

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD MINUTES

Thursday, October 8, 2015
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 10:30 am.

Board members present during roll call:

Diana S. Dooley, Chair

Genoveva Islas

Art Torres

Marty Morgenstern

Paul Fearer (via remote location at Stanford University)

Agenda Item II: Closed Session

Discussion: Announcement of Closed Session Actions

The Board convened to discuss personnel and contracting matters and noted there was nothing to report on these matters at this time.

A conflict disclosure was performed and there were no conflicts from the board members that needed to be disclosed. Chairwoman Dooley called the Open Session to order at 12:00 pm.

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 August 20, 2015.

Presentation: August 20, 2015, Minutes

Discussion: None

Public Comment: None

Motion/Action: Chairwoman Dooley moved to approve the August 20, 2015, Minutes.

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

Agenda Item IV: Executive Director's Report

Presentation: Executive Director's Report

Discussion: Executive Director's Update

Peter Lee, Executive Director, noted one of the issues spoken about at length was getting ready for the most important contracting Covered California does, which is contracting of health plans performed annually. Even though it is not yet 2016, robust planning for 2017 is already underway and the Board had a deep discussion regarding this with leadership from the Plan Management Team. An overview of that planning process will be given at the next Board meeting.

Mr. Lee reviewed the current agenda and indicated the Board will be reviewing open enrollment briefly today. He noted the week after next, Covered California will be publicly releasing some element of the marketing program and more lessons for consumers. Today, a high-level overview in terms of the open enrollment period, renewals, and our tax filer, non-tax filer approach will be given. Dr. Lance Lang will provide an update on our quality reporting for this open enrollment period and staff will be providing a deep-dive picture of Covered California's membership.

Prior to the Board meeting there was a press event to announce the posting of the active member profile data book which is available to everyone.

Discussion: Covered California Board Calendar

The next Board meeting is scheduled for November 19th and there's also a tentative meeting set for December 17th, should one need to take place. Other advisory meetings have been scheduled between now and then. Also seen here is a proposed 2016 Board meeting calendar in the meeting materials. Please note, there are three months where tentatively no meetings are planned, however, if issues come up, the Board will be ready to meet.

Discussion: Open Enrollment Update

October 12th is the beginning of active renewal and Covered California is starting to send renewal notices to consumers. Similar to last year, Covered California will be allowing consumers to reenroll in their existing plan/benefit design, if they do nothing. Covered California encourages people to shop and will be doing targeted outreach to consumers that have significant potential of getting a better deal in their community or if the small number of consumers that appear to have not made the best tier choice. Open enrollment for new enrollment starts November 1st and the Marketing team will be presenting some of the new marketing activities. Auto enrollment goes from November 13th through the 29th. Some key dates to focus on include December 15th. Signing up by then allows for coverage on January 1, 2016. Open enrollment goes through January 31, 2016.

Beth Abbott, Director of the Offices of Patient Advocate, is here today with the release of the report card that is important for the upcoming open enrollment.

Discussion: Open Enrollment Marketing Update

Mr. Lee asked Colleen Stevens, Director of Marketing, to present an overview of Covered California's marketing efforts. Ms. Stevens indicated the marketing campaign is very exciting and there are some big changes that are going to be coming in this open enrollment. Staff spent the summer doing testing to figure out exactly what will motivate people, both to pursue health insurance and to stay retained in health insurance. The overall objectives are to help Californians understand the value of health insurance and being covered. The population wants insurance but, they have the competing financial barriers and need to be convinced that there is a value to a health insurance and that's where a lot of our emphasis is going to be.

Covered California continues to promote enrollment among the subsidy eligible and will continue to build brand awareness, both for people who are subsidy eligible and to work with people to see Covered California as a place, regardless of finances, to look and see comparable insurance and determine the best rates for you. The focus will be to emphasize retention and renewal, and doing a better job coordinating with agents and various ground forces.

Covered California has two platforms to work on at the same time. One is brand awareness, really educating what Covered California is, what it stands for, what it offers, and help people see Covered California as a solution to their problems. There will be other media materials that will really drive consideration and purchase so, there are two different campaigns within a campaign.

One of the things mentioned before is cost is still the number one reason people don't buy insurance and is also, if they do buy it, is the number one reason they say oh my gosh, this was less expensive than I thought. There has been a powerful response, from the public, to the fact that dental will be available. This is going to be a real selling point. A lot of people see health issues as somewhere down the road but, most of them have dental issues right now. Covered California will continue to balance both prevention and prevention services with you to be prepared for emergencies. One of the things that was found very motivating to people was to understand that four out of five people who did apply through Covered California got help paying for their insurance. There is also a big interest in helping people understand which plans are available and help them understand this is not just a government plan. Kaiser, Health Net, and Anthem are quality insurance companies just like anyone would get if you were not getting a subsidy.

