
Covered California Executive Director's Report

Peter V. Lee
Executive Director

California Health Benefit Exchange Board Meeting
February 26, 2013



Reports and Research

- **California Awarded \$2.7M Federal Grant to Design Health Care Payment Reform Model** – California Health and Human Services, February 2013
- **Multi-Stakeholder Health Care Payment Reform in California: Framing Report for California's State Innovation Model Design Grant Workgroup** – California Health and Human Services, January 2013
- **Leading Medical Specialty Societies to Identify 90 Tests and Treatments to Question** – Choosing Wisely, February 21, 2013
- **Confronting Costs: Stabilizing U.S. Health Spending While Moving Toward a High Performance Health Care System** – Commonwealth Fund, January 2013
- **State Action on 2014 Market Reforms** – Commonwealth Fund, February 2013
- **Health Insurance Exchanges Under the Patient Protection and Affordable Care Act (ACA)** – Congressional Research Service, January 31, 2013
- **Consumer Criteria for Value-Based Insurance Designs** – Consumers Union, January 2013
- **Why Premiums Will Change for People Who Now Have Nongroup Insurance** – Kaiser Family Foundation, February 6, 2013
- **Consumer Choice of Health Plan Decision Support Rules for Exchanges** – Pacific Business Group on Health
 - *Plan Comparison Display Format*
 - *Cost Calculator*
 - *Organizing Plans Using Filters and Sorts*
 - *Important Dimensions of Plan Choice*
 - *QuickChoice: Shortcut to Plan Choice*
 - *Searching for a Doctor in Plan*
 - *Communicating Difficult Concepts*
- **Public and Private Health Insurance Exchanges: PBGH Discussion Guide** – PricewaterhouseCoopers, February 2012



Announcement of Closed Session Actions

California Health Benefit Exchange Board Meeting
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Covered California is Now Online

The screenshot shows the homepage of the Covered California website. At the top, there is a navigation bar with the Covered California logo on the left and menu items: HOME, ABOUT US, GETTING COVERED, RESOURCES, and LANGUAGE: ENGLISH. Below the navigation bar is a large hero image of a woman sitting at a table, looking at documents. Overlaid on the left side of the hero image is the text: "SUPPORTING SMALL BUSINESSES" and "Covered California will help small businesses shop for a variety of health plans. Employers with fewer than 25 full-time employees also may qualify for federal tax credits. [Read More](#)". In the center of the hero image is a grey box with a countdown timer: "313 DAYS 5 HRS 48 MINS UNTIL NEW COVERAGE BEGINS FOR MILLIONS OF CALIFORNIANS" and "Health care coverage begins January 1, 2014". Below the hero image is a section for the "COST-ESTIMATE CALCULATOR" with a calculator icon and the text: "Starting in 2014, most people will be required to have health insurance. Find out how much your health insurance might cost by using our calculator." and a yellow button labeled "ESTIMATE YOUR COST". At the bottom of the page, there is a footer with navigation links: HOME, ABOUT US (COVERED CALIFORNIA), GETTING COVERED (COVERAGE BASICS FOR INDIVIDUALS AND FAMILIES, FOR SMALL BUSINESSES), RESOURCES (CALCULATING POTENTIAL INSURANCE COST IN 2014, FREQUENTLY ASKED QUESTIONS, GLOSSARY), SIGN UP FOR UPDATES, and FACT SHEETS. There are also social media icons for Facebook, Twitter, YouTube, and LinkedIn, and a "FOLLOW US" label. The footer also contains the text: "©2013 Covered California. All Rights Reserved. All third-party products belong to their respective companies." and a link for "Download Adobe Reader".

Covered California – One of the Pace Cars in Building State-Based Exchanges



NEW MEXICO HEALTH INSURANCE ALLIANCE



Covered California Town Hall Meetings

- Covered California proposes to hold all remaining 2013 Board meetings in Sacramento
- Covered California will hold town hall meetings around California in 2013
- Covered California Board Members and senior staff will lead town hall meetings
- Tentative town hall schedule – to be announced next week by listserv

Location	Month
Inland Empire	March
San Diego	June
Eureka	August
Fresno	September
Bay Area	October



