Board member Ross noted his support for the recommendation, but asked to hear the consumer organizations' opinions on the issue and why they think the recommendation doesn't work for consumers.

B. Agent Payment Options

Presentation: Individual Exchange Agent Payment Options

Mr. Lujan presented recommendations for agent payments in the individual market, noting that recommendations for agent payment options in the Small Business Health Options Program (SHOP) are different from those proposed for the individual Exchange.

Staff recommends the Exchange allow plans and agents to determine mutually acceptable contracts and commission and allow plans to pay agents directly. Agents would need to be "certified" with the Exchange as Direct Benefit Assisters and meet terms of the Exchange's Assisters program.

Discussion:

Board Member Belshé expressed interest in the implementation strategy for protecting consumers and facilitating the Exchange's goal of a first-class user experience, and asked how web-based agents advance their objectives and relay information to consumers. Mr. Lujan responded that web-based agents will be monitored to ensure there is the same consumer experience as with the Exchange.

Motion/Action: Mr. Lee requested the staff recommendation be modified to include how the Exchange will establish appropriate consumer protections and protocols relating use of web-based agents and facilitation of appropriate use of the Exchange's web enrollment tools. Board member Belshé moved to adopt the resolution as amended; Board member Kennedy seconded the motion.

Chairwoman Dooley called for public comment on both premium aggregation and agent payment options recommendations.

Public Comment:

Beth Capell, Health Access California, objected to allowing comment on two unrelated issues subject to a vote. Chairwoman Dooley asked Ms. Capell to clarify her concerns and assured Ms. Capell she would be granted sufficient time to address both issues on the issue of premium aggregation. Health Access California is strongly opposed to the staff recommendation on premium aggregation, noting that the decision could dilute the brand of the Exchange.

Betsy Imholz, director of special projects, Consumers Union, noted specific benefits for the Exchange in performing the premium aggregation function including standardization between the SHOP and the individual market and simplification for consumers and assisters.

Abby Coursolle, National Health Law Program, echoed the branding concerns shared by Health Access and Consumers Union. She noted their concerns about churning stating it would be easier for consumers in changing circumstances if the Exchange facilitates payment.

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty, noted agreement with the previous comments. They want consumers to have the ability to choose to pay Exchange.

Mark Deale, Children's Health Initiative, commended the staff on the policy recommendation on agent payment in the individual Exchange.

Sarah Mercer, California Pan Ethnic Health Network, noted premium aggregation is important to communities because it includes access to additional information and being able to identify trends in drop-off and churning and billing issues, especially for communities of color or limited English proficiency (LEP).

Chuck Rosen, California Association of Health Underwriters and the National Association of Insurance and Financial Advisors, appreciated the Board's direction for agent payment in the SHOP and individual Exchanges.

On phone: Randall South, California Health Insurance Co-Op, agreed with Consumers Union and the others, having concerns about premium aggregation. He would like consumers to have a choice and would like the Board to be proactive in setting standards on issues like travel benefits and payment to providers.

Steve Young, senior vice president and general counsel, Insurance Brokers and Agents of the West, supported both staff recommendations as modified by Mr. Lee. Considering the

scope of the task involved in receiving payments from millions of people, imposing that obligation on the Exchange would require substantial resources.

John Connolly, Insure the Uninsured Project, supported and understood paying the agents directly, but urged the Board to require transparency in payment so consumers are armed with that information and can be smart shoppers.

Al Hernandez-Santana, California Rural Health Association, believed Consumers Union made a strong case for aggregating premiums. He noted support for the agent payment recommendation, which relieves the Exchange of an administrative burden and maintains status quo.

On phone: Jason Andrew, chief executive officer, Stone Meadow, supported the premium aggregation recommendation.

Discussion (Premium Aggregation):

Mr. Lee noted an abundance of operational issues associated with aggregating premiums and paying agent commissions. He added this is an area where the Exchange's resources would be better focused in other areas.

Dr. Ross supports the staff recommendations on both issues, noting the importance of transparency and the capacity to change course if needed.

Vote: Roll was called, and Resolution 2012-37, to adopt staff recommendations on premium aggregation, was approved by a unanimous vote.

Vote: Roll was called, and Resolution 2012-38, to adopt staff recommendations on individual Exchange agent payment options, as amended, was approved by a unanimous vote.

