

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD

September 19, 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

Kimberly Belshé

Paul Fearer

Board Members en route during roll call:

Robert Ross, MD

Board Members absent:

None

Agenda Item II: Closed Session

Chairwoman Dooley reconvened the meeting in open session at 12:20 p.m. A conflict disclosure was performed; there were no conflicts from the Board members that needed to be disclosed.

Chairwoman Dooley voiced excitement at the fact that this was the last Board meeting prior to the launch of Covered California and expressed appreciation for all the hard work done by staff, stakeholders, advocates, and many teams.

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 August 8 and August 22, 2013.

Presentation: [August 8, 2013, Minutes](#)

Presentation: [August 22, 2013, Minutes](#)

Discussion: none

Public Comments: none

Motion/Action: Board Member Belshé moved to approve the minutes from the prior Board meetings. Board Member Ross seconded the motion.

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

Agenda Item IV: Executive Director's Report

Peter Lee, Executive Director, noted that supplemental vision would not be an action item at this meeting.

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

Discussion: Announcement of Closed Session Actions

Mr. Lee described matters discussed and actions taken by the Board during closed session:

- approved an amendment to the Ogilvy contract for public relations services;
- approved an amendment to the Richard Heath and Associates contract to provide selection, support, training, and oversight to outreach and education grantees and certified enrollment counselors;
- approved an amendment to the NORC contract for market research;
- approved outreach and education grant agreements for the California Medical Association and California State University, Los Angeles;
- approved a change of scope for the Pinnacle contract;
- approved funding for postage with Pitney Bowes or Accenture;
- approved a lease in Oakland for off-site staff. Mr. Lee expressed his appreciation to the California Endowment for providing space for Covered California staff based in Los Angeles.
- Finally, the Board discussed matters pertaining to qualified health plan contracting and matters relating to pending or potential litigation.

Discussion: Covered California Planning Overview

Mr. Lee took a moment to acknowledge Board Member Ross's birthday. He and the other Board members have all given tirelessly.

Mr. Lee reviewed that in October 2011, the Board adopted a vision and mission statement which has served as the compass for its activities, along with six articulated values. The years of planning are leading to the starting point of making health care coverage and access to care a reality for millions of Californians. October 1 marks the beginning of a six-month open-enrollment period.

He then shared a preview of television commercials in English and Spanish that will begin airing across the state on October 1.

Most Californians currently receive and will continue to receive their health care coverage through their employer. The Affordable Care Act provides new guaranteed issue protections if they leave their jobs, allowing them to keep their health insurance.

The many uninsured in California will have access to affordable coverage. For many with

individual insurance who are subsidy eligible, Covered California and the Affordable Care Act nationally will offer new hope. Many will be newly eligible for Medi-Cal, too. There will remain some uninsured people without subsidies, but they will have access to guaranteed issue and thus can't be turned down for coverage.

Covered California will be the one-stop location for millions of Californians to get Medi-Cal or premium assistance and do apples-to-apples comparison shopping.

Mr. Lee introduced Toby Douglas, Director, California Department of Health Care Services (DHCS), and expressed appreciation to him as an important partner.

Mr. Douglas expanded on the importance of the partnership. He thanked Accenture and the staff and administration of Covered California for getting us where we are today. There have been so many building blocks. DHCS will also be doing a lot of marketing and outreach to community organizations and certified enrollment counselors. On the Medi-Cal front, the expansion is exciting. They are moving over 600,000 individuals into Medi-Cal on January 1. There will be expedited enrollment for those with SNAP and other programs. He acknowledged the shared goal of reaching and enrolling the maximum number of people. They will be reporting on enrollment by channels and learning from experience. They hope to make enrollment as easy to understand as possible, and work on the ways the various programs fit together. He thanked Mr. Lee for his leadership and partnership.

Chairwoman Dooley noted that an important part of the triad of partnership has been the county partners through their various agents.

Board Member Ross thanked Mr. Douglas and asked for an update on outreach funds.

Mr. Douglas said DHCS will be providing funds through county health departments who will work to develop networks. They are also working on an understanding of who they are contracting with for Medi-Cal outreach and enrollment and how that links up with Covered California's outreach efforts. For certified enrollment counselors, the funds will be dispersed through Covered California.

Chairwoman Dooley noted that this was made possible in part by a grant from the California Endowment.

Mr. Lee noted that the goal is to enroll as many Californians in affordable health insurance coverage as possible. Not everyone who is eligible will enroll on day one. He presented short-term and long-term forecasts based on models of what has happened in Massachusetts and elsewhere.

Covered California's future reporting strategies will include weekly reports on enrollment support and service and monthly updates on enrollment numbers. A schedule for producing detailed reports, including Medi-Cal enrollment, enrollment by channel and key enrollee attributes, is being examined.

Mr. Lee discussed subsidy-eligible demographics and how collateral and outreach are affected. Phone lines will be dedicated to different languages and the application will also be in multiple languages. Having Our Say Coalition has provided suggestions on how to provide better language translations and staff is working to ensure culturally appropriate outreach.

He presented an update on outreach and education. Joint efforts are being made with communities to learn what's working and to revise collateral materials. He discussed enrollment assisters, including certified enrollment counselors, county eligibility workers and agents. Several policy changes relating to certified enrollment counselors have been made and the training curriculum is getting better every week. Very little enrollment is anticipated in October; that month will be spent more on getting the word out.

Board Member Ross brought up the issue of certified enrollment entities being attached to assisters. He would like to hear if there are any concerns about the certified enrollment entities application, which included many pages of federal legal information. He wasn't sure what could be done to temper that, but it seemed intimidating in terms of the requirements.

Mr. Lee said they are seeking a balance. They want every organization to be a partner, but also want to ensure that those who will be helping people enroll with sensitive information will be paid in federal dollars. It is a contract and organizations must be mindful of the obligations they are undertaking. Covered California welcomes suggestions on where the agreement can be simplified, such as the auto policy requirement, but the need to have the capacity to protect consumers is a balance that they take seriously.

Discussion: Update on Consumer Website Functionality

Karen Ruiz, CalHEERS Project Director, and Keith Ketcher, Accenture Project Manager, provided an update on the website functionality. Ms. Ruiz noted that they are ready for a full launch on October 1 and consumers will be able to apply. There are a few operational readiness items that still need to be addressed, but Mr. Ketcher noted that staff is working on these features. There will be periodic down times, usually over weekends, for upgrades and solving problems.

Mr. Lee voiced that this has been a monumental project and appreciated the vast amount of work that went into it. Covered California is seeking suggestions and feedback to help improve and guide updates.

