

**CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD**  
**June 20, 2013**  
**East End Complex Auditorium**  
**1500 Capitol Ave.**  
**Sacramento, CA 95814**

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

Chairwoman Dooley called the meeting to order at 10:00 a.m.

Board Members present during roll call:

Diana S. Dooley, chair

Susan Kennedy

Paul Fearer

Robert Ross, MD

Board Members absent:

Kimberly Belshé

**Agenda Item II: Closed Session**

Chairwoman Dooley called the meeting to order at 12:28 p.m. A conflict disclosure was performed; there were no conflicts from the Board Members that needed to be disclosed.

**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 meetings held May 7, 2013, and May 23, 2013.

**Presentation:** [May 7, 2013, Minutes](#)

**Presentation:** [May 23, 2013, Minutes](#)

**Discussion:** none

**Public Comments:** none

**Motion/Action:** Board Member Fearer moved to approve the minutes from the May 7 and May 23, 2013, meetings. Board Member Kennedy seconded the motion.

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

## **Agenda Item IV: Executive Director's Report**

### **Presentation: [Executive Director's Report](#)**

Mr. Lee noted that there are 102 days left before the planned launch on October 1. Board Member Ross and Mr. Lee met recently with President Obama who lauded Covered California for its good work.

The legislature worked with the Brown administration and passed legislation to take full advantage of the Affordable Care Act and expand Medi-Cal. The premium assistance subsidy will help support the Medi-Cal coverage expansion. Covered California has been building its systems and its partnerships for that coordinated approach.

### **Discussion: Announcement of Closed Session Actions**

The Board approved the establishment of two exempt positions: Chief Deputy for Product Development, Marketing, and Innovation and Assistant General Counsel.

The Board also discussed and approved four contract matters:

- Approved issuing a competitive Request for Proposal (RFP) for printing of collateral materials.
- Approved revising the interagency agreement (IA) with the University of California, expanding the contract to \$1.8 million for CalSIM analytics and partial funding for the California Health Interview Survey.
- Approved an amendment to the interagency agreement (IA) with Department of Health Care Services (DHCS) for IT support; the current engagement ends this month and this will provide an extension through the end of 2014.
- Approved extension of the personal service contract with Dr. Jeff Rideout who serves as Senior Medical Advisor.

Mr. Lee called attention to the reports and research provided for the Board which are available on the website.

Covered California has hosted five town halls thus far with a sixth scheduled for June 21. Attendance has ranged from 200 to 600 per event. Each town hall plays an important role in getting early information out to partners and stakeholders.

### **Discussion: Covered California Planning Overview**

Mr. Lee issued a reminder that there will be no board meeting in July. Instead, a series of webinars are planned. One will focus on the navigators program and another on SHOP regulations. A third webinar planned for early July will provide an opportunity to preview early marketing materials. Staff hopes to release the SHOP plans and rates at the beginning of August.

The Board and other groups have requested a panel on children's issues as well as on women's issues and mental health. Due to the countdown towards enrollment and launch,

these panels will need to be pushed toward the end of the year, or a series could be started in January.

As staff has reported to the Board, federal guidance has determined that Covered California cannot use federal grant funding to offer supplemental vision products.

Staff received a proposal on how Covered California might provide links to vision services. Covered California staff will work with the plan management advisory group to review strategies and come back to the Board with a recommendation.

The Board authorized a partnership with the Health Consumer Alliance, a network of legal advocacy groups that provides support to consumers, ensuring that enrollees have access to independent consumer assistance services.

Board Member Ross announced that the California Endowment will also be supporting this partnership.

Mr. Lee reported that Covered California now has over 200 staff and has embarked on its own evidence-based process of surveying the staff. Results show that staff understands and appreciates the mission, and morale is good. Staff is working hard to get ready for the launch.

**Discussion: Service Center Update**

Juli Baker, Chief Technology Officer, gave an update on the service center facilities and staffing, along with county readiness.

The Rancho Cordova and Contra Costa facilities are on track for initial occupancy on July 1. The third facility, proposed for Fresno, has been in negotiations but has not yet come to terms. Since the timing is so tight, staff may need to expand the search for a third facility beyond Fresno.

At the last Board meeting, concerns were expressed about service center staffing timelines due to the need for expedited legislation regarding fingerprinting and background checks. The legislation was passed and job offers are in process for the Rancho Cordova and Contra Costa locations. Background checks can be conducted in time for the general inquiry launch on August 19. Since the third location has not yet been determined, staffing for that site is anticipated to begin in mid-November.

Regarding county readiness for the quick-sort transfer, Covered California is working through the Memorandum of Understanding (MOU). Additional county staffing is currently in progress with assistance from County Welfare Directors Association of California (CWDA), and development of the training curriculum is underway.

Mr. Lee lauded the beautiful facilities and working environment depicted in the photos presented of the Rancho Cordova and Contra Costa service centers. He noted that, due to

the time growing short, finding a facility in Fresno that is already built-out will be mandatory. He also pointed out that the plan for the Fresno facility has always been to open in mid-November, not early October.

Chairwoman Dooley noted that the mayor of Fresno is convening a workgroup to resolve the issues. Securing the location in Fresno would provide 160 local jobs this year and would increase to 400–500 people in 2014.

Board Member Ross asked if the new state budget appears to provide the resources needed for the county staffing and training. Ms. Baker invited Cathy Senderling-McDonald, Deputy Executive Director, CWDA, to address the issue. Ms. Senderling-McDonald stated that there is adequate funding available in the budget, including monies for staffing increases and training.

### **Discussion: Legislative Update**

David Panush, Director of External Affairs, said there is good news on several fronts. Most significant is the passage of the Medi-Cal expansion under which 1.4 million Californians will be newly eligible. The trailer bill and authorizing legislation included service center protocols language. It also included language related to how legal immigrants will be covered, and proposed that Covered California provide a wraparound payment for their cost-sharing. Additional language allowed for education, outreach, and payment for certified enrollment counselors enrolling consumers in Medi-Cal. DHCS will ask the federal government to match that funding which will provide approximately \$53 million for the education, outreach, and enrollment efforts.

The bridge bill legislation has moved through the assembly health committee and has been routed to the appropriations committee. It was amended, deleting what was previously called the broad bridge and adding a five-year sunset with an evaluation and report period. It includes language limiting eligibility to people earning less than 250 percent of the federal poverty level. Once the bill has passed, the formal proposal will be submitted to the federal government.

At the last Board meeting, staff stressed the urgency of having the background check bill signed by June 14. It was signed on June 17 and staff is very pleased. Mr. Panush thanked the legislature and administration for recognizing the urgency and moving quickly.

Mr. Panush then addressed several issues relating to the stand-alone pediatric dental benefit bill (AB18). There was concern about the possibility that regulators would not approve Covered California health plan proposals that do not include dental coverage. The federal government said exchanges must provide a stand-alone dental option, and the Covered California solicitation was structured around that. The issue of how regulators approach that option has now been resolved, allowing plans that do not include pediatric dental benefits (often called “9.5” plans) to be approved.