Agenda Item VIII: Small Business Health Options Program

A. SHOP Board Recommendations

Presentation: SHOP Options and Recommendations

Michael Lujan, SHOP Director, presented revised options for employer and employee choice of issuer and metal tier. Additionally, Mr. Lujan presented options for the SHOP agent strategy, which included minor updates to the Exchange's previously recommended general agent strategy. Mr. Lujan also presented the staff recommended that the Exchange contract for administration of SHOP services in the initial years of the program to ensure Affordable Care Act timelines and requirements are met.

Discussion:

Board member Belshé noted her desire to hear more on how to differentiate the SHOP from the non-SHOP small group market, and noted that the way to do that is employee choice. She further requested feedback from stakeholders on which option best advances employee choice and competition in the small group market, and whether the options presented are enough to truly differentiate the SHOP and non-SHOP markets.

Motion/Action: Mr. Fearer moved to adopt the staff recommendation for Resolution 2012-36 for the SHOP. Ms. Kennedy seconded the motion.

Public Comment:

David Fear Sr., Shepler and Fear General Agency, supported general agent option C, which allows any qualified general agents to work with the Exchange. He stated that general agents can be a great ally for the Exchange.

John Arensmeyer, Small Business Majority, agreed that employee choice is the single biggest difference between the SHOP and the outside market. He supported option A, to allow workers to select any carriers within a tier, which carries no additional cost. Option B is supported with concern that it is limited to only two choices within each tier. Polls show employers want more than two choices.

Michael Wolfe asked the Board to all general agents to participate in the Exchange.

On phone: Lisa Klinger, attorney, Leavitt Group, asked for clarification as to whether the Exchange will match current agent commissions.

Susie Shupe, executive director, California Coverage and Health Initiatives and United Ways of California, noted that 25 percent of small businesses do not feel comfortable using agents, and may feel more comfortable with small organizations and chambers.

On phone: Heidi Pickman, California Associates for Micro Enterprise Opportunity, noted very small businesses are usually required to select one plan which puts them at a disadvantage compared to large companies. She stated that meaningful employee choice would level the playing field.

On phone: Emily Lamb, senior director of health care, Silicon Valley Leadership Group, emphasized the importance of striking a balance between choice and keeping costs down. Options are important but price is the biggest motivator.

On phone: Casandra Lattin, Covenent Industries and People One Source, recommended that all agents be contracted because it will solve cultural and linguistic problems specific to small business owners.

Gary Mizell, Western Health Advantage, supported the federal default option and only that option. He noted that Option C is most similar to the current small group market, but the current market is broken. Small employers want to offer multiple carriers, but they cannot do that in the current market.

Adlai Wilery, LISI, supported the general agent strategy of allowing all general agents to participate.

Bill Wehrle, vice president of health insurance exchanges, Kaiser Permanente, supported the elements on the table other than choice. He recommended that a three prong test for evaluating choice should be used: what does the option do to the viability of the Exchange (differentiation in a competitive market), what does it mean for affordability, and how does it play into the Exchange's role as a catalyst for change?

Linda Brown, Health Net, expressed strong support for option A. Having a different option for firms with ten or more employees is not supported. Having multiple tiers available may lead to adverse selection.

Larry Loo, Chinese Community Health Plan, echoed Western Health Advantage's comments. He urged the Exchange to remember that, in today's insurance world, the small group market is guaranteed issue with poor choice, and the individual market has no guaranteed issue.

Carla Saporta, health policy director, the Greenlining Institute, ageed with CCHI and United Ways, expressing concern if only brokers and agents are available for small businesses.

Kathleen Hamilton, Children's Partnership and the 100% Campaign, stated that she generally supports the staff recommendations in plan alignment and agent payments.

Ruth Liu, Blue Shield of California, recommended the inclusion of option C, which allows employee choice of tier, but by having the employer choose one issuer, also allows the issuer to aggregate the risk among those employees and maintain a lower premium.

Jackie Miller, California Association of Dental Plans, supported the inclusion of supplemental benefits in the SHOP Exchange and would recommend inclusion of dental and supplemental benefits in the individual Exchange.

John Doherty, United Health Group, stated support for option A, along with Kaiser and number of other plans. He further noted that dental and vision benefits have been delivered as standalone benefits, but the market is changing and consumers see a lot of value in their benefits working together.

Francine Morey, Anthem Blue Cross, acknowledged the need for balance, supporting option A but appreciating the creativity in option B. She noted that both options bring

new choice offerings to the market. Anthem knows both will have different selection dynamics than option C, which would increase the cost of the whole Exchange over time.

