

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD
January 23, 2014
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 called the meeting to order at 12:21 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 meeting held November 21, 2013.

Presentation: November 21, 2013, Minutes

Motion/Action: Board Member Ross moved to approve the November 21, 2013, minutes. Board Member Fearer seconded the motion.

Discussion: None

Public Comments: None

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

Discussion: Announcement of Closed Session Actions

Peter Lee, Executive Director, expressed joy about the fact that this is the first board meeting that we are actually serving with hundreds of thousands of Californians that are currently receiving healthcare under the Affordable Care Act. It will be important to assure that those who are insured are receiving quality health care.

Mr. Lee announced that in closed session, the Board approved the modifications to existing contracts with Bluecrane, the Tori Group, Pinnacle, and Robert Half International.

The Board also approved a new contract with Bank of America for lockbox services.

Mr. Lee announced the hire of a new Director of Marketing and Communication, Garrison Rios. The Board approved extending a contract with Jeff Rideout, Senior Medical Officer, as well as Leah Morris, Senior Consultant, Health Plan Management. It also approved a new engagement with Ana Matosantos, Senior Advisor.

Discussion: Election of Board Chair

Chairwoman Dooley asked for nominations for the position of board chair.

Motion/Action: Board Member Belshé moved to reappoint the current chairperson, Diana Dooley. Board Member Ross seconded the motion. Board Member Ross thanked Chairwoman Dooley for her leadership.

Discussion: None

Public Comments: None

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

Mr. Lee appreciated Chairwoman Dooley and her service.

Discussion: Executive Director's Update

Earlier this week, the Quality, Network Management, and Delivery System Reform forum was held in Los Angeles, on the issue of addressing health disparities. A report is posted among the Board materials and background reports on the website.

Mr. Lee presented slides on January enrollment. In the first three months of open enrollment, slightly over 500,000 people enrolled in Covered California. Of those people, about 85% were subsidy-eligible. We have over 1.2 million Californians having coverage through Medi-Cal because of the Affordable Care Act. Covered California wants to keep

up the momentum. About 30,000 children have enrolled in Covered California, and only 27% are receiving dental coverage. Regarding metal tiers, most subsidy eligible people are selecting Silver while non-subsidy eligible people are picking a wide range of options. 60 percent of those surveyed found the overall enrollment process through Covered California easy to complete. More than 289 small businesses have applied for coverage, with all successfully completing their enrollment. A total of 2,155 employees and their dependents were provided coverage by their employer. Mr. Lee thanked Covered California staff, DHCS staff, contract partners, and partners across the state for all of their hard work so far.

Yolanda Richardson, Chief Deputy Executive Director, presented operational review slides based on the first three months of open enrollment and how we are faced with our consumers. She went over operational and service principles for the consumer website and the customer service center. There has been an overwhelming interest in Covered California programs, leading to a high number of calls to the service center and visits to the website. There have been challenges and Covered California has not met its service goals. Using the information being collected, Covered California will continually try to improve its service. Key areas of focus have been established, including a dedicated hotline for those who need assistance navigating the healthcare system. Other improvements that will be made are: 350 additional customer service employees will be hired, bilingual staff will be increased, availability of live chat times will be expanded, telephone line capacity will be expanded, self-service tools (such as an automated phone line) will be added, and a dedicated service line for agents will be added.

Mr. Lee presented on enrollment numbers and demographics. We are halfway through open enrollment. The overall numbers are okay, but enrollment is low among the Latino community. Enrollment is also low in the Central Valley, Inland Empire, and Los Angeles. Young adults are enrolling, but not as quickly as hoped.

Chairwoman Dooley invited Norma Torres, State Senator, to speak on behalf of the California Latino Legislative Caucus. The Latino Caucus is concerned about the low number of Latino enrollees, noting that nearly two-thirds of Latinos in the state support the Affordable Care Act and many want to enroll. Ms. Torres asserted that the problem is not marketing or lack of awareness; the problem is a lack of customer service and assistance in enrolling. The economics depend on the enrollment of the Latino community, which is the youngest, healthiest, and most uninsured demographic. Latino enrollment will balance out the risk pool; those who are currently enrolled are sick and will overcome barriers to get enrolled. The potential success will be groundbreaking in many cases. Covered California needs to deliver on making changes happen.

Michael Brennan, Marketing Manager, presented on marketing efforts. The marketing team is pleased with the outcome of the fourth quarter and is building on those successes. For the current Quarter 1, some tactical adjustments to the marketing plan have been made which include: maximizing broad reach media vehicles (TV and radio); expanding target audience parameters beyond subsidy-eligibles to reach more influencers; adding longer format 60-second TV and radio spots to maximize response; and engaging a

customer relations marketing agency. CRM efforts have been boosted to help maximize sales conversion. Creative messaging has been adjusted based on Certified Enrollment Counselors (CEC's) survey results. Efforts to increase messaging to Latinos have been boosted by \$4.5 million due to the recent supplemental federal funding.

Sarah Soto-Taylor, Deputy Director, Community Relations, presented on outreach.. Ms. Soto-Taylor went over key metrics on outreach and enrollment support. She also went over key areas of focus for the Certified Enrollment Counselor Program, including: Expanding the current capacity of Certified Enrollment Entities to provide additional resources and bilingual support in highly populated areas, increasing the technical support including a dedicated support line for Certified Enrollment Counselors, providing additional tools for use in the field including an enrollment assistance resource guide, and reviewing the \$58 Certified Enrollment compensation model. Ms. Soto-Taylor made the important point that three-quarters of the grantees include a plan to reach the Latino community in their plans. Staff is trying to work with counselors to ascertain when the most assistance is needed.

