

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD
May 23, 2013
Secretary of State Office Auditorium
1500 11th Street
Sacramento, CA 95814

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

Chairwoman Dooley called the meeting to order at 10:30 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

Agenda Item II: Closed Session

Chairwoman Dooley called the open session meeting to order at 12:37 p.m. A conflict disclosure was performed; there were no conflicts from the Board Members that needed to be disclosed.

Chairwoman Dooley celebrated what she considers the most significant launch, the announcement of the participating qualified health plans and their rates. Everyone has worked hard for a long time on this, and the staff, plans, providers, and consumers have been great partners.

Agenda Item III: Approval of Board Meeting Minutes

After asking if there were any changes to be made, Chairwoman Dooley asked for a motion to approve the minutes from the meeting held April 23, 2013.

Presentation: [April 23, 2013, Minutes](#)

Motion/Action: Board Member Ross moved to approve the minutes from the meeting held April 23, 2013. Board Member Kennedy seconded the motion.

Discussion: none

Public Comments:

Kathleen Hamilton, Director, The Children’s Partnership and the 100% Campaign, acknowledged Board Member Ross’s recommendation, as noted in the minutes, that the Board would convene a panel on how children and families are particularly impacted by Covered California. They want to help make that a reality.

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

Agenda Item IV: Executive Director’s Report

Mr. Lee expressed excitement about the historic health plan partner announcement and appreciated the many consumer groups, stakeholders, staff, consultants, and health plans for all their hard work.

Mr. Lee announced that the following two items on the agenda will be moved to the June meeting:

- Item V. C – Supplemental Benefits
- Item VII. B – Assistants Program Regulations

Presentation: [Executive Director’s Report](#)

Mr. Lee noted that the media has carried a number of stories about Exchange transparency. One of Covered California’s core values is to be transparent. While the founding legislation provides it with a statutory exemption from the California Public Records Act, Covered California has waived and will keep waiving its execution of that exemption. Proposed state legislation being considered would codify Covered California’s existing practice.

In Closed Session, the Board approved four contract actions:

- 1) Approved conducting a competitive bid process for Service Center translation services to support the many full-time employees who will speak many languages.
- 2) Approved conducting another competitive bid process for fingerprinting and background check services. The Board had already approved the responsibility for assuming those costs.
- 3) Approved the execution of an amendment for an extension through 2014 to the lease of office space on J Street.
- 4) Approved engagement of the firm Weber Shandwick to support Ogilvy in doing media and public relations work. Weber Shandwick will specifically focus on the paid media side.

Mr. Lee called stakeholders' attention to the posted background materials on the web, specifically calling out Consumers Union for its excellent report on how to talk about premium tax credits.

Discussion: Covered California Planning Overview

Mr. Lee observed that the Board previously made a decision to hold town halls rather than travel around the state for meetings. Three town halls have been held thus far. Mr. Lee appreciated Board Members Ross, Fearer, and Belshé, who participated in these excellent sessions, hosted by local legislators and providers.

Many new hires at Covered California have been announced.

Discussion: SHOP Update

Diane Koelzer, Interim Director, Small Business Health Options Program (SHOP), provided a status update on the implementation of the SHOP program for the Exchange, covering recent developments and accomplishments.

Ms. Koelzer reported that the firm Pinnacle Claims Management, Inc. has been retained to operate and administer the SHOP program. Ms. Koelzer then introduced David Zanze, President of Pinnacle.

Mr. Zanze noted that only 37.9 percent of small business employers currently offer health insurance. Pinnacle plans to work with certified agents and partner with small employers and Covered California to boost these numbers.

Mr. Lee pointed out that the health plans announced earlier that morning were those participating in the individual Exchange. The SHOP plans will be announced in June.

Discussion: Legislative Update

David Panush, Director, Government Relations, gave a legislative update beginning with key items in the Governor's May Revision. The legislation is proceeding with a state-based Medi-Cal expansion. A mechanism has been proposed for how that would be funded which would involve the general fund picking up additional cost-sharing costs. The legislation presented for the Medi-Cal expansion has new language related to the quick-sort protocol that is consistent with presentations given to the Covered California Board in recent months.

The Governor signed the individual market reform bill.

The bridge plan legislation is pending referral to the Assembly health committee. The federal government is reviewing Covered California's proposal and has requested verification that Medi-Cal consumers will not be disadvantaged.

Mr. Panush stressed that, due to the timeline for the Service Center, the background check/fingerprinting legislation is critical to Covered California. The bill passed

unanimously in the Senate health committee and has passed in the appropriations committee. It should be taken up by the floor next week and needs a two-thirds vote to pass. He hopes to get this legislation to the Governor and have it signed by June 14.

Mr. Panush briefly covered other bills currently being considered in the legislature.

Board Member Fearer asked if the bridge plan legislation puts the Covered California timeline at risk.

Mr. Panush said that it should not. California is the only state pushing forward on a bridge plan, so there are many small issues to address in order to avoid any unanticipated consequences.