Board Member Belshé acknowledged the heavy lift of building this system. She doesn't know of any other projects this large and complex that have successfully launched on schedule. She inquired about the timeline for incorporating enrollments for families with premium assistance into multiple plans and Medi-Cal plan selection.

Ms. Ruiz responded that the timing for split families will depend on the policy decision made later during the Board meeting. They will be working with the program on the appropriate time to incorporate that—probably after January 1. Medi-Cal plan selection will be incorporated in the spring of 2014.

Board member Ross thanked Mr. Lee and the staff and Accenture. The Board works best when it can work on problems early on. He encouraged Accenture to let the Board know quickly if something is not working. He wondered if there is a single point of contact for consumers to submit problems.

Mr. Lee said there will be thousands of people using the site. Covered California will collect feedback and will also analyze where people stop in the process of enrolling.

Discussion: Service Center Update

Carene Carolan, Deputy Director, discussed the service center. During their soft launch in September, they surpassed their service-level goals. The call volume goes up exponentially every day.

Mr. Lee noted that the point of doing testing was partly to discover when they should run ads, staff up for calls, etc. These service-level targets are industry standards. They are not averages; they are aspirations. If Covered California does not meet these targets, it would be because they are flooded with calls which would be positive news. On October 1, they will officially be open and ready for enrollment. In mid-November, the staff in Fresno will also be trained and ready.

Discussion: Single Streamlined Paper Application

Thien Lam, Deputy Director of Eligibility and Enrollment, presented an update on the single streamlined paper application. She voiced appreciation for Covered California's partnership with DHCS, CWDA and the stakeholders, resulting in an excellent paper application prototype.

Board Member Belshé said from her own experience that streamlining an application is very difficult. She appreciated the comments and presentation and was pleased to hear that the application itself is only three pages. Like with everything else, Covered California will learn through experience and will continue to find new ways to streamline and improve. She congratulated Thien Lam and her team.

Ms. Lam agreed that it is a work in progress but she feels good about it.

Board Member Ross said he went through the application himself to see what was not needed and had a hard time picking out any questions that seemed superfluous. He was concerned about the questions regarding applicants' ethnic identities. Some of the listed ethnicities seemed to be based more on demographics of the East Coast than California.

Ms. Lam noted that they did use the federal application's ethnicity designations, but that they will include more California-specific ethnicities. This is not the ultimate final draft yet. They are waiting for review and approval of this version from CMS.

Mr. Lee said the same data collection will be built into CalHEERS. He added his applause and appreciation that the application is only three pages, includes clearly-written frequently asked questions (FAQs), and at the same time, people are encouraged to enroll online. The paper application is a tool, but not one that leaves people stranded. It provides phone numbers for multilingual help website support. It is ready for use by eligibility workers, agents, or trained staff.

Discussion: Consumer Protection Update

Mr. Lee spoke to the relative burden on certified enrollment entities. Staff is seeking to protect consumers from any possible misconduct from people affiliated with Covered California as well as from scams perpetrated by those with no affiliation. Covered California has had very good partnerships with the regulators, California Department of Insurance (CDI), Office of the Attorney General, DHCS, district attorneys, and federal partners. They are all working to detect and prevent as much fraud as possible and enforce the law.

Mr. Lee presented a voter registration update and explained that there will be two opportunities to register during the application process.

Board Member Ross voiced his appreciation for this.

Mr. Lee shared marketing guidelines for the contracted health insurance companies (Qualified Health Plan issuers). These are not built into the regulations, but they are important to promote partnership and assure fair play. Reaching the enrollment goals requires plan engagement. There are regulations related to this which are included in the upcoming presentation on plan-based enrollers.

Discussion: Quality Rating System

Jeff Rideout, Senior Medical Advisor, presented an update on the quality ratings system. Everyone is committed to providing quality information to consumers during health plan selection. A quality rating system will be part of the federal requirements, but there is a diversity of opinions on how this would best be accomplished. He voiced appreciation for the supportive and professional discussions that have occurred. They hope to have historically based data available by January 1. This is a contentious issue that warrants Board action at the next Board meeting on October 24. Comments are requested by October 1.

Discussion: Financial Update

Mr. Lee presented a financial update and shared that this will now become a regular monthly report to the Board and public.

Board Member Ross asked, assuming Covered California manages its resources well and winds up with additional dollars, whether extra money can be moved into areas needing more funding. For example, he asked if dollars could be redirected into additional marketing or outreach.

John Hiber, Chief Financial Officer, explained that grants fund Covered California in four core areas, so staff could move money within those areas. The grant is by core area and then primarily by line item, so there is the ability to move amounts forward. Earlier this year, staff recognized that the exchange was not spending at a pace to fully consume the grants awarded at that time, but it would be picking up the pace in the future. That was a timing issue.

Mr. Lee said they can also request permission to move further funding from the federal government. Under- and over-spending is being monitored on a regular basis.

He also noted the talk in Washington about a possible federal shut-down. Covered California has already received federal funding. This money has been committed. Every grantee and every contractor should be assured that their resources are in the bank and not subject to future decisions. Questions around the federal budget are issues for federal employees. Covered California can follow through on all of its commitments.

Board Member Ross asked whether federal approval would be required if Covered California wants to move additional dollars in January or February of 2014.

Mr. Hiber said yes. They have laid out the plan they would have to follow in order to execute that.

Discussion: Legislative Update

Mr. Lee said SB639 has the potential to affect cost-sharing for the SHOP. Any small business can be assured that their plan cost will stay the same for a year, mimicking the market.

Discussion: Federal Rules Update

Mr. Lee noted that details regarding the federal rules update can be found on the website.

Public Comments:

Beth Capell, Policy Advocate, Health Access California, expressed her delight to see the ads and hear that CalHEERS will be ready. They are also delighted to see the QHP issuer marketing guidelines. They hope that in October they can hear an update on the media plan. They would also like to hear plans for various in-language media.

Betsy Imholz, Director of Special Projects, Consumers Union, appreciated the update on consumer protection and the conversations around that issue. She was glad to hear that there is a specific address for reporting fraud incidents and hoped it will go beyond fraud to deception in general. She would like to know where to report CalHEERS glitches.

They appreciate the acknowledgement that the split family issue requires a policy fix and hope to see that happen quickly. A manual workaround will require a lot of retraining.

Byron Gross, Counsel, National Health Law Program, echoed Mr. Lee's comments about the need for constant learning. As a member of the Health Consumer Alliance, they are happy to provide a constant loop of feedback. They are providing substantive support, have started their training, and will be doing a series of webinars.