Mr. Lee said Covered California will be evaluating the effectiveness of having certified enrollment counselors contact consumers who started the enrollment process, but had not completed it. Staff is considering bringing guidelines about this potential program to the February meeting. Thousands of people were helped by this effort. The Latino community has a higher proportion of people who completed applications but did not enroll.

Discussion:

Board Member Fearer expressed concern that the solutions presented don't solve the existing problems. This isn't a matter of marketing, but more a matter of customer service. Spending millions on marketing (if our customer service isn't up to it), may actually do more harm rather than good. How much analysis has been dedicated to the low enrollment numbers in communities of color? How did the Latino population enroll, by and large? Are there systematic differences? These answers could help solve the problem. He also noted that certain messages will not be meaningful to those who have been uninsured, or that the meaning will not be translated well. More work needs to be done. Covered California is risking putting more resources in without reaping any benefit.

Board Member Ross reiterated that Covered California never promised to be perfect, but that it promised that it would rapidly diagnose and respond to problems. He shares Board Member Fearer's concerns. The Board welcomes constructive feedback and criticism. To the extent that enrollment efforts have succeeded, it's because of stakeholder guidance. He asked questions about the data behind who's enrolling. Considering that the application's questions about race and ethnicity are not mandatory, how accurate is the data and can anything be done to improve it?

Mr. Lee believes that the data on self-reported ethnicity and race is reasonably accurate. About 80 percent of enrollees responded to, "Do you identify yourself as Latino?" Many

didn't respond to, "What Latino ethnicity do you identify with?" There is also a language question asked. The self-identification data is pretty close to what the census would report. Staff is not heartened by the data on enrollment by race and ethnicity, however.

Board Member Ross expressed that they have always known that Covered California would have to be good at both high tech and high touch, meaning that the enrollment technology must be good, but the in-person assistance must also be good. Many ethnic communities are more high-touch dependent, and that relies on a strong infrastructure of people working as assisters: certified entities need to get through the process. He wondered if the backlog of people trying to become certified will be the next key breakthrough. He also wanted to ensure that no stone was being left unturned.

Mr. Lee believes Covered California is doing its due diligence. Fourteen thousand Certified Enrollment Counselors (CECs) and agents are a great start. However, one issue is that certified agents do this as a full-time job, but it is unknown how much time CECs have to dedicate to enrollment. The issue of capacity may not just be pipeline, but counselor availability. A core pivot of the Covered California strategy is in-person, community enrollment. Making sure counselors are available is critical.

Board Member Belshé echoed the comments of her Board colleagues. It sounds like Covered California is pursuing parallel tracks, trying to dig into some of the issues and learn which problems are data problems and which are on-the-ground problems. It also sounds like Covered California is investing in and moving forward with strategies. Is the data informing the organization's efforts? It would seem that staff is concluding that awareness and understanding are a principle challenge in the Latino community, but there's a tremendous need of in-person assistance.

Mr. Lee voiced that there are now twenty-five thousand resources in communities. In-person enrollment help is available. Getting an understanding of the capacity and getting people through the pipelines is something we are looking at. The service capacity is greatly increased since November. These people are working to help Spanish-speaking and Latino communities.

Chairwoman Dooley hopes it's clear that customer experience is very important; this has informed their original goals as well as their candor and transparency in addressing problems. Covered California is laying track as it is running the train down it. A lot of work needs to be done concurrently, and that will require course correction. The Board appreciates the support and cooperation. Covered California would be in much worse condition without the stakeholder, consumer, and community engagement. By any comparative measure, California has done a lot.

Public Comments:

Deborah Sue Lazaro, Insurance Sales Agent, expressed that there is no support for agents in the trenches. The computer system is willfully inadequate. Once you choose a health plan, there is nothing to direct you to a dental plan for children. Like Senator Torres said, it is a customer service problem, not a marketing problem.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law & Poverty and the Health Consumer Alliance, was thrilled about the enrollment numbers. They do share the concerns about low enrollment among the Latino, African-American, and young populations. They appreciate the candor and self-evaluation and transparency of Ms. Richardson's presentation and the fact that Covered California is putting steps in place. They have ongoing concerns about the notices sent out to consumers, though some improvements have been made. They appreciate staff's ongoing willingness to meet, but they need to see ongoing improvement. Covered California must focus on limited English proficient (LEP) populations. The exchange should also focus on other LEP communities, not just Spanish-speaking ones.

Betsy Imholz, Director of Special Projects, Consumers Union, appreciated staff's honest look and thoroughness. They urge and appreciate the gathering of evidence from multiple sources. They appreciate what Ms. Richardson mentioned about talking to people on the ground. Getting through the system is difficult, and the federal system is harder. They are glad to hear staff is revisiting the \$58 application payment. Fluctuating income has been a challenge. People need more guidance. Seeing increases in Latino-community enrollment is key. They suspect it's not just language, but the lack of trusted messengers. Increasing the numbers of CECs is going to be greatly appreciated. The overall numbers are incredible even though there have been so many challenges.

Gil Ojeda, Director, California Program on Access to Care at UC Berkeley, noted that it looks like Covered California and Medi-Cal will reach 3 million people by the end of the year. They used to think that if the Affordable Care Act didn't work for the Latino community, it wouldn't work for anyone. However, the Affordable Care Act could actually work for the numbers, but not for Latinos. He appreciated the work of the Latino Caucus for their aggressiveness in this matter. It's commendable the array of strategies that were laid out. There are issues of coordination, however, between problems and solutions. . A lot of efforts targeting the Spanish-speaking community were let go or are still being fixed. Efforts have been huge, but these items need to be finished for this and future enrollment periods, as well as for the SHOP and Medi-Cal.

