



Comments to the Board - External

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October 8, 2015 Board Meeting

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AMI BERA, M.D.
7TH DISTRICT, CALIFORNIA

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House of Representatives

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September 10, 2015

Mr. Peter V. Lee
Executive Director
Covered California
560 J Street, Suite 290
Sacramento, CA 95814

Dear Director Lee,

Thanks to your efforts to expand access to health care, more than 1 million Californians have enrolled in health insurance, many for the first time ever. I recognize that this achievement is a monumental undertaking that is likely to encounter some challenges as new systems are implemented. I write today to request clarification on the procedures Covered CA has in place to ensure that consumers are not disproportionately shouldering the burden of these challenges.

As you know, 2015 marked the first year individuals were required to file information about health insurance coverage with their taxes. More than 100,000 people received inaccurate tax notices, thousands did not receive forms before the tax filing deadline, and others are still waiting to receive the outcome of disputed information. These delays and errors have real consequences for families who were unable to finalize taxes or now face significant unforeseen bills and penalties. In response to recent reports about continued delays and discrepancies with 1095-A tax forms, I write to request additional information on existing processes and future plans to mitigate consumer consequences. Specifically, I respectfully request the following information:

- What was the initial cause of the tax form errors? Were there systematic problems that contributed to disputed information?
- How many individuals have received forms with inaccurate information or have disputed the information?
- As of September 1, 2015, how many individuals were still awaiting decisions from disputes or appeals?
- How long have individuals been waiting for decisions?
- How have you addressed the concerns of consumers who find discrepancies in the information?
- What is the timeline and plan going forward to address all of the outstanding disputes?
- How do you plan to notify all affected individuals?
- What options will be available to individuals who receive an unfavorable decision?

- What happens if an individual is not able to immediately pay in full? Will they be subject to additional IRS penalties and debts or risk losing future coverage?

I understand that Covered California staff has been working hard to resolve issues and fix existing technology glitches. However, my responsibility as a Member of Congress is to ensure that every one of my constituents has access to coverage and a fair means to address concerns. Health insurance is complicated and I would expect the first year of a new system to implement appropriate safeguards to protect individuals from significant financial consequences. While I understand that some of these discrepancies may be a result of consumer error, without clear evidence that fault lies solely with consumers, I ask that you make every reasonable effort to afford leniency and flexibility.

I appreciate your prompt response in advance of the October 15 tax extension deadline and look forward to continuing to work with you to ensure that all Californians have access to affordable health care.

Sincerely,



AMI BERA, M.D.
Member of Congress

AMI BERA, M.D.
7TH DISTRICT, CALIFORNIA

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September 25, 2015

The Honorable Daniel R. Levinson
Office of the Inspector General
Department of Health and Human Services
330 Independence Avenue, SW
Washington, DC 20201

Dear Inspector General Levinson,

I am writing to request that the Office of the Inspector General (OIG) undertake a comprehensive review of the of the management of 2014 consumer tax forms by California's state health insurance exchange, Covered California.

The challenges surrounding Covered California's handling of 1095-A tax forms have been well documented. More than 100,000 people received inaccurate tax notices, thousands did not receive forms before the tax filing deadline, and others only recently received the outcome of disputed information, and may not have the option to appeal. In addition to the public reports, my office received constituent concerns about the significant financial consequences facing consumers, without clear methods of recourse.

I recognize that expanding insurance coverage to more than 1 million individuals is a monumental undertaking that is likely to encounter some challenges as new systems are implemented. However there is substantial evidence indicating that discrepancies with 1095-A tax forms are not isolated incidents but the result of larger systematic and management failures. These delays and errors have real consequences for families who were unable to finalize taxes or now face significant unforeseen bills and penalties.

My office has made five attempts to clarify Covered California procedures and requested additional information to mitigate consumer consequences. I have attached my September 10, 2015 letter to Covered California Executive Director Peter Lee outlining these questions. In follow-up correspondence with Mr. Lee, I requested a response by September 24, 2015 to allow sufficient time for constituent assistance ahead of the October 15 tax extension deadline. Despite these numerous requests for specific information on the scope of consumers affected, my office has yet to receive a response with the requested information. My responsibility as a Member of Congress is to ensure that every one of my constituents has access to coverage and a fair means to address concerns. According to Covered California, in 2014 the federal government provided

\$3.2 billion in premium assistance to households in California; an average of more than \$5,200 per household. In light of this information and the inability to receive timely and transparent information, I request an immediate audit of Covered California's management of consumer tax information. Specifically I ask for an investigation that addresses the following questions:

- What was the initial cause of the tax form errors? Were there systematic problems that contributed to disputed information?
- How many individuals received forms with inaccurate information or have disputed the information?
- As of September 1, 2015, how many individuals were still awaiting decisions from disputes or appeals?
- How long on average did individuals wait for decisions from disputes or appeals?
- How much money on average are individuals responsible for repaying?
- Did delays by Covered California lead individuals to incur additional financial hardships? Were individuals subject to IRS penalties and debts, unable to finalize other tax related financial assistance such as Federal Student Aid, or did they risk losing future health coverage?
- What options were made available to individuals who received an unfavorable decision and how were they made aware of these options?