Cary Sanders, Director of Policy Analysis, Having Our Say Coalition, California Pan-Ethnic Health Network, appreciated the great movement and staff's willingness to work with them on the paper application and on some data elements. California's demographics must be counted, and they are looking forward to working to ensure CalHEERS incorporates that. With the certified enrollment entity (CEE) program, they are glad to hear staff is removing barriers. They share the same goal as these entities and have followed this issue closely. They will share their findings about barriers, including the length of the application, to ensure this program can be as strong as possible.

Autumn Ogden, Policy Coordinator, California Coverage & Health Initiatives, noted that her organization was surprised at the last Board meeting to see that the navigator program would be pushed back by a year. It is a crucial program and should be seen as a core component of outreach efforts. The real value is that it is grant-based and incentivizes reaching the hardest to reach. The assister reimbursements encourage organizations to reach the low-hanging fruit, often in densely-populated urban areas. The navigator grants can encourage those who already have relationships in their communities to reach out to the hard-to-reach populations. She would like to see the navigator program brought in earlier. They appreciate the hard work going into the enrollment counselor trainings and stress the importance of ongoing training since some information cannot be captured in the first round. They also appreciate what Covered California is doing with clinics to train the trainer, noting that other outreach organizations could be incorporated into that model as well.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty and the Health Consumer Alliance, said she was thrilled with the paper application and the progress that has been made. The language is simpler and the ethnic cues are good. She loves seeing the toll-free help numbers in different languages, as well as the look and feel of the paper application. They have not heard much about the online application yet. They are still concerned about the exclusion of AIM and did not find out that AIM wouldn't be included as required by law until three weeks ago. The Board should understand that Maximus will be able to access MAGI rules for AIM, and not that pregnant women will be able to apply on CalHEERS and get enrolled. Under AIM, pregnant women can pay just 1.5 percent of their income with no cost-sharing, so this should be resolved as quickly as possible to ensure that women get into the correct program. They appreciate that the deemed-eligible infant issue is being addressed and that great progress has been made on voter registration.

Kim Alexander, President, California Voter Foundation, thanked Covered California for the voter registration update and for incorporating the links both on the home page and at the end of the online application. They looked at the draft application and appreciate that it is easy to read and that voter registration is discussed in the frequently asked questions section. She urged staff to consider also mentioning voter registration in the “Need More Information About Other Programs” section on page 19. She was happy to hear that there are plans to designate an NVRA coordinator. They would appreciate hearing any update on plans to include voter preference forms in the paper mailings that will be going out; it’s a requirement under the National Voter Registration Act.

Kathy Ochoa, Health Policy and Advocacy, SEIU United Healthcare Workers West and We Care Enough to Act, noted that her two organizations have applied to become certified enrollment entities. One of their applications is in review. The process has been challenging and they are happy to bear the risk. On the contract, there are dozens of citations to laws and regulations and policies that are not explained or contextualized. They have created an explanatory grid and are willing to share it so that other organizations know what they are getting into. Certain policies and protocols will have to be enacted if they receive the CEE award; for example, they would like to know the final answer about the insurance requirements. Since that can be a barrier, knowing sooner rather than later would be very helpful.

Christopher Rasmussen, Policy Analyst, the Health Privacy Project for Centers for Democracy & Technology, thanked staff for the consumer protection work done. Noting that the paper application asks for employer name, they suggest removing that item in the interest of only collecting information necessary for enrollment purposes. They thanked Covered California for the privacy and security training for staff and contractors.

Linda Carpenter, Healthcare Compliance Incorporated, extended their good wishes that Covered California’s opening is a huge success. They invited the Board to their private company’s grand opening on October 17. They have a good system for working with local businesses to help ensure their compliance with the Affordable Care Act and are receiving positive feedback.

On phone: Silvia Yee, Disability Rights Education and Defense Fund, noted that they have been involved with the paper application and with CalHEERS and expressed appreciation that their comments have always been received courteously. However, it’s difficult to see how the needs of people with disabilities have been addressed. The paper application does not include the question they requested concerning which format would need to be utilized in order for an applicant with disabilities to receive communications. There is nothing among the quality measures addressing the accessibility barriers that people with disabilities encounter, and there was a failure to include specific questions about ability on the application. Currently, it would be hard to establish if an applicant has disabilities.

Regina Wilson, Chair and Executive Director, California Black Media, voiced that the road to affordable health care for all has not been smooth, but we’ll get there. She

thanked Board Members Ross and Belshé for their leadership last month in delaying the vote on the regulations packages. She recognized Mr. Lee and the staff for their efforts in hearing concerns and reaching the African-American community. New concerns have arisen. Third-party media buy programs from outside the state have contacted some of their affiliates, giving the appearance that there is an insufficient approach to getting the best value for efforts. They want to reach the ultimate goal of enrolling everyone in the exchange. It would be in the best interest of the exchange to break down the allocated budget by ethnicity to ensure that media buying plans are not abridged by media buy companies.

Athena Chapman, Director of Regulatory Affairs, California Association of Health Plans, voiced that when Covered California staff first informed the qualified health plans that they intended to change the names of plan products in CalHEERS, many concerns arose about the resulting confusion and regulatory compliance problems. They outlined their concerns and worked with staff and the Department of Managed Health Care (DMHC). A solution seems to have been reached whereby they can use the original names on all marketing and enrollment materials, while CalHEERS will display the standardized product names referenced in the marketing guidelines. The qualified health plans want to work with Covered California to implement the name changes in CalHEERS while still complying with the regulator's requirements. The marketing guidelines contained some language that needs to be changed to reflect this. The qualified health plans report that the naming convention for CalHEERS does not fit some of the products' formats and they want to be able to accurately represent their products in CalHEERS.

Cathy Senderling, Deputy Executive Director, County Welfare Directors Association, voiced that the 58 county welfare directors and the 22,000 county eligibility workers are excited and ready to go and acknowledged there will be changes going forward. They are finishing the training and hiring for their service center and are identifying contingency staff as well. They thanked the team for noting that it's critically important to complete the CalHEERS/SAWS interface by January 1.

Bill Wehrle, Vice President of Health Insurance Exchanges, Kaiser Permanente, thanked Covered California for the work that has been done on the guidelines and regulations for plan-based enrollers. Currently, over 300 staff members have been trained and are ready to go. They appreciate the work on marketing guidelines and the discussions about cobranded mailings to existing populations. This is a good idea. They want to emphasize that more contact isn't necessarily better.

Kate Burch, Network Director, California LGBT Health and Human Services Network, likes the single streamlined paper application. However, in the directions for section 2, any mention of domestic partners has been left out. She appreciates and agrees with the wording "male" or "female" instead of "gender" or "sex," but felt it may be good to also address the issue in the frequently asked questions, as transgender people may still not understand which option to choose.