Julianne Broyles, California Association of Health Underwriters, stated that all of the points she would like to make stem off of the fact that they have had a terrific response from the staff. They have experienced extensive wait times, so are delighted to hear about the dedicated phone line. They submitted feedback on the agent dashboard on the inability to get to client applications and clients not showing up that were added. Having a viable customer-service helpline for agents will be the first step to making this work. There is a need to reforming agent tools, and that will help the CECs too.

Xavier Morales, Executive Director, Latino Coalition for a Healthy California, went to the Health Equity Forum in Los Angeles, and will be going to Merced to speak to potential enrollees. They are committed partners. Board Member Belshé talked about laying track, but there are two different tracks. One is getting good enrollment numbers, but the other (getting the Latino community enrolled) seems to have a disconnect. Board Member Fearer spoke about the disconnect and the need for more research. Perhaps

success in this track would require more Latino leadership in covered California. There is a need for high-touch assistance.

Autumn Ogden, Policy Analyst, California Coverage & Health Initiatives, complimented Covered California on its excellent job with marketing. The Latino community is aware of the need to enroll; it is a capacity issue. Many people are still struggling to convert over to become CECs. Some of the barriers include challenges associated with testing and receiving information in their language. Many of the assisters are those trusted messengers, and to be able to help them pass tests in their own language would help. Upping the \$58 payment would be a great investment, as enrollments are taking 1.5–2 hours.

Sonal Ambegaokar, Senior Attorney, National Health Law Program and the Health Consumer Alliance, expressed that this would be a good time to evaluate the process and structure and make adjustments. They appreciate the responsive staff and feel additional staffing for them would be helpful. They support the fact that the service center has escalated issues for those members who enrolled but were not given plan information. They would like to suggest that it is made sure that DMHC and Office of the Patient Advocate are well informed, and they would like to make sure plans increase their membership services staffing. They recommend more training and clearly worded job aids be provided to the service center and CECs. They appreciate “Welcome to Answers,” but it’s difficult to understand and not consumer education materials. They would like to see more education and better translation.

Sonya Vasquez, Policy Director, Community Health Councils, voiced that she is a certified outreach and education grantee and CEC. They think that in order to reach Latino and young adult populations as well as people in Los Angeles, Covered California needs more people on the ground. They are glad to hear that the \$58 model is being reconsidered and ask that consideration be given to providing financial support for administrative costs. They are glad to see county offices posted—however there is still a stigma about the county offices. Medi-Cal-eligible people don’t want to enroll in Medi-Cal, and many don’t want to go to those offices. The offices should be promoted since they are valid places for people to go.

Arlene Andrade, Eligibility Supervisor at CalHEERS call center and SEIU 721, stated that California’s county eligibility workers have risen to the challenge. Computer glitches have impeded their work, but they have learned how to work around those.

Jordan Medina, Health Policy Fellow, the Greenlining Institute, recommended that Covered California strive for equitable enrollment outcomes by providing grantees with evaluation materials to inform future grant-making decisions.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, noted that their members are hearing concerns about customer service and bottlenecks from their patients. It would be great to get enrollment numbers at a county level and maybe even plan level within counties. A lot of their members are already at capacity, and need this information for ramping up business.

Jim Mullen, Manager of Public and Government Affairs, Delta Dental, stated that pediatric dental enrollment is not a matter of selection, but is an issue of opportunity. He took his children through the process, and he missed the dental enrollment. When he asked the call center about it, he was told it was embedded. Eventually he determined that it was well buried in the system and that the button for the question, “Are you interested in pediatric dental?” defaulted to “no.” If it was set on “yes,” it would have taken him to dental enrollment. It wasn’t a matter of people not wanting dental, but more that the opportunity wasn’t there.

Aracely Navarro, Advocacy Coordinator, Latino Health Alliance, stated that they were one of the first alliances to bring Latino-specific low-enrollment issues to Covered California. They are glad to see that Covered California recognizes the low enrollment, and stress continual partnership with community based organizations and community health centers.

Betzabel Estudillo, Health Policy Coordinator, California Immigrant Policy Center (CIPC), noted that many Latinos come from immigrant families and families that include undocumented family members. There have been massive deportations under this administration, so being afraid of causing deportation by enrollment is an understandable fear, and CIPC recommends alleviating this fear to increase enrollment. When translating materials and the website, Covered California should be sure information is written in everyday language that resonates.

Marisol Franco, Director of Policy & Advocacy, California Latinas for Reproductive Justice and the Latino Health Alliance, agreed with Senator Torres and some of the other advocates. They ask for partnership with stakeholders, including the Latino Health Alliance.. Barriers must be addressed with the community stakeholders who truly understand them. She has witnessed the big media campaign, but it hasn’t translated—there must be in-person assistance at the community level. The application process itself is difficult. In-person assistance needs to be publicized and there needs to be more outreach and materials for what’s needed to enroll.

Linda Leu, California Research and Policy Director, Young Invincibles, expressed that they are excited that Covered California want to spend more money reaching their demographic.. They would be reassured to know what portion of the money is being spent addressing Board Member Fearar’s concerns about driving people to enrollment. It would help to have boots on the ground representing their various demographics. An improved website will be good. She also wanted to remind Covered California to not forget the mobile app.

Hellan Roth Dowden, SEIU 1000, reminded Covered California that it wanted to be the pace car. This means that these meetings allow Covered California to not only change what it’s doing, but also allow the rest of the country to learn from their experience. Kevin Knauss, Insurance Agent, enrolled several families in December, and the carriers never received the information. The carriers and Covered California each said it was the

other group who failed. His clients have had significant issues with getting prescriptions. He doesn't know who to turn to or how to help these families.

