

**CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD**  
**August 21, 2014**  
**Covered California Tahoe Auditorium**  
**1601 Exposition Blvd.**  
**Sacramento, CA 95815**

**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

Kimberly Belshé

Paul Fearer

Board members en route during roll call:

Susan Kennedy

Board members absent:

Robert Ross, MD

**Agenda Item II: Closed Session**

Chairwoman Dooley called the meeting to order at 1:00 p.m. A conflict disclosure was performed; there were no conflicts from the board members that needed to be disclosed.

Chairwoman Dooley welcomed participants to the new Covered California facility.

**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 June 19, 2014.

**Presentation:** June 19, 2014, Minutes

**Discussion:**

Board Member Fearer would like to see the full public comments, not just who spoke. This will be corrected at the next meeting.

**Public Comment:** None

**Motion/Action:** Board Member Kennedy moved to approve the June 19, 2014, minutes. Board Member Belshé seconded the motion.

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

As part of the personnel subcommittee, Chairwoman Dooley announced that Mr. Lee's was awarded a 20 percent lump sum payment as an interim solution as the subcommittee works through their salary survey analysis. Mr. Lee has not had a pay adjustment in three years. She thanked him for his leadership.

Mr. Lee thanked Chairwoman Dooley.

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

Mr. Lee welcomed participants to the new location in the Covered California building. Some logistics will be improved. For the last several years, Covered California has been focused on consumers, but the organization has moved amid that work. The business services team has worked hard to accomplish this. The Department of General Services has also helped a lot. The move happened smoothly.

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

Mr. Lee welcomed Amy Palmer as director of communications and public relations and Kirk Whelan as director of individual and small-business sales.

Mr. Lee described the contracting matters discussed during closed session. The Board augmented the contract for marketing to expand the marketing budget and target the resources. It approved extending the contract with National Opinion Research Center and KP Organization. The timeline has been extended for the contract with Richard Heath and Associates (RHA), though the amount was reduced by \$10 million. RHA has been instrumental in increasing effectiveness and efficiency.

For the Service Center, the Board authorized the renegotiation of the contract with Contra Costa and authorized staff to put out solicitations for a short-term staffing contract during peak open enrollment. There will be a need to have more people on the phones at peak periods.

The Board also approved an extension and augmentation of the First Data Government Solutions contract for business and analytics for CalHEERS. It also approved an extension and augmentation with Vision Integration Professionals for ongoing oversight, independent verification of the CalHEERS build-outs. It approved exercising an option within the contract with Accenture for integration with health-related programs. It will not exercise the contract option for horizontal integration. Covered California will pursue horizontal integration separately. The Board also received updates on pending litigation matters.

#### **Discussion: Executive Director's Update**

Mr. Lee highlighted the reports posted on the website relating to lessons learned nationally, benefit design, and survey results. The latter showed that California voters think that the Affordable Care Act has successfully been launched and that voters think the health care system is working better for the first time in years.

In the appendix to the Executive Director's Report, it says Covered California has been making payments to certified enrollment entities. Covered California also looks forward to paying agents for enrolling Medi-Cal individuals. Staff also provided an update with relation to the navigator program. Hundreds of organizations want to continue to be part of the efforts. It shows commitment and interest, but it also shows that there's more demand than resources. Selected entities will be announced in September.

Covered California has been staffing up the Service Center. Some new staff members have been hired to add to the number of bilingual staff. In May and June, the Service Center surpassed its service-level targets for calls. This did not happen in July because they have taken staff away from the phones to process background papers. They hope to be back at the target for the open-enrollment period. Covered California has continued its very good partnership with the counties.

Eligibility for subsidies is based on a number of factors, including immigration status and citizenship. If consumers apply and they can electronically validate their documents, it goes more quickly. When it can't be done electronically, they need staff to go through the documents. They have cleared over 600,000 documents. With regards to citizenship and immigration status, staff will be doing a series of follow-up communications to let individuals know that they need their information.

Board Member Belshé noted that the requirement to prove citizenship is not unique to California. The federal government has no doubt given direction. Are the action steps exclusively what they say to do or are we taking our own steps to ensure people are given as much opportunity as possible to offer coverage to people?

Mr. Lee explained that the federal government has said they must ensure people have demonstrated citizenship. They have not described how to do that. Covered California is committed to going through multiple routes to gather the information. It has partnered with stakeholders and shared best practice strategies with other exchanges and it has a good, solid approach based on that learning.

Assembly Member Brown and Assembly Member Bradford attended the meeting to speak on behalf of the Black Caucus.

Assembly Member Brown voiced that the Black Caucus has some concerns. They offered congratulations to Covered California for completing the first enrollment phase of the Affordable Care Act, reaching 1.2 million residents. This has given rise to a lot of questions and problems, but it is a tremendous accomplishment. They respect this, but feel profound disappointment at the lack of commitment to a comprehensive African-American outreach strategy. Covered California did not meet its base projections to enroll African-Americans, though it doubled its other projections. The resultant lack of trust could make it even harder to enroll people. The caucus is committed to make sure people know about Covered California. Thousands of eligible African-Americans are not enrolled. They are hearing complaints from the ground that Covered California needs to use trusted messengers and had no comprehensive plan. They don't think this plan will

work. African-Americans will have to pay over \$8 million in penalties to the IRS this year if they don't enroll, and the caucus can't allow that. When faced with similar issues with regards to Latino Californians, the exchange redoubled its efforts, drawing on internal and external resources. Covered California's African-American subcommittee only gives the illusion of inclusion. Covered California is managing the state's participation in the Affordable Care Act, and there is a real danger of serious health consequences in the black community. These concerns have already been raised. Prior public information campaigns have not led to necessary outcomes. They feel they must intervene. They were not told the truth about the media firm hired. Black Californians need equal access to these important programs and they must partner with Covered California. They suggest issuing a Request for Proposal (RFP) and getting an African-American advertising firm with a proven track record, allowing sufficient resources and developing and funding and implementing a comprehensive strategy to enroll 100 percent of African-Americans in the programs they are eligible for.

Assembly Member Bradford noted they have already voiced their concerns. They provided names of qualified firms. They understand the challenges of reaching diverse communities. When showed list of media outreach, they gave advice. They were dissatisfied with the list of celebrity spokespersons identified—he was told they had been identified for their social media presence. Magic Johnson polls higher than most elected officials for being a credible source. Some of the firms used do not buy ethnic media. He is offended. The list he provided was not even contacted. It's a great waste of the caucus's time and it's a great concern to the community. Boys and men of color do not have access to health care. They are committed to work with Covered California, but Covered California must be committed to working to reach communities of color.

Mr. Lee noted that they look forward to more follow-up. Looking at the evidence of who has been touched and enrolled most, started last year with a broad strategy and a specific strategy for reaching various communities of color many areas. They did a good job across those communities. They look forward to discussing where they can improve but also where they've had success. They look forward to working with the caucus and other partners.

Board Member Kennedy feels that Covered California's response should be to take the concerns really seriously.

Assembly Member Brown expressed that they know that Covered California made an effort, but when the outreach went out, the community felt that they were not important. The materials aren't reaching people. There is a disconnect between the message and the messenger. It's not about us. If you have the right person or organization, we wouldn't have so many people who weren't reached. The people who came to speak to them on the ground belonged to a different way of reaching people. Media was used to reach other communities. It needs to be coordinated and include the Chambers of Commerce, the NAACP and the African-American media. An African-American company can provide that coordination. Why is a global firm coming to California to say how to reach African-Americans? Perhaps she should write this every week in the black newspapers.

