

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD

February 20, 2014

722 Capitol Mall

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 absent:

Robert Ross, MD

Agenda Item II: Closed Session

Chairwoman Dooley called the meeting to order at 12:00 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 January 23, 2014.

Presentation: January 23, 2014, Minutes

Motion/Action: Board Member Kennedy moved to approve the January 23, 2014, minutes. Board Member Belshé seconded the motion.

Discussion:

Ms. Belshé identified an unnamed speaker from the January minutes as Sumi Sousa.

Public Comments: None

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

Agenda Item IV: Executive Director's Report

Peter Lee, Executive Director, explained that action for the certified application counselor program regulations would be delayed until the March meeting.

Discussion: Announcement of Closed Session Actions

The Board took no actions in closed session. Covered California is putting together a request for information for how Covered California could engage web-based agents. The Board will seek input and comments from vendors, advocates, and plans.

Discussion: Executive Director's Updates

1. Enrollment Update

Presentation: Executive Director's Report

Mr. Lee noted that the Executive Director's Report would focus on enrollment and key operational issues. He also noted that the board would take action on the certified application counselor program in March.

We are two-thirds of the way through open enrollment and are seeing a lot of progress. 2.6 Californians have gone through the eligibility process, and 728,410 individual plans were selected through Covered California as of January 31st. 1,529,000 individuals were enrolled in Medi-Cal as of January 31st.

Things were falling through cracks for the SHOP, so staff has converted to paper applications, which is consistent with the current small-business market. As of January 31st, 571 small businesses have applied for coverage.

Board Member Fearer asked about the likelihood of meeting or exceeding base enrollment projections, and Mr. Lee said if the 80 percent holds, enrollment will definitely exceed the base projections. These numbers represent fully paid-for, effectuated coverage. There was a lot of growth in January.

We are not surpassing our hopes and expectations in the Latino community, but 28% of individuals enrolled in January were Latino. This is a good new trend.

2. Operational Update

Yolanda Richardson, Chief Deputy Executive Director, presented the operational update, showing the highlights of what has been accomplished since last month's update. Continuing operational improvements include: Addition of 250 staff-members to service centers, increased bilingual service center capacity (40 representatives are Spanish-speaking), increased chat resources, ongoing improvements to Spanish website and collateral, and added dedicated phone support lines for agents and certified enrollment counselors.

Mr. Lee noted that the vast majority of initiatives have already been completed, and some are in progress.

Board Member Belshé commended the team for listening and learning and then taking action based on feedback. The changes, such as new-staff training, will take some time. She asked when we might see wait times decrease.

Ms. Richardson anticipates staff starting on March 3rd, which should impact wait times. They will also have to evaluate if volume is also increasing at that time.

Board Member Belshé asked if the insufficient or unclear notices, which were driving a lot of calls, have been resolved.

Ms. Richardson said there has been a decrease in the number of calls related to the notices.

Mr. Lee expressed hope that call wait times will drop even before the new service center representatives start. There is currently a problem with the site, which causes more calls. The special line for insurance agents and certified enrollment counselors not only serves them better, but it also frees up more lines for consumers.

Board Member Belshé said one of our fundamental goals, the one touch and done enrollment, isn't playing out. She wondered if that is because everything is new or if that will continue to be the case in the next open enrollment period.

3. Marketing and Outreach Update

Garrison Rios, New Director of Communications and Marketing, updated the Board on refocused marketing efforts. They are looking at taking some of the data they have received and making changes based on areas of greatest need. He's reviewing the resources to create a new strategic direction, using information coming out of focus groups. In the Latino community, they found a need to spread the message about what Covered California is, how it works, and how people can find local free assistance.

. The new "I'm In/Tengo Un Plan" TV ads will direct people to the website, where they can find local assistance. TV ads, radio ads, billboards, and bus shelter ads will appear in the community in various languages. New sales and support collateral for in-person enrollment has been created, including: Local resource guides, printed "proposal," paper calculator, printed applications in multiple languages, and student-specific collateral (speaking to millennial audience). In-person enrollment (already at about 26,000 people) is being supported and expanded. Mr. Rios introduced the digital toolbox, which comes from their social media platform.

Mr. Rios concluded by providing an overview of regional coordination in targeted areas. , Board Member Belshé welcomed Mr. Rios. She requested a local-events calendar be shared with the Board so they can attend.