Doreena Wong, Project Director of the Health Access Project, Asian Americans Advancing Justice, voiced happiness that her community's numbers seem to be OK, and that they have learned some lessons. She reiterated that it's not just raising awareness or a media campaign, but that there is a need to have trusted messengers on the ground to provide trusted assistance. She underscored the importance of in-language in-person assistance in the community-based organizations. It's good to hear there's going to be an increase in the bilingual staff, but she has heard it's hard to get Spanish speakers on the service center line. There are other LEP populations that haven't gotten the services they need. She is happy to see a cultural and linguistic coordinator, because someone who can do outreach and understands a community is key.

On phone: Marissa Ann Beller, Private Citizen, expressed that she is a member of the LGBT community and Mr. Knauss is her agent. She has spent over 95 hours going back and forth between Covered California and Blue Shield trying to get an answer about the status of her application, and her daughter, who was accepted for Medi-Cal. She has an urgent need for services, and even though she has taken screen shots of her application acceptance, neither she nor her daughter has received coverage.

Ellen Wu, Executive Director, California Pan-Ethnic Health Network, had heard a lot about needing more boots on the ground. Their community partners say it has taken a long time to get certified enrollment counselors trained and out. There have been login problems as well. Covered California needs to quickly spend resources and exert effort to support current assisters and get more of them out there. The \$58 enrollment payment has also been a barrier for people to become certified enrollment entities and certified enrollment counselors. They appreciate the diversity officer position, which will help Covered California prioritize the issue of providing cultural and linguistically competent services.

Denise Lamb, Black Women for Wellness and the Having our Say Coalition, noted that they are also outreach and education grantees. Enrollment numbers are still low in the African-American community. When they help people through the online enrollment process but they don't end up paying that initial premium, their assistance goes uncompensated. Therefore, they appreciate the evaluation of the \$58 reimbursement. If they take the time to get 100 people through the process, but only 20 of them pay, her organization has wasted a lot of time trying to get people enrolled.

Beth Capell, Health Access California, was delighted to hear that Covered California has already exceeded base enrollment targets, though she is also troubled about the gaps in enrollment of communities of color. In addition to revisiting \$58 as compensation, she suggests an independent evaluation of the outreach grantees to learn about the barriers facing them. In terms of sustainability, they are already looking forward to the fall enrollment period. Many organizations that worked as application assisters have chosen not to prioritize enrollment in the exchange. Some certified enrollment entities are not

prioritizing enrollment in this program because of the insufficient reimbursements and challenges. They would encourage Covered California to do an independent evaluation of certified enrollment entities that does not involve Heath and Associates.

Mr. Lee noted that they keep hearing the importance of on the ground in-person enrollment assistance. Marketing is not an answer, but changing marketing that addresses some of the key messages, specifically in Spanish, will help. It is important to make sure that people get to that in-person assistance. A number of the new tools, including printed resource guides in English and Spanish, will be vital. He appreciated the Board members' comments about evaluating and assessing what we are doing. They are not waiting to evaluate at the end of the open-enrollment period to adjust their strategies. Some important changes are already needed. This is also the first year, and they have a lot to learn in the short term and the long term. He expressed appreciation for the customer service team that is doing this work. Covered California has not provided great customer service. There are issues between health plans and Covered California, but they care about the individual struggles. He takes to heart how much staff has put into this work. They are working hard to get health care delivered, as are the people working in the health plans.

Discussion: Executive Director's Update (Continued)

Mr. Lee presented slides about the quality rating system. He noted that the board approved a CAHPS version for January use. We now have health plan performance information on all of our plans, in all regions except two, including a link to OPA. This will have a press release going out shortly that will include the 19 regional reports on enrollments. We will be doing a combined report on both the enrollment and the quality information on plans shortly. We are working on CAHPS process for July.

Diane Stanton, Voter Registration Officer, reported on the voter registration progress. Covered California is a designated voter registration agency. A Covered California team has been working with the Secretary of State and stakeholders on an implementation plan, and to better understand the requirements of the state and federal laws. Our goal has been compliance. We are currently consulting with the feds to get a better understanding of if and whether we can spend our current funds for voter registration. We are trying to find out which type of activities would be permissive: emailing, and/or direct mail. We are trying to include a link for voter registration at the end of every successful enrollment application. Lastly, we are working to incorporate California Secretary of State voter registration training materials into our website.

Board Member Ross thanked Ms. Stanton for her presentation and welcomed her.

Discussion: Legislative Update

David Panush, Director of External Affairs, presented on the legislative update. He wanted to flag some bills. The first one is about continuity of care and extends the protections enjoyed in the large and small group market to the individual market. It makes it more likely that consumers can get treatment with their current providers. The

second bill is about health care coverage and allows small group plans that were in effect in October 1, 2013 to be renewed and continue through the end of 2014. The third bill is regarding insurance affordability programs and the application form. It modifies the streamlined application to include a voluntary question about sexual orientation and gender identity. The fourth and final bill is regarding pregnancy coverage. It would allow pregnancy-only Medi-Cal patients to be eligible so that their coverage is consistent with current benefit structure.

Discussion: None

Public Comments: None

Per Mr. Lee, Action Items have been moved prior to Agenda Item V: Covered California Program Reports

Agenda Item VI: Covered California Policy and Action Items

Discussion: Pediatric Dental Policy

Leesa Tori, Senior Advisor, Plan Management, presented. There was a special board meeting to consider what was best for Covered California and its enrollees. At that board meeting, they felt strongly that they needed to do something called a Pediatric Dental restart.