Carla Saporta, Health Policy Director, Greenlining Institute, thanked Covered California for including two different locations on the application for voter registration. She echoed Ms. Alexander's comments about voter registration forms being included with the application. She asked how Covered California will track and report voter registration numbers. Maybe that process is not ready yet, but she hopes Covered California will at least capture clicks. They were happy to hear about plan data collection and that it will track language spoken and race. They appreciate the balance between organizations taking on liability and the ease of their becoming certified enrollment entities. Their volunteer-based affiliates have felt that the insurance areas in particular are hard for them to figure out.

Tamika Butler, California Director, Young Invincibles, expressed that this is both exciting and nerve-racking. Covered California staff has worked hard. This is an exciting time for everything that matters to them as young adults. She addressed the importance to young people of being able to access websites on their mobile phones. Though the calculator was exciting to them, they tested it on their phones and desktop computers and found it very hard to navigate on a mobile phone. It also did not allow Spanish speakers to get all the way through in Spanish. If the Spanish version isn't working properly, it's just as damaging as not having one at all.

Doreena Wong, Project Director, Asian Americans Advancing Justice, expressed excitement and appreciation for the staff and the Board. They like the changes in the paper application, the dedicated lines in different languages and the news that data collection will be reported on regularly. The paper application has been translated into eleven languages. They would like it to see it also translated into Lao because collateral materials have already been translated into Lao, creating an expectation in that community that the application will be available in that language. It's currently available in seven Asian languages and adding Lao would help reduce the large amount of in-person assistance needed. Many would-be certified enrollment entities are having problems with liability insurance; the \$1,000,000 amount is too much even for her organization.

Gilbert Ojeda, Director, California Program on Access to Care, UC Berkeley, commended everyone among the staff and stakeholders. He has heard discussion about television media and newspapers, but is not sure he is heard about the use of radio, which is a major source of information for Spanish speakers and the young invincibles, as well as boys and men of color. The federal government has missed the boat with regards to media choices, and he hopes Covered California does better.

Betsy Imholz, Director of Special Projects, Consumers Union, inquired about Ms. Chapman's comments regarding naming conventions on CalHEERS. This is a very important issue and seems to be a late-breaking one. If consumers receive marketing from the plans in one name and then see a different name online, they will be confused.

Stephanie Hodson, Public Policy Associate, United Ways of California, seconded Ms. Ogden's comments about the delay of the navigator program. By evaluating the list of

certified enrollment entities (CEEs) and the current list of grantees, it could be determined where navigators would be most useful, and it could be beneficial to roll out the program incrementally. For the initial open enrollment period, Covered California could fund just a handful of applicants who were best positioned to help achieve the first year goals. California would benefit from even a smaller scale version of this important program. They appreciate the tremendous effort that has gone into the development of the in-person assistance program and the efforts to train the outreach and education counselors. They urge Covered California to consider implementing the navigator program as soon as possible, ideally in January 2014, and appreciate the responsiveness of Covered California staff to adjusting the scope of work within the grants.

On phone: Jonathan Tran, California Policy and Program Manager, Southeast Asia Resource Action Center, voiced that they appreciate the conversation about additional ethnic groups and realize the limitations of technology. A good model is what the Office of Minority Health has recommended in terms of data collection for ethnic groups. Regarding the community outreach network, they are negotiating whether or not to sign the Memorandum of Understanding (MOU) to be an enrollment entity. They are encouraged by the availability of materials, but some reviews of the materials in Vietnamese or Lao languages revealed that the language used is the dialect native to Laos or Vietnam, not the dialect used here in California. Additional partnerships with community-based organizations would help avoid issues like that. Trainings should be available for members of the community outreach network. It would be helpful for other organizations to know what grantee recipients are going through, so they can learn what kind of resources are available.

Mr. Lee said the marketing and outreach media advisory committee does plan to include radio outreach. He encouraged people to look at that. Staff is working to provide more collateral material and also revise and improve existing materials. He also noted that many of the health plans have identified names for their products and are engaged in marketing with those names, but Covered California is working to come up with common names across all plans. He looks forward to 2015 when everyone can use the same name to identify products, but in 2014, there will be some cross-walking. They would like consumers to see the same product names for the same silver products. They have had a good working relationship across the plans, and this is an example of working quickly and learning what works for consumers.

Public Comments on the quality rating system:

Beth Capell, Policy Advocate, Health Access California, commended staff's efforts to have a quality rating system in place as soon as possible, preferably by January 1. Many of the premiums are similar in price, and quality information might help consumers choose. With standardized benefits, this is the first time where products are similar enough that quality will come to bear on consumer decisions. They respect the concerns about making sure ratings accurately reflect the prior experience of the plans, but voiced that those who are being graded tend to care much more about the grades than those who want to evaluate the differences. This system must get up and running.

Betsy Imholz, Director of Special Projects, Consumers Union, appreciated the staff's careful work. It's complicated due to the lack of historical data, but it's so important to the Covered California mission to give consumers something on quality rating as soon as possible. Because of the network similarity across many plans, it would be reasonable to try to get something ready by January 1. Plans already know their networks, so it shouldn't be too hard to figure out if the similarity cutoff should be 70 or 80 percent.

Tom McCaffery, Vice President, California State Partnerships, Blue Shield of California, voiced that they share the goal of providing transparent data on cost and quality to consumers. He agreed with Ms. Capell that quality information can be a key determinant. They and other partner health plans thought the plan presented in August made sense. Covered California could use the data collected in 2014 to develop exchange-specific quality ratings. Today's presentation sounds like a different approach, one in which only some plans will get a quality rating. Displaying quality ratings for some plans and not others will confuse consumers, and this system won't accurately reflect the quality of products consumers can expect to see on the exchange in 2014. Many plans have sent a joint letter urging the Board to revisit August's discussion with regards to putting together exchange-specific quality ratings.

Bill Wehrle, Vice President of Health Insurance Exchanges, Kaiser Permanente, applauded the work of the staff in moving forward with quality ratings reporting system. This is important information for consumers to have. It's a core part of the exchange mission and they believe it can be done in a way that provides meaningful information to consumers. There is no quality rating that is not historical in nature. The question is if the data can be relevant based on the new networks. They believe the evidence is clear that it can be. Many plans are bringing the same networks into Covered California as already exist in the outside market, and that's desirable for consumers to know. They think the extent of overlap required to make the ratings viable is smaller than they would guess, and while they wouldn't be upset with setting the bar as high as 80 percent, they think something like 65 or 70 percent would be reliable. They encouraged the Board and staff to move forward, suggesting the quality ratings could be up and available in the next release of CalHEERS on November 18.