I share Covered California's goals to increase the number of Californians with health insurance and to ensure California's diverse population has fair and equal access to quality health care. However, there is evidence to suggest that actions taken by Covered California may have resulted in serious financial harm for consumers. Additionally, the lack of transparency addressing challenges threatens to undermine consumer confidence. The success of Covered California will ultimately be determined by the trust consumers place in it. It is my goal to strengthen California's health insurance marketplace so that all Californians will have dependable access to affordable health care. Thank you for your prompt attention to this request.

Sincerely,



Ami Bera, M.D.
Member of Congress

cc: Peter Lee, Executive Director, Covered California
Diana Dooley, Secretary, California Health and Human Services



September 25, 2015

The Honorable Ami Bera
United States House of Representatives
1408 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Bera,

Thank you for your letter regarding Covered California's 1095-A process. We appreciate the importance of this issue and welcome the opportunity to provide you an update. This year was the first ever that Exchanges like Covered California, the health plans they contract with and the Internal Revenue Service (IRS) have reported health insurance enrollment on a tax form. The process was complex and while it worked well for the vast majority of consumers, for some it did not occur as well as we all would want. We are looking closely at the lessons learned from this first ever year of reporting to make improvements as we go forward.

Starting in January 2015, Covered California reported consumers' health care coverage information to the IRS to ensure individuals were meeting health care coverage requirements for the 2014 calendar year. Over 900,000 IRS Form 1095-As (1095s) have been generated as a part of this process. Covered California mailed the 1095s to its consumers and made them available for download in their online account. The 1095 details the consumers: health plan issuer, coverage household, monthly premium amount, monthly premium amount of the Second Lowest Cost Silver Plan (SLCSP), and the monthly Advanced Premium Tax Credit (APTC) received, if applicable for the 2014 calendar year.

Covered California initiated a comprehensive data reconciliation effort with our Qualified Health Plans (QHPs) in October 2014, to ensure that the dates of coverage and household composition in Covered California's IT system aligned with the carriers' records. This was an important step as consumers make premium payments to the carriers and Covered California wanted to verify that the 1095s reflected accurate effectuation data. This process included Covered California providing data to each of the QHPs which they either validated or identified discrepancies with based on their

records of consumer effectuation. This verification and reconciliation process resulted in Covered California issuing updated and corrected 1095s for California consumers.

In response to consumers who disputed the information on their 1095, Covered California created a dispute resolution process. As a part of that process, each consumer who filed a dispute was contacted by phone by a specialized team at our Service Center to better understand the nature of the dispute. The information collected from the consumers was then checked against both health plan carrier records and our internal records. If it was determined that the information on a 1095 was incorrect, we initiated a process to make technical changes to the consumer's information in Covered California's IT system that was synchronized with the QHPs data.

As a learning organization, Covered California is making some significant improvements to ensure a greater level of success as we generate 1095s for the 2015 plan year including:

- Establishing a Reconciliation of Enrollment and Membership (REM) division within Covered California to ensure better data integrity as well as to further increase the focus on the consumer experience.
- Beginning a comprehensive data reconciliation for 2015 enrollment with the carriers beginning in June 2015. We will continue to reconcile enrollment information with the carriers throughout the rest of the year and will begin a monthly cadence in 2016. This data reconciliation is integral to ensuring the information on 1095s is as accurate as possible.
- Streamlining our 1095 dispute resolution process by training a specialized group of Service Center Representatives to process disputes over the phone without the need for a consumer to fill out a dispute form. In addition, we are working to ensure technical fixes can be made in five to ten business days.

The following responses address the specific information you have requested:

What was the initial cause of the tax form errors? Were there systemic problems that contributed to disputed information?

The single largest cause of incorrect tax forms was a discrepancy between Covered California data and carrier data. In the vast majority of cases, there was a one to three month discrepancy in the coverage period. Other anomalies included mismatches in coverage household and household address and forms listing an incorrect Second Lowest Cost Silver Plan (SLCSP). Defects occurred in Covered California's IT system which led to either the SCLSP being off by one month (plus or minus), the SCLSP being computed and displaying as zero, or the SCLSP being computed and displaying as multiples of the correct number.

How many individuals received forms with inaccurate information or have disputed the information?

By May 21st, 319,050 consumers had received an updated 1095 as a result of the data reconciliation we conducted with the QHPs. The majority of these forms were sent in February and March of 2015. In addition, as of today 3,645 corrected forms have been

generated as a result of our dispute process and 245 forms are still in the process of being sent.