Presentation: Recommendation for Pediatric Dental Policy

The board had said that they wanted the policy to include an embedded plan, where all 10 essential health benefits are combined into one. It spreads the cost of all 10 Essential Health Benefits (EHB) components across the entire population that is insured. It does not allow the opportunity to elect out of one of the 10 EHBs. Ms. Tori's team set out to see how they could get to a 10 EHB and still offer important continuity of care as well as consumer choice. They weighed out different options: all embedded options, 9.5 options with .5 mandated, 9.5 options with .5 voluntary, bundled, etc. All options have their pros and cons. Ms. Tori's team wanted to maximize the availability of the advanced premium tax credit for the pediatric dental benefit, and ensure the enrollment of all eligible children in the pediatric dental benefit. Recommendation: offer an embedded pediatric dental benefit side by side with a standalone benefit in plan year 2015, understanding that the Exchange must certify an otherwise qualified health plan without a pediatric dental benefit ("9.5") if proposed by an issuer when a standalone pediatric dental plan is available through the Exchange. For the Small Business Health Options Program (SHOP) market, Covered California recommends that the Exchange allow embedded, 9.5, and standalone pediatric dental options in plan year 2015 and recommends for both the individual and SHOP markets that the Exchange offer a supplemental adult dental benefit no later than plan year 2016. This solution is not what everyone wants, but it seems to be the best compromise.

Discussion:

Mr. Lee underscored that this applies to the individual market, not the SHOP. The resolution says 2016, but staff would like to implement it sooner (2015).

Board Member Kennedy said it's a complicated relationship. She clarified that this would mean offering 10 plans and .5 plans side-by-side. She asked if Covered California must also offer a 9.5 plan if a health plan bids a .5 plan.

Ms. Tori said that Covered California cannot exclude bids for 9.5 plans, but the .5 plan must be there first. There's no requirement that 9.5 plans be bid.

Board Member Kennedy was concerned that people would be notified that they were losing their plans.

Ms. Tori said that people will not lose their plans; there is just a benefit being added.

Board Member Belshé asked what the marketplace looks like.

Ms. Tori said the external market is required to offer all ten essential health benefits in one plan (a 10.0 plan). Covered California would like to be at parity with the external market, and this would bring them into alignment.

Public Comments:

Betsy Imholz, Consumers Union, sent a letter to the board and staff in strong support of the recommendation. It increases the likelihood that families will get the pediatric coverage. There is \$8.6–21 million in subsidies remaining on the table. This also spreads the risk and the cost. Embedding leads to a lower cost of the dental benefit, while adding a very minimal amount to the other QHPs. A lot of benefit design issues still need to be worked out. They would like to see out of pocket maximums lowered from prior amounts suggested.

Jackie Miller, Executive Director, California Association of Dental Plans (CADP), expressed that for nearly two years, they have worked with Covered California to ensure that standalone dental products would be available. Although staff has acknowledged that the exchange must allow a 9.5 plan, they have made it clear they do not want 9.5 plans. This approach frustrates the objectives of the Affordable Care Act, which was amended to ensure consumer access to standalone dental plans. Consumers are capable of evaluating benefits without significant operational challenges. CADP's alternative proposal may require additional work, but it would ensure children receive coverage while balancing competition with maintaining patient-provider relationships. It would require an embedded-only product at the second-lowest silver level for the express purpose of setting the advance premium tax credit. A number of senators have joined in on their letter to the treasury secretary saying that Congress intended that people be allowed access to all ten benefits, whether embedded or in a standalone policy. They are disappointed in the decision. They appreciate the revised resolution relating to dental

offerings in the SHOP and supplemental adult benefits in both markets. They will continue to work with Covered California staff regarding the availability of dental products in the marketplace.

Jen Flory, Senior Attorney, Western Center on Law & Poverty and the Health Consumer Alliance, disagrees about the point of the Affordable Care Act, expressing that embedded plans broadly spread the cost just as they do for every other service that may not be required by every single member of a plan. They feel strongly that these should be embedded across all plans. They applaud the Board for looking into solutions for adding adults to standalone dental. Consumers are already struggling trying to figure out deductibles, so embedding pediatric dental plans will make it easier to explain to consumers what they are getting when they purchase their plans.

Kristy Wiese, Premier Access Dental Plan, thanked the staff for the time they have spent in collaboration. They were excited to see the inclusion of a supplemental dental benefit. If there is a 9.5 plan offered in 2014, and that plan offers a 10.0 plan in 2015, and the dental network is not the same as what was in their members' standalone plans in 2014, they may experience the type of disruption that Board Member Kennedy referred to.

Kathleen Hamilton, Director, The Children's Partnership, appreciates the convening of multiple meetings of a vast array of stakeholders. They want to commend the staff brief that correctly identifies the core goals, especially the goal identifying maximizing enrollment in pediatric dental coverage. Dental disease is a prolific concern in children. It's good that 27 percent did sign up for pediatric dental, but that means two-thirds of California's children, even with the exchange plans, do not have dental.

Nicette Short, California Dental Association, said they were pleased with the revisions in the proposal. There is a difference between what staff presented and the resolution, which does not say that plans will be actively discouraged from bidding 9.5 plans. This is an important detail. The dental component is a difficult piece to implement. She urged the adoption of the resolution.

Autumn Ogden, Policy Analyst, California Coverage & Health Initiatives, thanked the Board and staff for all their work. They support the staff's recommendation and agree with Ms. Hamilton about how embedded dental will ensure that all children have coverage.