Chairwoman Dooley appreciated her comments.

Mr. Lee noted that they will follow up and continue to work on these issues. He then moved on to discussing the restructuring of the advisory committees.

**Presentation: Executive Director's Report**

Mr. Lee presented slides on the advisory committees. He explained that the Board has been assisted by a number of advisory committees on plan management, SHOP, and marketing/outreach, in addition to a number of ad hoc demographic advisory committees. Mr. Lee presented a proposal to combine the current committees into one marketing, outreach, and enrollment assistance advisory committee which would specifically integrate the ethnic, community-specific groups into subgroups under the marketing/outreach advisory group: those subgroups would include media and outreach experts as well as representatives from the various diverse geographic, cultural, and ethnic communities. He raised a question of determining term length for these representatives, whether one or two years. Mr. Lee specified that meetings would be held, at minimum, before, during, and after the open enrollment period. In addition, a chair would be selected to facilitate discussion, coordinate agencies, and liaise with staff. The Board is looking for feedback regarding how to make this restructuring work.

**i. Discussion: QHP and SHOP Contracting and Planning Update**

Mr. Lee presented slides on preliminary plan rates. He showed ten plans total, indicating that most areas would have five to six offerings to choose from. The weighted average rate increase is 4.2%, ranging from an actual decrease in premium to an increase of over 8%. However, because some rates of premium assistance subsidies are also increasing, many consumers' actual costs will go down.

Rates will be announced for SHOP September 15.

A press release announced the 2015 dental plans. All offerings already include embedded pediatric dental. Now for 2015, standalone dental will also be offered. Families can purchase these plans as supplemental to the children's embedded dental (for example, to utilize a provider not covered under the embedded dental plan), and adults will be able to choose dental coverage as an addition to their health plan. The enrollment period for dental coverage will be short for 2015 because these changes will not be in effect until early 2015. In order to compensate for the shorter enrollment period and in an effort to maximize adult dental enrollment during this shorter enrollment period, marketing and research efforts such as renewal notices and targeted email messaging will be implemented.

Mr. Lee introduced Anne Price, Director of Health Plan Management. She discussed potential benefit redesign options. First she stressed the importance of having Covered California maintain the philosophy of providing standardized

benefit designs, not just for 2015, but ongoing. Changes should be considered annually based on consumer feedback. Data availability and analysis is critically important in considering changes, and any changes made should be for the consumers' benefit. Changes were considered but not implemented for 2015 because the plan was too new and data was not yet available. Data is still limited; however, some incremental changes should begin in the following areas: coinsurance, deductibles, and cost-sharing for specific services.

Ms. Price showed a projected benefit redesign landscape through 2017, which included actuarial value changes as well as mandatory (federal) changes that will be coming up. She presented a timeline for 2016 benefit redesign, which includes time for stakeholder feedback, a December proposal to the Board, and February recertification for the plans.

Mr. Lee stated that they will constantly be reconsidering benefit design based on evidence. There won't be much data yet for 2016. They want to look closely at coinsurance and cost-sharing, especially. They want continuity and clarity for consumers.

Board Member Fearer made an express request to staff based on the feedback from the Black Caucus. He does not think there is a lot of value in looking backward. It's clear that there were shortcomings and that there is substantial room for improvement. Covered California would benefit from a plan developed over time to do better. There are other communities requiring more work as well. The Board should acknowledge that it has heard the feedback and wants to see improvement.

**Public Comment:**

Anthony Wright, Executive Director, Health Access California, spoke as the newly nominated chair of outreach and marketing advisory committee. They appreciate the proposal to have a fresh start. The meetings have not been as well-timed or well-planned as they could be. There hasn't been enough time. It's both appropriate to have separate subgroups for different populations and to have those committees work together as part of the larger group. Then they can have an integrated discussion while also having specific focus and time and attention to dive deep. It needs to be part of the overall group because outreach is central to the success of the whole endeavor. Having an extra week to take comments would be helpful. One proposal is the question to prohibit grantees from membership. That would be a mistake. The committee includes QHPs and agents, so it should have grantees too. We want people in the trenches doing the work.

Sonal Ambegaokar, Senior Attorney, National Health Law Program, is concerned about overall messaging strategy for the inconsistency policy. There is still concern about immigrants inappropriately getting health care. Anyone who attests that they are citizens will see consequences and so undocumented immigrants rarely do that. We're not weeding out fraud but simply pursuing verification.

They want to know the percentage of applicants that have inconsistency issues with income, citizenship, and immigration status. There needs to be a reasonable opportunity to cure the problem. When income turns out to be less than the Covered California threshold, they want to make sure people are transferred to Medi-Cal. They would also like to see individuals held harmless who received tax credits though their income could not be verified. We have ID proofing coming on, and there will be more inconsistency there. That is important to resolve immediately since people can't enroll without passing ID proofing.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN), voiced that she had raised concerns about lower than anticipated enrollment and was glad the Board took the Black Caucus's concerns seriously. The outreach work group has new energy under the new chair. With regards to inconsistencies, they are concerned that notices are only going out in English and Spanish. These are notices of potential termination of coverage, and the rights of consumers should be considered. They have the right to have translated materials and would appreciate clarification on what that process will look like. This is a truncated process, but they want to be sure people's rights aren't violated. The CMS notice contains taglines in English and she forwarded them to staff in other languages. They also forwarded a notice to CECs that they can use to explain to their clients that this is happening. They can help Covered California through this process.

Edwin Lombard, California Black Media Association, echoed the comments of the Black Caucus. It is clear that the African-American community feels it wasn't informed properly or given the proper information for enrollment. As far as restructuring goes, Covered California is doing it right, but the subcommittees are important too because there are issues specific to each community that should be discussed there. Hopefully those issues of the Black community won't get lost in the process. Covered California should hire a consultant who understands media as far as the black community is concerned. This should be someone who understands how to use credible sources and who can get information down to the root base. Covered California should engage the black chambers of commerce, the Urban League, some faith-based organizations, and the NAACP. He thanked Board Member Fearer for his recognition.

Betsy Imholz, Director of Special Projects, Consumers Union, echoed those thoughts and voiced appreciation for the Board's concern about the issue and redoubling of efforts. They participate in the committee and look forward to greater success. Restructuring is great because the plan management committee has been energetic and effective and it would be a good pattern to follow. They created a road map of prioritization with all the issues. The challenge with that big list is that it is a big list. Evidence is always important, but in this area want to be sure that talk about setting priorities. Consumers are confused by coinsurance. Standardization works well; confusing deductibles don't. They need more than one meeting a month. Plans need time to make new products for 2016. It's

unfortunate that the discrepancies notices are going out right now since the renewal process is also happening. With multiple notices going out, they want to work on notice contents.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law & Poverty and the Health Consumer Alliance, expressed that they understand the CalHEERS decision with regards to horizontal integration. They concur with Ms. Ambegaokar's concerns. Many notices haven't been a model of clarity. Covered California needs to make sure notices are messaged correctly. They appreciate the Board's response to the African-American community. They are disappointed we can't make more changes on benefit design for 2015. They want to move away from coinsurances and make sure that's part of the engagement and discussion for 2016 benefits.