Cary Sanders, Director of Policy Analysis and the Having Our Say Coalition, California Pan-Ethnic Health Network, appreciated the availability of quality rating data in January. While respecting the health plans' concerns, she agreed that this will help consumers in their communities, some of whom have never purchased health insurance before. This quality information will be important to them. She was glad to hear that Consumer Assessment of Healthcare Providers and Systems (CAHPS) data will be used. CMS is updating the CAHPS data and looking at translating it into other languages, so they encourage Covered California to reach out to them.

Tamika Butler, California Director, Young Invincibles, echoed Ms. Sanders' comments. The ratings system is important. While they respect the plans' concerns, for young adults, buying insurance is new. But ratings are not new for young adults. Ratings will be a key part of making these decisions comfortable and familiar for certain populations.

Sherry Fields, Valley Care, agreed with Mr. McCaffery's comments. They agree that quality information is important, but it needs to be based on both historical data and enrollees' experiences. They suggest implementing quality ratings in 2016 and have submitted a letter to the Board.

Agenda Item V: Covered California Program Regulations

Mr. Lee reported that all of these regulation packages are being submitted to the Office of Administrative Law (OAL) as emergency regulations, which means they will go into effect for 180 days with an option to readopt them twice. Covered California will have the ability to fine-tune provisions in the packages before they become permanent regulations.

Staff has engaged their OAL partners and they stand poised to assist. Staff also feels confident that these regulations will meet the standards of the Administrative Procedures Act and will be fully in effect by October 1, 2013.

Discussion: Eligibility and Enrollment Regulations

Thien Lam, Deputy Director, presented on eligibility and enrollment regulations.

Presentation: [Eligibility and Enrollment Regulations](#)

Motion/Action: Board Member Fearer moved to adopt Resolution 2013-70, accepting the staff recommendations. Board Member Ross seconded the motion.

Public Comments:

Beth Capell, Policy Advocate, Health Access California, noted that the definitions in the abbreviations section apply to all regulations, not just these. She recognized the staff work that had gone into conforming those definitions and provisions to California law. There is substantial improvement over what was before the Board last month. There is more polishing to do, but this is much better.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, thanked staff for working with them. They feel comfortable with where the regulations ended up and are glad the Board waited until this month to take action. People will be getting notices next month and there is more work to do with appeals. They support the package.

Kevin Aslanian, Executive Director, Coalition of California Welfare Rights Organizations, expressed that while there is still a lot of work to do, they support the regulations.

Betsy Imholz, Director of Special Projects, Consumers Union, echoed the prior comments, noting that this is an improved product and a good foundation. They would be happy to assist with the work on notices going forward.

Byron Gross, Counsel, National Health Law Program, thanked the Board, expressing that the delay was time was put to good use. Their office spent a lot of time working with staff on these and they support the regulations as they are now written. They are very concerned about the notices, how they will be coordinated and who will send them out. They have concerns about how the Medi-Cal applications will be handled by the Board and Covered California. This has been an issue since the quick sort was first introduced. Covered California will notify applicants if they are missing information, but the regulations indicate the staff won't follow up with Medi-Cal applicants. He feels torn because he does not want to see people fall through the cracks, but he does believe that county workers are better trained to deal with Medi-Cal enrollees.

Kate Burch, Network Director for California LGBT Health and Human Services Network, thanked staff for the improved definition of "domestic partner" and "dependent". However, entering or dissolving a domestic partnership should be included as a trigger for a special enrollment period.

On phone: Brett Johnson, Associate Director, California Medical Association, thanked Covered California staff, along with DMHC and CDI, for working so hard to find a good reconciliation on the grace period issue, and they are thankful that the exchange delayed voting on this regulatory package at the last meeting. They look forward to working on filling in the details on how to protect health plans, patients, and physicians.

Mr. Lee appreciated the staff's work and acknowledged that this is a better product. Covered California has good collaboration with staff and advocates and everyone has put in a lot of work.

Board Member Ross appreciated Mr. Lee and the staff for being highly engaged, listening effectively and responding.

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

Discussion: SHOP Regulations

Corky Goodwin, Policy Advisor, presented the SHOP regulations.

Presentation: [SHOP Regulations](#)

Motion/Action: Board Member Fearer moved to adopt Resolution 2013-71, adopting the staff recommendations. Board Member Kennedy seconded the motion.

Public Comments:

Cary Sanders, Director of Policy Analysis and the Having Our Say Coalition, California Pan-Ethnic Health Network, appreciated the staff working with them to strengthen the language on the SHOP regulations, and for allowing for substitutions instead of social security numbers. They look forward to working out some of the remaining differences and would like more clarification about the enrollment process. The application is just the

first step and qualified health plans will send out their own information, so they question the conclusion that the federal regulations require the federal tax ID number for dependents. Health plans can collect those after someone enrolls, so why burden consumers on the front end?

Julianne Broyles, Legislative Advocate, California Association of Health Underwriters, thanked the staff for all the interactions. They have listened responsively. They are still concerned about section 6520B3, regarding waiting periods and affiliation periods. They need clarity for the employer, specifying that employers can still do the federal ninety-day probationary waiting period, but that they must notify the health plan that they have an eligible new employee coming in within sixty days of the hire.

Kathleen Hamilton, Director of Sacramento Governmental Affairs, The Children's Partnership and Children's Health Coverage Coalition, thanked Covered California for the opportunity to have served on the SHOP advisory group. As those who have participated know, they have doggedly raised the issue of maximizing the value for the SHOP program to be a means of providing information regarding dependent coverage. Not all SHOP employers will offer dependent coverage, but it's an opportunity to get parents to enroll their children. In the proposed regulations, dependent information is only required if SHOP employers are offering dependent coverage. We should not restrict the ability of employees to provide information on their application about dependents needing and seeking coverage when SHOP employers do not offer them coverage.

Carla Saporta, Health Policy Director, Greenlining Institute, appreciated the removal of requirements that employees provide dependent information when dependents won't be provided coverage. The application should be clear that providing a tax ID number for dependents is optional. They do support the emergency regulations, knowing they will need revision. They look forward to seeing the full SHOP application.

Beth Capell, Policy Advocate, Health Access California, echoed Ms. Sanders's and Ms. Saporta's comments about not collecting dependent information that was not envisioned in federal regulations. Plans can get that information later. Covered California should defer the employer waiting period to the regulators. It's a concern across the small group market. She does commend the way the regulations currently address them. They were pleased that the regulations are now consistent with California law, noting that it is different than federal law.

Betsy Imholz, Director of Special Projects, Consumers Union, echoed the comments of Ms. Capell, Ms. Sanders, and Ms. Saporta regarding gathering tax ID numbers.