Stephanie Hodson, Senior Policy Associate, United Ways of California, expressed that no matter what policy is adopted today, it's crucial that people understand what they are buying or not buying when they making their purchase.

Francene Mori, California Exchange Director, Anthem Blue Cross, supports the staff recommendation. It leaves wiggle room to ensure the most even playing field. She urged the Board to take action today. They are growing concerned with additional delays that will affect rates and filing.

Crystal McElroy, Assistant Vice President of Product Compliance and Regulatory Issues, MetLife, voiced that they offer standalone care in the SHOP exchange. They are frustrated that Covered California is moving forward in a manner that circumvents the intent of the Affordable Care Act, which is to allow a .5 standalone plan. Offering 9.5 plans would attract non-subsidy-eligible childless adults to the exchange. She praised staff and the Board for revising the recommendations to include all options to the SHOP in 2014. They ask that the Board require that a number of minimally sufficient 9.5 plans be offered in the SHOP market to allow for all the options.

Richard Harris, Senior Policy Advisor, Guardian Dental, agreed with Ms. McElroy and Ms. Miller. Guardian is a SHOP partner. What will happen in 2015 to those who sign up for standalone dental in 2014? They can't automatically be enrolled. Covered California won't have a 9.5 option, so a standalone plan would be duplicative. Anyone who buys in 2014 will most likely get a notice that their dental will be associated with their health plan, and that their health plan will choose their dentist for them.

Bill Wherle, Vice President of Health Insurance Exchanges, Kaiser Permanente, supports the staff recommendation. He would like to work with staff on the bid process mechanics. Some carriers may want to respond differently. They would appreciate a recommendation for the SHOP, so they can respond if the .5 is mandatory.

Ruth Liu, Blue Shield of California, supports the staff recommendation. They urge the board to move forward with the recommendation and make sure there is a level playing field.

Jeff Album, Vice President of Public and Government Affairs, Delta Dental, expressed that the changes in the resolution look good to them. It seems there has been a public commitment by the Board and staff to ensure fairness, equity, and consumer choice in the exchange, and bringing in adult standalone dental will be very valuable. They agree to disagree and withdraw their recommendation to delay this—we need to move forward. Since they assume that the policy will be adopted, they echoed Guardian's thoughts. In the environment being created, health plans will be incented to all embed dental HMOs, meaning everyone stands a good chance of losing their dentist. It will be important to provide a lot of disclosure, since people aren't used to this. Consumers will need to be prepared for that.

Jeff Shelton, Vice President of Government Relations, Regulatory Affairs, and Compliance, Health Net, supported the recommendation. They are concerned that, since Covered California can't ban 9.5s (which would have been their preference) carriers might not listen, and then they would want an opportunity to rethink their own position because of concerns about adverse selection. This could affect the pricing for the 10s.

Ellen Wu, Executive Director, California Pan-Ethnic Health Network, voiced support for the staff recommendation. They feel it is the best setup for everyone, in that it takes advantage of tax subsidies and ensures access to care.

Athena Chapman, Director of Regulatory Affairs, California Association of Health Plans, agreed on the importance of deciding this as soon as possible, rather than leaving the plans with last-minute changes.

Doreena Wong, Project Director, Health Access Project, Asian Americans Advancing Justice, supported the staff recommendation. They have a lot of concern about dental coverage and want adults to have the opportunity to have dental coverage as well.

Sonal Ambegaokar, Senior Attorney, National Health Law Program and the Health Consumer Alliance, appreciated that the recommendation is focused on the consumer's and not providers' needs. Based on their experience with setting people up to opt in rather than having to opt out, they conclude (and statistics show) that embedded plans will help ensure that consumers get the access they need.

Janice Rocco, Deputy Commissioner of Health Policy and Reform, California Department of Insurance, supported the staff recommendation and supported encouraging QHPs to offer embedded products for 2015. This is what is being sold outside the exchange and thus would be consistent with outside market. In the individual and small-group markets, all 10 essential health benefits should be covered, so the provisions and state laws are not different from one-another. Addressing concern about cancellations—she says that if a product comes to them with an amendment in coverage or network for 2015, they as the regulator would consider an amendment, which does not require cancellation. The carrier gets to decide if it is cancelling something, as long as it will be offering policyholders a new policy that is equivalent.

James Bingham, Health Care Consultant, expressed that a 10.0 option could be considered a modification, but it would still be considered a different plan. Adding pediatric dental would impact actuarial value, so that would require tweaks. If someone comes up with a 9.5, they will need to also have 9.5s designed. They do support the recommendation.

Beth Capell, Health Access California, was disappointed to see that a number of families are not purchasing dental coverage for their children. Prior to January 1, there was no requirement that pediatric dental be offered in the individual market, and it was virtually unavailable. She would not suggest delaying the decision. Covered California will need to consider a new benefit design. They have supported an additional standalone plan for continuity of care. They believe the staff recommendation addresses the concerns that have been raised by all parties.

Discussion:

Mr. Lee noted that the plans seem concerned about a level playing field. Covered California is not encouraging, but must allow a 9.5. If a plan did submit a 9.5, staff would commit to working with the other plans. A fair and balanced portfolio is important.

Board Member Ross looks forward to this issue being decided. Everyone uses buzz words to defend their positions; if you believe all of them, this issue is about optimizing and maximizing consumer choice. However, the current market actually undermines the

opportunity for children to get the benefits they need. Sometimes Covered California must be a hard-nosed contractor.

Motion/Action: Board Member Belshé moved to accept the staff recommendation. Board Member Ross seconded the motion.