As of September 1, 2015, how many individuals were still awaiting decisions from disputes or appeals?

As of September 1, 2015 there were 4,233 households awaiting a decision representing less than one half of one percent of all households that received a 1095. As of today, however, we have reduced this number by 91% to 245 households. We expect to have all disputes that were submitted as of September 1, 2015 completed by September 29, 2015.

How long on average did individuals wait for decisions from disputes or appeals?

We do not have an average wait time, but we have made significant improvements to our dispute resolution process and are currently able to process a dispute in approximately 5 business days.

How much money on average are individuals responsible for paying?

Covered California does not have information on how much APTC consumers were responsible for repaying. APTC reconciliation is done by consumers at tax time when they file their federal income tax returns.

Did delays by Covered California lead individuals to incur additional financial hardships? Were individuals subject to IRS penalties and debts, unable to finalize other tax related financial assistance such as Federal Student Aid, or did they risk losing future health coverage?

Because the Federal Health Exchange and State-Based Health Exchanges, including Covered California, encountered a some errors in issuing 1095-A forms, the U.S Treasury released a statement on March 20, 2015, providing relief for consumers that have filed their taxes with incorrect 1095-A forms. Essentially, any individual who enrolled in qualifying Marketplace coverage, received an incorrect Form 1095-A, and filed his or her tax return based on that form does not need to file an amended tax return. *The IRS did not pursue the collection of any additional taxes from those individuals based on updated information in the corrected forms.* Consumers also had the option of filing an amended return. Generally, consumers have up to three years from the date they filed a return, or two years from the date they paid the tax, whichever is later, to file an amended return.

What options were made available to individuals who received an unfavorable decision and how were they made aware of these options?

If a consumer disagrees with Covered California's decision about what programs or financial assistance they are eligible for, the consumer has the right to ask for an appeal. Eligibility decisions are mailed to consumers and include information about a consumer's right to appeal. As a part of the appeals process, consumers have a right to a hearing with an Administrative Law Judge if they do not agree with the eligibility decision made by Covered California.

To date, only 704 households have had their 1095 dispute denied. Some of the reasons that a dispute may be denied are that health plan carriers have confirmed that the information on the 1095-A is correct or if consumers are not able to confirm when and if their first payment was made. In any case, every consumer is notified in writing and by phone of the outcome of their case and the reason for the outcome.

The 1095 is a new tax form that was generated for the first time this year and we worked very closely with the QHPs to make sure that our data and their data match. While the need to provide corrected forms after April 15th did not affect most Covered California enrollees, we understand how frustrating this process has been for the consumers that were affected. We will continue to work to improve this process for Covered California consumers in the future.

Thank you again for your continued interest in Covered California. Please feel free to reach out to me for further questions or discussion.

Sincerely,



Peter V. Lee
Executive Director

Cc: The Honorable Daniel R. Levison, Office of the Inspector General
Covered California Board

September 24, 2015

Peter Lee, Executive Director
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

Dear Mr. Lee:

The 24 undersigned organizations write to express our concern about the proposed change to the required duties of Certified Insurance Agents (CIAs). As organizations that provide enrollment assistance and/or convene enrollment entities, we understand firsthand how much time and effort it takes to assist consumers with their Medi-Cal applications, especially without additional funding to do so. However, we believe that the proposed change stands in the way of preserving the “no wrong door” model, reinforces the stigma against Medi-Cal enrollees and shifts the burden of Medi-Cal enrollment to CEEs, the counties, and vulnerable populations. We strongly encourage Covered California to continue to require that CIAs enroll consumers into the Medi-Cal program and, in addition, create solutions to support CIAs, CECs, and counties with Medi-Cal enrollment.

The Proposed Change Conflicts with the “No Wrong Door” Model.

Covered California and the Department of Health Care Services (DHCS) have spent countless hours working to operationalize a “no wrong door” system that offers consumers a smooth and streamlined enrollment experience. Allowing, and encouraging, CIAs to simply refer Medi-Cal eligible consumers to the counties or Certified Enrollment Entities (CEEs) sends the message that some doors are actually “wrong” for certain populations. It creates an additional barrier in what can already be a confusing process. This is especially challenging for mixed-status families composed of members who are eligible for different affordability programs either because of income or immigration status. Furthermore, it is inefficient to re-route families to the county or a CEE to enroll only certain members.

Income: Since the MAGI income threshold for children in Medi-Cal is much higher than that of adults, CIAs will undoubtedly encounter scenarios in which parent(s) qualifies for Covered California while the child(ren) will be found eligible for Medi-Cal.

Immigration Status: Immigrant households often contain a mix of family members who are native-born and foreign-born, the latter of which may fall into varying categories of immigration status. Given that immigrant eligibility criteria for Medi-Cal and Covered California are not identical, CIA’s will find it hard to work with these families and not also assist with their Medi-Cal applications.