Steve Young, senior vice president and general counsel, Insurance Brokers and Agents of the West, expressed support for his colleagues' comments on the SHOP agent strategy.

Vote:

Roll was called, and Resolution 2012-36 as revised was approved by a unanimous vote.

Agenda Item IX: Qualified Health Plan Policies

Presentation: QHP Policies and Strategies Options and Recommendations

Presentation: Summary of Changes to the Qualified Health Plan Recommendations for the California Health Benefit Exchange

Andrea Rosen, interim Health Plan Management Director, presented the Exchange staff's qualified health plan recommendations.

Discussion:

Board Member Belshé expressed concern about that potential for adverse selection as a result of disallowing tobacco use as a rating factor in the Exchange. Ms. Rosen noted that, because future legislation addressing this issue was a possibility, staff recommend that the Exchange should not take the lead in the use of tobacco as a rating factor. Mr. Lee commented that the Exchange is aware of the risk of disallowing tobacco as a rating factor, and that the Board may wish to revisit its position in the future.

There was additional board member question and comment on essential community providers, value-based benefit design, network adequacy, and timely access to care standards.

Public comment:

Beth Capell, Health Access California, commended the process that has led to improvements in the legislation being finalized right now and appreciates the progress in the area of essential community providers.

Al Shubert, vice president of managed care and health policy, VSP Vision Care, noted DMHC data confirms that 93 percent of vision care is delivered by standalone plans. He noted that Maryland and Massachusetts are including standalone vision plans and strongly opposed the Staff recommendation to not allow standalone vision plans in the individual Exchange.

Maureen O'Haren noted support for the staff recommendation for the definition of essential community providers. She stated that it is a good compromise, allowing private providers to be included while equipping the Exchange to make easy decisions.

On phone: Joel Torrez, Coalition of Orange County Community Health Centers, recommended that the Exchange provide incentives for QHPs to contract with community clinics and health centers. The essential community provider requirement of the ACA was meant to recognize the work of these clinics and centers, which see every patient regardless of their ability to pay.

On phone: Aaron Fox, LA Gay & Lesbian Center, expressed concerns about essential community provider definition and sufficiency standards. Adopting an overly broad definition will result in QHPs not contracting with providers like them, because their population requires consistent and sometimes costly care.

On phone: Gary Rotto, Council of Community Clinics, expressed concern about the broad definition of essential community providers. The ideal would be adding Section 1927 Social Security Act clinics, since that was identified in the ACA along with 340(b) providers, and since the Exchange is in California, he would also like to see added nonprofit clinics that treat anyone regardless of their ability to pay.

On phone: Jason Gabhart, California Optometric Associates, thanked the staff for recommending that optometrists be included in QHP networks to meet the requirements for pediatric vision care. He recommended that standalone benefits be included in the individual Exchange and the SHOP, since children are more likely to obtain eye exams if their parents have vision insurance, and people are more likely to obtain comprehensive vision care if they have a standalone plan.

Gary Passmore, Congress of California Seniors, asked the Exchange closely watch the impact of the essential community provider definition and be open to adjustment.

Abby Coursolle, National Health Law Program and the Health Consumer Alliance, noted that if the Board adopts the recommendation to allow all enrollees to choose any plan, the Exchange should work with consumer advocates and representatives to ensure that adequate information given to all enrollees eligible for subsidies to inform their choice.

Deborah Kelch, Health Insurance Alignment Project, felt the Exchange should do more to identify and analyze what having two regulators really means for the Exchange and the contracts with QHPs.

Betsy Imholz, director of special projects, Consumers Union, agreed with Ms. Kelch. Disparate standards are an ongoing problem, and in the spirit of Exchange's vision, they hope the Board will consider contract provisions of the kind mentioned.

Lucinda Ehnes, California Children's Hospital Association, disagreed with the recommendation on timely access standards. She noted that the basic product after 2014

in a PPO will be identical, and to give consumers a lesser regulatory standard is simply a wrong assumption.

Sherry Franklin, pediatric diabetes subspecialist, applauded the Exchange for trying to regulate in terms of ensuring adequate network providers, but expressed concern that the Exchange is not going far enough.

Sarah Miller, California Association of Public Hospitals, noted progress has been made in the area of essential community providers, but further work is needed. In order to make the definition accurately reflect providers who have historically served low-income and uninsured patients, the Exchange should include some threshold of care to the uninsured.