Discussion: Service Center Update

Mr. Lee noted that the quick approval of the proposed fingerprinting legislation is of critical importance. Covered California cannot hire and train people for the Service Center without it.

Juli Baker, Chief Technology Officer, gave an update on the Service Center timeline, outlining the plan to hire and train in waves. Training of Service Center staff is anticipated to take four to six weeks with a target launch of August 19 for general inquiries and October 1 for full service.

Potential staff has been identified and Covered California is ready to make offers on June 7. Putting these offers at risk is the statutory authority to do the fingerprinting. Without it, offers cannot be made in time to hire the first wave of trainees preparing for the general inquiry launch on August 19.

Board Member Ross asked if the fingerprinting bill is separate from the legislative budget bill and whether it has been marked urgent.

Mr. Panush explained that an urgent bill requires a two-thirds vote and takes effect immediately. The fingerprinting legislation is not a part of the budget bill. However, the deadline is very close, and there is the risk of running into the budget bill's timeline, so quick legislative action is crucial.

Board Member Ross asked what the backup plan would be.

Mr. Panush expressed grave concerns about the implications of delay. Even a few days of delay would make a critical difference. Covered California has exhausted all of its extra time. This legislation must pass on time for the launch to be successful.

Chairwoman Dooley noted a delay would cause the October 1 launch date to be at risk. Many things must happen to make that work. Staff has looked at every alternative, but

specific legislative authorization is required. She commented that the legislature has been doing its part to move quickly as well.

Mr. Lee highlighted that contingencies have been considered which might include a slightly later start date or a longer call wait time. However, he stressed that contingencies would not be good for Californians, so they are working to make sure the legislation goes through.

Board Member Belshé expressed interest both in the counties' own assessment of their readiness and in Covered California's approach to assessing county readiness. Board Member Belshé would like a better understanding of the goal of routing Service Center callers through the consortia network based on their county of residence. She also expressed concern regarding how the counties are responding to the need for increased capacity, having the resources and the time to ensure the telephonic infrastructure, staffing in multiple languages, and accommodation of new rules and new health plans.

Ms. Baker responded that Covered California has been working side by side with the counties to ensure that both the infrastructure and technology are in place. Not all counties will have call centers. Some have partnerships with other counties through the consortia.

Meg Sheldon, Information Technology Associate, County Welfare Directors Association of California (CWDA), noted that the counties are on track with the infrastructure. Each county with a call center is currently building it out to accommodate the new additional work, and new call centers are being set up in order to broaden capacity. The May revise provided enough proposed funding to adequately support the call center capacity and to build in additional network capacity in case the call volume is more than expected. Some counties are already hiring and others are about to start. Ms. Sheldon is confident the counties can expand enough to accommodate this work, as well as help people who will come in directly through the county doors. Collaboration will continue with CalHEERS, the Department of Health Care Services (DHCS), and Covered California in order to use the work that has already been done in a comprehensive approach for the benefit of county workers.

Board Member Belshé asked about Covered California's own review of the counties' readiness. She requested information about how staff can ensure that the county partners are ready to go and that all capacities are in place to implement this ambitious and important vision.

Ms. Sheldon said monitoring is happening on several levels and Ms. Baker's team is monitoring the build-out of the technology. In conjunction with Department of Health Care Services (DHCS), a way of looking at counties' general preparedness is being developed which will include creating checklists to advise counties on the steps to take to be ready. With the May revise funding, work is being done to update figures in terms of

volume and call distribution which will help determine the required staffing levels. The Board will be given a report on this at a future meeting.

Ms. Baker noted that their technical testing will conclude by mid-August which will enable pilots to be run in early September with the assumption that the county staff workers are trained. CalHEERS training for over ten thousand eligibility workers is planned. No problems are currently anticipated regarding county staffing. Training curricula, courses and learning objectives are being evaluated for a quick turnaround in anticipation of the August-September timeline.

Board Member Ross suggested it would be educational to have a simulation played out for the Board to demonstrate how the enrollment process will work for a variety of family types, including those with a mixture of Medi-Cal and Covered California eligibility. He would like to see a warm handoff in action.

Discussion: CalHEERS Update

Karen Ruiz, Director, CalHEERS, and Kirk Jacobi, Senior Executive, Accenture, presented an update. CalHEERS development is running largely on schedule. Any delays should not impact the launch.

Board Member Fearer asked if development has dropped further behind on the timeline from where it was in the last report, and Mr. Jacobi replied that it's about the same. Additional staff has been hired to help catch them up.

Board Member Fearer requested an update at each Board meeting to hear whether the gap is narrowing or growing relative to the last report. He also wondered who is doing the user acceptance training. Given that staff is being built up in the process, he wanted to ensure separation of responsibilities.

Ms. Ruiz said user acceptance testing will work with all business areas that will be using the system. Some of their subject matter experts (SMEs) will be coming to participate in the execution of user acceptance testing. They will be supplemented with additional testers, who are not part of the Accenture team, but will be part of the CalHEERS project.