This is just an overview of the multi-segment campaign, Spanish language campaign, the campaign for African-Americans, and Asian language campaign. It is going to be a comprehensive campaign using television, radio, print, lots of social media, paid search and direct mail. I'll use two examples here; one is paid search and the other is social media. People ask us, why are you spending money on paid search? Covered California is number one when you Google anything about insurance or I need insurance or I need coverage. The reason always come up at the front of the list is really have it coded so if you are looking for, I have lost my job, I am pregnant, whatever you say that is related to either special enrollment or needing insurance, Covered California pops up. The one that is very limited is LGBT and there is a very specific print campaign for LGBT that will be in various publications that reach out to that population.

Covered California will start seeding promotional and radio ads on October 19th. In the previous two years there was a very robust announcement about seeding, and seeding was – open enrollment was coming. After two years of research, it is known that people don't sign up until the last minute and Covered California would not be using money effectively talking about seeding for a month so, it will start on October 19th.

Mr. Lee noted the week after next, Covered California is going public with the actual themes of the ads based on some of the results of the survey work that has been done under the auspices of Ms. Stevens and the team from the University of Chicago. Marketing used that information, as well as enrollment information, to target and to sharpen the message. With no questions from Board Members, Ms. Stevens concluded her presentation and Mr. Lee thanked her for the update.

Discussion: Renewal Process Update

Mr. Lee noted Covered California will have approximately 1.2 million people going into the renewal process and the objectives are to maximize the retention and renewal of those members. Covered California wants to keep the members insured and provide them with informed access when they want to make changes with a multi-touch strategy via e-mail, direct mail and notices from the IT system. The advertising itself works by putting the word out, this is open enrollment and is a time that even if you have insurance with Covered California to consider shopping. Many of the ads and materials focus on the value of insurance, because many people with insurance don't use it and will be wondering, should I re-up this year? In regard to some of the data are releasing today about people that move in and out of the market, the good news is, people are staying with insurance.

When looking at the principles for renewal, there will be a focus on making the consumer experience better and easier by using the whole range of service channels; including engaging and leveraging the certified partners and the hundreds of Covered California storefronts around the state. Those are the faces

and voices of Covered California that people see when they have questions and they will have questions about renewal.

One particular element to flag for the Board and the public, is the issue of handling non-tax filers. This means, if an individual received a tax credit in 2014 but, did not file their 2014 federal taxes, they are not eligible for a tax credit in 2016. There are many of these people but, staff is doing a lot to make sure folks don't lose the opportunity of eligible subsidies.

In August, e-mails and mail were sent to all enrollees reminding them to file their taxes. Language is being added to the online material that consumers need to attest they filed their 2014 taxes. In November, follow up notices will be sent to individuals whom the IRS reports did not file their taxes. In early 2016, staff will work to redetermine **APTC**; which is the tax credit eligibility for folks that didn't file and prospectively remove tax credits to comply with the Federal Regulations. Covered California wants every one of those non-tax filers to get their taxes filed so they can continue to be eligible for federal tax subsidies.

Discussion: Health Plan Quality Reporting Update

Dr. Lance Lang, Chief Medical Officer, presented an update regarding the health plan quality reporting that is going to be going live with the 2016 open enrollment.

The quality ratings that will be posted on CalHEERS as part of open enrollment this fall will be based, for the first time, predominantly on surveys of Covered California enrollees. There are other members of the individual market included but, they have basically all have the same plans as Covered California's do. Covered California is the first exchange to post all these scores based on surveys that went out last winter. There are no clinical quality scores yet, however, those will come next year. It's really just a beginning in response to the Board's request to have quality scores to provide decision support for the members. This survey was limited to only a thousand people and the response rate was relatively low at 21%. Not all 10 questions were used because they weren't all reliable. However, the two questions were used are the best questions as they reflect the experience with the plan and with care. In past experience over 20 years with the survey, these have been great predictors of any roll up of all 10 questions.

The distribution of star scores that roll up from this survey includes, three 4-star plans, three 3-star plans, five 2-star plans and one 1-star plan. The actual identities of those plans is on page 23 of your packet. Molina is the 1- star plan. Staff has spoken with Molina and several of the 2-star plans about their agenda to address these relatively disappointing scores and are impressed with the earnestness of response and the combined effort between the folks and the plans in coming up with actions to address these scores.

Dr. Lang spoke specifically to Molina, and acknowledged that they have initiatives related to plan administration including real-time patient satisfaction surveys so they can track throughout the year. Patient experience training for their staff, improved network and access, and increased allotted time for preventive care visits, focus on better listening and explanation of clinical choices among their providers, and they are on board for significant delivery system reform efforts relating to chronic care and primary care. This is not dissimilar from the other 2-star plans. They are broad and include both efforts on the plan administration and the delivery system sides.