Covered California New Hires

Name of Employee	Classification/Work Unit
Lauren Park	Associate Governmental Program Analyst – Business Services
John Hiber	Chief Financial Officer – Finance
Dean SooHoo	Accounting Administrator I (Sup) - Finance
Jeffrey Kjer	Research Analyst II - Finance
Tina Diep	Research Program Specialist I - Finance
Genifer Espinoza	Associate Governmental Program Analyst – Assisters Program
Kathryn Solorzano	Health Program Specialist I – Assisters Program
Rodel Pena	Health Program Specialist I – Assisters Program
Crystal Harper	Associate Governmental Program Analyst – Eligibility & Enrollment
Maria (Shalonda) Broadnax	Health Program Specialist I – Eligibility & Enrollment
Catherine Frazitta	Health Program Specialist I – Eligibility & Enrollment
Jennifer Bernardo	Senior Information Systems Analyst – CalHEERS
Scott Lemen	Senior Information Systems Analyst – CalHEERS
Rhane Thomas	Senior Information Systems Analyst Retired Annuitant - CalHEERS
Michelle Burnett	Staff Information Systems Analyst – CalHEERS
Tracey Ruport	Staff Information Systems Analyst – CalHEERS
Yesenia Nieves	Staff Information Systems Analyst – CalHEERS
Deborah Cunningham	Data Processing Manager - CalHEERS
Susan Oliver	Staff Services Manager I – QHP
Matt Nesbitt	Staff Services Manager II – Service Center
L. Rebecca Thomas	Associate Governmental Program Analyst – SHOP
Anne Osborne	Associate Governmental Program Analyst - Outreach
Patricia Macht	Information Officer II Retired Annuitant - Outreach
Diane Stanton	Special Consultant – Outreach
Jane Lamborn	Attorney IV Retired Annuitant – Legal
	Total Staff of 138 as of February 28, 2013



Getting California Covered

A Qualitative Study of Key Decision-Makers in the Small Business Market



Presented by:
Larry L. Bye

February 26, 2013

NORC

at the UNIVERSITY of CHICAGO

- Explore levels of awareness and knowledge about health insurance reforms
- Explore general attitudes toward the reforms
- Assess interest in shopping for an insurance plan in the new marketplace, as well as interest in actually enrolling in a plan
- Identify attitudinal drivers of interest as well as barriers

- 8 focus groups with small business owners and benefits managers conducted between between Nov. 8th and Nov. 13th
- Respondents were grouped according to business size (0-25 employees, 25-50 employees) and receptivity (using self-identification of respondent as more or less receptive)
- 25 30-minute one-on-one interviews with insurance agents conducted between Nov. 8th and Nov. 13th
- Interviews and focus groups were held in Sacramento, San Diego, and San Francisco

- White collar and larger businesses were more likely to currently offer insurance
- Respondents expressed a desire to provide health care for their employees
 - Many smaller businesses viewed providing health care as a business milestone towards which they strive
- Across groups, the primary barrier was seen as cost
- There is substantial confusion and misinformation among small business

- Initial skepticism toward reforms was overcome or mitigated once respondents were provided information on how the coming changes would affect them
- The vast majority of respondents expressed a desire to explore and use Covered California to shop for insurance.
- Though insurance agents were not viewed particularly favorably by respondents, some expressed a desire to work with an agent to navigate the new exchange; many said they would shop on their own.
- Many reacted positively to Orbitz and Expedia as examples of how the SHOP exchange will work.

Small Business Intentions (continued)

- Respondents were split about their likelihood of purchasing insurance through Covered California, with cost again being the major driver.
 - Particularly smaller business are unsure if they will be able to afford to offer coverage even with the tax credits.
- What is driving enrollment: employee retention, desire to grow the business, gain competitive edge, and reap benefits of new competitive market.
- Those providing coverage now said that they will continue to provide coverage but hope that they will better products to choose from.

- Though better informed than small-business owners, insurance agents generally lacked basic knowledge of how Covered California will work.
 - Many agents initially expressed disapproval of the exchange because they (incorrectly) believed it would exclude them from the process.
 - Once it was explained to agents how they would interact with Covered California, they became supportive, seeing it as a useful sales tool.
- Agents were more optimistic than small business representatives about the likelihood that businesses would use Covered California to purchase coverage.