Board Member Fearer said a common dilemma is having too many people involved in testing that do not have experience, so it's vital to ensure that the testers have the tools, training, and support they need.

Ms. Ruiz agreed, saying many tools to track testing will be foreign to the end-users of the system. That's why CalHEERS will be supplementing the SMEs from each business area with experienced testers who know how to use the tools and can assist in the testing process.

Board Member Belshé, building off Board Member Ross's idea and with the desire to make these design and policy issues more real, requested a presentation to the Board of a

dynamic, interactive prototype of the user experience. This would help Board members understand the form and the design issues from a consumer-experience standpoint. She expressed particular interest in understanding the enrollment process for families of mixed status. Since Medi-Cal and Covered California will be using different data verification systems, we should seek to advance the Affordable Care Act's directive that consumers have a uniform enrollment experience. A prototype of the online application would be helpful.

Mr. Lee agreed to incorporate that into the next Board meeting.

Board Member Belshé asked what the plans are in terms of testing with actual consumers.

Mr. Jacobi explained that a group of testers consisting of actual consumers will come through and experience the application and capture necessary changes. It will be a dynamic, not static, interaction.

Board Member Ross received verification from Mr. Jacobi that testers will come from varying ethnic and language backgrounds.

Discussion: Choosing Wisely

Mr. Lee noted that the model contract refers to the Choosing Wisely campaign, an initiative which seeks to educate both consumers and physicians regarding the overuse and misuse of clinical testing, diagnostics, and procedures. This action is timely, considering the announcement of the health plan partners.

Jeff Rideout, MD, Chief Medical Officer, presented details on the initiative. Covered California has been invited to the campaign as a consumer partner. Mr. Lee would like to be the first Exchange to be a consumer partner. The staff recommendation is to approve entering the partnership.

Board Member Belshé, recognizing Covered California's role in the broader ecosystem, inquired why no health plans appear to be on the list of partners. Mr. Lee responded that many health plans are currently engaged but are not considered consumer partners.

Beccah Rothschild, Senior Outreach Leader, Consumer Reports, explained that this is mainly for consumer groups. The initiative is collaborating with business groups, but not as formal partners.

Mr. Lee understands that the initiative doesn't want to be seen as a utilization review, but instead as a consumer and clinician partnership initiative. There has been an effort to reach out from a consumer perspective first, but a number of health plans are sharing this information.

Chairwoman Dooley noted that this originally began as a quality initiative, with patients and providers communicating about treatments that are not medically or scientifically indicated.

Motion/Action:

Board Member Ross moved to approve resolution 2013-34, which would allow Covered California to partner with Choosing Wisely. Board Member Kennedy seconded the motion.

Public Comments:

Betsy Imholz, Director of Special Projects, Consumers Union, noted that the Service Center is an ongoing area of special interest for them. They appreciated the webinar and staff responsiveness, but they still have two questions. Is communication between the county system and CalHEERS unilateral, or is it intended to be two-way? Also, concerns were raised at the last meeting about contingency planning options if performance standards aren't met, but they are unclear about whether those options have been settled. They support the staff recommendation to join Choosing Wisely.

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, expressed support for adding a voter registration link which will increase access. They are glad to hear about the bid for translation services and echoed Board Member Belshé's comments about usability testing. They want to hear more about testing in other languages since testing seems to only be happening in English right now. In terms of access to interpretation and language services through the Service Center, it would be useful to have testing of that ahead of time to ensure systems are flowing correctly.

Benjamin Cain, Trustee, UC Postdoctoral Scholars Union, also supported the inclusion of a voter registration link, and urged the Board to ensure that this is implemented at the launch of the Exchange. It is an important part of getting as much voter involvement as possible and represents a good opportunity to reach the unfortunately large group of people who are eligible but not registered.

Doreena Wong, Project Director of the Health Access Project, Asian Pacific American Legal Center, also would support including voter registration as part of the enrollment application upon first launch of the Exchange. California is forty-fifth in terms of the percentage of eligible voters registered. In the Asian-American community, only 59 percent of those eligible are registered. She also reiterated Ms. Sanders's recommendations for Service Center testing of interpretation services via actual calls and being sure people don't have to wait. The response time should be shortened for all applicants, including limited-English proficient ones.

Kate Muir, Board Member, Hemophilia Council, voiced excitement about the health plan partners. She provided a current policy statement to the Board. She praised the Affordable Care Act for providing affordable, accessible health care that saves lives and

provided as an example the excellent health care her adult son receives as a hemophiliac in Massachusetts. The Hemophilia Council wants to keep partnering with Covered California and be a resource about expensive chronic disorders. She is happy the budget has continued to fund California's existing managed care departments, which serve as an example.