David Chase, California Director, Small Business Majority, would like to ensure that SHOP is asking small employers to gather as little information as possible. It's already complicated, and we don't want to scare them off. The staff is working toward this.

Byron Gross, Counsel, National Health Law Program, noted that they have been engaged in the same issue and have the same concerns that have been expressed. They support the regulations with the one small change previously noted.

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

Board Members Ross and Kennedy left the meeting at this time, but a quorum remained.

Discussion: Agent Regulations

Dianne Koelzer, Interim SHOP Director, presented on agent regulations and the agent agreement.

Presentation: [Agent Regulations](#)

Mr. Lee noted that the next Board meeting will include discussion regarding payments to licensed certified agents for Medi-Cal enrollment. Staff had considered requiring agents and certified enrollment counselors to enroll people in Medi-Cal without getting paid. But it's important and proper for licensed agents to get paid.

Motion/Action: Board Member Belshé moved to adopt Resolution 2013-72, accepting the staff recommendations. Chairwoman Dooley seconded the motion.

Public Comments:

Julianne Broyles, Legislative Advocate, California Association of Health Underwriters and NAIFA California, appreciated the work that went into creating this, knowing how hard it was to get through the concerns and wording issues. It tracks the process of the current market wherever it can. They know there has been a lot of staff work and effort to get this, and they recommend the Board adopt these regulations

Steve Young, Senior Vice President and General Counsel, Insurance Agents and Brokers of California, seconded Ms. Broyles's comments. Last month he told the Board that no agent would sign the agreement in its current form. He has since been surprised by the number and extent of changes staff was willing to make. They don't agree with every part, including the state-mandated contracting parts, but they support it. From an antitrust standpoint, they can't make a recommendation to their members on whether they should or shouldn't sign an agreement. However, they will do whatever they can to make sure agents understand how much Covered California has done and how substantial this agreement is now.

Betsy Imholz, Director of Special Projects, Consumers Union, noted that industry norms bother them because the insurance marketplace is dysfunctional. They have no problem with the regulations, but are concerned about the agent agreement. The term "steering" is a loaded term, but sometimes people do want to be guided to what's best for them. The current wording states that payment schedules should not be the sole consideration for steering; however, the primary interest must be what's in the consumer's best interest. She offered a rewording suggestion: the consumer's best interest shall be the sole factor

in recommending a plan. Covered California asks that of every other enroller, and that's what the consumer expects.

Carla Saporta, Health Policy Director, Greenlining Institute, thanked the staff for being so engaged with the SHOP advisory group and stakeholders. They support the regulations and the agent agreement, agreeing with Ms. Imholz about the clause that refers to steering. They were pleased to see the inclusion of language which seeks to ensure no fraudulent activity on any websites. There has continued to be misinformation going out to small businesses regarding the requirements they have to fulfill. She appreciated Covered California's efforts to make sure information is accurate.

Cary Sanders, Director of Policy Analysis and the Having Our Say Coalition, California Pan-Ethnic Health Network, supported the comments of Ms. Saporta and Ms. Imholz. They are concerned about fraudulent websites that could mislead people with deceptive marketing and other practices. They support the language in the regulations.

Chairwoman Dooley said small modifications can be made. She feels comfortable with the wording Ms. Imholz suggested, emphasizing the value of consumers' best interest, but also wants it to explicitly say agents should not be guided by their own financial interest.

There was a discussion about allowable change after the regulations have been approved.

Mr. Lee said we could wordsmith to no end, but it's important to look at section 6 as a whole, with the intent that consumers must be presented with all the options and that part C should be considered in that context. He would support the adoption as written. The language is clear and directive in important ways. The intent and the representation is that agents cannot steer people based on payments.

The motion remained the same.

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

Discussion: Plan-Based Enrollment Regulations

Dan Frey, Policy Advisor, presented on plan-based enrollment regulations.

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

Motion/Action: Board Member Fearer moved to adopt Resolution 2013-73, accepting the staff recommendations. Board Member Belshé seconded the motion.

Board Member Belshé inquired about the training for health plan-based enrollers versus what has been provided for certified enrollment counselors and received a reply from Mr. Frey that the trainings mirror each other. She also asked if Covered California had received stakeholder feedback on that approach.

Mr. Frey said they were so sufficiently aligned that the feedback indicated it was appropriate. The only difference was one additional plan-based enroller module.

Public Comments:

Beth Capell, Policy Advocate, Health Access California, noted that they have supported the concept of plan-based enrollment with the inclusion of consumer protection. The list of prohibited activities is helpful. They came across a conflict between state law that applies to health plans and the important steps that must be taken in order to enroll the appropriate people into Medi-Cal. This state law does not create an exception for helping people find the appropriate qualified health plan, and it does not create an exception for information relating to disability or pregnancies which are important qualifying factors. They think this will need to be worked on because it's a blanket prohibition. That language applies to health plans and health insurers, but not to the exchange or enrollment counselors or other entities. It arises in this context because plan-based enrollers are based in the plans, and health insurers have a long history of using health status information against consumers.

Betsy Imholz, Director of Special Projects, Consumers Union, appreciated the many rounds of comments and conversations with people working on this. They see the benefit of plan-based enrollment for current enrollees and have raised consumer protection concerns related to new enrollees seeking information. They can see staff has included a lot of the prohibitions and refinements that they suggested. New federal regulations may have other requirements to be added, such as a direct link to the exchange website on the plan site. Necessary refinements aside, they support moving forward with the regulations.

Linda Brown, Government Affairs Representative, Health Net, identified a problem specific to Health Net because it's the only carrier with a CDI-licensed product. The regulations contain a provision, section 6710(k), that would impose a CDI requirement on Health Net's DMHC products as well. She asked that the section be stricken and that they be allowed to work with staff to find a solution that will be both fair to Health Net and adhere to the CDI requirements. Waiting 180 days to deal with this in the emergency regulation process would harm them because they have trained assisters ready but would be forced to hand off enrollees to licensed certified agents.

Janice Rocco, Deputy Commissioner of Health Policy and Reform, California Department of Insurance, agreed that the way section 6710(k) is drafted, it appears to apply to just one qualified health plan. The section should apply to any plans selling PPOs because a license is typically required to sell insurance products. One qualified health plan should not be singled out with that language.

Mr. Lee proposed having the staff put that section aside to discuss the language.

After a conference with staff, Kathleen Keeshen, General Counsel for Covered California, described the problem and recommended a solution. The section was added because under the insurance code, as interpreted by the Department of Insurance, only licensed agents can negotiate or sell products regulated by CDI. Staff carved this section

out to reflect CDI's interpretation. Because Health Net is the only plan with products regulated by CDI, it appeared unintentionally that they were being singled out. The recommendation is to take out section 6710(k) and work together next month with modified language and separate regulatory text. Staff received assurance that this is permissible under the OAL's rules, and would provide the opportunity to work with Health Net.