Jim Mullen, senior legislative analyst, Delta Dental, appreciated the distinction made between essential pediatric and supplemental pediatric benefits. It's a key distinction, as other things will attach to those two products.

Carmela Gutierrez, Californians for Patient Care, urged broader networks to improve access. Enhanced patient choice is important to protect, and broader networks allow Californians to choose how, where, and from whom they receive care.

Doreena Wong, Asian Pacific American Legal Center and the Health Justice Network, expressed support for the consumer protection comments of the National Health Law Program and Consumers Union, but also pointed out that linguistic standards under the Senate bill requires all plans to provide language access.

Brett Johnson, associate director of medical and regulatory policy, California Medical Association, agreed with Ms. Belshé's points about network adequacy, and recommended that the Exchange provide ongoing monitoring.

Edie Ernst, communications director, Private Essential Access Community Hospitals, voiced strong support for the essential community provider definition and appreciated Ms. Rosen's clarification. She recommended that the Board adopt a broader standard of what constitutes a sufficient population of essential community providers.

Jonathan Tran, California policy and program manager, Southeast Asia Resource Action Center, agreed with Ms. Wong and noted that they are encouraged by the recommendation that the Exchange continue to oversee network adequacy.

Katherine Hamilton, Children's Partnership and the 100% Campaign, noted that child-only plans are a key element of QHP plan design and development, and yet have not been discussed.

Bing Pau, California College of Emergency Physicians, applauded the Exchange's desire to increase transparency for patients, payers, and providers, but pointed out the current out-of-network benefits recommendations do not appear to include emergency care.

Tim Madden, California Chapter of the American College of Cardiology, thanked staff for working with them to address their concerns.

Sasha Wright, San Francisco Pride at Work, noted many of their members are unemployed and underemployed and will thus be entering the individual Exchange, so it is important to provide for the needs of the LGBT community.

Lynn Reardon, Pride at Work, expressed support for the written comments submitted by the Transgender Law Center regarding benefits for transgender individuals.

Bill Wehrle, vice president of health insurance exchanges, Kaiser Permanente, suggested a slight modification to allow non-standard benefits in plans. He noted that these modifications can be very powerful in terms of selection. He recommended that the Exchange allow plans propose alternative benefit designs which would be vetted in a public process.

Larry Loo, Chinese Community Health Plan, requested age bands be consistent between SHOP and individual Exchange so there is market parity.

Ruth Liu, Blue Shield of California, urged that QHP issuers be able to compete on a level playing field. She urged the Exchange to be mindful of the mandate to provide statewide coverage and not create higher barriers for issuers to enter.

Anne McLeod, senior vice president of health policy, California Hospital Association, noted there are 42 disproportionate share hospitals in the Los Angeles area, which would constitute two regions. She noted that sufficiency standards would require just one hospital to be included.

On phone: Kirsten Spaulding, San Mateo County, expressed support for the comments by the Los Angeles Gay and Lesbian Center for the definition of essential community providers. She noted that while the percentage approach to sufficiency as has some validity, but it is recommended that this option be amended to increase the percentage to 50 percent or more.

On phone: Mark Parades, program manager, Healthy Smiles for Kids of Orange County, noted his organization works to improve oral health for children, many of whom are uninsured.

John Arensmeyer, Small Business Majority, pointed out that wellness programs are one of the most popular ACA provisions for small businesses, and yet they have little ability to take advantage of them. He noted that a poll showed that two-thirds of small-business owners said they were important.

Deborah Ortiz, California Primary Care Association, noted her disagreement with the essential community provider definition being 15 percent, which could result in the quota being primarily met by other providers. She stated that a higher percentage, such as a

minimum of 30 percent, would allow full and meaningful participation for community clinics and health centers.

Amparo Cid, community advocate, California Rural Legal Assistance Foundation, urged the Board to be cautious with wellness programs so they don't result in adverse selection. Their clients, largely farm workers, suffer cumulative health impacts from being exposed to pesticides, infrastructure problems, and being exposed to contaminated water.

Brianna Pittman, legislative advocate and policy associate, Planned Parenthood Affiliates of California, voiced appreciation for the modification of the essential community provider definition, noting that an overly broad definition may dilute the intent. She further stated that the Exchange should include family planning and women's health providers, or plans won't contract with them.