Dr. Jerry Powell, Professor of Hematology, UC Davis, advocated for continued success. When California established California Children's Services (CCS) and Genetically Handicapped Persons Program (GHPP) in the early 1970s, it became the model for comprehensive care for hemophilia around the world. There are eleven federally designated treatment centers in California, and this model has taken hemophilia more successfully forward than any other genetic disease. In 1970, parents were told a boy with hemophilia would not survive to age twenty; now a boy born with hemophilia can have a normal life expectancy. It can cause life-threatening bleeding and must be handled properly. Most doctors hear about it in medical school and then rarely see it; he has seen four hundred cases every year for twenty years. He would like to maintain access for every boy with hemophilia to this network of eleven treatment centers so that his expertise is available in emergencies that would otherwise be life-threatening. He would like people with hemophilia to continue to have a normal life expectancy.

Kathleen Hamilton, Director of Sacramento Governmental Affairs, The Children's Partnership and the 100% Campaign and the California Children's Health Coalition, was glad to hear confirmation that there will be real user testing. They look forward to seeing the presentation. They would like to see Covered California's service center contingency plan shared with and revised by the public, demonstrating from an operational standpoint that it is prepared to handle those calls. She is on the SHOP advisory group, which is due to meet one more time before the launch. They asked to hear about dependent coverage issues on the August agenda. They need to understand the policy decision's interaction with the IT capability.

Emily Rusch, State Director, CALPIRG, supports the voter registration, which will make a big difference.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, supports the voter registration piece, but feels it should not hold up the health care application. She also hopes it is part of the Assister training. She appreciated Board Member Belshé's questions about testing and mixed-coverage families. She called out Julie Silas who pulled together a racially diverse group to do consumer testing. They look forward to seeing it.

Bill Wehrle, Vice President of Health Insurance Exchanges, Kaiser Permanente, asked how Covered California envisions disseminating the Choosing Wisely materials through the qualified health plans.

Gary Biggers, Biggers Benefits, asked, from an agent's standpoint, if mixed-eligibility families can buy up or buy down in order to keep the whole family together.

On phone: Angela Perry, Legal Intern, Young Invincibles, noted that their organization began as a movement to ensure that young adults' concerns would be included in health care reform. They are pleased that the Secretary of State has designated Covered California as a voter registration agency—in addition to being highly uninsured, many young adults between eighteen and thirty-four are not registered to vote. Many are closely tracking California's progress. They intend to push for full compliance by October 1—delaying wouldn't be in accordance with the law and would deny eligible voters the right to vote in the 2014 election. They urge Covered California to do everything possible to make voter registration opportunities available. This link would ensure every eligible Californian who has access to the marketplace has the opportunity to vote. California ranks forty-fifth in the nation; one in four eligible Californians are not registered.

Chairwoman Dooley commented that she was pleased to see Covered California designated as an agent of voter registration, but she also appreciated Ms. Landsberg's comments that the primary goal is to get people enrolled in health coverage. Many ancillary issues that are good public policy will have to be worked in when and where they can be. She thinks the Board must be clear that being a voter registration agency is an ancillary goal, not a primary goal. The Secretary of State designated Covered California as a voter registration agency in the same way they did the Department of Motor Vehicles.

Board Member Ross inquired whether the voter registration designation carries a deadline.

Mr. Lee noted the staff is in the process of determining that. They are figuring out what they must do within the time allotted. Chairwoman Dooley's observation is right—there is only so much that Covered California can manage right now. The staff will report back at the next meeting.

Chairwoman Dooley noted the designation means Covered California will make registration available through its systems.

Board Member Belshé voiced that she thought Chairwoman Dooley's comments were spot on in terms of aspirations and priorities. Addressing Ms. Imholz's question about if communications are one- or two-way, she noted that she would like to hear more about that next month.

Mr. Lee responded to Mr. Wehrle's question, saying that following today's announcement, Covered California is working with plan partners rather than confidential bidders. Staff intends to talk to health plans first in order to find out what they are currently doing. They will engage in a discussion on the topic.

Board Member Ross thanked the plan partners for responding to Covered California's invitation. After hearing all the naysayers, he had wondered if anyone would show up.

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

Agenda Item V: Qualified Health Plan Contracting

Mr. Lee acknowledged all the staff and consultants who have been working with the health plans leading up to the announcement of contracts. He also acknowledged the representatives of the participating health plans who were present. Prior to the Board meeting, many heard the press conference which talked about partnership. Thirteen health plans have joined Covered California in its commitment to lower insurance costs for Californians. Mr. Lee drew attention to the press packets at the meeting and on the website.

Discussion: Announce Tentative Health Plans and Rates

Andrea Rosen, Interim Director, Health Plan Management, presented the nineteen California regions and the health plans that will be offered in each region. Covered California asked the plans to submit their rates to the regulators by today.

Presentation: [Model Contract Performance Standards](#)

Mr. Lee called stakeholders' attention to the booklet that goes through every plan selected and details the rates for each region. It is posted on the website and provides further detail on the choices Californians will have. The largest health plans, representing 75 percent of the market, are now part of Covered California—Anthem, Health Net, Kaiser, and Blue Shield. Several exceptional regional plans are participating, such as Western Health Advantage and Sharp, and many local initiatives are participating as well, plans that have historically served the Medi-Cal and Medicare populations. This is a great advantage to those subsidy-eligible individuals who may move back and forth between Covered California and Medi-Cal.