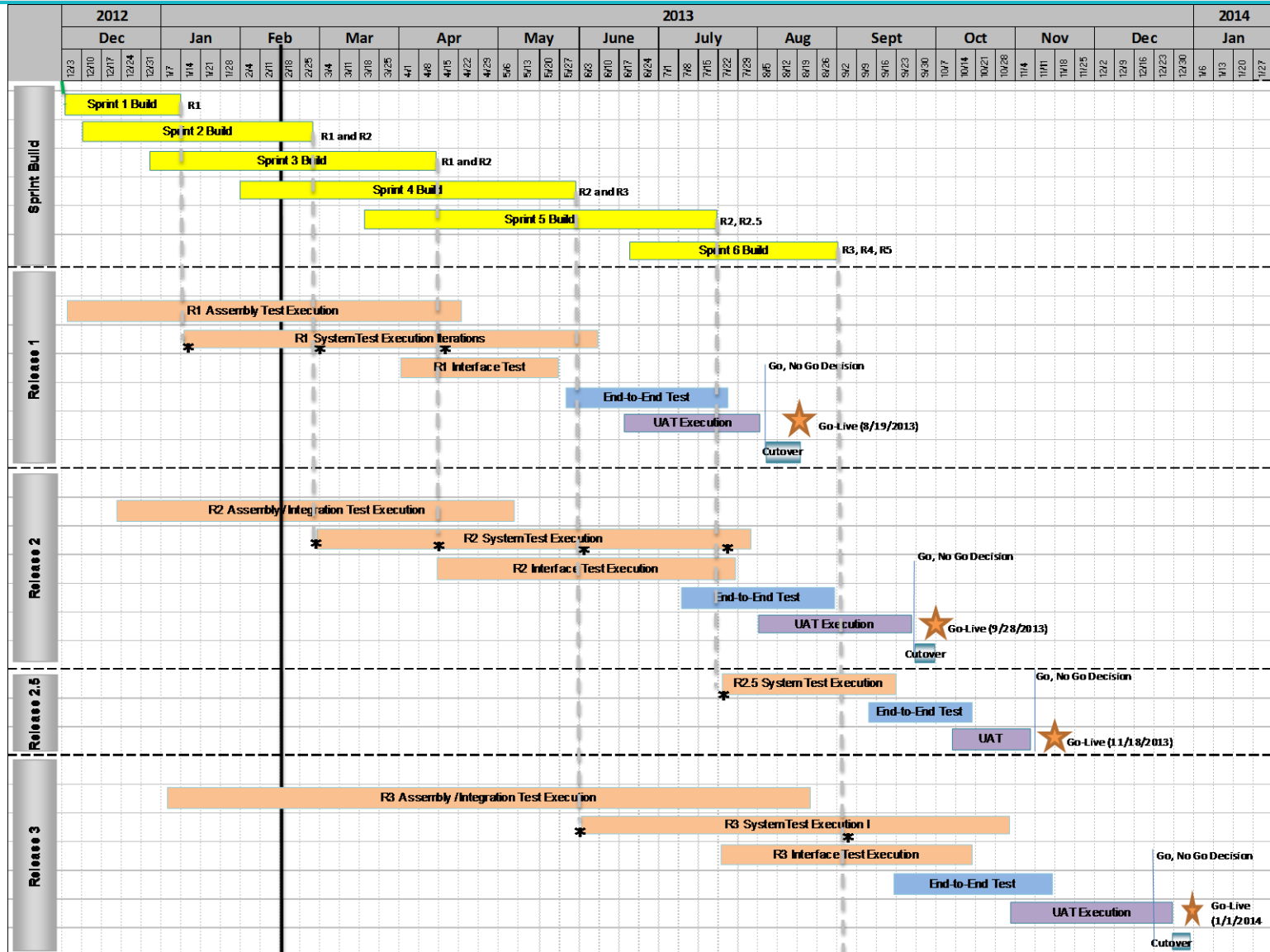
CalHEERS Project Status Update

Jim Brown, CalHEERS Project Director
Keith Ketcher, Accenture Project Manager

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CalHEERS Project Status Update: Project Timeline