In terms of CalHEERS design features, there has been concern about how to pair dental plans with 9.5 health plans (those that do not include pediatric dental). Currently, people can sign out of the CalHEERS system without enrolling in a pediatric dental plan, consistent with federal regulations. The broader policy issues will still need to be addressed, including what kind of consumer protections should be required for stand-alone plans and what kind of mechanisms will be used for cost-sharing. The bill is being amended.

The transparency bill (SB332) conforms state law to current practice.

The Exchange Eligible Parents of Medi-Cal/Healthy Families Kids bill (SB800) will allow Covered California to have access to contact information of the parents of Healthy Families children for outreach purposes.

Mr. Lee thanked the Department of Managed Health Care (DMHC) and the Department of Insurance (CDI) for working hard with Covered California to help synchronize state law with current needs and practices. Many issues have been resolved and many remain to be worked out.

Board Member Ross acknowledged the terrific partnership between Covered California and California's governor and legislative leadership. The legislature acted promptly on the background check bill and the Medi-Cal expansion. Covered California and the state leadership are working toward the same goals, and he appreciates their supportive leadership in moving the Affordable Care Act forward.

#### **Discussion: Marketing, Outreach, and Enrollment Update**

Sarah Soto-Taylor, Deputy Director of Stakeholder Engagement, discussed the next round of the outreach and education grant program. It will focus on the medical community and other allied health profession associations, encouraging providers to incorporate consumer education into their practices. Only statewide and regional proposals will be considered, and applicants may request funding from \$500,000 to \$1 million.

Ms. Soto-Taylor reported that much work has been done in developing partnerships to leverage the \$43 million investment in the outreach and education grant program. Sierra Health Foundation has committed \$400,000 to the partnership. Covered California is working with the Foundation to review proposals from the original pool of applications and will soon announce who has been selected under that initiative.

Ms. Soto-Taylor provided an update on the progress being made to formalize the agreements with the 43 organizations selected to receive grant funding. Approximately 1,200 grantee staff members have been identified to receive comprehensive training in July prior to commencement of their outreach and education work. Requests have been received for translation services during training and efforts are being made to identify the

specific interpretation services needed. Training vendors will seek to coordinate professional interpreters with a health care background to provide audio support.

Mr. Lee said the funded groups are pleased to move ahead and provide translation services. Staff thoroughly reviewed all the grants awarded, and found that on a population basis, the rural Northern California counties could use more resources. The review was performed by region, demographics, ethnicity, and language with the desire to ensure that everyone in the state is included.

Thien Lam, Deputy Director of Eligibility and Enrollment, gave a navigator program update. The August 22<sup>nd</sup> Board meeting will include a more comprehensive update.

As previously relayed to the Board and the general public, the navigator program will provide education and enrollment assistance to consumers. A formal grant process will award \$5 million to selected entities that demonstrate their ability to provide the appropriate assistance services.

Covered California, after doing focus-group testing, will now publically use the term “certified enrollment counselors” instead of “navigators” or “assisters.” Consumers have been shown to understand and trust that term.

Ms. Lam provided an overview of the navigator program roles, funding source, compensation, and projected timeline.

#### **Discussion: Go To Market Framework**

Mr. Lee, on behalf of Ken Wood, presented a brief update on the proposed timeline for the Go To Market campaign. He also commented on the partnership that Covered California will have with the California Endowment and with Spanish language media such as Telemundo and Univision. Consumers will soon see outreaches via paid media and earned media sources.

In addition, the “Get Covered” app will show an improved and expanded Advanced Premium Tax Credit (APTC) calculator as compared to the current website version.

Mr. Lee shared that consumer research conducted by NORC on behalf of Covered California revealed the need for replacing key words with phrases that resonate more effectively with consumers. For example, the phrase “premium assistance” now replaces “tax credit” and “minimum coverage plan” replaces “catastrophic plan”. Other examples were displayed in the slide presentation.

#### **Public Comments:**

Byron Gross, Counsel, National Health Law Program, noted that his organization was a founding member of the Health Consumer Alliance. They provided administrative support and will continue to provide substantive support to those in the field in legal programs around the state. They are just as excited as Covered California about the

partnership and are grateful to the California Endowment. They are staffing up and ready to change their focus from working with the Exchange and ensuring that its rules and regulations protect clients to being an integral part of the feedback loop.

Betsy Imholz, Director of Special Projects, Consumers Union, noted that there is a lot to celebrate today. The Medi-Cal expansion and simplification is an historic moment and will help get everyone closer to a streamlined seamless experience. She looks forward to the governor's signature. The service center progress is exciting and they are happy to see the steady progress on the memorandum of understanding (MOU), training, and readiness. They look forward to hearing more on contingency planning and the service-level agreement to ensure that progress can be tracked. The idea of switching to one name for enrollment assistance is greatly appreciated and will help alleviate huge confusion about the differences between assisters and navigators.

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, also appreciates all the great news. The Medi-Cal expansion is so close to being finished, and she appreciates all the support. The provider education grant funding is a good opportunity to train health professionals. The priority should be funding for nonprofit community clinics and primary care providers serving the community members they represent. Covered California should also consider labor employee training programs that serve diverse groups of health professionals, helping them to move forward in careers by becoming trained. The Go To Market effort shows good research and is impressive. She appreciated that it was done in Spanish and English. She hopes there will be similar efforts in some of the API languages and would like to hear findings from that. She had heard mention of a tagline to go with Covered California—some members have expressed interest in hearing about that since it will help describe Covered California.

Fatima Morales, Policy Analyst, Community Health Councils, thanked the Board and staff for providing their partners with the ability to be part of historic effort. Her organization is a grantee and is excited to begin and continue the work of educating consumers. To ensure their partners can get out and effectively begin work, there must be a streamlined and seamless process with respect to reporting and monitoring requirements. It is important to ensure the process is transparent but also flexible, allowing them to do what they do best. They want to be allowed to respond to needs arising as they do their outreach. They ask that Covered California incorporate recommendations from grantees and seek their input to make sure the administrative process promotes efficiency and gets people out into the community. She asked that Covered California keep reaching out to them.

Leslie Toy, Policy Advocate of the Health Access Project, Asian Pacific American Legal Center, noted that her organization is another grantee. They appreciated the service center update and all the progress that has been made in hiring. Since training for the Rancho Cordova site is starting July 1, they would like to hear the number of bilingual staff and what will be incorporated to ensure linguistically and culturally appropriate aspects to the training curriculum. They appreciate that testing was done in English and Spanish, and

they would like to see it done in other languages. She found the Get Covered app exciting. Will it work in other languages?