The Proposed Change Sends a Negative Message About the Value of Medi-Cal.

Ultimately this program change creates a distinction between consumer “types” that reinforces an existing stigma around Medi-Cal as a public benefit program. Covered California and DHCS messaging did little to address this stigma with the rollout of health care reform so changes like this would just further reinforce the distinction between Medi-Cal and Covered California. As a matter of fact, various studies indicate that stigma associated with Medi-Cal as a welfare program paired with negative interactions with county enrollment staff can deter eligible consumers from enrolling in coverage.¹ Permitting CIAs to turn away Medi-Cal eligible consumers based on their income or immigration status comes uncomfortably close to setting up the same scenario.

The Proposed Change Will Shift the Burden to CEEs, Counties and Vulnerable Populations.

Per Covered California’s first annual report many consumers enrolled with the help of CIAs.² If CIAs are not required to enroll consumers into the Medi-Cal program and simply refer them to CEEs, a majority of whom are non-profit, community-based organizations or clinics, or to the counties, their workload will increase significantly

¹ See studies cited in Kaiser Family Foundation’s June 2013 report, [“Key Lessons from Medicaid and CHIP for Outreach and Enrollment Under the Affordable Care Act.”](#)

² [“Covered California Open Enrollment 2013–2014: Lessons Learned,”](#) p. 66.

though there will be no change or new investments in their capacities. Since the agent channel has already proven to be an important access point, immigrant and limited-English proficient communities may be particularly likely to experience barriers to enrollment if the proposed change is realized. Many consumers will be referred to CEEs and the counties, possibly overwhelming these service channels, especially community-based CEEs who provide culturally and linguistically competent in-person, in-language assistance. Furthermore, being referred to another enrollment channel could be particularly discouraging for people with inflexible working hours or limited transportation options, ultimately compromising the likelihood they will follow through.

This seems particularly counterintuitive after all of the additional efforts Covered California put into improving their reach into these communities.

Instead, Covered California and DHCS Should Create Solutions That Give All Service Channels the Ability to Support the Medi-Cal Population.

We understand that there are constraints on what enrollment services can be funded with revenue received through Qualified Health Plan assessments. However, the nearly two years of enrollment data that is now available makes it evident that both CEEs and CIAs play a critical role in supporting Medi-Cal enrollment. It should also not be the sole responsibility of Covered California to fund enrollment services. ***Given the obvious benefits for the Medi-Cal program, we urge Covered California and DHCS to strategize on how to jointly finance an enrollment program that is comprehensive (meaning it supports Medi-Cal, MCAP and Covered California enrollment, utilization and retention services) and supports the work of CEEs and CIAs.*** Clearly, identifying a financial solution to this issue is complicated but the undersigned agencies stand ready to work with both agencies to find that solution.

We also recognize that although much has improved, there are still complexities and barriers to finalizing Medi-Cal applications. While some CIAs have participated in additional Medi-Cal trainings and developed great partnerships with their local county offices and other enrollment entities, this is not a standard across the state. It was noted in Covered California's first annual report that CIAs "consistently requested training about Medi-Cal," which demonstrates the recognition of a knowledge gap among agents and a willingness to learn more in order to be of better assistance to Medi-Cal eligible consumers.³ ***In order to ensure they are comfortable and efficient at processing and troubleshooting Medi-Cal applications, CIAs along with all service channel staff should receive in-depth Medi-Cal training.*** This can be further enhanced by creating a space for dialogue between agents and enrollment entities to identify barriers and share best practices. This could occur during the scheduled regional meetings and at a high level during the Marketing, Outreach and Enrollment Advisory Workgroup.

We understand this is but one of many resource-intensive challenges that both Covered California and DHCS have to deal with. However, this does not override the need to have strong and functioning service channels, which include CIAs that can support Californians while policies continue to require fine-tuning and enrollment system glitches and gaps are still a factor in the enrollment experience. The board having raised this matter offers an opportune moment to reflect on and improve how CEEs and CIAs can most efficiently and effectively fulfill their shared aim of enrolling eligible Californians into insurance affordability programs. If you have questions or would like to discuss this letter further, please feel free to contact me at sonya@chc-inc.org or by phone at (323) 295-9372.

Sincerely,



Sonya Vasquez, MSW
Policy Director
Community Health Councils

cc: Diana Dooley, California Health and Human Services Agency
Jennifer Kent, California Department of Health Care Services

³ "[Covered California Open Enrollment 2013–2014: Lessons Learned](#)," p. 58.