Discussion: Morning Press Release re: Membership Data

Mr. Lee indicated Covered California met with the press briefly this morning and now shared with the Board and with the stakeholder public, an overview of the evolving picture of the membership. He started with some background on what is being done and where this data comes from. The data can be found on the website and represents the full data profile of active membership, often called effectuated membership, people that paid their bills and are live today.

Enrollment data can be turned around in a matter of days and it means someone has picked a plan. It doesn't have all the processing for termination, payment, et cetera. Later in October there will be survey data released, noting some of the enrollment renewal forecasts for the open enrollment period. The member profile that is now available on the website and is a very robust piece of data, has core dimensions on enrollment and paid enrollment by issuer, tier, service channel and by premiums. It also contains demographic information, and has this information broken out geographically (region, county and zip code) as well as by health plans statewide.

Mr. Lee shared summary data on the experience over the last year and a half. As of September, Covered California has served more than two million Californians obtain coverage for some period of the past 18 months and some of them have had coverage for the entire 18-month period. For others, they might have been covered for four months. Covered California administered a survey of those that have left the coverage and now know that of those two million, 1.3 million are currently insured, have active coverage, and they are reflected in the data book. About 35% have left Covered California and the vast majority of them, 85%, have continued to have healthcare coverage. The biggest group has gone to employer-based coverage and there are about 5% of the total that are uninsured. One of the things that data underscores is that for many, Covered California is not an end point; rather, part of a lifetime journey, ensuring that people have health insurance coverage. They will move from employer coverage to Covered California to Medi-Cal.

Mr. Lee highlighted a few issues with regard to the data from the active member profile and showed why this is a learning organization. Ms. Stevens stated four out of five of the enrollees have subsidies when actually it's nine out of ten of the

Covered California enrollees get federal help to pay their premium. That's a huge benefit which means coverage is within reach to millions that was not before. For those that get subsidies, the average person with a subsidy has 70% of their premium paid for with a federal tax credit which means while the average premium is a little bit less than \$600, the average of what Covered California consumers pay is about \$150. But more importantly, know that for lower income Californians in Covered California, more than 200,000 of the enrollees pay less than \$50 a month to have comprehensive coverage. This is truly bringing healthcare within reach to Californians.

This data provides good evidence that consumers are actually choosing plans that are the best value for them. Mr. Lee noted with the standard benefit designs, all consumers who select a silver plan and above have no deductible for outpatient care. 700,000 of the active insured members also benefit from an enhanced silver plan, which lowers their cost sharing. For example, people who make less than 150% of poverty, approximately \$18,000 for a single person, will not only get a subsidy on their premium, but they benefit from a low cost sharing that means no care is subject to a deductible. And when they go see their primary care doctor, it's a \$3 office visit copay.

The data shows that 91% of people eligible for the silver plan choose it, with about 8% choosing bronze. Covered California believes that the consumers who have chosen bronze, are doing it on an informed basis and basically will pay virtually nothing for the premium of a bronze plan, and they get three visits a year not subject to a deductible. This is a critical point on the importance of person-to-person assistance, of having insurance agents and certified enrollment counselors ensuring that people are making those informed choices. Similarly, the next income level up, people that make up to 200% of poverty, 80% are picking a silver plan, again, with an enhanced benefit to lower their cost sharing.

Mr. Lee shared information regarding the diverse service channels which is an update based on active enrollment. He highlighted that part of the reason believe consumers are making good choices is because they are getting help; indicating 70% of those that have enrolled and are actively insured today, got help in that enrollment. 41% of active enrollment enrolled with the direct help of certified insurance agents and the next largest group receiving assistance was through the service center representatives in Rancho Cordova, Fresno, and Contra Costa, who helped hundreds of thousands people enroll.

There are individuals who end up enrolling unassisted, i.e. 28% who have talked to certified enrollment counselors/agents, or who have talked to the people on the phone, eventually took themselves across the finish line. This underscores the need to continue to improve the online services as many people self-service need the continued support and service.

Mr. Lee noted 19% of Latinos signed up with certified enrollment counselors compared to 8% overall of certified enrollment counselors. This enrollment was significantly supported by certified enrollment counselors which is why the investment in the navigator program to weigh in on support for enrollment of the Latino community is so important.

Certified Agents enrolled far higher in the Asian Pacific Islander (API) community and that informed the navigator investments, which weren't as high for the API community as it was for the Latino community.

The African American (AA) community has significantly lower enrollment through insurance agents. Service center representatives are far more likely to be helping AAs enroll, and AAs are far more likely to be unassisted. This helps sharpen the outreach strategies and to think about what work to do with service channels and where to make the investments.