John Valencia, Government Relations Attorney, representing VSP Vision Care, Inc., welcomed the Covered California service center to their neighborhood in Rancho Cordova. They appreciate the opportunity to move to a working group session with staff after the meeting. They hope that by the August Board meeting, Covered California will have decided to match its Colorado Health Benefit Exchange colleagues in enabling consumer access to supplemental stand-alone vision coverage. That's the technical task before Covered California. They have a proposal that is simple in concept and they will work on the mechanics.

Al Schubert, Vice President of Managed Care and Health Policy, VSP Vision Care, Inc., noted that their company covers a third of the population of California, more than 14 million people. When all the other stand-alone vision plans in California are included, they collectively provide coverage for over half the state's population. When Covered California participants complete their enrollment in October, they will see that their children have vision coverage but that the adults do not. That's not good. That's why it makes sense for Covered California, in compliance with the CMS FAQ of March 29<sup>th</sup>, to enable the offering of supplemental vision with no cost to Covered California and little if any administrative impact. The industry has provided senior Exchange staff with a model proposal. The Colorado Exchange offered a link to vendors chosen by the Colorado Department of Insurance and in compliance with state law. VSP asks that the Board adopt supplemental vision benefits as proposed. Colorado is offering vision supplemental coverage beginning October 1. VSP will be happy to continue to work with staff.

Jason Gabhart, External Relations Manager, California Optometric Association, agreed with comments from the VSP representatives. They believe supplemental vision plans should be offered as soon as possible.

Serena Kirk, Senior Policy Associate, Children's Defense Fund and the Children's Coverage Coalition, noted that they submitted a letter endorsing Board Member Ross's request to see a panel presentation addressing children's and families' issues at an upcoming meeting. They would like to see this panel scheduled soon, definitely before January. Issues like pediatric dental coverage, mixed-status families, dependent coverage through SHOP, family affordability issues, and the scope and marketing of child-only plans in the Exchange should be discussed in a public and timely way.

Jim Mullen, Manager of Government Affairs, Delta Dental, appreciated the discussion of supplemental benefits. It appears from the brief write-up that dental is allowed as a stand-alone option. They interpret the CMS guidance as saying dental is not an ancillary benefit. The difference for Covered California would be that any supplemental coverage must include the essential health benefit in order for Exchange resources to allow the offering of the supplemental benefits on the Exchange itself. They support this interpretation. They appreciated the update from Mr. Panush on AB18. The legislation



was originally sponsored by the California Association of Dental Plans. They have engaged in robust dialogue about all the issues, including required purchase. They, along with the bill's author, believe that pediatric dental should be a required purchase. They had been willing to conform dental plans to the Affordable Care Act requirements in California and have had a robust discussion around cost-sharing. They want to keep pricing affordable and make sure cost-sharing serves consumers' interest.

Kathleen Hamilton, Director of Sacramento Governmental Affairs, The Children's Partnership and the Children's Health Coalition, extended congratulations on the service center progress. They want to hear more about performance standards and contingency plans and are hoping the county MOU details will be publically available. She thanked Mr. Panush for his thoughtful and insightful comments. They have been engaged in these discussions too. If Covered California decides to allow 9.5 plans to be sold, her organizations want to work with staff to ensure parents are provided with every opportunity, incentive, and reason to select pediatric dental plans. They think 9.5 plans put families at risk and at a disadvantage and want to explore ways to ensure that doesn't happen. Another nuance is if child-only plans are also offered as 9.5 plans, they hope they will have an opportunity to talk about how to promote those plans ethically if they don't include pediatric dental. She appreciated the update on messaging. Even those not directly in outreach are talking about this.

Mari Lopez, Policy Director, Visión y Compromiso, thanked the Board for all the work it has done. California is ahead of the nation, not just on the staff work but also on the pace and stakeholder involvement. She agreed with Community Health Councils and CPEHN with regards to language inclusion. As a certified educator grantee, they are also concerned about the Medi-Cal expansion. The Board has emphasized a no-wrong-door approach. They want to find ways to identify those who may be eligible for the Exchange, and if they are not eligible, then they want to turn them over to partners for Medi-Cal enrollment. They would like to know more about the ability to provide training in multiple languages. The translation of language is not always seamless and it is sometimes difficult to communicate new concepts. They hope to see training done in Spanish and other API languages.

On phone: Julian Robert, Executive Director, National Association of Specialty Health Organizations (NASHO), noted that the Board has a huge job ahead. He is the Executive Director for the National Association of Vision Care Plans (NAVCP), and a significant number of their members are managed vision care plans covering over 119 million individuals. Several of the plans are based in California. They are concerned about potential delays in making decisions with regards to supplemental benefits. If consumers do not have access to stand-alone plans when enrollment begins in October, the number of adults with access to vision care in California could be reduced. Other commenters also noted that there are easy, low-cost ways to provide implementation. Colorado has recently adopted a plan to provide direct access to managed vision care plans. California could adopt this and provide access to supplemental vision on October 1.

Chad Silva, Policy Director, Latino Coalition for a Healthy California and the Latino Health Alliance, appreciated the partnership with Univision and other Spanish-language media. They are encouraged by the partnership with Sierra Health Foundation since they initially were concerned about a shortage of efforts focused on rural Californians. They understood why Covered California went the way it did, and now that the Foundation is involved, they are greatly encouraged.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, was excited about the prospect of outreach and education grants focused on providers and looks forward to partnering with the Exchange. According to the California Medical Association's journal, private practice physicians provide 78 percent of office visits to the uninsured and Medi-Cal populations. They are often the one contact for many hard-to-reach populations.

Nicette Short, Policy Analyst of Government Affairs, California Dental Association, commented that, regarding stand-alone plans, they were pleased to be able to initiate the legislation to make sure California had a robust stand-alone dental opportunity. As has been discussed, it is important to make sure the Exchange reflects the marketplace. They were equally pleased when the Department of Managed Health Care (DMHC) affirmed that they could move forward with approving 9.5 plans, so they will amend the bill and it will continue to move forward.

Tess Snook O'Riva, Management Consultant, Omni Consultants, applauded Covered California's education efforts and appreciates that there are webinars, but they were full last week. This is one of the first times she has seen an invitation for those who want to apply as subcontractors within the outreach and education grant. She would like more detail.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, added their thanks and appreciation. The Health Consumer Alliance is moving forward to provide direct consumer assistance on the ground along with feedback on problems and how to fix them. They are pleased about the Medi-Cal expansion bills and the overlap; some important pieces of the bill will be programmed into CalHEERS. In some places, they will need to work with Covered California to make sure the wrap works for pregnant and immigrant populations.

Carmella Gutierrez, President, Californians for Patient Care, extended her thanks for the testing of key words and terms because they needed help. They connect people to safety net resources. They are excited that Covered California is opening soon and are already directing people there. Any additional key messages and favorable terms, especially in Spanish, will help them to help Covered California.