Mr. Lee appreciated the Board's direction to be an active purchaser. Since Covered California had previously discussed the terms of the model contract at length with each of the health plans, they were able to focus on talks about network adequacy and other issues during subsequent discussions regarding terms. Covered California has been an active purchaser, and now will be an active partner with the health plans in making the Affordable Care Act work. All participating plans showed great interest in truly being partners.

Board Member Ross asked, in the face of all the fears and anxiety and dire predictions of what the Affordable Care Act would do to health care costs for the average consumer families who are currently uninsured, what has this process done for them?

Mr. Lee explained that health care can be incredibly affordable for those eligible for subsidies. A chart in the booklet shows what the premiums and subsidies will be for everyone in each rating region. Covered California has very competitive rates, and in addition, for those who are not subsidy eligible, health plans took into account the risk mix and their contracts with providers and came up with good rates. The health plans affirm the effectiveness of the Affordable Care Act's risk adjustment and risk control mechanisms. Covered California is still uncovering the big picture, but one plan, Blue Shield, expressed that their rates will go up by about 8–13 percent, in contrast to predictions of 60 percent. Health plans worked hard to ensure their products would be affordable for those with and without subsidies. Covered California's negotiations were so effective that some people will no longer need subsidies because the premiums will be less than 9.5 percent of their income.

Chairwoman Dooley expanded upon this, noting that in the latter case, the premium itself is less than what their post-subsidy premium would have been.

Ms. Rosen voiced gratitude on behalf of Covered California for all the work the plans put into the solicitation. She especially thanked the regional and local plans, noting that they don't have the resources of the statewide plans.

Mr. Lee agreed, saying he appreciates the plans that are participating, recognizing that the Board asked all participating plans to be active partners from day one. The doors are closed for next year except to Medi-Cal plans. The local initiatives who decided to participate did so in the face of great challenges, including the Medi-Cal expansion, because they want to be at the table now. A number of local initiatives have also expressed interest in participating down the road.

Board Member Ross noted that Covered California has something today that it didn't have in its toolkit a week ago. Uninsured consumers who have been uninformed or misinformed can rest easier. No one can declare mission accomplished, but at least Covered California can now fold a concrete affordability theme into its outreach and education. He hopes to see this information included in communications.

Discussion: Model Contract: Performance Standards

Ms. Rosen continued her presentation with a description of the customer service, operations, and quality performance standards required of the plans. Penalties and credits can be levied based on plan performance. Covered California will also be measuring its own performance.

Motion/Action:

Board Member Fearer moved to adopt the resolution, accepting staff's proposed performance standards. Board Member Ross seconded the motion.

Mr. Lee thanked Dr. Jeff Rideout for his hard work on the performance standards. Covered California is committed to reporting on quality data from initial launch and

onward. Staff is wrestling with the best way to report that information fairly because that will have a greater impact on consumers' perceptions than any penalties being levied.

Board Member Belshé asked how this information will be shared, especially in terms of Covered California's own customer service standards. How will Covered California hold itself accountable?

Mr. Lee explained that staff will come back to the Board to describe both internal dashboards and what will be shared publicly. Covered California values results; to that end, they will produce annual results reports and share information frequently with the Board.

Ms. Rosen noted that they are considering the first six months to be the "baseline period." The reporting will include the information in its entirety, not plan-specific. Covered California's reports will cover its overall operation.

Board Member Belshé wondered if reporting would be specific to just the state's call center or if it would include the county partners.

Mr. Lee explained that staff has not yet determined that. The plans asked for mutual accountability, and Covered California's ability to enroll a lot of people is contingent on its good customer service. Measuring the quick sort and related issues gets complicated, but staff will work out details with the plans.

Chairwoman Dooley pointed out that the whole point of the quick sort is to have Covered California staff doing enrollment for our products, and the counties doing enrollment into Medicaid.

Public Comments:

Anthony Wright, Executive Director, Health Access California, thanked the Board for the impressive presentation and agreed that it was a big day for California consumers. The nation is watching and this will draw good press. He noted that health insurance is not cheap and affordability is in the eyes of the beholder, but the rates are competitive—they are comparable to the group rates that large employers get. The offerings are better than what we currently have had in terms of the products offered. He was glad to hear that some insurers were not included. Being an active purchaser means being able to say no, and that's an important part of what Covered California did. If every plan that existed did sign on, he would be worried. There is currently a lot of good choice. He appreciates the discussion of performance standards. As this is implemented, he hopes that timeliness will be balanced with quality, rather than producing rushed calls focused on numbers.

Athena Chapman, Director of Regulatory Affairs, California Association of Health Plans, expressed appreciation for the hard work that went into the standards. They appreciate the alteration of the performance standards to focus on customer service and operational standards in the first year, leaving room to work on quality standards in subsequent years.

