Covered California
Executive Director’s Report

Peter V. Lee
Executive Director

California Health Benefit Exchange Board Meeting
February 26, 2013
• **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
February 26, 2013
Covered California is Now Online

SUPPORTING SMALL BUSINESSES
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 »

COST-ESTIMATE CALCULATOR
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. Estimate Your Cost

HOME ABOUT US GETTING COVERED RESOURCES
LANGUAGE: ENGLISH

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

<table>
<thead>
<tr>
<th>Location</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inland Empire</td>
<td>March</td>
</tr>
<tr>
<td>San Diego</td>
<td>June</td>
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<tr>
<td>Eureka</td>
<td>August</td>
</tr>
<tr>
<td>Fresno</td>
<td>September</td>
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<tr>
<td>Bay Area</td>
<td>October</td>
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### Covered California New Hires

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

- 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.
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

California Health Benefit Exchange Board Meeting
February 26, 2012
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
  o Supplemental Vision/Dental Plans (new functionality)
  o Online filing of Appeals
  o Online filing of Exemptions
  o Medi-Cal Plan Selection
  o Authorized Representative
  o Bridge Plan (new functionality)
CalHEERS Key Activity Status: Design

Release 1 and 2 Design Complete - Planned vs Actual

- Design Proposed (Actual Design Complete)
- Target Feature Proposed (Planned Design Complete)
CalHEERS Key Activity Status: Development

Release 1 and 2 Build Complete - Planned vs Actual

- Actual Build Complete
- Planned Build Complete

Features vs Date Graph
CalHEERS Project Status Update: Usability

• Research Activities Completed thru January
  o Ethnographic Field Studies – various locations
  o User experience lab testing – navigation, task flows and plan shopping

• Research and Design Progress Update
  o Integration of Plan Shopping decision support research [February/March]
  o Integration of CMS Single Streamlined Application [February/March]
  o Covered California Branding Guidelines [March]
CalHEERS Project Status Update: Federal Reviews

• Preliminary Design Review
  o January 14-15, 2013

• Focused mainly on programmatic aspects
  o IT discussions included Integrated Work Plan, Test Approach, Organizational Change Management Plan
  o Received Progress Letter from CMS/CCIIO on February 15, 2013 commending our efforts to date

• Conducted Webinars with CCIIO and CMCS
  o Integrated Work Plan
  o Contingency Plan
CalHEERS Project Status Update: Stakeholder Engagement

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

<table>
<thead>
<tr>
<th>Category</th>
<th># of Comments</th>
</tr>
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<tbody>
<tr>
<td>General Q&amp;A</td>
<td>21</td>
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<tr>
<td>BSD Update to Address</td>
<td>3</td>
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<tr>
<td>Other Deliverable</td>
<td>3</td>
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<tr>
<td>Policy Related</td>
<td>9</td>
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<tr>
<td>Subject of Final Design</td>
<td>9</td>
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</tbody>
</table>

• Webinar on Usability Plan Choice in early March.
Federal Proposed Rules Update

Katie Ravel
Director, Program Policy

California Health Benefit Exchange Board Meeting
February 26, 2013
# Recently-Released Federal Rules

<table>
<thead>
<tr>
<th>Final Rule Issued</th>
<th>Subject</th>
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<tbody>
<tr>
<td>February 1, 2013</td>
<td>Health Insurance Premium Tax Credit</td>
</tr>
<tr>
<td>February 21, 2013</td>
<td>Standards Related to Essential Health Benefits, Actuarial Value, and Accreditation</td>
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<table>
<thead>
<tr>
<th>Comment Deadline</th>
<th>Subject</th>
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<tbody>
<tr>
<td>February 21, 2013</td>
<td>Standards Related to Medicaid, Children’s Health Insurance Programs, and Exchanges</td>
</tr>
<tr>
<td>March 18, 2013</td>
<td>Shared Responsibility for Employers Regarding Health Coverage</td>
</tr>
<tr>
<td>May 2, 2013</td>
<td>Shared Responsibility Payment for Not Maintaining Minimum Essential Coverage</td>
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</table>
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
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
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
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
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 Assisters Program Background Checks

Katie Ravel
Director, Program Policy

California Health Benefit Exchange Board Meeting
February 26, 2013
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:
  o Personal Identifying Information (PII)
  o Personal Health Information (PHI)
  o 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:
  o All service center employees
  o Employees working in the area of eligibility and enrollment
  o Employees working in the area of information technology
  o 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

California Health Benefit Exchange Board Meeting
February 26, 2013
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
  o Policy Committee Deadline – May 10
  o 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
February 26, 2013
Outreach and Education Grant Program Update

• Release of Grant Application – 1/25/13
  o $43 million program
  o Range $250,000 - $1,000,000 awards
  o Estimated 100 – 150 awards

• Bidder’s Conference – 2/6/13
  o 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

<table>
<thead>
<tr>
<th>Language</th>
<th># of entities</th>
<th>% of entities (n = 351)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spanish</td>
<td>239</td>
<td>68%</td>
</tr>
<tr>
<td>English</td>
<td>224</td>
<td>64%</td>
</tr>
<tr>
<td>Chinese</td>
<td>78</td>
<td>22%</td>
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<tr>
<td>Vietnamese</td>
<td>77</td>
<td>22%</td>
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<tr>
<td>Tagalog</td>
<td>61</td>
<td>17%</td>
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<tr>
<td>Korean</td>
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<td>16%</td>
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<tr>
<td>Hmong</td>
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<tr>
<td>Russian</td>
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<tr>
<td>Persian</td>
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<td>9%</td>
</tr>
<tr>
<td>Khmer</td>
<td>31</td>
<td>9%</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tbody>
<tr>
<td>January 25, 2013</td>
<td>Release of Outreach and Education Grant Program Application</td>
</tr>
<tr>
<td>February 6, 2013</td>
<td>Grant Application Bidder’s Conference</td>
</tr>
<tr>
<td>March 4, 2013</td>
<td>Grant Application Responses Due</td>
</tr>
<tr>
<td>April 26, 2013</td>
<td>Notice of Intent to Award</td>
</tr>
<tr>
<td>May – August 2013</td>
<td>Grantee Training</td>
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<tr>
<td>May 24, 2013</td>
<td>Cycle 2 Grant Application Release</td>
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<tr>
<td>TBD</td>
<td>Cycle 2 Grant Application Conference</td>
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<tr>
<td>June 24, 2013</td>
<td>Cycle 2 Grant Application Responses Due</td>
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<tr>
<td>July 15, 2013</td>
<td>Cycle 2 Notice of Intent to Award</td>
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