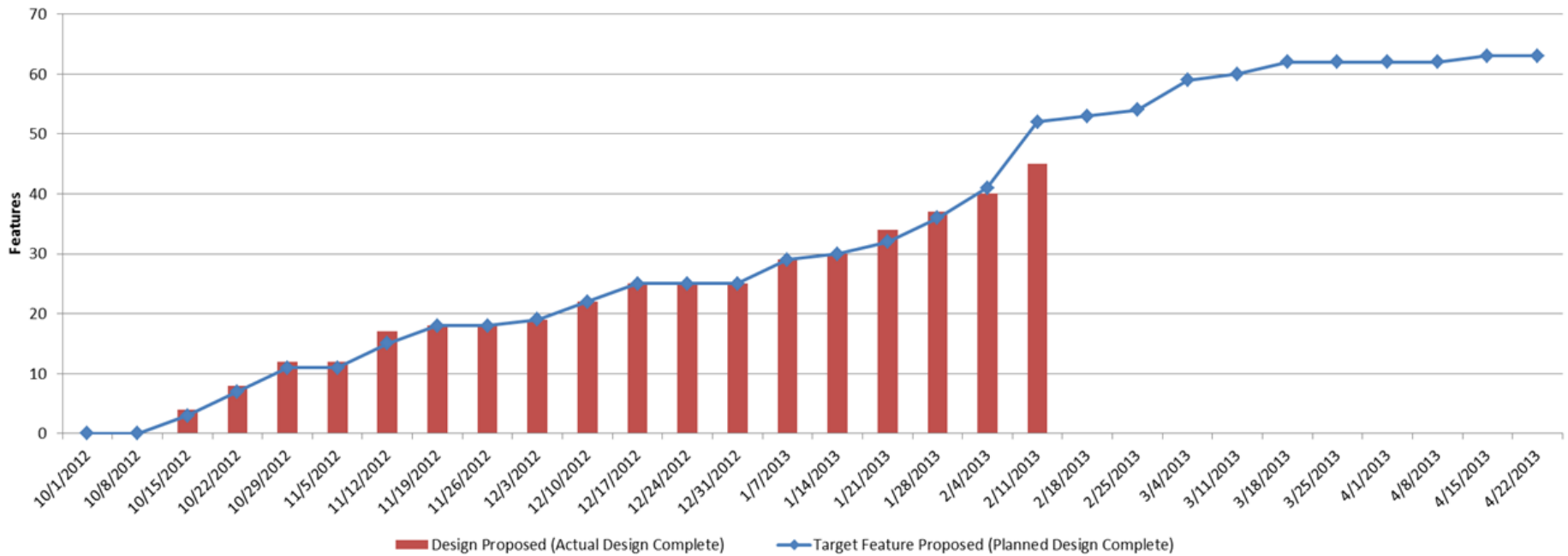
CalHEERS Project Adjustments

- Continued evaluation of design decisions and new changes for impact to schedule
- Formulated list of features for deferral to later releases
 - Supplemental Vision/Dental Plans (new functionality)
 - Online filing of Appeals
 - Online filing of Exemptions
 - Medi-Cal Plan Selection
 - Authorized Representative
 - Bridge Plan (new functionality)