Sarah Mercer, California Pan Ethnic Health Network, thanked the Exchange for not including the tobacco rating as people should not be priced out of the system, but instead make sure they have access to tobacco cessation programs.

John Doherty, United Health Group, requested clarification on the recommendation for specialty benefits in the SHOP and individual Exchanges.

Brianna Hintze, Local Health Plans of California, appreciated the Exchange's flexible approach in allowing deferred entry for local health plans.

Athena Chapman, director of regulatory affairs, California Association of Health Plans, expressed concern about the updated requirements to waive the deductible for two PCP visits. She suggested that the Exchange convene a workgroup with plans to design a benefit that will be successful in the Exchange.

Ida Fared, Central Valley Health Network, echoed the statements by the California Primary Care Association regarding the 15 percent sufficiency standard.

Carla Saporta, health policy director, the Greenlining Institute, noted that research by the Prevention Institute reveals ethnic small businesses are confused by wellness programs and do not see them as a high priority.

Tom Riley, Heart Coalition, urged the Exchange to be innovative and think big as it considers nonstandard and standard plan design. He further stated that the Exchange should look other states, and figure out ways to build team-based care at the outset, incentivizing positive behaviors.

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty, asked that if the Board goes with the staff recommendation that people below 250 percent of the federal poverty level be able to opt into other levels, it should be sure those people have very clear notice and that they thoroughly understand the ramifications.

Mark LeBeau, health policy analyst, California Rural Indian Health Board, thanked the Exchange for including tribal health programs as essential community providers.

Diana Garza, Latino Coalition for a Healthy California, agreed with her colleagues' comments on essential community providers.

On phone: Tina Kim, Community Clinic Association of Los Angeles County, said her comments align with those of the California Primary Care Association and the other community clinic coalition partners regarding the essential community provider recommendation.

On phone: Elizabeth Bille, Altamed Health Services, expressed concern about the essential community provider definition and sufficiency standards in the final report. Community health clinics are required to see every patient, whether or not they can pay. A standard as overly broad as proposed by Exchange is not ACA compliant, requiring that providers serve predominantly low income and medically underserved individual.

On phone: Amy Moy, California Family Health Council, echoed appreciation of narrowing the essential community provider definition, but asked that the sufficiency standard be raised to at least 30 percent.

Motion/Action: Dr. Ross moved to adopt recommendation Resolution 2012-50 for the qualified health plan recommendations. Ms. Kennedy seconded the motion.

Discussion:

Mr. Lee announce the resolution to adopt the recommendations in the Board Recommendation Brief, noting modifications can be made relative to the issue of assessing adequacy of provider network.

There was additional board member discussion relative to essential community providers and the issue of dual regulators.

Vote:

The staff recommendation was approved 4-1 with Board Member Ross opposed.

Dr. Ross noted his vote in favor of the staff recommendations except for the recommendation to rely on either regulator (DMHC or CDI) to determine network adequacy standards.

Agenda Item X: Service Center Options

Presentation: Service Center Options

Juli Baker, Chief Technology Officer, and Craig Tobin, principal with Eventus, presented the Exchange staff service center recommendations.

Discussion:

There was discussion among Board members and staff concerning the impact of service center costs on premiums, customer service, referrals of Medi-Cal eligible individuals to their county of residence, and costs for the counties.

Board member Belshé asked Mr. Lee to explain what the Board was being asked to vote on, to which Mr. Lee clarified that the Board would vote on Resolution 2012-49 to adopt the staff recommendations in the Board Recommendation Brief. He proposed the Resolution be revised to include a report to the Board at the next meeting on the status of issues that need to be clarified.

Public comments:

Gary Passmore, Congress of California Seniors, noted there will be 3 million new Medicare customers in the next decade. He recommended the service center representative to have a basic understanding of Medicare.

Kathy Senderling, California Welfare Directors Association, noted her appreciation that they have been able to participate in this process. She stated that CWDA does not agree with everything, but that they share a commitment to first-class customer service and ensuring easy, real-time referrals.

Marisela Pineda, eligibility worker, Los Angeles County, noted she understands how to screen and determine eligibility for a number of programs, in English and in Spanish. She is excited for the ACA-related changes.

Bill Wehrle, vice president of health insurance exchanges, Kaiser Permanente, supported the recommendations in terms of its overall structure and design, at least the parts that have been decided. Kaiser went from a highly diffuse system to a much more consolidated system with better results. He recommended that the Exchange have explicit statements about dealing with peak volumes.