Betza Estudillo, Health Policy Coordinator, California Immigrant Policy Center, voiced that the immigrant community is very diverse so the inconsistency notices should go out in more than just Spanish and English. They are happy to hear about a multiple-touch approach. Immigrant communities are still fearful of deportation, so these notices make them fearful, especially for undocumented family members. Be sure to use people on the ground to share information. There have been many issues with the advisory committees. They are a good place to work on some of these problems. However, the Latino group had a lot of timing issues, they didn't know when the meetings were going to take place and weren't given enough notice to make travel arrangements. Agenda items were sent out morning of the meeting, so it was hard to provide feedback. There should be a real opportunity to address these issues with the restructuring.

Carolina Coleman, Insure the Uninsured Project, expressed that in many ways the standard benefit design has been crafted well and is easier to understand than in other states. But one area needs improvement. The exemptions from deductibles in bronze and silver plans are well thought out, but nobody knows about them. Very few people have heard that they could go get services and not be subject to the deductible.

Autumn Ogden, Policy Analyst, California Coverage & Health Initiatives, echoed their gratitude for the promise to work on horizontal integration. Their members and partners see firsthand how important it is to integrate these services. They look forward to working with Covered California on this.

Carla Saporta, Health Policy Director, The Greenlining Institute, thanked Covered California for making sure new hires are bilingual. It would be good to know what languages those staff members speak and how that aligns with exchange demographics. They support Ms. Sanders's comments. The notices should be in all 13 threshold languages. They support the comments of the Black Caucus and encourage the Board and staff to take it seriously. There has been funding allocated in the budget for hiring a cultural and linguistic coordinator, and they



encourage that that person be a director-level position for diversity and cultural competency. That person could work with staff, consultants, and marketing people to ensure everything produced is relevant in the community.

Doreena Wong, Project Director, Asian Americans Advancing Justice, also would like to know the languages of bilingual staff. Having a cultural and linguistic department or director would help alleviate some of the issues around outreach and education for certain racial and ethnic minorities. Cultural competency isn't just about language but also race, and cultural issues relate to health literacy. If they are part of the advisory board, they will be able to be able to share their problems and practices. They echoed the comments of their colleagues; it's important that the notices be translated. The federal letters don't identify themselves in the taglines as important or vital documents; they need to let consumers know they must pay attention to this particular document. Certified health educators and enrollment counselors are giving assistance regarding resolving the inconsistencies and we must ensure they are trained well.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, noted that the benefit redesign principles talk about transparency and informed consumer choice as well as data availability. Many consumers and physicians are having difficulty understanding networks and directories and formularies. This is the second meeting now that, in the course of 140 slides, does not mention directories and networks even once. We should start talking about how to solve this and how to make sure consumers really understand what they are getting with these products.

Sonya Vasquez, Policy Director, Community Health Councils, welcomes the restructuring of the committee. It provides an opportunity to dig deep into issues such as those raised by the Black Caucus. Hopefully we can reach larger percentages of people of all ethnicities. There is value in having separate conversations for each group. It would be good to have general sessions and breakout sessions. It is important to remember that, especially in urban settings, many members of various communities live side by side with other ethnic groups, and one strategy might speak to one group, but it might work to reach another group as well. It would be great to hash these things out together. It will be important to train CECs to really help people and this has to be a part of that recertification.

Hugo Morales, Executive Director, Radio Bilingüe, noted that challenges remain in outreach, though we have come a long way. Latino audiences still experience sticker shock when it comes to premiums, co-pays, and things that aren't covered. Many of the people who signed up have never had health insurance. They are having a hard time finding doctors and specialists, or they are still waiting for Medi-Cal enrollment to take effect. Part of the outreach is continuing to acknowledge that it is a challenge. On its face, he would support the restructuring of the advisory committees, but the groups are segmented, so one benefit of the

Latino advisory committee was the ability to go deep into matters that pertain to the Latino population. He hopes that those meetings continue though there is room for coordination. The media is segmented and each population has its own needs. With regards to the notices going out confirming citizenship, he asked that Covered California be sensitive to what a challenge that is for immigrants. It's hard to locate replacement documents. About 1/3 of the population of Mexico is trying to get new birth certificates.

Chairwoman Dooley voiced that she was pleased to hear how much improvement in attitudes there is in Fresno, thanks to Radio Bilingüe.

Rebecca DeLaRosa, Director of Legislative Affairs, Latino Coalition for a Healthy California, expressed that they work in close partnership with the California Black Health Network. She asked that the Board please take their concerns seriously.

Kevin Knauss, Certified Insurance Agent, stated that Health Net is eliminating their PPO plans and coming out with a new plan, an EPO. There is no mention of that in the handbook of plans. With an EPO, there are no out of network benefits. If consumers are in a Health Net PPO plan, they should know the benefits are different and there will be cost increases. Since late June, Anthem has said they have been having problems getting the data feeds from Covered California for new enrollments. Anthem has no data for his clients who tried to enroll. They must pay out of pocket for prescriptions, tests, and doctor visits. They enrolled before the deadline. It doesn't matter whose IT system is to blame, but consumers would like to be told that this is going on. Both organizations say it's the other organization's problem. Consumers would like to know it's a problem and that it's being resolved.

Cynthia Kennedy, Statewide Projects and Outreach Manager, California Black Health Network, voiced support for the concerns and frustration of the Black Caucus. They had a special meeting with Covered California staff in Los Angeles in April on this same matter, and staff acknowledged that outreach had not been done the best way. But they have seen and heard no improvements since then. There is a lot of frustration around media and marketing not only in the African-American community but also in the Latino community. She has not heard any information being shared about the special enrollment period. More and more consumers are calling her, wanting to enroll, but they were given the wrong information about special enrollment from the call center or a broker. Many of these people could have enrolled if they had been better informed.

Beth Capell, Health Access California, echoed the comments of her colleagues about resolving inconsistencies and outreach to various market segments. Provider directories and network adequacy come up every month at the plan management committee meetings. They have repeatedly noted the importance of revisiting the reduced-cost-sharing products. The current benefit design can

expose an individual to owing two months' income for one night in a hospital. Only 185,000 people are enrolled in alternative benefit designs, 125,000 of those in bronze non-HSA products. It is important to consider that diminishing sliver of the market and the implications for benefit design.

Board Member Belshé underscored Ms. Ogden's and Ms. Landsberg's comments about the CalHEERS contract and horizontal integration. The Board is committed to horizontal integration, but they felt that there was a more cost-effective way of approaching it.

Mr. Lee reiterated that they take the concerns of the Black Caucus seriously. Some of the approaches will be discussed later in the meeting. Staff appreciates the range of stakeholders willing to work with Covered California on inconsistencies communications and notices. This is a confusing and sensitive issue, particularly when it comes to immigration status. Staff is out to keep every insured Californian insured. He feels confident that most people simply have challenges in getting information to Covered California rather than are engaging in fraud.

**ii. Discussion: Potential Operational Implications of the Insurance Rate Public Justification and Accountability Act**

The Board directed staff to uncover the implications of Proposition 45. Mr. Lee appreciates the active engagement staff has had on this issue. This could be a new major part of the process. At June's meeting, staff presented a list of questions and analyses being done. Mr. Lee testified at a joint hearing on July 2. They have held meetings with Department of Managed Health Care, the Department of Insurance, and with a whole range of organizations. Staff looked at research and reviewed the testimony of the commissioner and the testimony provided by individuals at the joint hearing. Staff also received comments from six different organizations. The presentation represented a current analysis of where we stand.