They have concerns about performance measurements being based on a national standard, preferring that they be California-specific, but there will be time to adjust those.

Ruth Liu, Director, Blue Shield of California, noted that they are delighted to be among Covered California's health plans. They are glad they were able to partner to come up with a good affordable network. She thanked Mr. Lee and Ms. Rosen, who put in immeasurable hours. They look forward to partnering with Covered California.

Francene Mori, California Exchange Director, Anthem Blue Cross, thanked Ms. Rosen and Mr. Lee for all the hours they have put in and their partnership. They are enthusiastic about being selected and are committed to working with Covered California to offer high-quality coverage at the most affordable rates.

Micah Weinberg, Senior Policy Advisor, Bay Area Council, noted that some consumers who are currently enrolled in high cost-sharing products will be disturbed by premium increases. We need to keep making the case for the Affordable Care Act and for why we want to move away from cost-sharing and put the up-front costs back into the premium. Everyone is working together on that. It's important to focus on the overall affordability of health care. He praised Covered California for partnering with Choosing Wisely. Changing how consumers interface with the health care system will require a cultural shift.

Julianne Broyles, Lobbyist and Legislative Advocate, California Association of Health Underwriters, congratulated Covered California and the health plans working with it to launch this new marketplace. They look forward to offering continued support.

Tim Smith, Policy Director, Local Health Plans of California, thanked Covered California for its efforts and hard work. He echoed Ms. Chapman's comments about work on health plan selection and quality measures.

Nina Weiler-Harwell, Associate State Director, AARP of California, thanked Covered California for the work it has done. She is proud to be a Californian, and feels happy that many of their members who had a hard time getting insurance can now be insured. She looks forward to seeing what the rates will look like for older recipients. These premiums are encouraging.

Linda Brown, Health Net, expressed that they are happy to be selected. Many people at Health Net have worked hard on this and we appreciate the time people have spent on this historic opportunity. Now we look forward to hard work to come.

Betsy Imholz, Director of Special Projects, Consumers Union, noted that this is a huge milestone, adding that she is proud to have played a part in it. There are not so many plans that it's overwhelming, but enough that it will give consumers a choice. The rates are a pleasant surprise. She understands that it will be hard to get the data on quality out

in the first year, but hopes it will be developed and shared as quickly as possible in order to assure the public that the affordable offerings are also of good quality.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, congratulated Covered California on its exciting day. She had her local partners in mind throughout the presentation and is pleased with the plan choices that people will have now. It will be important to make sure the health plan selection piece of CalHEERS is understandable.

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, echoed the previous comments. This announcement makes everything real; it's exciting to think Covered California has wheels now. They look forward to continued partnership on performance and quality measurements.

June Iljana, Executive Director, California Ambulance Association, thanked Mr. Lee for sending Mr. Panush out to help them understand how Covered California will affect ambulance services in the state. It was reassuring, and they are thankful. She congratulated staff on their progress. They look forward to more of their patients being covered.

Cindy Ehnes, President and Chief Executive Officer, California Children's Hospital Association, added her congratulations. She recognized all the hard work and what an incredible project this has been. They are concerned about network adequacy and look forward to working with the Board and staff on figuring out how to manage all those issues impacting premium dollars.

Doreena Wong, Project Director of the Health Access Project, Asian Pacific American Legal Center, echoed the congratulations. She noted that there is a good mix of plans that serve Medi-Cal patients; those plans can provide cultural and linguistic access.

Board Member Ross thanked Mr. Lee and his staff.

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

Agenda Item VI: Marketing, Outreach, and Enrollment

Presentation: [Outreach, Marketing, and Education Grant Program Funding](#)

Outreach, Marketing, and Education Grant Program Funding

Discussion: Marketing, Outreach, and Education Update

Oscar Hidalgo, Director, Communications and Public Relations, thanked his team. He gave a presentation showing the website and talked about new developments.

Sarah Soto-Taylor, Deputy Director, Community Relations, talked about the grant program. Proposals were first evaluated individually and assigned a score. Then they were ranked against each other in the case of those proposing to serve the same target populations. Finally, evaluation scores and references were considered.

They will train outreach and education workers in July. Covered California will closely monitor the grantees' activities.

Mr. Lee thanked the teams and was pleased to see that they really followed best practices. Some organizations that scored very well were not chosen because those geographic areas were already covered. The diverse organizations chosen are really a reflection of California, and he knows they will help reach out.

Board Member Ross thanked everyone. Also, he commented that grant makers never have enough money to do all that they want to do, so he wondered if there are any perceived gaps. If Covered California had another \$15 or \$20 million to dispense, where would it go?

Mr. Lee said given what they have, they covered all areas well. They do plan to share information with local foundations about deserving organizations that applied and were not selected. One gap staff identified was the clinician community, who must be key voices in explaining how the Affordable Care Act will work. Some of the grantees' strategies won't work. Covered California is holding back some money to distribute after evaluating which strategies are most effective.