Additional signers

Nahla Kayali
Executive Director
Access California Services

Doreena Wong, Esq.
Project Director - Health Access Project
Asian Americans Advancing Justice - Los Angeles

Mark Diel
Executive Director
California Coverage & Health Initiatives

Carmela Castellano-Garcia
President & Chief Executive Officer
California Primary Care Association

Evy Lowe, LCSW
Director of Outreach and Outpatient Treatment Services
Child and Family Guidance Center

Alex Johnson
Executive Director
Children's Defense Fund - California

Tara L. Dooley, M.Ed.
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Children's Health Initiative of Santa Barbara

Kelly Hardy
Senior Managing Director, Health
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Jackie B. Majors
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Crystal Stairs, Inc.

Louise McCarthy, MPP
President & CEO
Community Clinic Association of LA County

Herb K. Schultz
President & CEO
Eisner Pediatric & Family Medical Center

Norma Forbes, MBA
Executive Director
Fresno Healthy Communities Access Partners

Tamra King
Executive Director
Harbor Community Clinic

Lynn Kersey
Executive Director
Maternal and Child Health Access

Carmen Muniz
Chief Operations Officer
Pomona Community Health Center

Jeffrey Bujer
Chief Executive Officer
Saban Community Clinic

Kathleen Ochoa
Assistant to the President for Health Policy
SEIU - United Healthcare Workers-West

Jim Mangia, MPH
President & CEO
St. John's Well Child and Family Centers

Judy Darnell
Vice President of Public Policy
United Ways of California

Paula Wilson
President and CEO
Valley Community Healthcare

Elizabeth B. Forer, MSW, MPH,
Chief Executive Officer
Venice Family Clinic

Elizabeth Landsberg
Director of Legislative Advocacy
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Debra A. Farmer
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October 6, 2015

Ms. Diana Dooley, Chair
Paul Fearer,
Genoveva Islas,
Marty Morganstern,
Art Torres,
Covered California Board

Dear Covered California Board Members:

We write to express our concern about the Covered California immigration inconsistency process.

The Health Consumer Alliance (HCA) is Covered California's contracted independent consumer assistance program. We help consumers navigate barriers to enrollment and access to services, and meet regularly with Covered California staff to discuss trends we encounter in our advocacy work in order to elevate issues that need resolution. We are committed to working with Covered California to ensure that consumers are able to access and maintain the health coverage they are eligible for.

In July 2015, over 71,000 consumers enrolled in a Covered California health plan received an immigration inconsistency notice telling them they had until August 31, 2015 to submit documentation of lawful presence. Although the majority of recipients were able to verify their lawful presence, over 24,000 enrollees received a letter on September 11, 2015 telling them they were slated for termination of their Covered California plan enrollment by September 30, 2015. In several cases that the HCA brought to Covered California, enrollees had timely submitted the immigration verification documents, some even prior to the original July notice and others for which the Service Center acknowledged receipt of documents. Yet, the Service Center representatives told them that nothing could be done to repair their cases because termination had already been sent to the health plans two weeks before the September 30 termination date and to call back in October.

Some representative case examples:

- A consumer in Los Angeles County applied for Covered California over a year ago, and provided her certificate of naturalization at that time. She received a notice about four months ago requesting proof of naturalization and again submitted her documents. She received a second notice and faxed the documents to Covered California for the third time. Then on September 14, she received a termination notice. Neighborhood Legal Services of Los Angeles County contacted Covered California to advocate for reinstatement of her benefits but has not received any update.
- In response to a September termination notice for failure to provide documents, a Kern County consumer mailed her immigration her documents to Covered California. When a Greater

Bakersfield Legal Aid advocate called on her behalf, a customer service representative said that although Covered California probably received the documents, it would take time to process, and that the consumer's eligibility would still terminate on schedule. Despite advocate intervention, additional submission of the documents, and repeated follow up with Covered California, the consumer lost coverage on October 1.

Covered California's failure to address consumer needs during this process is very concerning. Over the past month, HCA programs have received numerous calls like these from panicked consumers statewide who received the July and September letters. Most of these enrollees protested their impending termination because they previously submitted immigration status verification—in some cases multiple times—or confirmed their lawful presence via a federal data hub match. Requesting multiple submissions of information violates state and federal law. 45 C.F.R. § 155.315(i); 10 C.C.R. § 6492(c). In some cases where enrollees appealed their termination, Covered California appeals specialists asked them to resubmit verification, even when the enrollee had already submitted it. Again, this excessive demand for verifications is unacceptable and violates federal and state regulations.

According to Covered California, a third of the enrollees slated for termination were given an extension allowed by law to turn in their verifications because they had made a good faith effort to comply. 45 C.F.R. § 155.315(f)(3); 10 C.C.R. § 6492(a)(3). However, this extension was not applied uniformly to all enrollees. In none of the cases that the HCA brought to Covered California were the enrollees offered an extension or for their terminations to be put on hold, even when the enrollees made the exact type of good faith effort to comply that Covered California said was required: submission of verifications that were difficult to read and required a clean copy. On the contrary, the Service Center told some enrollees who had submitted their documents in response to the September 11 letter that it would take weeks to verify and, in the meantime, their coverage would terminate nonetheless.