Proposition 45 would subject health plan filings to approval under a Proposition 103 structure. Any rate changes over 7 percent automatically result in a hearing. It does not impact Medi-Cal or Medicaid filings.

Mr. Lee expressed that this is a complicated set of issues. It will affect Covered California. The scope and nature of its impact are uncertain at this point: the extent of impact will depend on the Act's interpretation and implementation by an elected Commissioner. It will not be clear what some questions will be unless the proposition actually passes, at which point there may be additional litigation (as with Proposition 103). Even though the Act is written in plain language and it is known how Proposition 103 played out, there are still uncertainties on how and elected Commissioner would interpret this Act. There could be significant detrimental impact on Covered California operations. The organization will have to plan for it and consider it.

Mr. Lee presented five specific issues that the Act would create. 1. Covered California's role as an active purchaser could be significantly undermined. Health plans could be reluctant to negotiate on factors other than price because of uncertainty about the subsequent price that will be approved or ordered by the CDI. 2. The timeline for open enrollment could be affected by the requirement of review by two separate regulators (CDI and DMHC). This could impact Covered California plans in that any plan changes not approved by the open enrollment period automatically revert to the previous year's plan. 3. There is an uncertain amount of risk that some plans would withdraw either before or during the rate regulation process if their carriers consider the ordered rate too low and deem the potential losses too great. 4. The Act could affect 2015 plans in that under the Act, the CDI has the ability to conduct retrospective reviews of plan rates from 2012 to 2015. If this retrospective review finds that rates were too high for any of those reviewed years, those plans will then be required to provide rebates to their consumers. 5. Changes to rates could affect not just the consumers directly affected by the reviewed and adjusted plans, but also many other consumers since the tax credit calculations for the federal subsidies will be affected by those adjustments.

Board Member Kennedy believes that under the best-case scenario an enactment of this proposition would significantly complicate Covered California's ability to run its program. It adds retroactive problems and cost. Covered California is already trying to enact the most complicated health care reform in history, and this would make it harder. This would damage health care reform perhaps permanently, perhaps fatally, locally and perhaps nationally. Even if rate regulation is the right thing to do, now is not the time. It's important to state clearly that there are problems with enacting an initiative like this at this point in time. If it passes, Covered California must make it work. All of the stakeholders have spent the last year trying to make something historic happen and happen right. It's the wrong time to add another layer of complication and risk.

Board Member Belshé would like to hear stakeholder comments, but she generally agrees with Board Member Kennedy. She acknowledged the research staff has done. Mr. Lee is right that unless the proposition passes, no one will know what the full range of impacts will be. But based on the research to date, the proposition presents some clear problems for consumers and the exchange. It's a fair question to ask where Covered California stands and the question should be answered. The organization should acknowledge the research it has done and express its grave concerns.

**Public Comment:**

Gail Nickerson, President, California Association of Rural Health Clinics, voiced that they are opposed to Proposition 45. It will impede Covered California's ability to operate. Any disruptions to Covered California plans would harm the patients that their clinics care for. Proposition 45 could delay health insurance

plan approval and limit plan choices for low-income families. They are grateful for what Covered California is doing.

Gil Ojeda, Director, California Program on Access to Care, UC Berkeley, voiced that insurers are seen as the bad guys. A recent poll showed that Democrats, Republicans, and Independents support Proposition 45. We need to talk about how to implement a law like this. The claim rating states it could go back to 2012 because the proposition was supposed to be in the ballot in 2012. The intent is not to engage in retroactive action. The partnership between the Department of Insurance and Covered California ought to be engaged; some things should be negotiated. Department of Managed Health Care issues could be negotiated and work well on both sides. We should stop with accusations and start with collaboration.

Joseph Zammuto, DO, former President and Board Member Emeritus, Osteopathic Physicians and Surgeons of California, feels that Covered California is doing a good job expanding access to care. Many patients are still with him because they are insured under Covered California, and many new patients are coming in for much-needed health care. As with any major overhaul to the system, there are some growing pains. For example, many specialists do not know they are on the list and are unwilling to accept new patients. There needs to be better communication and outreach to enlist specialists. He has heard concerns about Proposition 45 and how it could reduce access to specialty providers because of the emphasis on rates at the expense of adequate network coverage. This is an outdated proposition that does not reflect the current reality.

Micah Weinberg, Bay Area Council, voiced that opposing sound bites on behalf of the Affordable Care Act can be difficult. The sound bite of Proposition 45 is that rates will be lower; the reality is more complicated. This proposition makes the insurance commissioner Covered California's boss. Had the insurance commissioner been Covered California's boss last year, we would have experienced rate spikes. The commission could extend noncompliant plans indefinitely. States who have taken that measure actually experienced rate hikes. This is a testament to the work of Covered California. Further regulation would sabotage it. The timelines don't work. There hasn't been enough time as it was. Court battles will plague the system. This initiative is a pig. He thanked the Board and staff for the research. We need to spread the word and educate the public. This system is too important to the families of California to mess with.

Julianne Broyles, California Association of Health Underwriters, voiced that their clients want stable, affordable health care with real choice and coverage that will be there when they need it. Proposition 45 would take that away. It's likely that there would be negative impacts on their clients. The industry would undergo a lot more changes and fewer plans would be available. Any delay in the process of getting plans approved for consumer use is a problem. If interveners can come in at the last minute and stop plans for going into play, it puts the whole enrollment

process into question. This would impact small business because the commissioner could come in and change rates and make it unaffordable at no notice. The initiative is retroactive for all costs. What does that do to the taxes? The premiums? The subsidies? What is the impact of the startup funding the Exchange received? What is the impact on plans and members in terms of fees charged? These are very worrisome issues.

David Chase, California Director, Small Business Majority, agrees with staff's findings. Mr. Lee presented a good analysis. It does make sense for Covered California to present its findings to the public.

Julian Canete, California Asian Pacific Chamber of Commerce, expressed opposition to Proposition 45. His organization has worked hard along with others, working to educate and enroll California's small businesses. This could seriously harm the availability of plans and negatively impact Covered California's operations.

Bill Barcelona, California Association of Physician Groups (CAPG), appreciated the discussion of the ramifications of Proposition 45. Their members focus on alternative methods of payment, other than fee for service. The problem with this uncertainty in the time to market for new designs is that when they move to alternative benefit designs that shift risk from the plan to the provider, they need time to assess the actuarial analysis of products being presented. This time period for approval will inhibit the ability to move to these alternative payment models involving risk sharing among providers. Under Proposition 103, insurers could come in to the Department of Insurance with a proposal to increase rates by 2 percent. After six months or more, they often receive a decision decreasing their rates, sometimes by as much as 7 percent. If physician groups were involved in an alternative-payment-contract with a plan, using a percentage of premium capitation arrangement, they couldn't go forward in a viable risk-based contract.

Brett Johnson, Associate Director of Medical and Regulatory Policy, California Medical Association, noted that some of their members are in CAPG, and he echoed Mr. Barcelona's comments. A lot of the complications would flow downstream to physicians. It could cause real issues for consumers to understand networks before they choose products.

On Phone: Emily Lam, Vice President of Health Care and Federal Issues, the Silicon Valley Leadership Group, stated that they share the concerns articulated by many today, including Board Members Kennedy and Belshé. While their companies want rates to be as low as possible, they do not believe Proposition 45 would achieve this and believe it might hurt purchasers.