Mr. Lee added that the efforts are all about what is happening in communities. We want everyone to be engaged and on board. We need to work on maximizing enrollment right now, and also learn from what worked and what didn't at the end of the next six weeks.

Mr. Lee noted that they have taken down the provider directory and replaced it with links to the plans' provider directories. They wrestle with putting the consumer first in terms of accurate information. They will keep the Board updated.

Discussion: Legislative Update

David Panush, Director of External Affairs, presented a legislative update. The deadline for submitting new bills for 2014 has passed.

Presentation: Legislative Update

Mr. Panush highlighted several pieces of legislation Covered California is tracking, including a bill that would permit those who don't qualify for Covered California because of their immigration status to enroll in a newly created parallel exchange. Mr. Panush also reported on other key bills that propose to address a variety of issues impacting Covered California, including renewal of grandfathered plans, increasing the size of the Exchange Board, Exchange annual report requirements, Exchange disclosure of personal information, and Exchange contracting requirements.

Mr. Lee expressed that there is an appendix of operational updates with far greater detail. The changes should have a positive impact on the service levels. The counties have done an excellent job once the handoff is made.

Board Member Fearer inquired whether it is appropriate for the Board to take a formal position on proposed legislation?

Mr. Lee said it's challenging to take position, because Covered California cannot lobby. It is appropriate for them to collaborate with and educate legislative staff regarding impacts of legislation. He can consult with counsel to get more clarification.

Board Member Belshé said it would be helpful to get clarification. There is a difference between policy and law, and she would be surprised if as a government agency, Covered California could not take a position. The Board may wish to have a policy against that, and that would be different.

Mr. Panush explained that the difference is that Covered California still has federal funding, which comes with prohibitions against lobbying. Once the exchange is self-funded, that will change. And Covered California does provide technical assistance.

Mr. Lee said staff will look more into the issue.

Board Member Belshé said she could see a situation arising where the Board may wish to be more aggressive if they were legally permitted to do so.

Public comments:

LeVonne Stone, Executive Director, Fort Ord Environmental Justice Network, is concerned that not enough emphasis is being put on the certified enrollment entities and counselors. They have to give all their personal information, but have received no funding. They are receiving background checks like state employees but are not being compensated like state employees.. She feels that the African-American community always seems to be left out of decision-making processes and funding in California.

Betsy Imholz, Director of Special Projects, Consumers Union, noted that they will comment on web-based agents. They understand why the provider directory had to be taken down, but would like to emphasize its importance. For consumers, knowing if your doctor is included is critical. They would like to collaborate on the underlying issues.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law & Poverty, congratulated the Board on the numbers. She agreed with Ms. Imholz's comments. They did not hear much about CalHEERS and customer service, and appreciated the counties' good work. There are a lot of problems with CalHEERS. There are some significant computer problems and paperwork backlogs.

Chairwoman Dooley reiterated that people have been receiving Medi-Cal as "presumed eligible."

Aidan Hill, former Project Manager, Covered California call center, alleged that Covered California contractors engaged in fraud and abuse which was subsequently covered-up by Covered California leadership. He additionally stated that he was unfairly terminated, and asked the Board to investigate and hold the contractors and managers responsible.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN) and the Having Our Say Coalition, appreciated Covered California for its hard work as a startup and its focus on communities of color. They hope to see how that affects the hotline for limited English proficient communities. They hope to see paper applications in other languages soon.

James Moore, Certified Patient Advocate and Health Insurance Broker, Health Advocacy for Lifenoted that Medi-Cal enrollment splits families. Could we keep families together by allowing people to opt into Covered California and receive a subsidy, rather than enrolling their kids in Medi-Cal? Many small businesses won't be able to keep their providers in the individual exchange.

Maggie Ta, Community Organizer, Mid-City CAN and the Having Our Say Coalition, wished to add on to Ms. Sanders's comments but noted that consumers don't know what to do once they are enrolled. There needs to be a protocol so they know what to provide for their consumers.

Roberta Padea, SEIU 521, still believes that the county workers are the best ones to receive the warm handoff. Anything new and large that is time sensitive like this will involve some problems and issues.