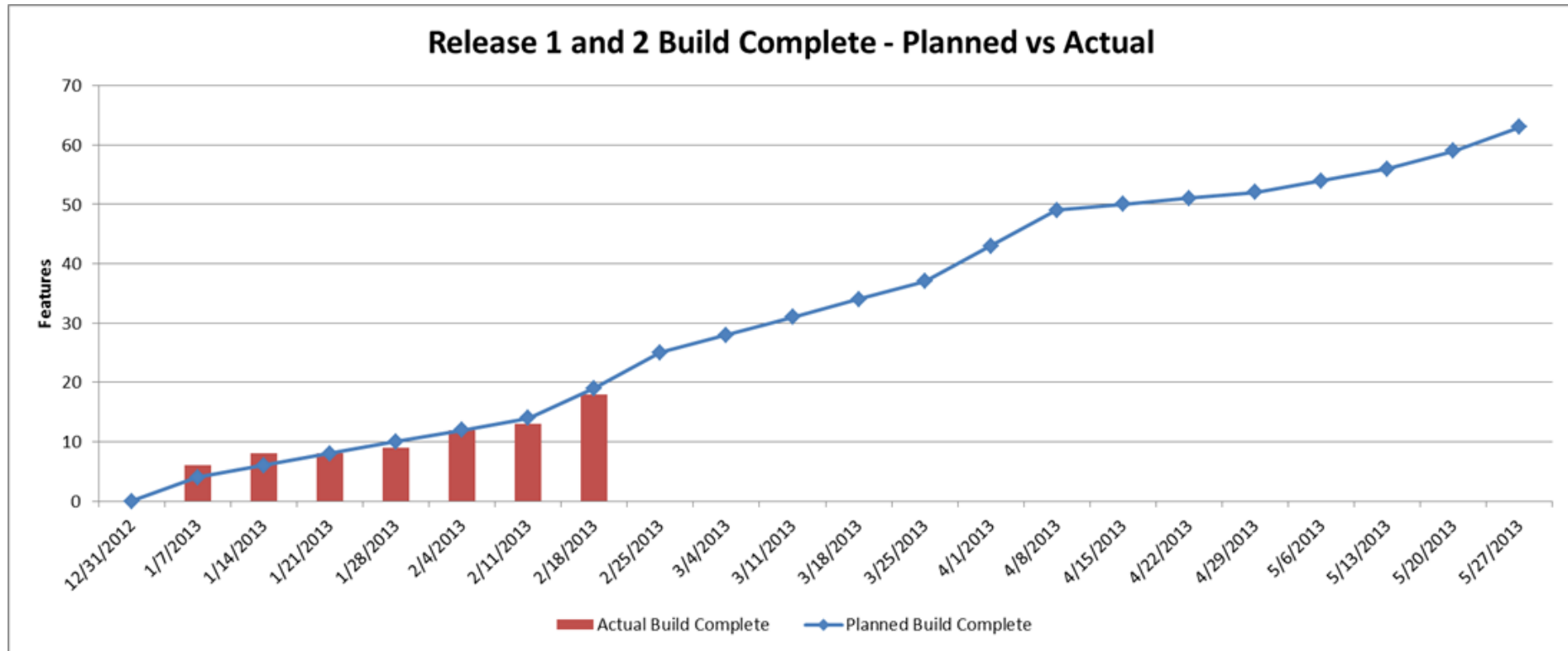


CalHEERS Key Activity Status: Design

Release 1 and 2 Design Complete - Planned vs Actual



CalHEERS Key Activity Status: Development



CalHEERS Project Status Update: Usability

- Research Activities Completed thru January
 - Ethnographic Field Studies – various locations
 - User experience lab testing – navigation, task flows and plan shopping
- Research and Design Progress Update
 - Integration of Plan Shopping decision support research [February/March]
 - Integration of CMS Single Streamlined Application [February/March]
 - Covered California Branding Guidelines [March]



CalHEERS Project Status Update: Federal Reviews

- Preliminary Design Review
 - January 14-15, 2013
- Focused mainly on programmatic aspects
 - IT discussions included Integrated Work Plan, Test Approach, Organizational Change Management Plan
 - Received Progress Letter from CMS/CCIIO on February 15, 2013 commending our efforts to date
- Conducted Webinars with CCIIO and CMCS
 - Integrated Work Plan
 - Contingency Plan

CalHEERS Project Status Update: Stakeholder Engagement

- Public Comment Process Update
 - CalHEERS-SAWS-MEDS Business Service Definition
 - Posted on January 15 - comments received January 29
 - 45 comments / 15 categories from 16 organizations
 - CalHEERS response will be posted on March 1, 2013

Category	# of Comments
General Q&A	21
BSD Update to Address	3
Other Deliverable	3
Policy Related	9
Subject of Final Design	9

- Webinar on Usability Plan Choice in early March.

Federal Proposed Rules Update

Katie Ravel
Director, Program Policy

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Recently-Released Federal Rules

Final Rule Issued	Subject
February 1, 2013	Health Insurance Premium Tax Credit
February 21, 2013	Standards Related to Essential Health Benefits, Actuarial Value, and Accreditation
Comment Deadline	Subject
February 21, 2013	Standards Related to Medicaid, Children's Health Insurance Programs, and Exchanges
March 18, 2013	Shared Responsibility for Employers Regarding Health Coverage
March 18, 2013	Exchange Functions: Eligibility for Exemptions and Miscellaneous Minimum Essential Coverage Provisions
May 2, 2013	Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage



Health Insurance Premium Tax Credit

Final Rule

- Finalizes affordability test for relatives of an employee
- An employer-sponsored plan is affordable when the self-only costs do not exceed 9.5% of household income

Key Issue for Covered California

- Incorporating this affordability test into CalHEERS processes



Standards Related to Essential Health Benefits, Actuarial Value, and Accreditation

Final Rule

- Finalizes essential health benefits for non-grandfathered plans in individual and small group markets in and outside of the Exchange
- Finalizes a timeline for qualified health plans to be accredited in Exchanges

Key Issue for Covered California

- Phased-in approach for QHP accreditation



Covered California's Comments: Standards Related to Medicaid, CHIP, and Exchanges

Summary

- Outlines rules for eligibility notices, appeals, and other procedures that affect Covered California and DHCS