Beth Capell, Lobbyist and Policy Advocate, Health Access California, looks forward to working with Covered California on the Medi-Cal expansion. They appreciate that Covered California was already on board with things like affordability wraps, enabling

discussions that ensure recent legal immigrants and pregnant women would have affordable coverage. They commend both Covered California and the Medi-Cal program for their remarkable partnership, as well as the governor and legislative leaders. This will bring home most of the final pieces for health care reform she has worked on for decades.

## **Agenda Item V: CalHEERS Update and System Demonstration**

Mr. Lee noted that interest in Covered California is huge and growing. There were 1,600 people who wanted to be in the recent webinar, and Covered California was only ready for 1,000. Regrets were expressed to those unable to call in. It was exciting that so many wanted to participate and indicates the need for ramping up capacity.

### **Presentation: [CalHEERS Program Status Update](#)**

Karen Ruiz, Project Director, CalHEERS, presented an update on timelines for development efforts. Design is on schedule. They are still behind on development and testing. Development and design have slowed testing further down from the last meeting. Contingencies are in full force in order to ensure that the implementation and launch are still on schedule.

Keith Ketcher, President, Accenture, gave an update on usability. Then he presented a demonstration of CalHEERS, describing it as a work in progress that will very likely have changes. He noted that many UX 2014 concepts are present in the site.

Terry Shaw, Consultant, Accenture, presented a walk-through of the online enrollment process for individuals and families and created a single mixed-status-household scenario.

Ms. Ruiz mentioned that since the webinar was full this week and many people were unable to participate, a recording of the webinar has been posted on the Exchange website. Questions may be submitted via email ([eligibility@covered.ca.gov](mailto:eligibility@covered.ca.gov)) until Tuesday, June 25.

### **Discussion:**

Board Member Fearer felt the site was daunting and will be difficult for consumers to navigate. He asked if there was a way to define phrases like “naturalized citizen” or “self-employment income.” Is it necessary to include confusing phrases like “advance premium tax credit”?

Ms. Shaw explained that this is a work in progress. They are researching key words and testing readability with plans to incorporate the results. She agreed it will always be difficult, so they have tried to build in help tools like a glossary and icons where people can get more information. Users will be looking for assistance, so an online chat feature as well as video instructions (in English) will be available.

Board Member Fearer expressed that it will be important to harvest all those online interactions, such as the online chat, to shed light on gaps in understanding. For example, it would be good to see which words keep being questioned.

Mr. Lee expressed that the online enrollment site will be as refined as possible at launch and will continually improve over time.

Board Member Ross voiced thanks for the presentation and for the team's incorporating many of the UX2014 features. He was struck by the number of questions and length of the application, but he did not see anything that could be eliminated. Since the site is in the testing phase, questions like Board Member Fearer's will be run through testing with real live consumers. He did not intuitively understand during the presentation that the globe icon would provide language assistance and encouraged such icons to be clearly labeled. He was pleased to see the scenario of a mixed family used for the system demonstration.

Mr. Lee explained that everyone who enrolls will go through CalHEERS. The same rules apply to everyone coming through. Many applicants will enter the information online themselves and many will have a certified enrollment counselor or a certified licensed agent assist them, but the information is the same for both Medi-Cal and premium assistance applicants. There will be automatic, real-time verification whenever possible. Counties will use the same determination rules.

Board Member Ross asked if there is a process for stakeholder and consumer groups to voluntarily run their own consumers through the application process to give feedback.

Mr. Lee explained that they selected a cross-section and range of consumers, and they are going through everything with those testers. While they welcome broader, less-structured comments, they are already doing structured usability testing. There is no live version people can play with yet since it is still in development.

Board Member Kennedy asked what would happen if the consumer was wrong about the tax credit.

Mr. Lee voiced that they are fielding many questions about the rules and Covered California has education work to do. It is technically an advance of a premium tax credit that will be settled up at the end of the year.

Board Member Kennedy wondered if Covered California issues a tax form.

Mr. Lee explained that all tax forms and tax settlement will come through the IRS. Part of customer service is keeping people updated with what they need to know. Covered California must inform people that they need to report any changes in income. It will be vital to teach people this information to avoid unpleasant end-of-year surprises.

Thien Lam explained that the consumer will get a notification. Covered California will send regular transactions to the federal government. The IRS will already have the information. The consumer will not need to notify the IRS.

Mr. Lee underscored that the information about what was received as a tax credit will come to consumers from the IRS, not Covered California. The IRS will also send monthly checks to the plans.

Board Member Fearer had a question about the introductory CalHEERS update. The general update page showed that in one month testing has gone from one week behind schedule to five weeks behind. That is zero progress. What is happening?

Ms. Ruiz said that design and development are still on track and have actually made up time, but some time has been lost on testing. First, they received several change requests relating to the first three releases. They have worked to prioritize and evaluate those, putting in the most critical changes. But changes require design and development and then testing. Second, they are spending more time in development to ensure business functions are working properly. Over one hundred data elements go into determining what each individual is eligible for and the permutations of those elements are extensive. Rather than moving directly into the testing phase, they have kept those elements in development which is less expensive than the testing environment and will actually save time later in testing. Last, they have testing partnerships with the federal government, Employment Development Department (EDD) and other state entities. There are challenges in making sure the testing environment will ensure proper end-to-end testing. To mitigate that, much of the testing was done in pre-system-test environments, allowing the developers to find issues and correct them which will save time. They expect the overall time to be shorter because more things are being done up front.

Mr. Ketcher reiterated that they are doing a lot of testing in a pre-system test environment which allows testers to identify defects and communicate them to the development team. It takes time to migrate code as it is remediated. This environment makes it easier for developers to make corrections, allowing them to get more cycles through the process in a shorter period of time. Many things are being done to increase productivity, but the completion date of the system test schedule has been extended. Overlapping the system test with end-to-end testing will make up a few weeks through improved efficiency.

Board Member Fearer was not surprised by Mr. Ketcher's explanations and understood that they are working on mitigations. He wondered if anything has changed in the process and whether they are actually catching up. Although the presentation described pretesting in an easier environment for fixing issues, the real proof is in the actual testing phase. Until that begins, we are left with a high degree of uncertainty.

Ms. Ruiz noted that several hundred test scripts have already gone through, and many have passed system testing. She did not want to give the impression that testing had not started. On the change request front, the window for changes for their initial two releases

has closed. The only things still in the plan are the critical items discussed last month. Time needed to address usability has also been built into the schedule.

Mr. Ketcher addressed Mr. Fearer's point about the multiple systems and the complexities that they create. The CalHEERS project includes a contingency plan, and a big part of that involves workaround plans in case some partners are not ready when needed. They have communicated those needs and plans to the federal government and to sponsors.

Mr. Fearer would like, at the next board meeting in August, to have a more in-depth review of where the project stands. At some point, we need to know when the other systems will be ready.

Mr. Lee said that the system testing with many partners is going very well. They have contingency plans. By the time of August's Board meeting, the first release will be out and enrollment counselors will be ready to be certified. In terms of defect remediation, the system will not be perfect when it launches, but it needs to be up and running and then improvements can be done.