Sonya Vasquez, Policy Director, Community Health Councils stated that people's need for assistance is greater right now while the exchange is new, but we should consider the ongoing need too. OneLA and LA Voice have done a lot with the faith-based community in terms of enrollment events.

Kim Alexander, President and Founder, California Voter Foundation, appreciated the update. They hope that they could hear regular updates on voter registration at Board meetings. The online integration of voter registration is the highest priority but also perhaps the most challenging. They are looking forward to integrating voter registration into mailings too.

Denise Lamb, Black Women for Wellness and the Having Our Say Coalition, thanked the Board for Ms. Richardson's report acknowledging things that have gone wrong and corrections we are making. People sign up for insurance and pay for it, and then they have trouble accessing care. They need their hands held to try to get access to care. She suggests that Covered California puts some money into utilization.

Michelle Romero, Policy Director, The Greenlining Institute, voiced agreement with Ms. Alexander. They are concerned about how to capture those who have fallen through the cracks during this first enrollment period, such as a mass mailing in all languages. The secretary of state already has materials available in nine languages. There is training in development, so they hope to see that soon. They are excited about the updated enrollment efforts toward the Latino community, and found the "Yo Tengo Un Plan" ads particularly compelling and empowering. She is worried that the ads around the deadline are confusing in that it sounds like if people are willing to pay a fee, they could potentially register after the deadline.

Mari Lopez, Policy Director, Visión y Compromiso and the Having Our Say Coalition, voiced appreciation for the effort and hours put in. She echoed the comments of Ms. Sanders and Ms. Vasquez. They still find many challenges in getting certified, such as delays.. They appreciate the work that has been done on the digital divide, but there is still a digital divide in the Latino community.

Fiona Lavelle, Program Manager, California Family Resource Association, was glad to hear about the investment in additional staff at the service centers. She wondered if that staff was also going to work on the backlog of leads submitted. . They are concerned that they won't be contacted in time. Many of those consumers are unlikely to have taken additional steps since they have been told to expect a follow-up.

On phone: Robin Nydes, Private Citizen, voiced that there should be penalties for insurance companies, not just consumers. There is no evidence that the complaint system is working. Senator Boxer's office responded, though Covered California did not.

On phone: Mark Allen, Licensed Health Insurance Agent, expressed that letters about premium subsidies need a change of wording. They cause those eligible for Medi-Cal to think they are not eligible for anything.

Betsy Estudillo, Health Policy Coordinator, California Immigrant Policy Center and Latino Health Alliance, thanked Covered California for its targeting of the Latino population, but noted that forty new staff will not be enough for the large number of Spanish speakers in the state. The ads addressed confidentiality, but that should be stressed more to put the Latino community at ease. We need more people on the ground.

Tamika Butler, California Director, Young Invincibles and the Having Our Say Coalition, agreed with Mr. Allen's comment about the confusing letter. It would be good to invest in teaching people how to use health insurance, educating them on what deductibles and co-pays are but also why they should go to the doctor instead of the clinic or the emergency room. Many young people will qualify for special enrollment periods, so they will still benefit from having the voter registration piece up after the open enrollment period.

Doreena Wong, Project Director, Asian Americans Advancing Justice, the Having Our Say Coalition, and the Health Justice Network, echoed the comments of her Having Our Say colleagues. There must be a commitment to retention, education, and utilization. The bilingual staff shouldn't just be for interpretation but also for translation of materials. The hiring of a cultural and linguistic coordinator would be key.

Nina Weiler-Harwell, AARP, commended the Board. She indicated there had been problems with the paper applications and wanted to make sure that had been rectified, especially now with the multicultural outreach. She had the same concern about the SHOP. She also had concerns about the process of income verification, which she said has been frustrating for some, especially those with unusual income situations. She would like a designated, knowledgeable liaison to whom she can refer those with issues.

Sonal Ambegaokar, Senior Attorney, National Health Law Program and the Health Consumer Alliance, congratulated the Board on enrollment numbers. Now the focus needs to move toward helping consumers access care. She indicated concern about enrollment barriers, specifically frustration due to representatives' inability to make changes, causing potential enrollees to give up. They would like to see more coordination and reporting from DHCS in terms of pending versus denied/terminated applications.