Ms. Soto-Taylor said monthly progress reports will be required from grantees, and then Covered California will look to see what strategies have worked thus far. They will evaluate things like how successful events were, how many leads were generated, and so on. Field monitors will provide technical assistance to help with strategy and ensure that events don't conflict.

Mr. Lee congratulated the new partners. He noted that this was a good, detailed report, but it does not include the names of the subcontractors. As staff finalizes the contracts, they will update this with a list of specific partners.

Chairwoman Dooley introduced Tom Bohigian, State Director for Senator Boxer, and thanked him for coming to the meeting, noting that Covered California would not be here without its federal partners. She also extended thanks for all that Senator Boxer and he have accomplished.

Discussion: Agent and Enrollment Entity Relationship Requirements

Katie Ravel, Director, Program Policy, addressed concerns about financial arrangements between agents and Assistors. They expect their agents and Assistors to enroll people in the full range of coverage programs. There are also federal and state rules in play, relative

to this policy, including federal law and proposed rules prohibiting navigators from being agents. Agents cannot compensate unlicensed individuals for giving referrals. They do encourage partnerships, but payments cannot be included. The brief is unchanged from the prior version, and there is time to put this information into regulations to address implementation considerations. They received some stakeholder comments that they can address in the regulation terms.

Board Member Ross noted that he has heard from people looking for more time to work through these issues. Is it possible to delay this item? He wondered if anyone else has heard these concerns.

Ms. Ravel responded that she has not heard those concerns but emphasized that this is a two-step process. The policy being adopted will have to be put into regulations. There is another month to work through implementation concerns if the Board approves of the overall policy.

Mr. Lee said staff believes there are clear bright line issues at stake. Agents who become certified Assistants have a responsibility to enroll people in everything, including Medi-Cal. Some regulatory issues are less clear. The Board has been asked to approve the Board recommendation brief which encompasses policy, but there's still an opportunity to work out the details on regulations.

Chairwoman Dooley noted that the policy is meant to avoid a financial conflict of interest between agents and community-based organizations.. She fully supports the policy. Clearly partnership is essential, but it is not necessary for partnerships to also be financially transactional.

Motion/Action: Board Member Belshé moved to adopt the resolution, approving the staff's policy recommendations. Board Member Fearer seconded the motion.

Public Comments:

Julianne Broyles, Lobbyist and Legislative Advocate, California Association of Health Underwriters, IIABCal, and NAIFA, assured Board Member Ross that, as agents, they will help everybody who comes. They support that and the general policy. They want to make sure that if insurance agents are members of volunteer boards that their organizations are not prohibited from participating. She noted that brokers can't sell health insurance in California, and they recommend clarifying terminology.

Beth Capell, Lobbyist and Policy Advocate, Health Access California, supported the recommendations and looked forward to working on the details of the agent-Assister relationship. Valuable consideration includes items that might be given innocently, like travel expenses or a desk and a phone.

Mark Diel, Children's Health Initiative in Napa County, expressed amazement at how much progress has been made. He thanked Mr. Lee and Ms. Ravel for talking about the

agent-nonprofit relationship. Their organization is a licensed insurance agency because not everybody they encounter is subsidy-eligible. Many families have gaps in their employer-sponsored coverage. Most products they sell are stand-alone dental products which result in about \$15 commissions. Mr. Diehl and his organization offered to be available as partners.

Nahla Kayali, Founder and Executive Director, Access California Services, noted they serve the Arab-American and the Muslim communities, feels the Board and staff are working hard for every person and act like every person counts. She was in Washington two weeks ago, and found out that California is doing really well and is ahead of everybody. The rest of the nation has noticed. Covered California is doing a great job.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, noted that they would like to partner to fill in the gaps in clinician and physician involvement on outreach and education. The application was hard for clinicians and providers to accurately fill out, so it would be helpful to create something more conducive to a provider or clinician organization. They would be happy to help on that. Their own foundation did not make it through the application.

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, expressed excitement about the grants. They did not apply, but some of their Having Our Say Coalition partners did, and they are glad to see there will be robust outreach to diverse communities. As the outreach and education grant program rolls out, it will be important to get specific technical information to all of the outreach and education people who will receive questions about eligibility. The immigrant community has already been asking about who can apply for coverage and if applicants need a TIN or SSN, for example. The more prepared outreach and education people can be, the more confidently they can spread information and the more successful Covered California will be. It would also help to come up with a way of contacting Covered California to inform staff about misinformation out there. This would help ensure that community members are not being misled or deceived.

Doreena Wong, Project Director of the Health Access Project, Asian Pacific American Legal Center, thanked Covered California for awarding them a grant. The grants do seem to cover a lot of communities and vulnerable populations. As far as they could tell, there were no gaps. Word has gotten out, and they have been contacted by other groups who want to be subcontractors. She hoped those groups could be included in the trainings which would then enable those groups to also go out and be messengers.