Chairwoman Dooley noted that the CalHEERS team is making regular reports to the staff, and the Board members can ask the staff to let them know if there are any places where intervention is necessary. There is no scheduled meeting in July, but one could be set up if the Board needed to step in with a particular action.

**Public Comments:**

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, appreciated the presentation and the screen shots. They appreciate the hard work and understand that it is complicated. Some of their community members participated in the usability testing and they found it valuable, but it was only done in English. Considering the presentation done for the Board, they are concerned about how easy the system will be to navigate for people with limited English proficiency. For example, the globe icon was not intuitive and they want to know how people will find out about interpretation and other services. They would like to see a screen shot of the globe page to understand how the other languages will be shown and still hope to see a tagline. The Covered California fact sheets are just Q & A and don't include information on how to get assistance in other languages. She can't reassure people when they voice concerns to her. They have had detailed conversations with Covered California and offered specific recommendations, but they still hear the same questions being asked about the languages.

Betsy Imholz, Director of Special Projects, Consumers Union, expressed that they were happy to be able to reach out and find real people to assist with the testing. Julie Silas contacted some of their partners, including people from the Health Consumer Alliance, and found Healthy Families assisters who could take a look at the website. They were happy to see that the "select a plan" screen included both the premium and the quality

measures; people are concerned about price and provider availability, but they want to consider quality, too. They are also concerned about payment methods for those with no bank accounts. Healthy Families has found good workarounds for this problem and they will make recommendations. They have written an informational paper on advance premium tax credits and would be happy to share it with Covered California.

Nicette Short, Policy Analyst of Government Affairs, California Dental Association, appreciated the demonstration, but noted that it did not include an example with the dental component. She wondered if the CalHEERS team can bring together dental stakeholders to observe a demonstration of that component.

Hellan Roth Dowden, Lobbyist, SEIU Local 1000, expressed that the application will be quite daunting, and that it will be important to let people know that help is just a call away. She is afraid people will quit midway through attempting to enroll. Applicants will also need to know that, after March 31, they will not be eligible to enroll until the next open-enrollment period. Maybe there could be a date clock on screen to let applicants know how many more days they have to complete their application before the enrollment period closes and then they will not be allowed to enroll until the next year. The immediacy of this has to be brought home to people.

Kate Burch, Network Coordinator, California LGBT Health and Human Services Network, and Legislative and Policy Assistant, Health Access California, felt the site looked usable and user-friendly. They want to be sure usability is being tested with LGBT users since the issues facing them in terms of households, children, etc., are complex. The site asks females if they are pregnant, but it should allow that possibility for men. It is no longer necessary to have undergone gender reassignment surgery to legally call yourself male. People might have different genders on their birth certificates, social security cards, and/or driver's licenses.

Carla Saporta, Health Policy Director, Greenlining Institute, voiced concern about the lack of usability testing in other languages. She agreed with Board Member Ross's comment about the globe icon. They would like to see a tagline saying people can get help in other languages. They have fielded many questions about usability testing in other languages and for those with disabilities.

Leslie Toy, Policy Advocate of the Health Access Project, Asian Pacific American Legal Center, was pleased to see the demonstration, but found the application daunting, even for native English speakers, and particularly for those who have limited English proficiency. They would like an update on functionality in other languages, including the API languages. A 2012 report found that Asian-Americans lead in high-speed internet access and mobile connectivity, and another study showed that the internet plays a critical role in the Asian-American community with 90 percent of respondents saying they were online, and 70 percent saying they visit ethnic and in-language websites and portals. As Covered California is committed to meeting people where they are, it will be important to

have in-language functionality for these communities in order to help them trust the new marketplace and help them shop in Covered California.

Byron Gross, Counsel, National Health Law Program, noted that an advocate in their network tried to use the calculator on the website, entered information for a mixed-status family and got the wrong information back. If it's not fully operational yet, there should be a statement about that on the website so that it doesn't throw people off with wrong information.

Mike Johnson, Director of Public Policy, Blue Shield of California, commented that the plan comparison on the site appears to lump all plans together without easy PPO and HMO comparisons. There are significant differences between these kinds of plans. The Exchange should follow the model of the Office of the Patient Advocate's health plan report cards which provide quality scores comparing HMOs to HMOs and PPOs to PPOs.

Mari Lopez, Policy Director, Visión y Compromiso, supported the comments from CPEHN, the Greenlining Institute, and Consumers Union, particularly about individuals without bank accounts. Many consumers get confused about the difference between gross and net income and there is a very big difference.

Beth Capell, Lobbyist and Policy Advocate, Health Access California, asked if anyone knows their adjusted gross income and asserted that most people do not. In terms of the affect of incorrectly applying the premium tax credit on tax returns, the difficulty will be greatest for those who exceed 400 percent of the federal poverty level and then must pay back the entire amount. She urged that special cautions be taken in that case, and for most others, the research indicates that the differences are pretty modest. She also made a recommendation for the second year: as Covered California is a learning organization, and people will work with this in the real world, a 2.0 version of the application should be planned and developed which would make things easier as we go forward.

Chairwoman Dooley noted that there will indeed be many iterations of the system. There are many things that Covered California would like to accomplish over time in helping Californians get care through the Affordable Care Act. Covered California must do what it has to do to get started in 2013–14, but more enhancements will be added to the system and business practices. Not everyone will have all their needs met right at the beginning, but the team is getting as much done as it can within the time constraints. It has been clear to her during the building process that everybody will need assistance. Covered California has invested greatly in a variety of assistance programs, including community education and outreach, employment counselors, county colleagues, and providers. The team is working hard to make this understandable and intuitive and all of the comments are helpful. However, patience will be required in the first few years of bringing this enormous opportunity to so many Californians.



Mr. Lee affirmed Chairwoman Dooley's comments and noted that, having spent time on the system, he feels it is a step-by-step process that people can walk through. It was built on UX2014, incorporating the best practices out there.

Board Member Ross appreciated all the feedback. He's encouraged and feeling convicted in terms of language access issues. He hopes staff will reach out to those organizations who could help.

## **Agenda Item VI: Covered California Plans**

Mr. Lee noted the regulations being brought up were emergency regulations that staff needed in place to get going. They would appreciate comments, but Covered California must keep moving. The emergency regulation process allows for amendment before making them permanent.

### **Discussion: SHOP and Individual Market Updates**

Mr. Lee reminded that last month, Covered California announced thirteen health plan partners and their rates. Staff continues to analyze how the rates compare. Analyses came out comparing Covered California's with national rates and forecasting what rates might be for second-lowest silver tiers. Covered California is working to get information into the consumers' hands so they know what rates mean to them. The comments about the calculator are important. The Covered California app has been created as a learning tool to help consumers get ready for January 1, 2014.