Suzie Shupe, Executive Director, California Coverage and Health Initiatives, stated that in addition to the barriers in the application process, the way outreach and enrollment is done is a barrier because it does not fit with a one-time reimbursement of \$58. They are looking to Covered California to build in compensation. She noted that now that CCHI

must use paper applications because CalHEERS is down, they have to work on a single application as many as three times, but they are only getting compensated for it once.

Beth Malinowski, Associate Director of Policy, California Primary Care Association and the Latino Health Alliance, stressed the importance of the fingerprinting and background check process for certified enrollment counselors. Some counselors were hired as long ago as October, and they are being paid, but they cannot start enrolling consumers because they are stuck in the system. She asked that a provider directory be made available as soon as possible, hopefully shortly after the current open enrollment period.

Michelle Cabrera, SEIU, offered brought up that there are many Latino populations in California, and that the commercials will only speak to one segment. Is it a good idea to let trained counselors go after this enrollment period and just hope they are available when they are needed for the next open enrollment period?

David Chase, California Director, Small Business Majority, voiced disappointment in the online enrollment for SHOP being taken down, particularly as it was a unique feature to SHOP. They would like a chance to review the site before it goes up again. He also requested enrollment numbers in the individual exchange specific to self-employed consumers.

Tarik Takkesh, Covered California Program Coordinator, Access California Services, indicated that the enrollment guide and 12-page brochure have been very helpful, but that the paper calculator is not very informative or explanatory. Access California is the only Covered California enrollment entity that serves the Muslim and Arab communities, and they have predicted they will reach their goals within the next two weeks.

Rick Wells, President, RL Wells & Associates, requested to hear as soon as possible what the specific date range for the next open enrollment period will be. He recommended a designated Medi-Cal liaison be at each entity/agency. He also recommended that proactive maintenance and programming be done in advance of the approaching enrollment deadline.

Beth Cappell, Health Access California, compared the purchase process and cost to that of buying a car. She suggested that for the next enrollment period, the process be approached from the perspective of consumers who are uncomfortable using the Internet.

Chairwoman Dooley emphasized that integrity is critically important, and directed counsel to investigate the cover-up allegations. Some of the questions brought up about mixed-status families and the ability to hire one's children but not one's spouse illustrate that there are sometimes unique rules or problems in laws and programs. The bill was designed to work in certain ways and sometimes things don't work perfectly. It will be a while before the underlying laws and programs can be adjusted, but currently the bill provides for either Medi-Cal or Covered California. The Board does listen, but it cannot always take action. It is keeping a list of potential adjustments.

A year ago, the Board presented a model contract with a requirement that the plans have an obligation to orient their new members to insurance usage. It's the Board's obligation to ensure that the plans meet those requirements and follow up appropriately. The regulators are providing oversight.

Mr. Lee reiterated that Covered California is a learning organization. It takes lessons into account for actions taken today and in the future. Many comments reflected that spirit. With regard to issues of integrity, the Board and staff hold themselves to a high bar of transparency. Staff is looking at payment for certified enrollment counselors. The navigators program is a combined program for outreach and enrollment. Staff is considering the right payment mix. Mr. Lee is glad we are talking about utilization. There is a defined expectation of the plans that they ensure people have access to care. The goal is not just enrollment; it's access to care. Staff follows up when people raise concerns. Staff followed up with the individual who called in last month having problems. Staff has also set up escalation processes. Mr. Lee also thanked the health plans, who have struggled with huge volumes and thus are also not hitting their own service levels. However, he has appreciated that when the plans have problems, they are working on it. CalHEERS is not working as nimbly as we would want. It needs improvement. The system has been up 99 percent of the time. That is good, but not perfect. Programming changes is not simple. Continuity of care is important. Every plan has their most current provider directory, and links to those directories appear on the Covered California website. Staff is working on getting a provider directory back up, but we are not ready yet.

Board Member Belshé said we spend a lot of time talking about visions, mission, and values. Our vision is about health, not coverage. The conversation is going to move from coverage to access to services to health. We all have a role in all the issues around this. Who plays what role is being considered. It would be good to have a discussion at a Board meeting on the topic of moving from coverage to health. A culture of coverage is all hands on deck; a culture of health will be as well.