Emily Rusch, State Director, CALPIRG, noted that they created their own flyer about how consumers can find health insurance. They will be handing them out this summer and hope to reach about 100,000 households.

Betsy Imholz, Director of Special Projects, Consumers Union, congratulated Covered California on the grants. They have created materials for people out in the community,

and they'd be happy to share the worksheets they created about the advance premium tax credit. They support the staff recommendation.

Suzie Schupe, Executive Director, California Coverage and Health Initiatives, congratulated Covered California on the grants. She seconded Doreena's request that smaller community-based organizations that did not have the resources to apply for grants be included in the outreach and education trainings.

Amparo Cid, Director of Sustainable Rural Communities Project, California Rural Legal Assistance Foundation, noted that they have started including information about Covered California in their successful naturalization workshops which they provide on a pro bono basis. Many immigrants have questions and thus they have developed an FAQ that they are sharing.

Chairwoman Dooley noted that there will be a cascade of information with appropriate amounts of detail. The staff is preparing those levels of information. It's encouraging that there is so much interest, but it's sequential—some of the policies have yet to be determined. The comments are appropriate and appreciated. Staff is still putting together the information that will become available.

Mr. Lee said staff should take heart from the comments on the grants. There are, generally speaking, no gaps—that is wonderful. The outreach network will need to include non-funded groups that they want to train, support, and give materials to. Reaching out will take a broader group than just those organizations they can fund.

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

Agenda Item VII: Covered California Program Regulations

Presentation: [Fingerprinting and Criminal Record Check Regulations](#)

Discussion: Background Check Regulations

Katie Ravel noted that the regulations cannot be formally adopted until Covered California has legislative authority, but staff seeks conditional approval.

Discussion:

Ms. Ravel assured Board Member Ross that staff still expects a fast turnaround time.

Chairwoman Dooley asked how quickly emergency regulations would take effect.

Kathy Keeshen, General Counsel, responded that they would go into effect in ten days. If the legislation passes on time, that would be the end of June.

Motion/Action: Board Member Ross moved to adopt the resolution, giving conditional approval to the staff recommendations. Board Member Belshé seconded the motion.

Public Comments: none

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

Mr. Lee thanked the staff and community groups for their diligent work.

Agenda Item VIII: Covered California 2013/2014 Budget

John Hiber, Chief Financial Officer, gave an overview of the proposed budget for next year. The budget will be presented for approval at the June meeting.

Presentation: [2012–13 Status Report and 2013–14 Budget Proposal](#)

Mr. Lee noted that the Board would like to get to a point of having six months' reserve. However, saving for that too fast adds to the premium cost. The amount of enrollment affects the operating costs, so in the case of lower enrollment, the expenses would be significantly less.

Board Member Fearer asked if the changes reflected on the presentation's slide 8 are reflected on slide 12, or if slide 12 still contains the original projections.

Mr. Hiber explained that the numbers on slide 8 include Covered California in its entirety, and the multiyear comparison on slide 12 just applies to the individual Exchange.

Board Member Fearer asked why Covered California must follow a fiscal year, given that it's an independent agency and doesn't receive monies from the general fund.

Mr. Hiber explained that it's likely that Covered California will be tracking on both a calendar-year and a fiscal-year basis. Financial reports to the state controller's office will need to be in fiscal-year terms. As inconvenient as it might be, part of what Covered California does will need to be on one track, and part will need to be on the other.

Chairwoman Dooley explained that, though Covered California is not operated using the state general fund, its fees are collected as a state assessment and must be reported as state money.

Mr. Lee noted that the much of the planning work will be on a calendar basis. Health plans operate on this basis and the open enrollment periods are according to calendar year. They will need to report to the Board on how those two tracks align.

Mr. Fearer acknowledged that if Covered California must file with the state on a fiscal year basis, then it must be done. If it makes more sense to have planning and strategic discussions done on a calendar basis, then staff should do it that way. He urged them to consider which basis best facilitates decision-making.

Mr. Hiber said that they have already discussed this topic extensively and will continue to do so.

Mr. Lee noted that this is an information item. If the Board has concerns before the next meeting, Mr. Hiber or Mr. Lee can answer questions.

Board Member Belshé would like to know how other state exchanges are portioning their budgets. She is aware that California is dedicating a larger percent to outreach and marketing, given our complex, diverse population.

Mr. Lee responded that the next Board meeting will include a report on the expenditure mixes and revenues.

Public comment:

Beth Capell, Lobbyist and Policy Advocate, Health Access California, acknowledged that some costs are sensitive to enrollment numbers. However, they would be disturbed if Covered California reduced its marketing and outreach efforts if enrollment numbers were low. This may need additional research and analysis. They understand that some aspects are driven by volume, but budgeting should also be driven by Covered California's desire to be successful.

Mr. Lee conveyed appreciation to Mr. Hiber and his team for all their hard work on this very complex subject. They take seriously their stewardship of federal money and Californians' money.

Agenda Item IX: Adjournment

The meeting was adjourned at 4:00 p.m.