Another way to look at this data, although similar, is again looking at it from the perspective of race and ethnicity for enrollment, is to note 65% of the enrollment done by certified enrollment counselors was of Latinos which compares to an overall active enrollment of a little over 28% is Latino. Again, these are two ways to look at the same data and more important, Covered California encourages advocates and others to roll up their sleeves to look at this data to see how it is informing us and to assist the planning for open enrollment.

Board Member Torres posed the question regarding the Latino numbers, what percentage of those calls were made in Spanish? Chairwoman Dooley responded that in the data book, there are numbers of how many of the people which have language preferences and what that means for the enrollment. She also indicated this information is linkable and has been posted, and a printed copy will be provided.

Board Member Morgenstern inquired as to involvement of the county eligibility workers. Chairwoman Dooley noted county eligibility workers enroll about 1% of the enrollment in Covered California. The counties are trained to do this enrollment and, I think in many cases, they end up referring people that are Covered California eligible to certified enrollment counselors or to agents. They also do a lot of Medi-Cal enrollments.

Currently in the data book focusing on race and ethnicity and has tailored the marketing and outreach to be specific to the diverse population of the state. In the past, the reporting has been on enrollment, which is how many people signed up and picked a plan and not all the way through having paid for their plan. In the first three months of the first open enrollment period, 18% of the enrollment was Latino and knew that wasn't good enough so, weighed in, and during the second three months of the first open enrollment there was about 28% Latino enrollment. During last year's open enrollment period two, there was about 37% Latino

enrollment. That averages out to about 30% Latino enrollment who have active insurance today which compares to subsidy eligible of about 37%, which is why continue to make so much in-language and targeted outreach.

This is the product of what has been seen in the last 18 months of efforts and for those that don't recall, the CAL SIM estimate of the population is the estimate of the population that is subsidy eligible and the 25% that is non-respondent are people who choose not to identify with any of the choices on ethnicity. Chairwoman Dooley questioned if Covered California has any way of knowing how the non-respondent 25% might spread over the group and Mr. Morgenstern confirmed no.

In other data, it has been reported out by the Kaiser family, which actually surveyed insured Californians and got race and ethnicity from all of their respondents instead of the 75% of respondents, they reported about five months ago that about 37% of the insured were Latino which is a higher rate than what the survey shows. This is an evolving picture regarding the data and will look to get better data.

Mr. Lee did a call out to Isaac Menashe, who has done a fabulous job in pulling this data together and was given a round of applause.

A question was asked regarding why Covered California doesn't have anybody in the age 65 category, did they buy supplemental insurance? It is because there are individuals who are over 65 who are not eligible for Medicare and those non-Medicare eligible can buy in Covered California and do.

Mr. Lee made comment about the culture of coverage are seeing here and the movement across the lines that he was struck by the comment that they are still dealing with some of the bias against having something that is supported by the government, and the idea that it's a private sector product instead of a public sector product. He was also particularly struck by the amounts of the subsidy and the percentage of out-of-pocket that people were paying for their premiums and their other associated costs.

From his perspective, there is never enough emphasis as to how much the government is sponsoring employer-sponsored insurance and the tax advantage to employers to have employer-sponsored insurance. The tax expenditures, as they are called in Washington, D.C., of the exemptions that are allowed for employers means all are sharing in government sponsored coverage for the health.

Discussion: Press and Reports

Mr. Lee highlighted material for the Board that is provided in press and reports and public comment. In particular, he called out one editorial comment from the New York Times, where they stated, "California is proving that health reform

works.” The work done in the California model, for the nation, a way to make the Affordable Care Act work. It’s a tribute to thousands of people across the state who for years have leaned in to say, let’s put politics aside and make the Affordable Care Act work for Californians.

Second, he highlighted the report to the Governor and Legislature which serves as an update. It’s a review of the good work, not just of Covered California but, of the thousands of partners work with.

Third, he highlighted an article that he and Jamie Robinson at the University of California authored regarding Covered California’s active purchasing role and that are the most active purchaser in the nation. Other states are active purchasing, some, but not on all the fronts that are. Three years ago this board stated Covered California should be an active purchaser and in many ways are seeing the benefits accrue to Californians, not just in Covered California but, in the individual market, where they also benefit from that 4% rate increase. So the benefits of active purchasing reach a broader market than just the members.

Fourth, I’d like to highlight very well-done material from the uninsured project on the 1332 waiver process, which will be discussing with the Board during the November meeting. At that time will look at processes to consider and options available to California in terms of modifications to the Affordable Care Act. Since the Federal HHS and CMS have yet to finish their regulations on the 1332 process, will be doing a little bit of guesstimating as to what it’s going to look like.