Janice Rocco, Deputy Commissioner of Health Policy and Reform, California Department of Insurance, noted that they have submitted about 20 pages of written material about the ballot initiative from Commissioner Jones. He has

answered Covered California's questions. He also testified at the capitol. Covered California has voiced a number of concerns. The commissioner has shared answers. There are 35 other states with rate regulations along with a state or a federal exchange. They manage to make that work. They can help Covered California with any operational issues. A poll shows that a majority of voters support Proposition 45 and it makes sense to work to prepare for it. It is difficult to understand how Mr. Weinberg feels that that the 20 percent or even 100 percent rate increases that some people experienced in 2014 are a better situation than what he described as 15 percent rate increases in other states.

Chairwoman Dooley asked if any other states have an intervention process.

Ms. Rocco was not sure if they were the same as under Proposition 103, but there are states with consumer organizations that intervene and provide testimony and reimburse for costs. She doesn't know if they have the ability to go to court as interveners.

Kevin Knauss, certified insurance agent, voiced that he has been going through rates. Kaiser has lowered their rates, perhaps in response to the upcoming ballot measure. Other plans have raised rates by 15 or 17 percent in some areas. The carriers have gotten on the rate-regulation bandwagon. However, it has been hard work getting through the last twelve months of getting Covered California up and running. We don't need another layer at this time. Let's just fix what we have. The bureaucracy would be incredible. Consumers can't live through another year with the kind of challenges Proposition 45 would raise.

Chairwoman Dooley asked for clarification on what public agencies can do with regards to a ballot proposition.

Kathy Keeshen, General Counsel, noted that Covered California and the Board can't engage in campaign activity. There is guidance from the courts in terms of what kinds of activities they can engage in with upcoming ballot measures. The legal department has consulted with outside counsel because this is a very complicated area of law. It seems permissible for a public entity to evaluate the merits of a ballot measure and publicly express opinions about the impacts on its operations. Covered California can also take a position on a particular ballot measure. Some other activities may be forbidden. The devil is in the details and Covered California must be cautious.

Chairwoman Dooley feels troubled by some of the possible impacts of the proposition that are not related to regulation in the abstract. Regulation fits neatly into the Affordable Care Act. However, some distinctions in California make it more complicated, such as the fact that California has two regulators and the intervention is also unique. The Board is an active purchaser and has been trying to effect change and get to the same objective on behalf of consumers. It has succeeded thus far. She shares the concern about the investment we have made

and worries about interfering with that. She is also troubled by the intensity of the political campaign around this issue and the investment the Board has made in integrity and being evidence-based. She is concerned the organization could lose credibility if it gets wrapped up in the campaign. Whatever voters decide, Covered California is obligated to continue to make it work. She feels obligated to let Californians know her personal opinion, but she is troubled by the notion of taking a position as an institution. The Board wouldn't be in control of a campaign, so she does not want to appear to be mixed up in it. She does not think this is a good law for right now. She wants to protect the investment California has made. She is unsure if the Board should formalize its opinion.

There are restrictions associated with using federal funds. Legal counsel can advise Board members on what they can say.

Board Member Kennedy asked how many days' notice are required to put a vote on the agenda. If the Board members can't speak out and use their titles, she plans to push for a vote.

Ms. Keeshen noted that they can provide advice on messaging.

Board Member Belshé felt that Board Member Kennedy had raised an important question. As an entire Board, she is not sure it's sufficient. The Board members have a responsibility to express explicitly their concerns if not a formal position. She appreciates the concerns about perception and campaign. She is aware that quotes from the meetings have been and will be used in campaigns. The Board is already a part of a public body and is already part of the process. She would be comfortable with taking a formal position. Sometimes Boards stop short of that and express significant concerns. She would like for it to be an action item at the next meeting.

Board Member Fearer shares many of the concerns as well as Board Member Kennedy's questions. He would be interested in knowing what Board members can and cannot say. One of his deeper concerns is that one of the strengths of the Exchange to date is the way in which a divergent group of stakeholders has come together for a common process. He does not want this to be a divisive issue amongst those stakeholders.

Mr. Lee does not question that Covered California will be part of the political debate. People of good faith can have different positions. Staff has articulated real and substantial concerns. Across the spectrum and range of organizations, Covered California has been a safe place. He worries about taking a position that alienates core partners or sends the message that the organization does not put consumers first. Almost three years ago, the Board established six values, the first being consumer centrism. Covered California can't determine what proponents or opponents do. But inserting ourselves in would not do us well with a range of partners who have different positions and would not serve the debate. Staff has



sought to provide through a dispassionate, reasoned set of analyses what the issues are. Taking a position is within the range of the Board's authority, but there is still a lot of work to do to get another 3 million people insured. Politics will distract from getting people enrolled. That work will be easier if the Exchange can keep out of the fray.

Chairwoman Dooley also thinks they have an obligation because this could hurt consumers. Helping consumers is the outcome that they all want. Board Member Belshé requested that this be put on the agenda as an action item for the September meeting.

Board Member Belshé noted that action could take a number of forms.

Chairwoman Dooley shares the concern about the amount of time that this is taking; she had hoped that they could voice concerns and then move on.

Board Member Kennedy reiterated that if they cannot speak freely with their titles, there will be an agenda item.

Chairwoman Dooley stated that staff will need to report the legal finding either way. The issue will have to be put to rest at the next meeting.

Mr. Lee said the General Counsel and staff will do the legal research to find out what the Board can and cannot say. Any Notice they provide the Board on the legal findings would be shared with the Public. Any action the Board takes needs to be scheduled ten days before the meeting.

Board Member Belshé stated that the presentation reflects staff analysis, which is distinct from the Board taking an official position. The Board has not expressed its own significant concerns about Proposition 45. The Board would be affirming the staff analysis. This is an appropriate and responsible step beyond just receiving the analysis.

There was some discussion as to whether it was necessary to take a vote to put the item on the agenda. It was determined it was not.

Beth Capell, Health Access California, also stressed the need to be cautious. This is already an intense political discussion. Covered California has worked hard to be a trusted voice. It has had bipartisan support and there is growing acknowledgement across California that this is the law of the land and we need to make it work. To insert the Exchange into a highly polarized discussion seems problematic. They encourage the Board not to notice this for action.

#### **Discussion: Legislative Update**

David Panush, Director of External Affairs, presented a brief legislative update. The next day would be the last day to amend bills. One bill would codify the appeals process for

Covered California. One would create a new vision council governed by the Board, and with a separate website linked to Covered California's. A bill would have prohibited Covered California from sharing information but it was held in the senate. Covered California is moving forward on implementing the policy. The automated welfare system bill is en route to the governor.

**Public Comment:** None

## **Agenda Item V: Covered California Policy and Action Items**

**Presentation:** Covered California Policy and Action Items

### **Discussion: Covered California Regulations**

#### **i. Discussion: Covered California Certified Insurance Agent Regulations Re-adoption**

Dan Frey, Consultant, presented some proposed changes to the agent regulations and agent agreement. First, Mr. Frey addressed ongoing education and certification of agents in the agent regulations. He suggested removal of the four-hour recertification requirement and instead to include Covered California specific subjects in the ongoing education classes already required by CDI of licensed agents (24 hours every two years). Mr. Frey also requested that curriculum materials to teach a variety of Affordable Care Act-related subjects be created for use in the required ongoing education program. Specifically, he suggested that the curriculum materials referred to immediately above be available as webinars and printable .pdf in order to ensure ongoing availability.