Agenda Item V: Covered California Policy and Action Items

Presentation: Covered California Policy and Action Items (for all discussions in agenda item V)

Discussion: Qualified Health Plan Recertification and New Entrant Regulations

Mr. Lee pointed out that advocates, health plans, and clinicians and others have been very engaged. Covered California will be building on and using what it did last time. This is not the year for a major overhaul. That can happen in 2016. They have carried over a lot of comments for that point.

Leah Morris, Senior Clinical Consultant, Health Plan Management, presented on renewal and new entrant applications policies. Guiding principles that were used in developing these applications include: Partnership, a stable portfolio, evaluation to focus on data (where available), and transparency. She presented QHP issuer, Standalone Dental Plan and Family Dental eligibility for renewal and new entrant application (in individual market and SHOP).

Requests for the deadline for rate, network and other data submissions to be extended to June (from May) were received. Considerations were taken to accept the extension to June if open enrollment is extended to November. If open enrollment remains October, then the application due date remains May. Technical questions were received regarding reference libraries, submission requirements and formats, clarification of application expectations. Application libraries are included with the application and submission requirements have been clarified. Highlights of changes to applications over the course of the month include: Added a request for applicants to demonstrate method of compliance with federal requirement to serve the unbanked, modified request so some SERFF templates will only be required after certification, rather than with initial application, corrected attachments to dental applications to assure congruence across all application documents, and clarified the request for information on QHP approach to offering embedded pediatric dental benefits.

Board Member Fearer said he skimmed the health plan materials, and he saw a requirement for plans to submit provider lists, but he did not see any requirement that they submit timely updates.

Ms. Morris noted that they do quarterly updates with the current QHPs, and the model contract for new entrants asks for timely updates.

Motion/Action: Board Member Fearer moved to adopt the staff recommendation for plan recertification regulations. Board Member Belshé seconded the motion.

Public comment:

Beth Cappell, Health Access California, commended to the Board the staff's recommendation, which is a practical way to renew for this year. She suggested adding call center standards for health plans and that Covered California begin reporting on their plan partners' performance and enrollment numbers, just as it does for the county partners.

Rick Wells, president, RL Wells & Associates, noted that along with a provider list, there should be a prescription list provided. People are enrolling and they don't know that their drugs aren't covered.

Mr. Lee appreciated everyone's work, noting that this is a growing process. They have received a number of comments and will be looking at how people are getting access to care.

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

Discussion: Proposed 2015 Standard Benefit Designs

Leesa Tori, Senior Advisor, Plan Management, presented on proposed standardized benefits designs. Criteria for proposed changes in benefit design include: Only minimal changes are to be made from 2014 benefit designs, portfolio price stability year to year, price sensitivity of dental insurance update, preserve pediatric cost sharing as feasible in context of out-of-pocket maximum change, and create appealing family dental option

with separate design. Ms. Tori's overview of proposed changes in benefit design included: Kept coinsurance and copay plan designs for health and dental, ran all 2014 health plan benefit designs through proposed 2015 AV calculator, made changes to health plan design primarily to bring design into AV ranges using proposed 2015 calculator, and conducting independent actuarial analysis of dental plan designs. Potential amendments to the Qualified Health Plan and Dental contract include: Inclusion of dental benefit in the Qualified Health Plan contract, and inclusion of family dental benefit in the stand-alone plan contract.

Board Member Fearer asked how the deductibles will coordinate between dental and the other essential health benefits?

Ms. Tori said there will be no pediatric deductible. They will have to accumulate to an out of pocket maximum, and that is separate. Staff has not yet figured out how to accomplish this technologically in terms of information sharing. These will come up for action at the next meeting.

Public comment:

Beth Capell, Health Access California, suggested in August that the 2015 benefit design be started, but they only just now received the proposed 2015 benefit design. They appreciate the choices the Board is facing and the decision to defer changes, but were disappointed there was not more robust discussion about benefit design changes before this year. One of the changes not previously noted by staff is the aligning of deductibles for the silver products in such a way that it would increase the use of deductibles. This is a concern because so many enrollees have chosen this product. There should be a much more robust and inclusive process in further changes to benefit design with a focus on the designs that have mattered most to the consumers.

Betsy Imholz, Director of Special Projects, Consumers Union, understands wanting to gather evidence before making too many changes, but looks forward to getting to work early on actuarial issues, such coinsurance issue. She reminded the Board of an ever-increasing need for better consumer information and stated that the webinar raised some complicated questions. She suggested signals and flags as web tools, and more educational materials, including a summary of benefits and coverage for dental.