And last, he highlighted two other reports in the material. First, is Kaiser’s survey of employers which highlights the effect of largely increasing deductibles of people with employer-based coverage? 30% of people with employer-based coverage in the US cannot get to see a primary care doctor without paying a deductible, however, in California if you have silver benefits or above, you get to see a primary care doctor with no deductible. I think it’s important for us to look at what good insurance coverage is for anyone.

Second, he highlighted a survey that Deloitte did comparing the experience of people in health insurance exchanges nationally to people with employer-based coverage. They found that enrollees in health insurance exchanges were better informed about what their benefits were than were people getting employer-based coverage. They also found that health insurance exchanges were well trusted, on par to independent consumer groups, families and friends, and doctors. Covered California is earning trust by being transparent and by making it very clear that there is one client to serve, and that is always the consumer. It also found consumers in health insurance exchanges were really on the leading edge of being interested in using online resources for price and quality and in using telemedicine. These are issues will continue to look at and I think it’s an

example of exchanges serving as a testing ground to make health insurance better for all Americans.

Discussion: Appeal Process

During the last Board meeting, Mr. Lee said he would report on the appeal process and how they were going. He gave a huge appreciation and thanks to staff at Covered California; the appeals team, people at the service center, the partners at Accenture. Covered California has resolved over 1200 cases in the last month and all appeals older than 30 days have been resolved. Improvements have been made in the appeals process and staff are working to make sure appeals stay current and going forward with the process as positive a consumer experience as it can be. Some of the changes are reflected in the regulations that will be discussing later in this agenda.

Discussion: Policy and Action Items

The potential action items for today are agent responsibilities and regulations to be readopted. The recommendation of staff that no action needs to be taken in those areas. They will be for discussion but, the Board will certainly have the ability to take action.

Covered California has over 2,400 certified enrollment counselors who work at certified application organizations which will no longer be paid going forward. There is no longer federal support, which means that as of July 2015, Covered California does not pay anyone except for navigators enrolling individuals in Covered California. Covered California has never paid for enrollment in Medi-Cal, which was something DHS has done. I think it's so important for all of us and for this Board to appreciate the 210 entities that have certified application counselors who are helping people enroll at no compensation. Consumers still know them as certified enrollment counselors who are trained to help people get enrolled but, they are no longer being paid.

Mr. Lee expressed appreciation to the three managed care plans that have been certified by us to help people enroll, whether in managed care or in Covered California. Going into 2016, there are 11 health plans whose more than 1,300 plan-based enrollers will provide vital services in enrolling so many Californians.

Small business is an agent-based sales business and agents' commissions which, in the case of the small business program, are actually paid by Covered California; unlike commissions in the individual market where they are paid directly by each health plan. Payments are now current on agent commissions through July and August, and September is in process. By getting the shop in order, it will help us move into the fall season, when many small businesses are eligible and will be looking at changing to Affordable Care Act Compliance

Small Business Plans. In terms of the rates for Covered California for small business there has been an average rate increase of slightly less than 8%.

It is important to note, in 2016 the small group market will expand to 100 from 50 employees. Many small businesses that are not now in Affordable Care Act compliant plans, will be needing to move to them. That was a transition made as a state for everyone in the individual market on January 1, 2014 which was not the case in the small employer market which means there will be a lot of shopping. So having the administrative house in order, good relationships and working partnership with agents is critical.

Comments to the Board: The Board has received many comments from consumer advocates, CAHU agents and numerous other agents regarding the role of insurance agents getting people into or eligible for Medi-Cal.

There was shared correspondence with Congressman Bera with regard to the 1095 process. And a letter was received this week from the Health Consumer Alliance regarding the citizenship and immigration status verification work. Federal law requires us at Covered California to verify that the enrollees have satisfactory citizenship or immigration status in order to get coverage. Staff works closely with the enrollees to make sure that the documentation to maintain their status is received. Federal rules require that a termination of their coverage commences if they cannot verify status. After extensive outreach with tens of thousands of individuals for whom did not have documentation, Covered California sent termination notices to 17,000 enrollees, about 1% of all enrollees. Now, Consumer Alliance notes that some of those enrollees are citizens who are lawfully present, and staff agree. If consumer's received a notice of termination in error, staff is working actively to reinstate individuals upon request.

Mr. Lee acknowledged meetings with staff in regard to the appeals issues and is happy to see that the compliance with the appeals decisions are moving.

Public Comment:

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance. With regards to their most recent letter, she agrees that all citizens and lawfully present immigrants are required to verify that they have that status. Their concerns are that some of the people that were asked to verify that status this year had actually applied in 2013 and had verified that status. Covered California sent new procedures for reinstating people, so she is happy to see. As of this morning, many of the cases have been resolved and some are awaiting results from appeal. This does bely the fact that one of the other federal regulations and state regulation does require that we not be asking people for information that they have already provided. So people who have verified their immigration or citizenship status should not be required to do that. She encourages staff to get through these reinstatements and get people to where they should be, then go back and look through the system to see if there's a technological problem that is causing some of these people's documentation to not be retained in the way that it should be.