Covered California comments (with DHCS)

- Certified application counselors and authorized representatives; special enrollment periods; eligibility verification; appeals; termination of coverage



Covered California's Comments: Shared Responsibility for Employers Regarding Health Coverage

Summary:

- Defines “large employer” and “full-time employees”

Key Issue for Covered California

- IRS administered penalty – additional detail forthcoming on data sharing process between Covered California and IRS



Exchange Functions: Eligibility for Exemptions and Miscellaneous Minimum Essential Coverage Provisions

Summary

- Lists exemptions from individual mandate
- Designates other coverage as minimum essential coverage (MEC)
- Outlines requirements that other types of individual coverage must fulfill in order to be certified as MEC

Key Issue for Covered California

- Determining/granting exemptions for individual mandate



Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage

Summary

- Contains proposed regulations relating to the requirement to maintain MEC
- Provides guidance on the liability for the shared responsibility payment for not maintaining MEC
- Discusses the criteria for exempt individuals

Key Issue for Covered California

- Exchange must grant exemptions for religious conscience and hardship



Basic Health Program

CMS FAQ – February 8, 2013

- **Question:** When will the Basic Health Program be operational?
- **Answer:** HHS expects to issue proposed rules regarding the Basic Health Program for comment in 2013 and final guidance in 2014, so the program will be operational beginning in 2015 for states interested in pursuing this option.



Employee and Assistants Program Background Checks

Katie Ravel
Director, Program Policy

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Background Check Overview

- Federal guidance requires that state Exchanges protect and safeguard customers from unauthorized and illegal access to or disclosure of their sensitive information
- Covered California employees and volunteers will have access to:
 - Personal Identifying Information (PII)
 - Personal Health Information (PHI)
 - Federal Tax Information (FTI)
- Covered California must implement background checks to identify individuals demonstrating history of abuse of personal information or other offenses that indicate the potential to abuse such information

Background Check Program: Recommendations

- Require fingerprint-based background checks for:
 - All service center employees
 - Employees working in the area of eligibility and enrollment
 - Employees working in the area of information technology
 - Assisters
- Perform background checks prior to hiring and conduct periodic re-screening
- Disqualifying offenses will include conviction or pending charges of a felony or a misdemeanor related to theft, fraud, dishonestly or a crime of moral turpitude
- Mitigating factors will be considered including evidence of rehabilitation and the age and specifics of the offense
- Background check costs will be paid by Covered California for employee screening and Assister Enrollment Entity for Assisters



Background Check Program: Next Steps

- Provide technical assistance to the Legislature to draft statutory authorization language
- Revise recommendation and submit for board action at the March 2013 Board Meeting

Legislative Update

David Panush
Director, External Relations

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Health Reform Special Session

Governor Brown called a Special Session on January 24, 2013

Key Legislation introduced in the Extraordinary Session:

- **Medi-Cal Expansion**
 - ABX1 1 (Perez) Passed out of Assembly Health Committee on February 19
 - SBX1 1 (Hernandez, Steinberg) scheduled to be heard in Senate Health Committee on February 27
- **Individual Market Reform**
 - ABX1 2 (Pan) Passed out of Assembly Health Committee on February 20
 - SBX1 2 (Hernandez, Monning) Approved by Senate Health Committee on February 20
- **Medi-Cal Managed Care Plan Bridge**
 - SBX1 3 (Hernandez) was introduced on February 5



2013-14 Regular Session

Legislative Deadlines:

- Bill Introduction Deadline – February 22
- House of Origin Deadline – May 31
 - Policy Committee Deadline – May 10
 - Fiscal Committee Deadline – May 24
- Budget Deadline – Midnight, June 15

Outreach and Education Grant Program Update

Sarah Soto-Taylor
Deputy Director, Stakeholder Engagement

California Health Benefit Exchange Board Meeting
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Outreach and Education Grant Program Update

- Release of Grant Application – 1/25/13
 - \$43 million program
 - Range \$250,000 - \$1,000,000 awards
 - Estimated 100 – 150 awards
- Bidder's Conference – 2/6/13
 - Over 650 individuals attended the webinar
- Questions and Answers are posted on www.healthexchange.ca.gov