Plans and rates for SHOP will be announced on August 1. The SHOP program is a small part of a much larger market, and the small-employer market does pricing and rate-releasing a quarter prior to when plans are actually purchased.

Andrea Rosen presented on pediatric dental essential health benefit selections.

### **Presentation: [Pediatric Essential Health Benefit Plan Selections for Individual Market](#)**

### **Discussion: QHP Regulations**

Staff asked the Board to readopt the Qualified Health Plan Solicitation regulations which were acted on in November 2012. Changes cannot be made to readopted emergency regulations. They were approved by the Office of Administrative Law on January 17, 2013. The QHP solicitation regulations expire July 17, and staff is asking for a 90-day extension as a margin of safety so that the regulations do not expire during the process.

Board Member Ross thanked Ms. Rosen for her continued work on the QHP solicitation process.

**Motion/Action:** Board Member Ross moved to approve a 90-day extension to the Qualified Health Plan Solicitation regulations. Board Member Fearer seconded the motion.

**Public Comments:**

Beth Capell, Lobbyist and Policy Advocate, Health Access California, expressed that they are troubled by the unfortunate pediatric dental determination. It's a huge transition to have dental be part of the fundamental benefit packages. But Covered California could wind up replicating the experience this state had with maternity, when some products were sold without maternity benefits and some were sold with. For the year 2014, this may be the only option. But it's a problematic place to have ended up. With respect to process, some aspects of the letters to bidders were not made readily available to the public. Now they have become available on the website, but as part of the tradition of transparency, letters to bidders should be part of that process. A number of technical errors cannot be corrected at this time, but they will work with the staff to avoid future errors in citing existing law.

Nicette Short, Policy Analyst of Government Affairs, California Dental Association, just learned last week that the Exchange has made a critical policy decision that won't require mandatory purchase of all ten essential health benefits and that consumers can leave CalHEERS without buying the pediatric dental benefit. This is a bad policy decision. Clearly the intent of the Affordable Care Act is to give kids access to all ten essential health benefits. In addition to being bad for children's oral health, they have heard this will negatively impact the rates offered inside the Exchange, which makes this decision bad for affordability. It is surprising that Covered California would make a huge decision about not including all ten essential health benefits without any stakeholder engagement. She asked that the Board reconsider the policy.

Jim Mullen, Manager, Government Affairs, Delta Dental, expressed their appreciation for Covered California's collegiality and willingness to work together. It has been a collaborative effort, and they look forward to announcement of the plans. Dental is different. The expression of the benefit is limited. Utah has an extremely limited benefit, which basically only subsidizes what the consumer doesn't pay for anyway. California, on the other hand, picked a robust benefit. The Healthy Families benefit is very robust in terms of the scope. But we are entering a new environment with the removal of annual limits and a new out-of-pocket maximum that has never existed before. California's consumers will see an enhanced benefit here. Price sensitivity has made it more expensive when these factors are included. They are willing to look at all methods of how the pediatric dental benefit is offered, but it should not be at the expense of a stand-alone offering. Medical plans that can offer dental usually do not pay as much attention to their secondary dental benefits.

Janice Rocco, Deputy Commissioner of Health Policy and Reform, California Department of Insurance, hadn't intended to comment on the pediatric dental benefit, which they view differently than Covered California does. However, she was worried by the staff comment that a required pediatric dental purchase could limit how many children participate in Covered California. As the two previous commenters indicated, the carriers will charge significantly more if this benefit is separated out. That would

push nonsubsidized consumers outside of the Exchange. Neither the federal nor the state law required dental to be separated; that was a Covered California decision. Covered California gets to make that decision, but there are ramifications, such as whether people will be able to afford pediatric dental if it's separated out.

Kathleen Hamilton, Director of Sacramento Governmental Affairs, The Children's Partnership and the California Children's Health Coverage Coalition, voiced that this policy decision moved quickly, and she was disappointed that the children's advocacy organizations were not part of the discussion. They saw this presentation for the first time today; it was not available online. She challenged the suggestion that combining the pediatric dental with qualified health plans would somehow discourage purchase and felt frustrated they were unable to participate sooner. They feel discouraged by the direction that the momentum is going. They want to pause and step back and talk more. There should not be a system that provides ten essential health benefits to everyone except children. They look forward to finding a better solution.

**Discussion: QHP Regulations (continued)**

Mr. Lee noted that the Board, as a statement of policy, voiced a desire for all children to have dental coverage. They have made decisions based on federal rules released in February. Covered California must evaluate what can be done in California by statute, not just to synchronize but also to make policy different in Covered California. We need to look at improving what the Affordable Care Act does in California moving forward. Pausing is difficult. The Exchange has sought to give children dental coverage, but the fast-moving world of federal rules must be accommodated. The suggestions they have heard and have acted on involve designing the CalHEERS system to encourage people to purchase pediatric dental coverage because it's critically important.

Mr. Fearer expressed confusion. It has been suggested that California is permitted to handle pediatric dental coverage in the way we are doing, but is not required to do so, which infers this is a uniquely California decision to design pediatric dental benefits this way. Is that correct?

Ms. Rosen clarified that federal law and rules require Covered California to offer stand-alone dental benefits if the bidders meet the minimum certification standards, which they have. Last August, the Board adopted a policy to reserve the right to certify stand-alone plans. The Affordable Care Act carves out stand-alone dental as the only essential health benefit that can be offered separately from a qualified health plan. Every parent will have the opportunity to buy the pediatric dental essential health benefit. They can buy it bundled as a single premium along with the selected QHP or on a stand-alone basis.

Board Member Fearer sought clarification that requiring parents to buy pediatric dental benefits was not part of the Affordable Care Act and Ms. Rosen confirmed that it was not. He asked if California can require it, and Ms. Rosen said the state could, though that was not part of the regulations. He asked if the Board has made a policy decision.

Mr. Lee said Covered California has operated within the guard rails of the Affordable Care Act. Legislation would have to provide Covered California with the statutory authority to operate outside of that.

Chairwoman Dooley asked if this issue was arising because dental coverage is usually sold separately from medical coverage and is typically bundled by employers into packages.

Ms. Rosen said yes. The issue involved two contracts, two policies, and two separate out of pocket maximums. Under federal rules, Covered California can declare a reasonable out-of-pocket maximum for pediatric dental which is much lower than many of our plans. If the two plans were not separated, the pediatric out-of-pocket maximum could be up to \$6,350. Discussions have been held with stakeholders, and there is a definite benefit to having two separate policy forms and two separate evidences of coverage which is common practice in today's market.

Board Member Ross asked if Covered California was exercising an option within the guard rails of the federal legislation.

Mr. Lee expressed that he does not think so. Covered California does not have the option to adopt the policy of a mandate. The assumption last year was that all children would be required to have the dental benefit, but that's not what the federal rules issued in February said.

Board Member Ross felt troubled by some of the comments. He would like more time to engage the concerns of the dental associations and children's advocates.