Regarding the Agent Agreement, Mr. Frey requested the following: change the contract term from one year to five years, add "For the Benefit of" language, prohibit agents from receiving gifts or compensation for enrollment assistance, require agents to ensure voter registration assistance is available, allow payment to agents for Medi-Cal enrollment assistance, require maintenance of records for a minimum of ten years, revise privacy and security requirements to strengthen and align with state and federal privacy and security laws (including fingerprinting and background checks for non-licensed agency support staff), and lastly, make updates to the marketing and branding guidelines.

In addition, Mr. Frey indicated that they have confirmed that the agent of record does not drop off even though a new active agent may be added at renewal or change of plan.

**Discussion:** None

#### **Public Comment:**

Beth Capell, Health Access California, was unaware of these revisions until the morning of the meeting. They are mindful of the important role of agents and that

the current contracts expire October 1. However, they would like to work to clarify and revise these regulations. They were troubled by the continuing education component, especially since there are so many changes to the system.

Betsy Imholz, Director of Special Projects, Consumers Union, would like to defer the vote, but she understood that the timeline was short. There is so much guidance changing all the time, and even getting that straight for the assisters is difficult. Continuing education is of concern. Five years is a long time. They appreciate agents and brokers, but they also look at this from the consumer perspective. If the Board must act today, working with staff to revise the regulations would be needed.

Steve Young, Independent Insurance Agents and Brokers of California, expressed support for the changes. There does need to be education, but that effort will be ongoing, regardless of Covered California requirements. He voiced surprise that Health Access and Consumers Union have made two pro-agent comments.

David Fear Jr., Certified Agent and Vice President of Legislation, California Association of Health Underwriters, thanked staff for all their work on the contract. They collaborated a lot with staff on changes and feel grateful for that opportunity. They appreciate the removal of the duplicate training. As a licensed agent they already must have continuing education. They appreciate the adding of the agent of record issue. They've been helping clients enroll into Medi-Cal, and they appreciate that as well.

Elizabeth Landsberg, Director of Legislative Advocacy, Western Center on Law & Poverty, opposed eliminating the continuing education requirement. They appreciate that applications must be completed even if the consumer turns out to be Medi-Cal eligible. They appreciate that agents are asking for training on topics like MAGI, but they fear it will be self-selecting and they feel that training is critical.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN), echoed the comments about continuing education. We are talking about compensating agents to enroll people into Medi-Cal, and the training that goes along with that is important.

Doreena Wong, Project Director, Asian Americans Advancing Justice, also opposed eliminating the continuing education component. A lot of consumers have come to them because they've had problems working with agents. Agents may need a lot more training about basic elements of Covered California and Medi-Cal. They would like to keep that requirement so that agents give the correct information to their community members.

Sonya Vasquez, Policy Director, Community Health Councils, echoed these concerns. She has been asked to present at an underwriters' conference about

Medi-Cal. This is an important aspect of the application. Please ensure that whatever types of certification they get covers Medi-Cal more thoroughly than they normally do.

Chairwoman Dooley noted that modifications can be made or that another regulation can be written touching on training if this one gets approved.

**Motion/Action:** Board Member Belshé moved to pass Resolution 2014-69. Board Member Kennedy seconded the motion.

**Vote:** Roll was called, and Resolution 2014-69 was approved by a unanimous vote.

**ii. Discussion: Remote Identity Proofing Regulations Re-adoption**

Katie Ravel, Director of Program Policy, presented methods of identity proofing including signature on paper application, visual verification, or remote identity proofing through Experian. The SHOP identity verification process will remain unchanged.

**Motion/Action:** Board Member Kennedy moved to pass Resolution 2014-70. Board Member Fearer seconded the motion.

**iii. Discussion: QHP Recertification and New Entrant Regulations Re-adoption**

Katie Ravel presented the regulation re-adoptions. No changes have been made since the last adoption by the Board.

**Motion/Action:** Board Member Kennedy moved to pass Resolution 2014-71. Board Member Fearer seconded the motion.

**iv. Discussion: SHOP Appeals Regulations Re-adoption**

Katie Ravel presented the SHOP Appeals Regulation for re-adoption. No changes have been made since the last adoption by the Board.

**Discussion:** Board Member Belshé asked for confirmation that these are non-substantive changes and that is the case.

**Motion/Action:** Board Member Kennedy moved to pass Resolution 2014-72. Board Member Fearer seconded the motion.

**Public Comment:**

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN), understands that the remote identify proofing regulations are just a re-adoption. They are comfortable with the language. They appreciate the responsiveness of staff about the potential impacts on low-income immigrants and limited English consumers and will continue the conversation leading up to open

enrollment. They hope to avoid the pitfalls and barriers people are facing at the national level.

Betsy Imholz, Director of Special Projects, Consumers Union, echoed her comments. There are problems with this at the federal level.

Sonal Ambegaokar, Senior Attorney, National Health Law Program, echoed thankfulness to advocates and staff for the work on the remote identity proofing issue. They appreciate the stakeholder input. They are concerned about IT issues and preserving the application date for someone who doesn't make it through ID proofing. They recommend that the call center establish a troubleshooting line for ID proofing. They also recommend establishing an appeal process for those who can't get through the process.

Linda Leu, California Research and Policy Director, Young Invincibles, appreciated the staff's work. They asked if we could add ways to be more inclusive of those who don't have credit history because they are young.

**Vote:** Roll was called, and Resolution 2014-70 was approved by a unanimous vote.

**Vote:** Roll was called, and Resolution 2014-71 was approved by a unanimous vote.

**Vote:** Roll was called, and Resolution 2014-72 was approved by a unanimous vote.

**v. Discussion: Eligibility and Enrollment Regulations**

Katie Ravel presented. These regulations will come before the Board for action in September. The two main changes are to provide a product hierarchy map for people whose eligibility has changed to still be able to auto-renew, and also to send an abbreviated enrollment notice to consumers who have been previously determined to be eligible but have not enrolled.

**Discussion:** None

**vi. Discussion: Voter Registration Regulations**

Katie Ravel presented. These regulations will come before the Board for action in September. Specifically, since Covered California is required to offer voter registration service, these regulations will detail the process for providing voter registration services to consumers, they will outline the in-person and phone procedures for assisters and agents providing applicants with voter registration services, they will describe the process for plan-based enrollers using the CalHEERS portal, and they will clarify that assistants and agents are prohibited from interfering with or attempting to influence an applicant's right to vote or to decline voter registration services.

**Discussion:**

Chairwoman Dooley noted that the timing problem has always been a problem. They try to get materials out as quickly as possible.

**Public Comment:**

Doreena Wong, Project Director, Asian Americans Advancing Justice, commended the Board on implementing voter registration and including it in the application. It is especially important for limited-English-speaking communities to have an opportunity to register in multiple languages. She would like for the CECs to get training to implement this.

Cathy Senderling, Deputy Executive Director, County Welfare Directors Association of California, noted that county eligibility workers are already trained on voter registration. She noticed in the draft regulations that there's a mention of regulations covering those who are certified to do the work on behalf of Covered California. She will work with staff to make sure there's no overlap with what they do.

Jen Flory, Senior Attorney, Western Center on Law & Poverty, commended the intent to move people who are losing catastrophic coverage seamlessly into bronze if possible. However, they would like to clarify the language. The problem may lie within the federal regulations, but when there's not enough information to transfer someone into a subsidized health plan, they may be transferred into a plan that's off the exchange and not eligible for subsidies. They want to be sure we are protecting people's subsidies. She requested that staff communicate to CMS about the importance of this and California's intent.