While we were pleased that Covered California's Policy, Evaluation & Research team responded to the HCA's request for a designated Covered California contact person to address the immigration inconsistency cases and that some enrollees' scheduled terminations were rescinded, many cases were not addressed and enrollees lost their health coverage. Covered California failed to appoint a backup or alternate person to step in when the main point person was unavailable in the last days of September. This was a critical time period during which, had an alternate been available to take swift action on reported cases, Covered California could have potentially prevented unnecessary and unlawful terminations.

We are also alarmed by how Covered California handles a consumer's right to appeal. Whenever Covered California is unable to resolve concerns about eligibility termination, the Service Center should inform enrollees of their right to appeal with continued enrollment, which is an opportunity for a consumer to maintain health coverage while her appeal is pending. 45 C.F.R. § 155.525; 10 C.C.R. § 6608. For those that did appeal, we are concerned about the length of time that Covered California



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takes to process requests and effectuate continued enrollment. The current process results in a delayed grant of continued enrollment, which in turns leads to a gap in coverage—the exact situation continued enrollment was designed to prevent. Any gap in coverage, even if only a few days, could result in adverse consequences, such as going without needed medical care or incurring a large medical bill.

Finally, we are concerned that in some cases Covered California has failed to collect, process, and retain immigration verifications, which is troubling in the state with the largest immigrant population in the nation. The HCA has presented to Covered California a number of clients who previously verified or submitted verification of lawful presence, who are citizens or lawful permanent residents (i.e., immigration statuses that do not expire), and whose immigration status has not changed, but nevertheless were told that they had to send in new verifications. It is unjust to shift the burden on consumers to repeatedly submit documentation and to risk losing coverage because of Covered California's technical errors. Covered California appears to be terminating or penalizing eligible beneficiaries who should have no break in coverage due to systems glitches or technical issues, which has become an unfortunate and preventable practice.

We urge the Board to require that Covered California accelerate continued enrollment for all appeals and to insist that CalHEERS improves retention of immigration status information, whether verified through a federal hub data match or submitted documentation. We also urge the Board to address the immigration verification process for the third Open Enrollment starting in November to ensure that new applicants and enrollees are afforded the full 95 days to address inconsistencies as required by law.

Sincerely,

The Health Consumer Alliance

Comment Received via E-mail

Covered California: Agent Responsibilities - Medi-Cal Enrollment

Dear Board Member,

Dear Executive Director Lee and Covered California Board Members:

I am a licensed health insurance professional and want to express my support of the comments submitted by California Association of Health Underwriters, the Independent Insurance Agents and Brokers of California, and the National Association of Insurance and Financial Advisors of California regarding updates to the agent contract covering the duties of Certified Insurance Agents (CIAs).

The current agent agreement essentially says agents must help all Californians that ask for help, including those that might be eligible for Medi-Cal. I believe that the proposed change, worded to ensure a warm hand to hand transfer of potential clients, comports with and preserves the "no wrong door" model

A revised policy is needed that allows agents to refer consumers to other certified agents (CIA), county offices or certified enrollment counselors (CEC) when agents have exceeded their capacity or have complex eligibility issues to resolve. I am asking the Board to make additional training available to CIAs and to work to find a new source of funding for agent compensation for Medi-Cal enrollments.

Sincerely,

The individuals named below each submitted the above form letter to Covered California:

Anne Foley
Kathleen Vaillancourt
Denise Theetge
Marcia Bethel
Rohn Trieglaff
Annette Gallagher
Mike Renta
Leon Morehead
Jeffrey S Owen
Bill Warner
Mark Haskell
Jessica Payne
Michael Lujan
Glenn Phillips
Christi Payne
Rhonda Patton
Dale Lowenstein
Samantha Castillo
James West
Kristy Weiss
Peter Herkey
Ira Fenster
Martha T. Collins
Tina Seewack

Mindy Rospond
Viola White
Adriana Mendieta
Kathleen Lemke
Ted Porter
Sandra Barr
Bob Burton, Jr.
Dean Zellers
Christine Anderson
Charles Underhill
Rita Gibson
Barbara Salvi
Tammy Rovedatti Borba
Dawn McFarland
Gordon Colburn
Daniel Canales
John Vitrano
Phillip Cole
Tammy Becker
Ricjard Moeller
Charles Hampton
Naama Pozniak
Judy O'Brien
Don Goldmann

Marc Derendinger, Sre.
Patricia Gomez
Kim Jetton
Todd Trieglaff
Izak Okon
William Hannant
Patricia Stiffler
Susan Rudick
Henry Lutzky
Geoff Poyer
Aline Roberts
Mr. and Mrs. Daniel
Philpott
Matthew Cassayre
Leslie Williams
Lynn Hill
Perry Brian
Derek Butler
Theresa Draper
Scott Trieglaff
Laura Viall
Rafael Halili
Philip Lee