Mr. Lee noted that the action item before the Board was to extend the emergency regulations. The selection of the health plans has been delegated to staff. He does not believe that the Board can say it wants to make this a requirement in the absence of state law. The advocates can certainly be engaged in further discussion, but to do otherwise would require state law, which Covered California does not have the authority to pass. It simply provides technical advice and assistance.

Chairwoman Dooley pointed out that two issues are being discussed. Separating the benefit out is an important topic, but it's not the action item currently before the Board. The action item is extending the emergency regulations. The Board cannot take any action that would change the upcoming announcement of the successful bidders on the stand-alone plans.

Mr. Lee said there is an operational issue that would prevent pausing, as well as the fact that CalHEERS has been built upon their understanding of the federal law as of February. It is designed to allow for pediatric dental as an option.

Chairwoman Dooley had understood that Covered California was proceeding with stand-alone dental for the past several months.

Board Member Fearer voiced that staff and the plans are operating in good faith within their understanding of the rules. The real dilemma is that there has been a breakdown of communication in the rush to accomplish everything so quickly. He does not want to hold the whole process hostage, but would like to find a way to engage in discussion with appropriate stakeholders in a measured way and come up with a forward-looking plan for later years. He feels sympathetic because every dollar is critical for the population Covered California is trying to reach, and it will be tempting to skip pediatric dental. Preventative care is critical in dentistry and is an important part of medical care for dental health and overall health. He asked if there is some way to put a longer-term view on this, acknowledging that he does not see that the Board can do anything now without disrupting the whole process.

Mr. Lee said the August meeting could include a discussion on increasing discussion and engagement.

**Public Comments:**

Beth Capell, Lobbyist and Policy Advocate, Health Access California, expressed that they have a different understanding of state law. They knew there would be stand-alone dental plans, but had thought everyone would end up with all ten benefits rather than having a mix and match scenario. The purpose of the essential health benefit law was to make sure everyone received all ten—that is why stakeholders are expressing surprise and alarm today. Acknowledging the importance of stand-alone dental plans, they would like to revisit the decision that people can exit the system without having purchased all ten benefits. They would like staff to consider that as an option without disrupting the rest of the work being accomplished.

Nicette Short, Policy Analyst of Government Affairs, California Dental Association, agreed that Covered California has been operating as though stand-alone would be available. Her concern arose with the fact that pediatric dental insurance will not be mandatory to purchase, and that is what they had not known about before. She echoed Ms. Capell's comments about mandatory purchase.

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

Board Member Ross noted that while Covered California lacks the authority to do what seems best right now, he would rather move ahead with good and eventually get to perfect, as Board Member Fearer had said.

Mr. Lee agreed that pediatric dental is one of the more complex issues.

**Discussion: Plan-Based Enrollment Program**

Leesa Tori presented on plan-based enrollment, stating that it would be ideal for people to be able to keep their health plans and access their subsidies. If an agent originally enrolled someone, the agent's name will stay attached to that enrollment.

Mr. Lee noted that it is very important to make sure we do this right and learn lessons from past plan-based enrollment programs. People will be informed that not only are there other plans, but there could be plans available at a lower cost.

**Presentation:** [Plan-Based Enrollment](#)

**Public Comments:**

Beth Capell, Lobbyist and Policy Advocate, Health Access California, was excited to see efforts toward plan-based enrollment. She is the sole proprietor of her own business, and her carrier has reached out to tell her about health care reform. This is an important opportunity to move those in the current individual market into Covered California. People are spending huge percentages of their income on health insurance, and they may be able to get subsidies or Medi-Cal. There are challenges and details that need to be worked out in terms of ensuring privacy. This is a very exciting opportunity, and they were pleased to have the opportunity to discuss it.

Julianne Broyles, Lobbyist and Legislative Advocate, California Association of Health Underwriters and the National Association of Insurance and Financial Advisers California, thanked staff again for listening to them about where and when the plan-based enrollment will affect the agent community. They intend to work with staff to resolve any further issues that arise.

**Agenda Item VII: Covered California Program Regulations**

Mr. Lee reiterated that the emergency regulations can be revised before they are permanent.

**Presentation:** [Eligibility and Enrollment](#)

Thien Lam, Deputy Director of Eligibility and Enrollment, Covered California, explained the documents in the board packet that included regulations.

**Discussion: Eligibility and Enrollment Regulations**

**Motion/Action:** Board Member Fearer moved to approve the emergency regulations regarding eligibility and enrollment. Board Member Ross seconded the motion.

**Presentation:** [Enrollment Assistance Program](#)

**Discussion: Assisters Program Regulations**

Ms. Lam noted that on May 7<sup>th</sup>, draft language was presented which has since been revised to add clarity. References to agents in the language have been removed and

separate regulatory requirements for the engagement of licensed agents will be presented in August. Language has been added that requires certified enrollment counselors to disclose criminal convictions as a part of the application process. The fingerprinting and background check process, as well as the appeals process, continue to be the same. Those who apply to be certified enrollment counselors can appeal to Covered California to explain and provide additional information. Sixteen primary training topics, as compared to the original ten, have been identified consistent with proposed federal regulations. Training on the voter registration process has been included. Regarding roles and responsibilities, additional feedback resulted in making explicit that certified enrollment counselors must not discriminate. New language requires that counselors must notify Covered California within thirty days of any convictions and also invokes the suspension and revocation of the certification of an enrollment entity that commits misconduct or has disqualifying criminal records.

Chairwoman Dooley asked why agents were separated from counselors.

Ms. Lam responded that the need to have different rules for agents and counselors has caused a lot of confusion for the agent population.

Chairwoman Dooley sought clarification that this means there will be certified enrollment counselors and also certified licensed agents, or another term to that effect.

Ms. Lam agreed.

Mr. Lee noted there will be a number of differences between the two roles. Licensed agents already have a lot of training and continuing education as well as the ability to advise and steer consumers into appropriate plans.

**Motion/Action:** Board Member Fearer moved to approve the emergency regulations regarding enrollment assistance. Board Member Ross seconded the motion.

**Public Comments:**

Amber Kemp, Vice President of Health Care Coverage, California Hospital Association, voiced concern about the section on terminating coverage in a qualified health plan. This two-month grace period forcing the health care system to front the cost for sixty days shifts further shifts the burden to providers, hindering access to affordable health care coverage for all Californians. Providers in rural and disadvantaged areas will be disparately impacted by the pending and claim denials. Forcing providers of emergency care services to absorb the cost jeopardizes emergency care access for all Californians.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, noticed that the regulations still contain the provision that health plans may pend and deny the two months of claims for services rendered in good faith. This would constitute the only place in state law with this provision. DMHC staff does not see how claims submitted on a patient shown as covered at the time of service could be pended

and denied, and the enrollee's coverage rescinded back to the first month. DMHC has stated that it does not see how that is possible under law. The Health and Safety Code requires claims to be paid within thirty business days for HMOs and sets conditions around the denial of authorized services. Covered California should ensure the resolution of these substantial conflicts between this and the current state Knox-Keene law. This is a complicated conflict of laws, but right now, some physicians and stakeholders are not signing on to Exchange products because they can't afford two months of unpaid claims. They hope this gets resolved and that detailed guidance will be provided.