The other issue she spoke to was the issue of non-tax filers. There are concerns with how this will be communicated. When Covered California opened up enrollment for the first time, there was some miscommunication about how tax filing should be treated by applicants. It was not that any applicant needed to have filed 2014 taxes, it's that they need to file taxes for the year that they are getting their credits. She also wants to make clear that for persons that did file their taxes late because they had to ask for extensions, particularly those that were waiting for the outcome of their 1095 a's, they will have a way of showing to the Exchange that they did file. And finally, persons that may not show up on the IRS books that did file, that their children not then be precluded from getting Covered California.

Kim Lewis from the National Health Law Program and the Health Consumer Alliance echoed Jen's concerns around the tax filers and making clear that those who might be kicked off subsidies are appropriately done so, who failed to file taxes, and that not be over inclusive, and understanding the IRS match data may not be fully up to date related to those concerns.

She also spoke to the Health Consumer Alliance letter that was in the Board material regarding immigration concerns and the immigration verification process. Using director lee's number of 17,000 the concerns are three fold: One, if there were a number of cases where people had actually provided verification information previously and those cases have finally been resolved with constant attention to the problem by our raising continuous concerns, the concern is the other 16,990 cases or so that haven't had assistance. There may be concerns around the lack of IT verification systems in place to ensure those individuals have not lost coverage when they shouldn't have. A recommendation would be to do a random sample audit of those numbers to ensure people who are being terminated should be. Secondly, she is very concerned about people having to provide information more than once. She has seen cases where people had information in the system. Immigration status isn't subject to change, even if they have the federal hub showing inconsistency, they have provided additional documents which have resolved that and shouldn't be asked to provide it again. Finally, she wanted to address anyone who has attempted in good faith to provide that information, that they not be terminated before the date of the cutoff, which was September 30th.

Betsy Imholtz from Consumers Union, was happy to see the national acknowledgment of the work of Covered California, from the New York Times to the presidential debates, where we see candidates picking up on futures of our standardized plans. She is always proud and tout those accomplishments here in California. She limited her remarks to quality. She is also proud of the board's decision to be one of the first exchanges in the country to put forward the quality ratings so that consumers could start to use that data and to encourage plans for self-improvement. In terms of what was shown today, it is concerning that half of the plans up there were two stars or less. Was it initial bumps in that first year? She understands it was an adjustment for everyone getting into that first year of coverage under the ACA and looks forward to working with Dr. Lang and the

team as a consumer coalition to learn more about the quality and to dig a little more into that and improve upon it even in future years.

Concerning the data book, she is really excited to go through the data they have been waiting for. She is also happy about the 30% Latino enrollment, but speaks to the fact that there is an opportunity and a need to focus on disparities reduction.

Cary Sanders, Director of Policy Analysis, California Pan-Ethnic Health Network (CPEHN), also wanted to give you kudos on the data book, and appreciate Isaac Menashe's work to really stratify that data and provide the regional snapshot that the stakeholders have been asking for. She hopes that Covered California will use this data as part of the quality improvement strategies Betsy mentioned. Nine out of ten consumers are subsidy eligible and 63% are from communities of color. She encourages staff to use this data to include specific health disparities reduction measures as part of the quality improvement strategies with the QHPs. She also hopes that the data will be used in conjunction with the numbers on limited English proficient. She is happy to see all the marketing and outreach goals and strategies laid out and would like to reiterate the importance of continuing to reach out to limited English proficient.

She also commented on the piece regarding quality measures. Even though they realize the responses were low all around, they would love to see how many responses received in Spanish, Chinese, and other languages. They have asked for that data before and would like to get a sense of the responses that are being received as well as thoughts on how to accurately measure the experiences of diverse consumers Covered California, including where they go when they leave Covered California.

Sonya Vasquez with Community Health Councils thanked staff for the data. She loves all the data and what it can tell people, especially when it shows how successful we are with all of our strategies. However, she cautioned that when looking at a set of data and not looking at all of the factors, specifically when we are looking at the service channels. While insurance agencies did do five times more enrollment than the counselors did, we also have to look at the sheer number of agents versus counselors. There are three times more agents out there than there are counselors; the number per agent, is about 40 enrollments done per agent, versus 25 per counselor. While agents don't necessarily get paid from Covered California, they do get paid, and their enrollment payments are much higher than what others get. It's important to remember this when making decisions about service channels.