Jen Flory, Senior Attorney, Western Center on Law & Poverty, commended the Board for the co-pay for generics going down, as well as for having no deductible for the embedded dental plans, which allows dental to be preventive. She expressed disappointment that the coinsurance issue has not been addressed.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN), stated that they also are very concerned about coinsurance, because people just do not know what that means.

Athena Chapman, Director of Regulatory Affairs, California Association of Health Plans, indicated that they are happy to see minimal changes to the design this year. Going from

\$1000 to \$300 in the dental out-of-pocket maximum seems pretty drastic and they will be monitoring feedback on that. There is still some confusion about how the standalone dental product will work when someone already has embedded dental. They are concerned that the integrated medical and pharmacy deductibles may not follow the actuarial value instructions.

Nicette Short, California Dental Association, noted that there are still some outstanding details that must be addressed, such as that the federal actuarial calculator does not take into account the dental component. The rules and regulations related to the dental networks will have to be considered to ensure that everyone adheres to the same standards and people have access to services.

Discussion: Covered California Regulation Readoptions

Gabriel Ravel presented. These were emergency regulations up for re-adoption.

1. 2014 Standard Benefit Designs

There are no changes to the standard benefit design regulations.

2. Fingerprinting and Criminal Background Checks

There is one small technical change to accommodate a change in state law effective this year. It's no longer legal to consider convictions that have been judicially dismissed or sealed.

Motion/Action: Board Member Kennedy moved to re-adopt the 2014 standard benefit design with no changes. Board Member Fearer seconded the motion.

Motion/Action: Board Member Kennedy moved to re-adopt the fingerprinting and background checks regulations, including the technical change required by state law. Board Member Belshé seconded the motion.

Discussion: None

Public Comments: None

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

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

Discussion: Certified Application Counselor Regulations

Groups that may have some conflicts can now be assisters, according to federal law.

Sarah Soto-Taylor, Deputy Director, Community Relations, presented on the various kinds of assistance that are available. These include: Certified insurance agents, plan based enrollers, certified educators, certified enrollment counselors, navigators, and certified application counselors.

Board Member Belshé felt that if leads were generated through hands-on interaction, it may not be very effective to follow up by email.

Ms. Soto-Taylor agreed that the marketing team is considering if there are other ways to reach out before the open enrollment period closes. She also clarified for Board Member Fearer that navigators are technically counselors, though they do not receive a payment per enrollment. They are paid by grants.

One example of a certified application counselor would be an organization that works with a hospital, doing outreach to the uninsured. Medi-Cal managed care health plans can also be CACs. It may be required that organizations submit proof of experience providing health and human services.

Ms. Soto-Taylor continued her presentation with an update on the certified application counselor program regulations. She went over articles and sections that have new additions, and clarifications. Stakeholder feedback and recommendations were taken into consideration.

Discussion:

Mr. Lee voiced that this sort of entity is required by federal rules. These entities don't fit in other categories. It starts with Medi-Cal managed care plans that are not qualified health plans. Staff is considering and is seeking input on how narrow the definition should be.

Chairwoman Dooley feels overwhelmed, but appreciates that groups on the ground are advising the staff on this matter. She would like the maximum number of people helping consumers enroll balanced with maintaining integrity. Those are her guiding parameters.

Public Comments:

Beth Cappell, Health Access California, was challenged by the variety of categories. The presentation last month did not offer clarity on which entities this would apply to. They took another look at the conflict of interest protections and consumer protections and want to consider this in more detail. If this were limited to Medi-Cal managed care plans, they wouldn't want to wait. But the federal list contains many suspect entities, and strong conflict of interest protections will be necessary.

Betsy Imholz, Director of Special Projects, Consumers Union, stated that because this regulation is specifically about entities with conflicts of interest, it needs more work. Though plan-based enrollers have a conflict of interest, Covered California has a contractual relationship with them and that gives the exchange leverage. These other entities are free agents. Consumers Union hopes staff can revisit some of the protections that were contemplated earlier.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network and Having Our Say Coalition, echoed Ms. Cappell's and Ms. Imholz's comments. The current regulations contain better protections. These are entities that have an economic

incentive to enroll people, but there's not a lot of leverage over what they do. They don't want to see misinformation or confusion in limited English proficient or low-income communities, who may not understand what they are signing when asked to sign conflict of interest forms.