Mr. Peter Lee
Executive Director
Covered California
1601 Exposition Boulevard
Sacramento, California 95815

October 6, 2015

Dear Mr. Lee,

The undersigned organizations are writing in support of the change that would remove the requirement from Certified Insurance Agents (CIAs) to enroll people in Medi-Cal. We strongly agree with our peer organizations that “urge Covered California and DHCS to strategize on how to jointly finance an enrollment program that is comprehensive ... and supports the work of CEEs and CIAs.” In the absence of compensation for these services, however, requiring CIAs to perform Medi-Cal enrollments undermines the goals of maximizing health coverage, particularly among the employees of small businesses.

The implementation of the Affordable Care Act has many different goals which are sometimes in conflict. For example, we want the largest possible number of CIAs enrolling people in health insurance through both Covered California and Covered California for Small Business. Requiring CIAs to perform a service for which they are not compensated, however, reduces the number of CIAs hence reducing the number of people covered through these channels. This is a particular risk for Covered California for Small Business (CCSB) as it engages in the essential tasks of dramatically increasing its membership in the upcoming open enrollment season.

In addition to reducing the pool of agents selling CCSB, this also reduces the pool selling individual insurance. In order to maximize coverage, we would prefer that agents who serve the small group market enroll employees (for example who are terminated or do not qualify for the group plan) in individual coverage through Covered California. Requiring them to enroll people in Medi-Cal presents a strong financial disincentive for them to offer this service.

Many CIAs have chosen to enroll people in Medi-Cal and many will continue to do so as a service to their clients if it is economically rational for them to do so. However, the vast majority of CIAs are middle class small business people who are already performing a much more complicated task for significantly less compensation than before the passage of the Affordable Care Act. (Though the law standardized and streamlined some elements of health insurance enrollment, the move to narrow networks for the individual market alone has made the task of assisting clients significantly more time consuming on an ongoing basis.) Most of these agents do not have the financial wherewithal to perform uncompensated services and unlike organizations that work with CEEs they do not have grants and other revenue to cross subsidize these costs.

Fortunately, there is a better solution and that is partnership among organizations. We should welcome those CIAs who are not expert in Medi-Cal and cannot afford to enroll people in it. But we should also facilitate their linking up with public agencies and organizations that perform these tasks. We already require this post-enrollment for Medi-Cal so the theory of “no wrong door” is

already violated in this regard. The customers of agents expect to be able to go to them not only – and not even particularly – for enrollment but as they have issues using their coverage. In the current system, they are not able to do so since this task is given to a state agency.

CIAAs have been workhorses for Covered California, enrolling vastly more people than any other channel. Yet there have been challenges such as long delays in paying commissions. As Covered California and CCSB continue to grow and expand, they must remove disincentives for CIAAs to work with them. Requiring uncompensated enrollment activities is too large of a disincentive and the partnership model presents a better solution.

Thank you for your consideration.

Sincerely,

David Chase
California Director
Small Business Majority

Hank Ryan
Board Member
Small Business California

Micah Weinberg, PhD
President, Economic Institute
Bay Area Council

October 6, 2015

Mr. Michael Lujan, RHU
President
California Association of Health Underwriter
2520 Venture Oaks Way, Suite 150
Sacramento, CA 95833

Dear Michael,

KeenanDirect has supported the Medi-Cal enrollment effort diligently since the Exchange launched in October 2013. We are actively following the activities surrounding the new proposals being considered by Covered California and appreciate the involvement CAHU is demonstrating.

As business owners, Health Insurance Agents have been faced with a reduction in Commission Income in the Individual market over the past two years as well as direct competition from Navigators, CEC's, Carriers and Covered California itself. Through this, we have managed to solidify our position with consumers as a trusted resource and supported the Exchange as its leading producer of new members.

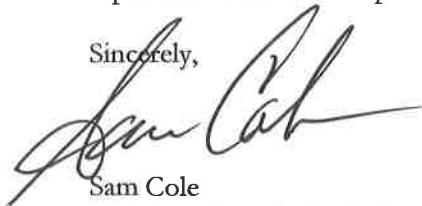
We obliged by enrolling Medi-Cal clients at a very nominal stipend and endured delays, of up to a year, in receiving payments. In our case, the \$58 stipend at least helped partially recover the administrative staff costs associated with the enrollment process and allowed us to assist those individuals in need of health care protection.

To mandate that Certified Covered California Agents enroll individuals without any type of remuneration creates financial strain, reduced support and limited resource availability. Additionally, it places a burden on Agents that is exclusive to Certified Covered California producers. To the best of my knowledge, no other licensed Insurance Agent category in California is tasked with mandates that require assistance with Voter Registration and now enrollment into the Medi-Cal system.