Beth Abbott, Director of the Offices of the Patient Advocate (OPA) thanked the Chair for her kind remarks and congratulated Ann Price and Lance Lang for their very seminal work on getting quality data for consumers who are Exchange enrollees. She is also a National Association of Insurance Commissioner Consumer Representative and is always hearing what other states are or are not doing. Her response is always, "Well California seems to be putting this together. Their Exchange does this."

Today, the OPA issued their report cards for 2015-16, with new data as of this morning. They cover a little more than 16 million people who are in the commercial marketplace,

and the OPA has both clinical and patient experience data, which is a supplement to Covered California's data. She mentioned that OPA prepared a briefing with links to the report card and that anyone who handed her a business card before she left the Board meeting would be getting this briefing.

Michael Lujan, President of the California Association of Health Underwriters is also celebrating a lot of the successes that are happening here in California. He is really proud of the role that agents have played in helping cut into our uninsured numbers and help California be a success story that serves as a model for the rest of the country. He is also proud that his parent association, NAHU, has been selected as one of the two entities that delivers training to the federally facilitated marketplace. This partnership demonstrates how agents are playing a significant role not just in California but across the country. On behalf of CAHU, he lends support to the comments shared by HCA regarding a better process and improving the experience for providing proof of legal presence.

Betzabel Estudillo, California Immigrant Policy Center echoed Jen Flory's comments about the immigration and consistency notices. She is happy to hear that there are new procedures to reinstate people, and is looking forward to looking at that. She says this has been a very difficult process for immigrant families, and it can be very scary at times. Asking immigrant families to resubmit immigration documents can be a very stressful situation for them.

She is also excited to see the new data as well and that Isaac worked on hard on along with staff and can't wait to go through the whole book and see what additional information is in there and is happy to see the Latino that have been increasing and expressed what a good job has been done over the last two open enrollments. She is excited to be part of the stakeholder group that has been able to implement great ideas and says moving forward, she would like to see the African-American enrollment numbers increase.

Julianne Broyles, on behalf of the California Association of Health Underwriters asked a question for the next meeting, to see if information can be gathered. The President has signed HR-1624, which permits states the option of deciding whether or not they are going to move to the 51-100. Any information that the board might be able to share how California may go at that particular issue would be much welcome.

Beth Capell, on behalf of Health Access California commented on how they have been around for almost 30, and for most of those 30 years, they were embarrassed to be from California. California has had among the highest rates of un-insurance. California had an individual insurance market that was routinely compared to the Wild West. Health Access California is pleased that individual consumers now have Covered California acting on their behalf and in this public and transparent way and very collaborative way, trying to represent consumers' negotiations with health plans and insurers. Covered California has cut in half the rate of increase in the cost of coverage, cut in half the number of uninsured and these are remarkable accomplishments. She believes Covered California has done things that no one thought could be done. For example, starting off

with quality ratings so that from day one, when consumers went to buy coverage they had quality rating alongside the cost of the premium, so consumers knew if they spend another five dollars, they could get a 4-star plan instead of a 2-star plan.

They are also disappointed that so many of the plans, at least in the first year, seem to have relatively low ratings but pleased to hear that staff is working with them. She looks forward to the opportunity to work with Dr. Lang and staff on the quality issues as consumer groups as we move forward. Historically the turnover in the individual market was very high, and it was in part because of lack of affordability. She responded to Chair Dooley that the tax expenditure for employee health benefits is the single largest tax expenditure of the United States government, substantially larger than the mortgage deduction. Individual consumers have the same opportunity that those of us with job-based coverage have to get affordable coverage.

Mr. Lee noted that when one sees the star ratings, Covered California does not believe in having low bars. The line could have been drawn someplace differently and it is a credit to the organization that says the bar is going to be high. As Betsy mentioned, this is a picture of patients' experience, on exchange after a first, very bumpy year. This is not a patient satisfaction surveys of all people in a health plan. This does not reflect HEDA scores, it does not reflect how these plans are doing at getting people into preventive services, and it does not reflect a whole range of other indicators. The plans asked what can be done to have a better patient experience, and we do as a health plan to make sure we are going beyond that, that we are making sure people with chronic illnesses are getting the right care at the right time.

He appreciates the comments made from a number of the people that testified and wanted to note very briefly Julie Ann's comment, between now and the next board meeting, California law changes small group to 100. The systems are designed to do this and the plans are contracted this way. Soon, board action will be requested to pay commissions in a small group market going up to a hundred.

Agenda Item V: Covered CA Policy and Action Items

Discussion: Agent Payments and Responsibilities

Next on the agenda is the agent payments and responsibilities. Kirk Whelan will speak to that after brief remarks from Mr. Lee. He acknowledged that after speaking with staff and Board members, he really appreciated the outpouring of interest on this topic from both agents and from the consumer community and from plans. Everyone wants to put the consumer first. He appreciates that agents reflect 40% of the enrollment in Covered California and also enroll hundreds of thousands of people in the Medi-Cal program. As Covered California enters its third open enrollment, they continue to be a listening and learning organization that received substantial federal support in early years. In this fiscal year, that financial support is gone. In addition, the state had financial support early one that

provided some compensation for enrollment in Medi-Cal; that has gone away as well.