Chairwoman Dooley asked if this would allow Health Net to proceed to sell products during the launch in October.

Ms. Keeshen replied affirmatively, noting that they would still have to follow the law as it exists today. If their plan-based enroller were to receive a call from a consumer, before they could discuss a display of plans, they would have to transfer them to a licensed agent.

Chairwoman Dooley noted that a lot of enrollment is not expected in the first month and that the Board and staff would be coming back to work on the issue before the October Board meeting. They would amend the staff recommendation, striking from consideration that section, on page 12 of 16. Everything else stands. Section 6710(k) will be a standalone.

Modification of Motion: Board Member Belshé amended her motion, moving to adopt staff recommendations with the exception of section 6710(k).

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

Agenda Item VI: Covered California Policy and Operational Issues

Discussion: Supplemental Vision Policy

David Panush, Director of External Affairs, provided a presentation on adult supplemental vision coverage. Staff has been working with the vision industry and stakeholders to try to develop an approach moving forward. The Board has taken a view that it's important to have vision as an integrated package that's available to consumers. Federal regulations have impacted its ability to do that.

Presentation: [Supplemental Vision Policy](#)

Discussion:

Board Member Belshé agreed that the criteria and principles are on target. The three options shown in the presentation fall short of what the Board had wanted. It seems that the recommendation is anchored on feasibility, and it would be helpful to hear more about the feasibility of option one, the state-hosted education and enrollment referral site. For option two, she did not see MRMIB on the list. Would it not be the proper place for a state-hosted vision care exchange? That would require legislation, but MRMIB's mission is aligned with Covered California's and it has a track record of being an active purchaser.

Mr. Panush thought that was a good suggestion and agreed that the proposal for option one is not optimal. But there is an immediate need to get an education component for consumers in order to address the confusion out there. As an interim measure, it seems like a reasonable place to go. From an IT perspective, it is easier and quicker to link to an informative webpage. The legislature might want to consider creating a new entity or giving new responsibility to an existing entity.

The workgroup has talked about this and their thinking has evolved. Consumers and vision industry folks were brought into the discussion and they looked at things that could be done right away. They all recognize that legislation cannot happen until next year.

Mr. Lee agreed that the recommendation is suboptimal, but some of it is a feasibility question that does not belong to Covered California. It belongs to the OAL, which in turn has not determined if this actually belongs solely to them or if it will require another state entity. Covered California has clear restraints. In taking this option, they would be going forward to work with OPA.

Chairwoman Dooley asked if this is an issue because it's not a part of the Affordable Care Act. Mr. Panush responded affirmatively.

Public Comments:

Beth Capell, Policy Advocate, Health Access California, regretted that adult vision and dental are not part of the essential health benefit package and that the federal guidance limits the options. Given those realities and constraints, they have a strong preference for the Office of the Patient Advocate (OPA) as the most immediate solution if OPA sees it as within their statutory responsibilities. They would be very troubled by option three, using a private trade association or entity. The California Constitution prohibits the use of public funds for this.

Jim McGrann, President, VSP Vision Care, stated that his company provides coverage to one out of every three Californians. He thanked Covered California for the consideration of a supplemental vision care policy and for allowing vision care providers to have the opportunity to raise and discuss this issue. It's of critical importance that all Californians have access to affordable high quality vision care. VSP cannot support option one, but they do support option two – only the option, not necessarily the time frame – because is a simple and proven approach being used by other states.

Jason Gabhart, External Relations Manager, California Optometric Association, seconded Mr. McGrann's comments, noting that option one does not achieve the goal of providing affordable and high quality vision care. Option two is better but should be implemented now. The marketplace is being redefined, and vision insurance should be a viable option now for those consumers entering the exchange.

Betsy Imholz, Director of Special Projects, Consumers Union, stressed the value of vision coverage and noted that many comprehensive health plans already include it. The

staff has touched on the key points, and given the constraints from CCIIO that a state entity must run the program, they support option one, though it's not optimal. They oppose any delegation to a trade group that does not include all the plans on its own website as a landing place. That would create an unfair market advantage.

Athena Chapman, Director of Regulatory Affairs, California Association of Health Plans, reiterated the comments and concerns that option three creates an uneven playing field. She voiced support for the option that allows another state agency run the website.

On phone: Julian Robert, Executive Director, NAVCP, noted that they represent many vision care plans nationwide, including many in California. They support any options ensuring adults and families have access to vision care in California. With option one, directing consumers to a static list of vision care plans with no direct link to purchasing could create a negative consumer experience. Just because a plan is licensed does not mean that plan is interested in participating in that particular market. It also does not guarantee that they provide coverage in the region where that consumer is located. They feel concerned that it could impact consumers' experience with Covered California. They support option two, allowing consumers a friendlier alternative to purchasing adult managed vision care, but are concerned about the delay that adults would have in accessing this care. Other states have had the same concerns and yet have put together programs to ensure state residents would have access to adult coverage on January 1, 2014.

Board Member Fearer asked for clarification, noting option one was recommended by staff. He heard mention of option two as not feasible in the given timeframe. Would anything make option two subject to further consideration, or is it considered off the table?

Mr. Panush viewed option one as an interim solution and planned to keep working with stakeholders, plus the legislature if necessary, to determine an independent entity that would meet the federal government requirements. There would have to be a discussion about the governance model, or whether it would be more appropriate to use MRMIB as an entity. A solution might better lie there.

Chairwoman Dooley said she struggles with the jurisdiction. This Board has no jurisdiction since this issue was left out of the Affordable Care Act. It's an orphan issue and, while they believe in it, the law must address this as a priority. This is a conundrum. The Board does not appear to have jurisdiction to recommend any one of the three options at this time.

Mr. Panush said the issue for Covered California is whether their website should link to another website with this information. He underscored the importance of vision coverage and this would offer a way to enroll somewhere else. It's not ideal, but it would be one way to address a consumer need.

Board Member Belshé said it's important to determine where responsibility lies. There are issues of resources, technical feasibility and alignment of mission, but Covered California has a policy interest in ensuring access to services including vision. If California did nothing in this area, aside from the disappointment of falling short of meeting consumers' needs, would the Board have a legal responsibility here?

Mr. Lee responded that this is a clear issue where the Board has discretion. A few state-based exchanges are trying to accomplish vision coverage right out of the gate and others are considering a range of options for the future. This is a discretion issue and absolutely not a mandate. The federal government will not question the decision. If Covered California does pursue a vision coverage option, then federal oversight would come into play.