Carla Saporta, Health Policy Director, The Greenlining Institute, thanked the staff for holding off on these regulations. She appreciated the cultural and linguistic access language. They want to help improve consumer protections too.

On phone: Unknown caller (name unintelligible) tried to change plans, and lost coverage for the whole month of January. Her doctor bills were unpaid because of this. She is talking to the escalation team.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law & Poverty, found the chart helpful. It's important to have clear conflict of interest standards when these entities by definition have an economic interest on the line. They appreciate some of the changes, including the affordability programs, and they appreciate holding off on this item for now.

Jennifer Kent, Executive Director, Local Health Plans of California, expressed disappointment that this item would not be acted upon yet. Several plans are interested in being certified. They are fine with the steering language. She asks that this does not preclude the county organized health systems with enrolling people in Medi-Cal, because there's only one plan.

Hellan Roth Dowden, Teachers for Healthy Kids, brought up the issue of large school districts doing enrollment. They must do enrollment face to face. They would love to see the allowance of large public entities into the regulations and allow them to do non-face-to-face enrollment, which would get more families enrolled.

Suzie Shupe, Executive Director, California Coverage and Health Initiatives, noted that they are pleased to see this program. The county health plans and the Medi-Cal managed care plans have some of the most vigorous and successful outreach and enrollment programs around. Getting them on board would be great.

Tarik Takkesh, Covered California Program Coordinator, Access California Services, asked if outreach and education entities that are certified enrollment counselors can also qualify as navigators.

Discussion: Financial Report and 2014–2015 Financial Planning Overview

John Hiber, Chief Financial Officer, presented the financial report and overview and provided Covered California's year-to date spend as well as the total anticipated expenditures. The pace of spending increased significantly in December. Regarding program area, we expect that in March, we will be bringing a proposal for an adjustment to our current year budget to provide the additional flexibility to address the proposals that are now queued up. The federal funds will be allocated to Covered California's

2013/2014 budget and 2014/2015 budget, consistent with our enterprise priorities and it will be brought to the board for approval next month and later on for budget year. We will see more information on the per member per month charge in March.

Chairwoman Dooley said in the startup, we had the federal government's acknowledgement of how much investment was required to get it off the ground. Now the organization must figure out how much investment is required to keep it going. In the future, it will entirely be funded by premiums. It will be a balance between how heavy the load can be on the premiums to keep it affordable and get the work done.

Rates have to be approved by May 1, so knowing the financial details by the April meeting will be important.

Mr. Hiber continued his presentation on the audit committee. The purpose of the audit committee is to assist the Board with respect to its responsibility in the oversight of: The integrity of Covered California's financial statements and reports and its accounting and financial reporting practices and controls, Covered California's compliance with federal and state statutory and regulatory requirements, the independent auditor's qualifications and independence, the performance of Covered California's independent auditor and internal audit function, and Covered California's "whistleblower" program. Staff will develop a recommendation for the board to consider at the March board meeting.

Board Member Fearer hopes to be very explicit about what exists in the current infrastructure and what is being contemplated within Covered California. Is there any other kind of audit within Covered California or one being contemplated? It would help to know that.

Mr. Lee said staff is considering this recommendation, as transparency is very important. The committee would likely meet in public. It may be that the Board would meet in full rather than having a subcommittee. A two-member subcommittee that met publicly would still be subject to Public Notice Act provisions. There are many ways that Covered California is held accountable. This is just a piece of a general accountability rubric. This budget will have to be developed while the last open enrollment is still being analyzed. And fiscal prudence will have to be balanced with uncertainty. The very good enrollment is good news. Every dollar the exchange charges adds on to premiums, but the plans are saving money by not having underwriting and by not having to do as much marketing. It's important that Covered California be good stewards of the funds.

Public comments:

Beth Cappell, Health Access California, agreed with these observations. It would be helpful to be reminded of the rules for the per member per month fees, and what the guard rails are that Covered California will operate within. Covered California should invest its own dollars into marketing and outreach.

Agenda Item VI: Adjournment

The meeting was adjourned at 3:30 p.m.