**Discussion: Review of Lessons Learned and Plans for 2015 Open Enrollment and Renewal****i. Discussion: Kaiser Family Foundation Presentation on Survey of Uninsured Californians**

Mr. Lee introduced Mollyann Brodie, Senior Vice President for Executive Operations and Executive Director of Public Opinion and Survey Research at Kaiser Family Foundation. Ms. Brodie presented findings from Kaiser's survey. The survey sample included 2,000 adults, ages 18–64, who reported having been without health coverage for at least two months. The key questions were first to determine who gained coverage as of April 2014 and who remained uninsured. Then for those who gained coverage, further questions were asked about their experience: where did they get coverage, why did they buy it, do they feel it was affordable, what was the shopping experience like, and how easy or difficult was the enrollment process. For those who remained uninsured, did they try to obtain coverage, why did they remain uninsured, and what are their future plans. As far as the first question, 58% of those surveyed did gain coverage, while

42% remained uninsured. She indicated that personal outreach was actually very, very significant in people's decisions to enroll. Most people who did enroll indicated that they felt their coverage was a good value. More people felt more financially secure than not. About 37% of respondents felt they were paying less than they had expected, while about one quarter felt they were paying more, and one third felt they were paying what they had expected. Ms. Brodie indicated that about half of the people who were receiving subsidies still felt that it was somewhat difficult or even very difficult to afford.

Board Member Belshé asked, for the second question, asking people about the cost, if people knew about the subsidies they were receiving.

Ms. Brodie explained that based on their incomes, we know that some of these people must have been getting a subsidy, but only about half knew they were. This is just the amount that they were paying. This means a lot of people getting subsidized coverage still found it hard to pay. However, others were surprised that it cost so little, and that is likely partly because they were getting a subsidy and did not know it.

Ms. Brodie shared that as far as shopping for coverage, the majority of respondents felt it was easy, although some of the responses indicated there is still room for improvement. Enrollment methods tended to vary quite a bit based on coverage type. For instance, a previously uninsured respondent who was getting Medi-Cal coverage was much more likely to apply in person, while half the people getting coverage through Covered California went through the website. Many of the newly insured did have assistance while enrolling from various sources, from agents to family members. Ms. Brodie reiterated that clearly the personal outreach was an important factor here.

Most people who completed enrollment said that enrollment was relatively smooth, but there were some bumps as far as getting confirmation of coverage starting or determining qualification for subsidies.

Most of the newly insured reported positive experiences with their plan.

Board Member Belshé asked if they explored if people had never had insurance before, so they were insured for the first time.

Ms. Brodie said yes, they make up a large part of the population surveyed. She noted that that topic would be expanded upon later in the presentation.

As she continued with the presentation, Ms. Brodie indicated that there had been a great deal of concern regarding the provision of Spanish-language materials for the Latino population. According to the survey, newly insured Hispanic respondents were very positive about their experiences with applying for and receiving coverage.

Ms. Brodie proceeded to discuss the remaining uninsured (the 42% referred to earlier). About two-thirds of those gave information that indicated they would have been eligible for low-cost plans and/or subsidies, while three-tenths gave information that suggested that they are undocumented and therefore ineligible. The demographic data showed that over half of the still uninsured of the survey either have never had insurance or have not had insurance for over two years, indicating weak ties to the insurance market, which means they will need even more help navigating the procedures. Most of the remaining uninsured indicated that they had trouble exploring their options. About one third did actually try to get enrolled but did not have success. The two main hurdles and challenges in helping these people get insurance: the information challenge of finding out the ability to receive financial help to get insured, and the challenge of uninsured Hispanics worried that signing up for health insurance will draw attention to immigration status.

Chairwoman Dooley thanked Ms. Brodie for all the helpful information.

Board Member Belshé noted that Kaiser has been a terrific resource. The percentage of Californians newly insured through Covered California, do we know the percentage that do or don't know that they are receiving a subsidy?

Ms. Brodie believed that 44 percent knew they had a subsidy and the rest did not know. The vast majority of them, perhaps 90 or 95 percent, were eligible.

Mr. Lee noted that data confirms beliefs people have held, that the Latino community is concerned about undocumented family members. He also underscored the data point that over 56 percent have been without insurance for more than two years. In the next round, it will be harder to reach those who have lived in the culture of coping rather than the culture of insurance. It also underscores the importance of human touches, community outreach, and friends. Those who experienced community-based outreach were far more likely to actually purchase insurance.

Ms. Brodie voiced that it does support what an amazing job all of the stakeholders and Covered California did. There is a lot of success in this data as well.

**ii. Discussion: 2015 Open Enrollment and Renewal Consumer Journey**

Mr. Lee presented information on lessons learned and awareness. Covered California did a good job overall in increasing awareness, though there is a slight gap with Latinos and Asian Pacific Islanders compared to other groups. There is improvement needed in increasing awareness in the African-American community. The Latino community showed the most progress in consumer awareness.



Campaign exposure successfully reached 50% and more of minority populations. In addition, those who found out about the Exchange through community-based efforts were far more likely to enroll across all ethnicities.

Colleen Stevens, Interim Director, Marketing presented on marketing objectives. The main objective is to increase the number of insured Californians by supporting renewal and retention of existing covered California members, promoting enrollment among the subsidy-eligible uninsured, continuing to build brand awareness and positioning covered California as the trusted health insurance comparison resource, helping Californians understand the value of being covered by health insurance, and coordinating efforts with the ground campaign to support all service channels. The target audience comprises both existing covered California members and uninsured Californians. The marketing campaign will be in many languages to facilitate reaching the diverse populations in California.

Armando Azarloza discussed retooling open enrollment strategies for the next open enrollment period with particular focus integrating the campaign with the local ground efforts. In addition, the campaign's media tactics need to be tailored to each ethnic, regional, and language population. Another important strategy is to promote local, in-person enrollment channels, as well as self-enrollment and call center services. Mr. Azarloza indicated the plan to continue to leverage the two established messaging platforms "Welcome to Answers" and "I'm In/Tengo un Plan de Salud." He then discussed the barriers to enrollment that need to be overcome: affordability, accessibility, security/peace of mind, how to enroll, and immigration concerns.

Patricia Chambers presented on media consumption. She began by pointing out that for each demographic community, the methods of media consumption vary. However, for each community segment, the top media touch point is television. Advertising will be implemented beginning November 6 and going through February 2015. The types of media to be used are television, radio, print/newspaper, out-of-home, social media, and direct response. Not every medium will be used for every demographic market, but each market will be covered by some combination of marketing vehicles.

Chairwoman Dooley asked about the media marketing period and competing with political ads.

They will run ads through September and October, get quiet at the end of October, and start in earnest the Wednesday after the election.

Sarah Soto-Taylor, Deputy Director, Community Relations, presented on lessons learned in outreach, education, and enrollment. First she showed the range of the community work force in outreach and education, enrollment assistance, agents, Covered California plans, and the community outreach network. Next, Ms. Soto-

Taylor discussed lessons learned: the need to build on outreach in a more focused way, to provide education in workshop sessions prior to setting up enrollment appointments, to align services at times and locations convenient to the consumer, to recognize the importance of powerful stories and tailor messages to specific segments of the target communities, to assure availability of multi-language, culturally relevant collateral materials, and to increase health literacy for those who have been uninsured. In addition, she presented data indicating that community exposure elements were shown to be highly correlated to enrollment, and that outreach was relatively successful across demographics: those who had exposure are five times more likely to enroll than those with no exposure.