Discussion: Split Family Enrollment Policy

Mr. Lee presented on the split family enrollment policy which involves members of a non-subsidy eligible family enrolling in different products. He pointed out that this is different from a mixed-family scenario.

Presentation: [Split Family Enrollment Policy](#)

Discussion:

Board Member Fearer voiced that he understood the potential for scenario number two, about enrolling in different plans, but did not understand scenario number four. Is Covered California required to allow the subsidy to be split?

Mr. Lee said it is up to the Board's discretion. Covered California allows enrollees to say how much of the credit they want to take as a monthly credit, and how much they want to leave to the end of the year. If a family chose that option, the system would allow for that and it would all be settled up at the end of the year.

Board Member Belshé received clarification that this is just an operational issue in terms of functionality.

Public Comments:

Betsy Imholz, Director of Special Projects, Consumers Union, noted that there is no longer a difference of opinion on policy, and they are happy about that. They came to the same conclusion as staff that split-family enrollment is required. For many families, being in the same plan makes the most sense. It's the operational issue being addressed. Both the manual workaround and training will be tricky. They urge that the correction be made in CalHEERS as quickly as possible and that the training incorporates it.

Beth Capell, Policy Advocate, Health Access California, thanked the staff for their efforts toward a temporary solution. This is another example of the fact that policy decisions made in the development of the QHP contract and CalHEERS may benefit from revisiting. The necessary haste has not allowed for full consultation. A family with a significant change in annual income could face paying back the entire premium tax

credit. This will be a very big deal for some families. It is very important to help accommodate people who might reasonably expect this to happen.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty and the Health Consumer Alliance, thanked the staff for the change in policy. Many families will want to be in the same plan, but there may be important reasons not to do that. This is an important change. They also support the functionality of consumers choosing how much credit they want to take during the year, especially if they believe they will have a significant change in income.

Kathleen Hamilton, Director of Sacramento Governmental Affairs, The Children's Partnership and the Children's Health Coverage Coalition, thanked the staff for allowing families the flexibility to choose the plans that best suit them. She happily leaves the operational IT issues to the Board.

Autumn Ogden, Policy Coordinator, California Coverage & Health Initiatives, agreed with the prior comments. In terms of the temporary fixes, please ensure that appropriate information is given to outreach and education.

Discussion: Grace Period Update

Andrea Rosen, Attorney, gave an update on the grace period.

Presentation: [Grace Period Update](#)

Ms. Rosen shared that consumers, plans, providers, and Covered California will all benefit from this resolution. Two different grace periods were laid out, one in federal rules and one in state law, with conflicting provisions. Providers were concerned about the potential financial risk they could be required to bear in months two and three; some considered dropping out of Covered California or not joining the exchange. Plans also voiced concerns about their potential risk in continuing coverage in months two and three to non-paying enrollees that may have switched to coverage elsewhere. They often do not know why an enrollee has stopped paying the premium.

The state laws requiring notice to enrollees of pending termination for non-payment of premium were not in conflict with federal rules. The three-month grace period gives enrollees the opportunity to reinstate coverage.

In order to come up with a solution, Covered California worked very closely with DMHC, CDI, state regulators, and CCIO. The solution provides for continued coverage in month one with appropriate noticing to the enrollee, followed by suspended coverage in months two and three. If full premium payments are received by the final day of month three, the plan will cover all health care expenses incurred during months two and three as per plan terms. Physicians are not required to provide services during months two and three if plan coverage has been suspended.

Mr. Lee thanked the partners for working with the federal government to make a win-win situation that protects everyone.

Public Comments:

Beth Capell, Policy Advocate, Health Access California, acknowledged the difficulty inherent in rectifying the differences. The existing notices do not contemplate the world of open enrollment periods or special enrollment periods. With the Medi-Cal expansion and the tax simplification, an enrollee who goes out and gets other coverage may face unanticipated tax exposures. There is more work to do to actually help consumers. Historically, plans can and do carry people past the first thirty days in hard times. Plans should be informed that they are not required to suspend people.

Discussion: Premium Payment Policy Update

John Hiber, Chief Financial Officer, presented on the premium payment policy.

Presentation: [Premium Payment Policy Update](#)

Mr. Hiber reported that, through CalHEERS, Covered California's individual marketplace can accept electronic payments. All plans now will accept money orders, credit cards, and debit cards and will invoice within five days of enrollment. They would like to see the full functionality for serving the unbanked, but there is a risk that if the plans do not all have common payment platforms, it could drive enrollment unevenly. Suggestions for improvements to serving the unbanked will be brought back to the Board in 2014.

The SHOP program will not accept credit cards; payments will come directly to Covered California via paper check in 2013 with the additional options of using debit cards or ACH beginning in January 2014. New federal regulations were received last month requiring plans to have certain payment functionalities and those regulations align with Covered California's processes.

Chairwoman Dooley asked if this was a coincidence or if the federal regulations were following California's discussion. Mr. Lee noted that both Covered California and the federal government are seeking to do the right thing.

Public Comments:

Betsy Imholz, Director of Special Projects, Consumers Union, expressed that this is an important issue. The unbanked and underbanked constitute a huge community, a quarter of all households in California. Consumers Union has done much work on this issue. Covered California seeks to enroll this population, so they appreciate that the exchange has recognized the importance of this issue along with the grace period issue. Staff has been very supportive of the conversation. Consumers Union has been fighting in the federal regulations to get these details spelled out. Covered California is doing more than the federal regulations require because payment options in California will include credit cards. Hopefully it will become even simpler, making enrollment easy for consumers.

Cary Sanders, Director of Policy Analysis and the Having Our Say Coalition, California Pan-Ethnic Health Network, thanked Covered California for trying to work out a solution. They were excited by this presentation and look forward to further collaboration.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law and Poverty, said they represent many of the unbanked. The Attachment I chart in the presentation shows that few plans accept cash payments, so let's keep looking at other payment options. She would like the Board to reconsider the position that it took and allow more payment options.

Stephanie Hodson, Public Policy Associate, United Ways of California, agreed with the prior comments. They have experience with unbanked populations and are pleased to hear this dialogue will continue going forward.

Autumn Ogden, Policy Coordinator, California Coverage & Health Initiatives, echoed the prior comments.

Doreena Wong, Project Director, Asian Americans Advancing Justice, voiced that many groups they work with are not comfortable dealing with banks. It will be helpful to get the process clarified so they can explain it to their community members and help them become more comfortable with it.

Mr. Lee thanked Mr. Hiber and his team. Covered California is out ahead of the curve and there is more to do. They want to explore more elements in serving the unbanked. This is a beginning, not an end.

Agenda Item VII: Adjournment

The meeting was adjourned at 4:18 p.m.