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

Mr. Lee noted that there has been a great deal of analysis of this issue, and that the recommendation adopted by the Board seemed the best fit. Now they can proceed with evaluating benefit designs.

Discussion: Covered California Enrollment Assistance Regulations

Mr. Lee explained that the Board would need to readopt regulations for CECs and adopt navigator regulations. There would also be a new draft program presented, for certified application assisters, who would be uncompensated. This program will be acted on next month.

Sarah Soto-Taylor, Deputy Director, Community Relations, presented.

Presentation: Enrollment Assistance Regulations

Certified enrollment counselors (CECs) are the enrollment assisters who currently receive \$58 per completed application, paid to the Certified Enrollment Entity (CEE) after effectuation of coverage. The navigators program, required by federal rules, is a competitive grant program for organizations doing outreach, education, and enrollment. The navigators program is funded through the QHP fees. Certified application counselors (CACs) would be part of a new, third program which focuses on enrollment without compensation. Federal rules require this. Health care providers and insurers who cannot assist for compensation can assist in general as CACs as long as they disclose the conflict of interest (if any).

Discussion: Certified Enrollment Entities and Counselors

Discussion: Navigators

Discussion:

Board Member Belshé noted that there seems to be a focus on enrollment, not utilization. Are there currently programs in place educating the newly enrolled how to access care? There are several programs, but are we investing in helping newly enrolled consumers work through access to care?

Ms. Soto-Taylor responded that utilization assistance is currently absent but may well be a focus in future rounds of grantees. The existing grants are focused on awareness and enrollment due to the ambitious enrollment goals. Enrollment entities will get a renewal fee of \$25 if people they enrolled renew.

Board Member Belshé is interested in engaging the broader community in moving toward utilization education, especially since many newly insured people are unaccustomed to the system and don't know how to access care.

Public Comments:

Autumn Ogden, Policy Analyst, California Coverage and Health Initiatives, noted that they are happy to see the certified application counselor program being brought forward; this will be a great way to expand enrollment. They are concerned about the new requirement of a California ID or driver's license. Additional requirements create additional barriers for assisters. The funding won't be enough, especially since the efforts are not targeted at the utilization piece. They would like to encourage staff to conduct analysis of the actual cost to run the program. They encourage Covered California to carry its fingerprinting policy over to the other assistance programs.

Doreena Wong, Project Director of the Health Access Project, Asian Americans Advancing Justice, asked Covered California to continue its policy of covering the cost for fingerprinting and background checks, as smaller community-based organizations can not cover the expense. The trainings and curriculum for the CECs need to include more information on the Medi-Cal component. They want stakeholder input and DHCS's review and approval of that content. There's a requirement that says CECs cannot add their number after the consumer initially applies, but that is problematic because a lot of consumers only come to them after they begin an application and get confused.

Sonal Ambegaokar, Senior Attorney, National Health Law Program, agreed with Ms. Wong's comments and added that the ID requirement is difficult for many promotoras, who would be trusted messengers for the Latino community. In terms of training standards, which need to be beefed up, they want to encourage Covered California to train its enrollment counselors to screen families holistically, automatically informing families if they are eligible for any other assistance programs, such as CalFresh.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, expressed that they are seeing a clear shift in patient questions toward being more focused on utilization.

Denise Lamb, Black Women for Wellness and the Having our Say Coalition, noted that while they are an outreach and education grantee, they haven't applied for the navigator program. Since they help people sign up but do not get credit, and since they help people sign up who then don't pay, they wonder if it is worth their while to apply for the navigator program.. The \$58 reimbursement for signing people up should be reconsidered.

Ellen Wu, Executive Director, California Pan-Ethnic Health Network, voiced that the data gathered during enrollment can be used to target the \$5 million to those communities who aren't adequately enrolled. She also underscored that coverage does not equal access. Enrollment activity is not separate from counseling people on how to navigate the

health insurance system. They consider that to be a part of the outreach and education grants.

Linda Leu, California Research and Policy Director, Young Invincibles, agreed with Ms. Wu's comments, and mentioned that young people may be insured for the first time, but they won't know how to use it. Not providing support for that is problematic, and could mean young people are being convinced to buy something they don't get any value from because they don't understand how to access the benefits.

Kiwon Yoo, Insure the Uninsured Project, thinks it's important to emphasize utilization in the navigator program. They realize that Covered California funds can only be used for Covered California purposes, but it's important to teach Medi-Cal members how to use their coverage as well. It would be good to look into synergistic funding opportunities.

Chairwoman Dooley said she remembered from the conversation last year about the model contracts that Covered California asked its plans to help the newly insured understand how to use their products, and that obligation also rests in the regulatory scheme of Department of Managed Healthcare and Department of Insurance. Systems are in place, and though there is more to be done, there are avenues after enrollment.

Mr. Lee said it's not necessarily the case that they wanted enrollment counselors to also be utilization counselors. People do need to be set up for how to use their benefits on a broad basis. Health plans need to be held to account for ensuring that people have access to care.

Motion/Action: Board Member Kennedy Ross moved to adopt the staff recommendations. Board Member Fearer seconded the motion.

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

Discussion: Certified Application Counselors

Ms. Soto-Taylor continued the presentation by outlining the regulations for the Certified Application Counselor (CAC) program. She highlighted one component that says Covered California will not be paying for the fingerprinting of CACs. She also noted that CACs must inform both consumers and Covered California of any conflicts of interest.

Discussion:

Board Member Fearer asked if this component is required under the Affordable Care Act. He inquired about how it is different from and works with the other programs in place.