Outreach and Education Grant Program Update: Letter of Intent to Apply

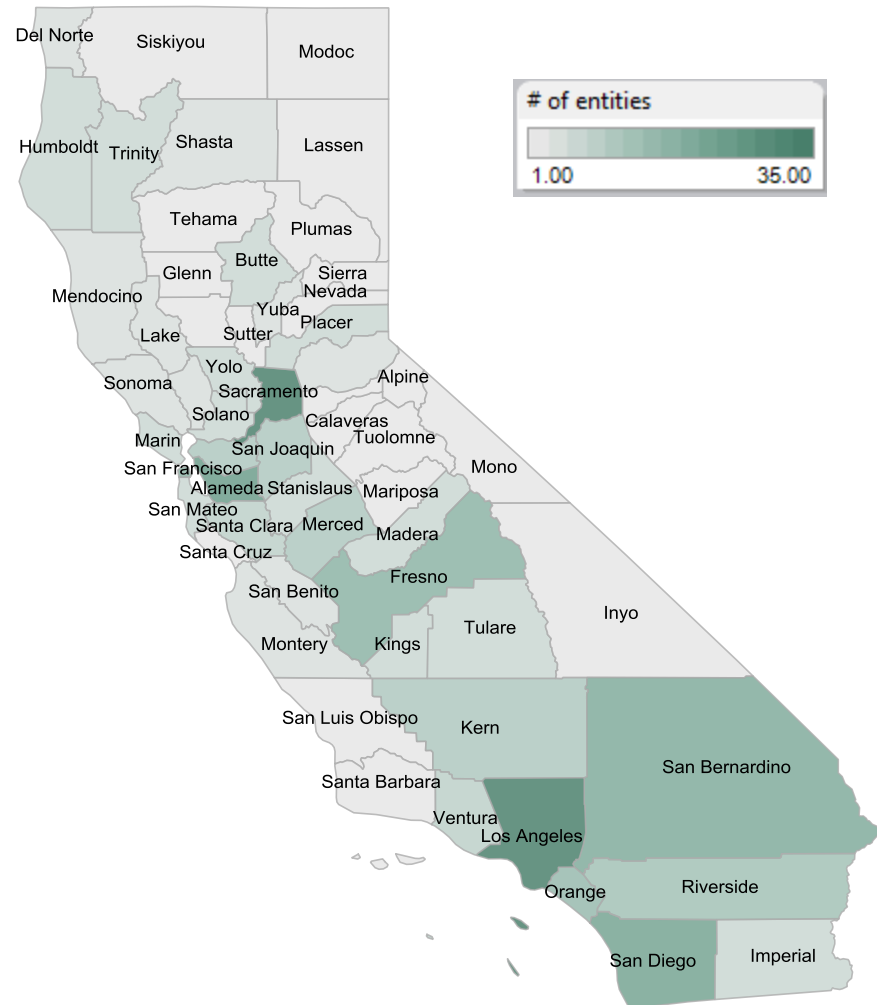
- **Non-binding**
- **About 300 organizations applying for the individual target population pools**
- **Over 50 organizations applying for the SHOP pool**

Languages Proposed to Serve		
Language	# of entities	% of entities (n = 351)
Spanish	239	68%
English	224	64%
Chinese	78	22%
Vietnamese	77	22%
Tagalog	61	17%
Korean	56	16%
Hmong	48	14%
Russian	45	13%
Persian	32	9%
Khmer	31	9%



Outreach and Education Grant Program Update: Number of Entities Per County

- In each county at least 1 Letter of Intent to Apply was received
- 94 Letters of Intent to Apply were received from Los Angeles County



Outreach and Education Grant Program Update: Private Foundation Partnership

- Section 4.1.6 of the Outreach and Education Grant Application describes potential partnership opportunities with Private Foundations
- Meeting with Peter Lee and six foundations occurred on 2/12/13
 - Started discussions around common priority areas (i.e., target populations and geographic funding pools)
 - Discussed hand-off to Foundations proposals that are not funded due to limited resources
 - Discussed Foundation participation in the evaluation process
- Discussions are ongoing



Outreach and Education Grant Program Timeline



Date	Activity
January 25, 2013	Release of Outreach and Education Grant Program Application
February 6, 2013	Grant Application Bidder's Conference
March 4, 2013	Grant Application Responses Due
April 26, 2013	Notice of Intent to Award
May – August 2013	Grantee Training
May 24, 2013	Cycle 2 Grant Application Release
TBD	Cycle 2 Grant Application Conference
June 24, 2013	Cycle 2 Grant Application Responses Due
July 15, 2013	Cycle 2 Notice of Intent to Award