Byron Gross, Counsel, National Health Law Program, thanked Ms. Lam and Covered California, noting that staff has been open to discussion and has made a number of requested changes to regulations. They feel comfortable with the changes made so that people only have to report changes in income that affect eligibility.

Betsy Imholz, Director of Special Projects, Consumers Union, thanked Ms. Lam and staff for their flexibility during the wordsmith process. The sixth-grade readability standard is very important. They recognize that readability goes beyond just the words, but also includes formatting and design decisions. She extended thanks for the fingerprinting regulations.

Janice Rocco, Deputy Commissioner of Health Policy and Reform, California Department of Insurance, thanked staff for all their work on the enrollment assistance regulations. They have been working with staff for about a year and have made many proposals, and they appreciate what has been put into the regulations. Covered California is trying to protect consumers as much as possible, and for the next batch of regulations coming up in August, they look forward to continuing to help as an entity with a lot of experience in this area.

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, thanked the staff for listening to their comments, many of which were incorporated. They were happy to see the sixth-grade readability language changed based on their comments. They were also happy to see the incorporation of their comments about the nondiscrimination provision, though they think Covered California's language should match the language in the federal nondiscrimination provision. It does not say "sex," "race," or "national origin," for example. Using the federal language would avoid the possibility of inadvertently missing categories.

Carla Saporta, Health Policy Director, Greenlining Institute, concurred with her colleagues' comments about the eligibility and enrollment regulations. She also agreed with Ms. Sanders regarding the nondiscrimination standards. They are happy they are included, but would like to be sure they actually accomplish nondiscrimination. They are pleased with the fingerprinting and background check regulation language and also appreciate the inclusion of language stating that Covered California will advise applicants on how they can appeal determinations that are not in their favor. They would like to have the information as additional evidence be listed in policy, at least in the board brief,



though they understand why it's not in the regulations. Greenlining staff and their colleagues at ACLU have worked hard to see the language about training standards on voter registration included, but the regulations stating that only government entities have to provide this information is a violation of California elections code. They would like to work with staff to make a technical change. Since voter registration training is an extra lift for Covered California, she noted that training modules already exist that can be used.

Autumn Ogden, Policy Coordinator, California Coverage & Health Initiatives, commended the Covered California staff for their hard work. The expressed values are excellent and are very much in line with the way enrollment entities currently operate. They appreciate the focus on the consumer, developing trust, and showing accountability, responsiveness, and transparency. They appreciate that the new language will be held open until August. It will be helpful to narrow the language down to one term and clarify the role for the public to make messaging easier. They still recommend that Covered California consider the role of certified application counselor, as defined by recent federal guidelines, and how it would be incorporated into the structure of the Exchange's enrollment programs. They urge Covered California to think about the new category of assisters who will be unpaid by the Exchange. The compensation section lists the types of entities who shall not be compensated, and it includes otherwise public or private entities with a conflict interest, or who receive indirect or direct consideration for consumer assistance; they feel this is overly broad, and could be applied to exclude compensation for organizations who receive unrelated funding or small grants for outreach and enrollment that are not duplicative of assistance functions.

Bless Sheppard, Association of Northern California Oncologists and the Medical Oncology Association of Southern California, agreed with the comments of the California Medical Association with regards to the termination of coverage in a qualified health plan. Because of moral and legal obligations, physicians could not stop care in the middle of chemotherapy. The sixty days of treatment could be very expensive, and physicians cannot absorb that kind of risk. This could be a deal-breaker for many physicians in terms of their ability to partner with the Exchange, and they hope the board can reevaluate and work with them.

Steve Young, Senior Vice President and General Counsel, Independent Insurance Agents and Brokers of California, California Association of Health Underwriters, and NAIFA, thanked Ms. Rocco for her comments, which they endorse. They also thanked staff for deleting agent references in this section. They await with trepidation the agent recommendations.

Julianne Broyles, Lobbyist and Legislative Advocate, California Association of Health Underwriters and the National Association of Insurance and Financial Advisors California, noted that these organizations both had been in support of background checks and support the Department of Insurance recommendations on filling in that outline a little further. Ensuring that trustworthy people are handling this sensitive information is a very important goal for Covered California. There is only one chance to set a good first

impression for consumers. Consumers should be treated respectfully in terms of privacy information. They appreciate the fact that many of these recommendations are already going to be part of the regulations.

Eric von Geldern, Deputy District Attorney, Alameda County, spoke on behalf of Nancy O'Malley, District Attorney, and in his role as president of NCFIA, a nonprofit anti-fraud alliance dedicated to preventing and mitigating fraud through education, outreach, and networking. He thanked everyone for their collaborative work with Commissioner Jones in making the changes already made, and their openness to making changes. To the extent that any of the antifraud and consumer protection parts of the government can assist, they will.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, thanked Ms. Lam and the staff for working with them. They will keep pushing on the ten-day paper application processing period. Covered California needs to flag what income changes enrollees must report.

Mr. Lee noted that grace periods are an important issue. State law is not in harmony with the federal law that must be implemented. He encouraged the adoption of the regulations, but also noted they will continue to seek clarity on how best to get consumers the care they need.

He also noted there were a number of specific suggestions that resulted in changing a word here or there. The Board's adoption of these two motions will allow them to do some additional cleanup.

Mr. Lee also joined the many stakeholders commending staff for time spent on reaching out and doing complex work.

Board Member Fearer asked if, to the degree where there may be some conflict with existing law or regulation, the Board could approve something so that staff can fix the conflict.

Mr. Lee agreed that if the Board adopts these regulations, staff can later do minor revisions and will work with the regulators on bigger issues.

Chairwoman Dooley expressed feeling deeply troubled by the grace period problem. She understands the motivation for wanting to protect people in the course of treatment, but the difference between thirty days and ninety days is a significant one for providers, and it is a conflict between state and federal law. She will continue to look at this issue.

**Vote:** Roll was called, and the resolution adopting the eligibility and enrollment regulations, was approved by a unanimous vote.

**Vote:** Roll was called, and the resolution adopting regulations for certified enrollment counselors program was approved by a unanimous vote.

**Agenda Item VIII: Covered California 2013/2014 Budget**

John Hiber shared the budget that was presented at the last meeting, reviewing the most important aspects and changes. More details can be discussed in August.

**Presentation:** [Request for Approval of Proposed FY2013-14 Budget](#)

**Motion/Action:** Board Member Fearer moved to approve the budget. Board Member Kennedy seconded the motion.

**Public Comments:** none

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

**Agenda Item IX: Adjournment**

The meeting was adjourned at 4:40 p.m.