Ms. Soto-Taylor explained that there have been entities that don't fit into the other programs, such as plans participating in the Medi-Cal program or providers who would have conflicts of interest if they were compensated. The federal rules have requirements for conflicts of interest. There is also a federal requirement to establish a home for these entities.

Mr. Lee said some of these entities will be important for enrollment. They'll be called certified enrollment counselors too, but we need to be clear to consumers that they can get help enrolling from a number of places.

Public Comments:

An unidentified speaker said this has been a long and hard winding road. Medi-Cal managed care plans that are not QHPs and weren't originally in the exchange are barred from being either plan-based enrollers or enrollment assisters. They do a lot of enrollment at the county level and are glad that these regulations are coming out. She thanked the staff. They were in the awkward position of training the county's enrollment assisters but couldn't enroll anyone.

Betsy Imholz, Director of Special Projects, Consumers Union, said they didn't see among the materials for the CAC program a requirement for culturally and linguistically appropriate materials.

Discussion: Qualified Health Plan Recertification and New Entrant Policies

Mr. Lee affirmed that Covered California is seeking to have as little burden as possible on current plans because they are being closely monitored. New entrants will follow a process building on the past process. Staff will seek Board approval next month. This needs to be settled so next year's plans can get working on their products.

Presentation: **Proposed QHP Recertification and New Entrant Policies and Process**

Leah Morris, Senior Clinical Consultant, Health Plan Management, presented on the proposed 2015 QHP Recertification and new entrant policies, generally referring to these as "applications."

Discussion:

Mr. Lee appreciated the staff's work. They made a very separate policy with regards to Medi-Cal managed care plans being allowed to enter still. In a point of new growth, they want to continue welcoming new plans. They will bring draft benefit designs forward next month for action the month after. They are not currently planning to change the benefit designs other than how they must change them as required by law.

Board Member Belshé said that while they are eager to get down to quality measurement and delivery system reform, the staff approach of keeping things the same and evaluating based on data gathered along the way makes sense. She inquired about the attestations of compliance with supporting documentation required as part of the recertification process.

Ms. Morris explained that they are still discussing what to require of plans in addition to be compliant with the QHP contract. If a plan has a change in its ECP network, they should inform the exchange what the changes are and how they may affect what was already approved. If a plan is accredited but will be changing, it should explain how that will affect its accreditation status. If there are changes relating to consumer fraud protection, the plan should explain what it is doing to protect consumer information.

Ms. Belshé asked if the supporting documentation is supposed to be from regulatory agencies, and if the attestations are relating to network adequacy. Will there be other sources of information to help inform Covered California's determination?

Ms. Morris noted that there will continue to be regulatory reviews.

Public Comments:

Betsy Imholz, Director of Special Projects, Consumers Union, voiced that California has so much to be proud of in terms of how it augmented the federal minimum requirements. There is a lot of confusion relating to deductibles.

Beth Capell, Health Access California, echoed Ms. Imholz's comments. Covered California did not fully standardize benefit designs with respect to deductibles across PPOs and HMOs. Please consider that this year. Regarding cost-sharing reductions, perhaps for an actuary spending two months' income on a night in a hospital, it's not a big deal, but for someone below 250% of the federal poverty level, it's a lot.

Jen Flory, Senior Attorney, Western Center on Law and Poverty and the Health Consumer Alliance, stated that plans are supposed to be covering people. They have heard some plans have a "whatever it takes" model, but some plans keep sending people back to Covered California. Some enrolled consumers can't get the treatment they need. . They have concerns about lower-income seasonal or hourly workers, who will be bouncing back and forth between Medi-Cal and Covered California; they need to be able to use their benefits immediately. Plans are supposed to be reporting on at-risk consumers, and they would like to see mention of that in the renewal documents.

Brianna Pittman, Planned Parenthood Affiliates of California, thanked staff for their work with California Family Health Councils to ensure the inclusion of family-planning clinics in the list of 340(b) organizations. They were excluded last year. This will be very helpful in promoting access to reproductive health care.

Ellen Wu, Executive Director, California Pan-Ethnic Health Network, agreed about the need for additional standardization, particularly with regard to deductibles.

Athena Chapman, Director of Regulatory Affairs, California Association of Health Plans, asked for an adjustment in the timeline, so that they could submit rates and networks in early June rather than May, allowing plans more time to get more accurate rate information and yet still leaving adequate time for their review. Final benefit design won't be completed until March and April. Most expect the open enrollment period to be moved back a month so that gives them a month on the back end.

Ruth Liu, Blue Shield, echoed Ms. Chapman's comments, and voiced appreciation for a streamlined application so that they can focus on enrollment and access to care. They would also appreciate a June 1 deadline for submission of rates. It would also allow for

more competitive pricing, since people enrolling later in open enrollment will likely be healthier than those who enrolled right away.

Mr. Lee expressed that the draft federal regulations are proposing that next year's open enrollment be November 15, 2014–January 15, 2015. They will need to see how that syncs up with state law. However, it is true that the more time plans have to consider their rates, the more thoughtful they can be.

Board Member Fearer inquired about when coverage would begin if enrollment ends January 15. He wondered if plans would have to extend through January 15.

Mr. Lee said when coverage would begin would depend on when people enroll or renew. They do have significant concerns about a two-month enrollment period instead of a six-month one, regardless of when they start. It seems that it would overtax the system.

Agenda Item V: Covered California Program Reports

Discussion: Eligibility and Enrollment Operations Report

It was determined that this had been covered in other agenda items.

Discussion: Financial Report

Chairwoman Dooley asked if anyone had any questions about the financial report that had been shared.

Discussion: None

Public Comments: None

Agenda Item VII: Adjournment

The meeting was adjourned at 4:34 p.m.