Diane Stanton, Deputy Director, External Affairs, presented on 2015 community organizing strategies. She discussed the guiding principles of consumer-focused, supporting self-enrollment as well as enrollment with assistance, of ensuring the broadest outreach to individual consumers and small businesses, of using analytics, local intelligence and alliances, and coordination of local activities to drive renewals and enrollment, of establishing support networks for service channels, and of using service channel progress reports to track toward enrollment goals. Ms. Stanton presented the objective, which is to end the 2014–15 open enrollment period with at least 1,700,000 consumers enrolled in Covered California plans. The state will be broken into eight different segments based on the nineteen rating regions.

Mr. Lee presented on CalHEERS. Strategies for 2015 are to improve usability and readability in both English and Spanish, to improve self-service functionality for resetting a consumer password and retrieving a username, to improve the verification process, to improve collection of household tax and income information, to add the ability for consumers to switch from a non-subsidized application to a subsidized one without have to re-enter data, to add contextual help videos and FAQs on each application page, to build a budget worksheet, to expand the ability to collect payment at checkout, and to improve security by implementing remote identity proofing.

Mr. Lee presented on Service Center lessons learned. 1. Higher than anticipated consumer interest led to significantly greater contact volume than had been forecast. 2. The “one touch and done” approach was not realized: multiple contacts with consumer were required for effective enrollment. 3. Performance goals must balance consumer expectations with budgetary and facilities constraints. 4. System performance is critical to the consumer experience. 5. A streamlined process is needed for working with carriers, regulators, and advocates to assist consumer is enrollment and in navigating the health care system post-enrollment.

Thien Lam, Director, Eligibility and Enrollment, presented on renewal. First she covered the 2015 renewal principles: focusing on the consumer experience by offering service options and making the process easy, engaging and leveraging the

certified delegates, partners, and plans, maximizing retention by providing an automatic renewal option where possible, and encouraging consumer self-service through the website, Interactive Voice Response, and other tools. Next Ms. Lam discussed the Policy Decision Summary for 2015. 1. To implement renewal capabilities and renewal noticing in October. 2. To auto-renew consumers who do not take action for more than 30 days after projected eligibility is calculated in current plan. 3. To allow automatic renewal for consumers who can remain in the same product type or who can move to a different level regardless of premium rate or Advance premium Tax Credit change. 4. To promote online and in-person renewal processes. 5. To close renewal for consumers who do not complete active renewal by December 15. Consumers who miss this deadline date will have to reapply for 2015 during the Open Enrollment period.

Mr. Lee noted that the budget was listed in the slides but not addressed. Staff has learned a lot of lessons and had a lot of meetings in communities. Data from NORC and CalSIMS has been considered. Covered California will spend more in this enrollment period than it did in the last one. The marketing budget across all channels will be about the same for the three-month open enrollment period. Funding for outreach and enrollment has been expanded. Open enrollment will take place over a shorter period (three months instead of six months), but it's a harder lift to reach the people who still do not have insurance. They will also encourage people who have insurance to renew. There will be two audiences: those who are not yet insured, and those who have insurance and need to renew.

**Public Comment:**

Kena Burke, Director of Covered California Project, California Medical Association Foundation, voiced that she is director of a project to educate physicians on what has happened and what is changing. She commended the work of the Exchange. They have not slowed down. She made a large presentation this week. There is still a lot of need for education of physicians. The Kaiser presentation was fantastic. She would like to hear a survey about physician access, specialty access, surveying people's ability to actually get care. People may be happy with their coverage, but things change when they can't get in to see a doctor or have a network misunderstanding. She extended an offer to talk with the group about renewals. That's a good thing for physicians to discuss with their patients.

Jen Flory, Senior Attorney, Western Center on Law & Poverty, noted that in the plan management meeting there was a discussion of people who are CSI eligible but are either people who are overpaying in platinum and gold plans or under-covered in bronze. They would appreciate any outreach to those populations. They would love to review the renewal notices going out, making sure they are in plain English, Spanish, and other languages. Transitions between programs are still not going smoothly. This results in double coverage or gaps in coverage because of CalHEERS programming.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN), offered congratulations on the enrollment numbers and Kaiser data. They say a lot about Covered California's hard work. Now we need to focus on what to change moving forward. They hope to see more messaging coming out of Covered California with regards to that. She was surprised to discover that renewal notices are only in Spanish and English. DMHC is translating all notices into all threshold languages. These notices about continuing eligibility or termination of coverage are vital documents that require action. Consumers need to know what to do. She offered that Covered California could have a community look at the materials and provide feedback, but they would appreciate being more of a partner going forward as Covered California develops those notices.

Betsy Imholz, Director of Special Projects, Consumers Union, appreciated hearing about the targeting meant to reach people who might be in the wrong plan. Defaulting people into a plan is a good way to avoid gaps in coverage. But they want to encourage people to shop first in case it might not appear they are in the wrong plan. Many people will go through changes. A good addition to the four helpful principles would be to encourage shopping. Default is the fallback option. One default option they heard about was that some people would be enrolled in plans outside of the exchange, which could result in people losing their subsidies. She knows that these are based on federal rules, but if there is leeway on keeping people in the exchange until they can get their papers together, that would be good. She noted that she plans to pore over the Kaiser survey results. There are good lessons learned on enrolling people as well as keeping them in the Exchange. It was eye-opening how many people did not realize they were getting subsidies; that is worrisome when it comes to reconciliation and taxes.

Chairwoman Dooley noted that a field poll reported how many people said California isn't doing a good enough job of getting federal funds despite the vast amount of money Covered California has actually received. She compared that to the number of people who didn't know they were getting a subsidy. There's always a sense that people think we're not getting our share. Educating people on those topics is important but not as important as getting them into coverage.

Sonal Ambegaokar, Senior Attorney, National Health Law Program, thanked the staff for working with advocates on the whole process. They have concerns about the federal regulations because the issue of auto-enrollment. They'd prefer that consumers were enrolled into plans within the exchange. Too much weight is given to staying with the same issuer regardless of subsidies, and consumers should have a choice. They would like to see consumer input given to issuer notices. They are also concerned about income dropping for enrollees and then their transition into Medi-Cal not going smoothly. They've been working with staff about coordinating the renewal notice timing so that families with members in both Medi-Cal and Covered California aren't getting multiple notices. She also suggested that Covered California may have the authority to check income databases other than the IRS for income updates.

Anthony Wright, Executive Director, Health Access California, echoed the comments of his colleagues, especially about defaulting consumers into non-Exchange plans. It would be better to communicate things to enrollees all along and have an ongoing dialogue rather than directing a lot of information in a short window of time. Mr. Lee was correct about the importance of reputation recovery and keeping standards high with the Service Center. He wouldn't want to see that happen, however, by deemphasizing the call center number. In-person assistance and the website are important, but the number will be the best way for some people to go through the process. He voiced appreciation for the new facility.

Mr. Lee noted the issue on how many people don't know they have a subsidy is a big issue and they are doing a lot of communications on reconciliation. Kaiser Family is doing a follow-up survey on their 2,000 people on how people access care. Covered California may do its own survey.

**Agenda Item VI: Adjournment**

The meeting was adjourned at 4:55 p.m.