Doreena Wong, Asian Pacific American Legal Center, felt that, because their clients have experienced delays, before the Exchange considers a county site, it should assess and test to be sure their service center has the cultural and linguistic capability to provide timely and accurate information to callers.

Sarah Mercer, California Pan Ethnic Health Network, acknowledged the recommendation of having centralized quality control, and hopes the Exchange will consider an overall plan for identifying and meeting the needs of LEP callers. Training should be centralized and customer satisfaction should be measured.

Kiwon Yoo, policy director, Insure the Uninsured Project, appreciated the recommendation for a centralized service model, but would like to see the scope expanded so the service center can provide support for those newly eligible for Medi-Cal.

Elizabeth Landsberg, director of legislative advocacy, Western Center on Law and Poverty, noted that she is still analyzing all of the information, but on the list of issues to be clarified, she is especially focused on screening and transfer protocols and what they will look like. It makes sense to leverage the existing county workforce, which will also help horizontal integration.

Gloria Cabrillo, eligibility worker, Santa Clara County, explained that county eligibility workers are passionate about their work, committed to their clients, and ready to make health care reform a reality in California. She further noted that they have the experience, training, and knowledge to do so.

Veronica Kraoso, eligibility worker, Santa Clara County, noted that eligibility workers do not just field calls and caseloads; they feel deeply accountable to those they serve, speaking their languages and living in their communities.

Thelma Starr, eligibility technician, SEIU 1021 and Alameda County, asked that the Board continue supporting county workers as they keep doing their jobs to serve the community.

Louise Ganyo, eligibility worker, Mendocino County, noted that 48 percent of those living in her county are already on aid. She further noted that because it is a rural community, only the eligibility workers truly know the demographics and the culture.

Rosemary Profit Akins, eligibility worker, Contra Costa County, stated that she works in a Medi-Cal call center, and is ready for the challenge and can do the job.

Sandra Wall, eligibility worker, Contra Costa County, has worked in multiple programs over the past fourteen years, including Medi-Cal, CalFresh, and childcare for parents returning to work. She stated that eligibility workers are excited about this change, that thousands of people will become eligible that weren't previously.

Kathleen Hamilton, 100% Campaign and Children's Partnership, voiced support for the state-centered model. She stated that she wants to see something ensuring the full utilization of the CalHEERS program and would like to know more about the protocols for screening and transferring.

Grace Sepulveda, eligibility worker, Ventura County, decided to do her job 12 years ago because of her compassion for the less fortunate.

Letty Ortega, eligibility worker, Kern County, urged the Exchange to use the system that already exists at the county level.

Chris Daly, political director, SEIU 1021, chaired a committee that constructed Healthy San Francisco and learned a lot about the complicated health care delivery system. The 21 Locals representing eligibility workers across California believe that the county consortium model is better.

Albert Carlson, policy director, SEIU Local 521, stated that he would like to see screening and referral protocols defined in a way that will be best for clients, as well as further clarity on protocols in terms of the management of clients split between the Exchange and Medi-Cal.

Hellan Roth-Dowden, SEIU Local 1000, stated that she looks forward to making the ACA work in California. When this is implemented, we will have a system that serves the citizens of California.

Joann Tistat, HST3, Kern County, stated that she has worked for her county for ten years, currently in their call center. She noted that work is done in a timely manner under their system, with a maximum of eleven minutes for each call, and most usually done in five.

Beth Capell, Health Access California, noted that however the public work is divided among public employees, the program the Exchange administers is fundamentally different from other public programs. The Exchange is administering its program on behalf of the federal Internal Revenue Service. It is an income tax program, and errors in determining eligibility will result in income tax consequences.

Motion/action: Board member Ross moved the staff recommendation as amended. Board Member Fearer seconded the motion.

Discussion:

Board member Belshé noted while CalHEERS will serve both the Medi-Cal and Exchange commercial insurance eligible populations, she has concerns as to whether the call center will be using CalHEERS given the Exchange's substantial investment in it. Given the lack of clarity with regard to the role of CalHEERS in the discussion with staff on this item, Ms. Belshé stated she would withhold her vote on the staff recommendation.

Vote: Roll was called, and the motion was approved by 4-0 with Ms. Belshé abstaining.

Agenda Item XI: Adjournment
The meeting was adjourned at 5:45 p.m.