We estimate having enrolled as many as 3,500 Californians in Covered California and another 450 in Medi-Cal. As you are aware enrollment can be difficult. Often times, eligibility is complex and the training provided to agents is limited and may not cover the full scope of issues we have experienced. We are hopeful that proposed changes will be enacted that allow us to seek support from other enrollment entities, CIA's or county offices when there is an applicant whose complex eligibility needs is beyond our team's capability, particularly those in need of immediate care.

Please feel free to share our concerns and also voice our support of Covered California. We look forward to Open Enrollment with optimism and a resolve to assist clients with all of their health insurance needs.

Sincerely,



Sam Cole
Vice President, Individual and Family Plans



October 5, 2015

Mr. Peter Lee, Executive Director
Covered California
California Health Benefit Exchange Board
1601 Exposition Blvd.
Sacramento, California 95815

Dear Director Lee:

The California Association of Health Underwriters (CAHU), the Independent Insurance Agents and Brokers of California (IIABCal), and the National Association of Insurance and Financial Advisors of California (NAIFA California) wish to express our support for proposed changes in the contract covering the duties of Certified Insurance Agents (CIAs).

The California Association of Health Underwriters, the Independent Insurance Agents and Brokers of California, and the National Association of Insurance and Financial Advisors of California represent California's licensed health insurance agents. Our licensed members provide reliable insurance advice, act as the consumer's advocate when dealing with carriers and provide a number of essential services relating to the individual and group insurance coverage and obligations post-enrollment. Our members also act as a trusted and effective marketing and distribution channel for health insurance information for all consumers and potential consumers of health care insurance coverage.

The current agent agreement essentially says agents must help all Californians that ask for help, including those that might be eligible for Medi-Cal. We believe that the proposed change discussed at the recent stakeholder meetings, worded to ensure a warm hand to hand transfer of potential clients, comports with and preserves the "no wrong door" model. With this change, certified agents will still be asked to help all those who walk through their door, but the language will permit, when there are not enough "hands on deck" in their office to help those needing assistance, they can reach out to others to ask for help in completing applications.

For Covered California, CIAs have three areas of clients to serve: employer groups; individuals and families; and those that are Medi-Cal eligible. The application has to be started, vital information shared by the client(s). All applications take far more than an hour to complete the application and some take many hours to complete due to complexity of family issues or size of the employer group and their dependents.

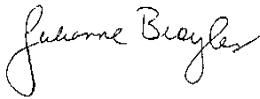
Rough estimates based on enrollment progress reports given at various Covered California board meetings over the last two years seem to place CIAs near the top of those performing individual, family and Medi-Cal enrollments (excluding self-enrollments). CIAs are simply asking for the development of an agreed-to pathway to follow when there are not enough hours in a day to meet the demands placed on CIAs.

Agents have reached out to Covered California a number of times on the issue of the current Medi-Cal Training gap. Covered California was helpful and responded with some very well received expanded Medi-Cal training webinars, but more can be done. Agents are willing to learn more in order to be of better assistance to potential Medi-Cal enrollees. That is why our organizations believe certified insurance agents need to be able to access more in-depth Medi-Cal training in the future if they are to be even more effective partners to Covered California.

Certified Enrollment Entities (CEEs), county welfare office staff and CIAs all perform Medi-Cal enrollments. Beginning mid-year 2015, the first two types of organizations will still receive funding from Covered California in the form of \$23 million in grants or from their county employer to perform Medi-Cal enrollments. However, CIA Medi-Cal funding has ended. We do think it is important that Covered California and the Department of Health Care Services strategize on a plan to jointly finance a Medi-Cal enrollment program supports the work of CEEs and CIAs for the sake of fairness.

In conclusion, our organizations support a revised policy which allows agents to refer consumers to other certified agents, county offices or certified enrollment counselors when agents have exceeded their capacity or have complex eligibility issues. We also urge the state to try to find a new source of funding to cover the agent compensation for Medi-Cal enrollments they perform for Covered California.

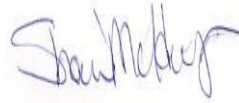
Sincerely,



Julianne Broyles
CAHU
(916) 441-5050



Clark Payan
IIABCal
(925) 426-3310



Shari McHugh
NAIFA California
(916) 930-1993

cc:

The Honorable Diana Dooley, Secretary, California Health and Human Services
Members, California Health Benefit Exchange Board
Yolanda Richardson, Chief Deputy Director, Covered California
Jennifer Kent, Executive Director, Department of Health Care Services
Rene Mollow, Department of Health Care Services
Waynee Lucero, Covered California
Lezlie Micheletti, Covered California
Elsa Ruiz-Duran, Covered California
Kirk Whelan, Covered California
Drew Kyler, Covered California