Covered California does not pay many people to do enrollment in to the Exchange and it does not pay anyone for enrollment in the Medi-Cal program. Staff is not asking for the board to take any action to change the existing policy that benefits that they shall facilitate enrollment of individuals regardless of what they are eligible for. Staff has been asked what “facilitate enrollment” means. It is getting the consumer across the finish line. There have been efforts by thousands of agents working in partnership with others in their community to enroll individuals. One thing that needs to be made clear is that in Medi-Cal, enrollment means through the point in the online system saying you are eligible. Agents cannot, nor can others, help people directly and represent them with the DHCS on the Medi-Cal front. This is done there.

Agents have done remarkable work to help California be a model for the nation. Three years ago, the board said this framing of facilitated enrollment is important. They recognized that what agents would get compensated for is enrollment in Covered California, but to take consumers up to a point and help them.

Kirk Whelan, Director of Outreach and Sales, commented on how much he values all of the certified representatives: agents, navigators, community outreach network partners, all who support enrollment. Over the last month, there have been about nine meetings throughout the state, with hundreds of agents and navigators and CECs and the mood is very positive. During this very busy time of year for the whole marketplace, staff went out for the kick off meetings and presented the hard work done over the last year to develop support mechanisms for all of our certified representatives. One of those developments is a permanent service center to support Certified Enrollment Counselors and Agents. It is running at 90% service levels with wait times running around two times.

Covered California has also set up a state of the art communication program that informs all of our certified representatives throughout enrollment with the latest information on the system and enrollment and so on and so forth. There has also been a regional sales force deployed throughout the state to support all of our enrollment partners, as well as a navigator program analyst team with work with our navigator grantees. As mentioned previously, a storefront program was developed last year and it’s the largest in the nation. Agents and Navigators throughout the state that have popped those up and support the enrollment in communities.

Discussion: Covered California for Small Business

Mr. Whelan also presented on the Covered California for Small Business market expansion from 50-100 in small business and how it will affect the Agent contract moving forward. There are over 12,000 agents, so renewing and/or amending a contract with that many people involved is expensive and time consuming. He

wants to make sure he includes as many as possible so there are some points and highlights on the agent contract. There is now the added the requirement for annual voter registration training for agents, administrative change, they have updated the marketing and brand guidelines, to make those more clear. Up for board action is the updated exhibit F on agent commissions for the small business commission schedule which suggests a level 5%, which is industry standard for that mid-market group. They are also going to remove the \$500,000 premium cap on small business commissions for groups under 50, because it no longer makes sense.

Discussion: Medi-Cal Enrollment

Mr. Whelan also presented on payments for Medi-Cal ending for all certified enrollers. Agents are assisting with Medi-Cal applications and this is working well. They have assisted hundreds of thousands of consumers to find the right coverage, which is sometimes Medi-Cal. Covered California understands it can be frustrating for agents who are enrolling folks in mixed families or consumers who are coming back from trying to get help. He also recognizes the counties do the case work and enrollment and acknowledge that agents are not expected to provide ongoing assistance once the application has been submitted.

After the last board meeting, staff met with stakeholders, as well as DHCS, the counties, Agents, and others, and we received feedback. The focus was on doing what was in the best interest of consumers and supporting the “no wrong door” approach. Staff found that Agents would like more training on Medi-Cal cases. Covered California is working with the counties on this and would like a toolkit to provide guidance, which has been developed. Agents would also like more support from the counties, which is something that is being worked on with CWA and DHCS. Based on this stakeholder feedback, staff has determined that the current contract language provides sufficient guidance regarding assisting consumers with Medi-Cal applications and supports the no wrong door concept. No action is required from the Board at this time, however, after open enrollment this year staff will review how this is working for our consumers. Again, Mr. Whelan wanted to say how much he appreciates the efforts of agents who are an important part of the culture of coverage and the glue that helps keep consumers insured.

Board Member Torres asked about the frustration among Agents in dealing with Medi-Cal and bureaucracy within county government and what the major issues are regarding the frustration?

Mr. Whelan responded that when an agent helps a consumer with a Medi-Cal application, only county representatives can actually facilitate enrollment. They get help from an Agent up to the point of enrollment and then the county takes over and Covered California, Agents, etc. are no longer able to help with that consumer’s plan. This can set up a false expectation of ongoing service. Staff is working with DHCS to resolve these ongoing issues.

Chair Dooley also notes that this is an ongoing problem because there are two programs that operate so differently as a private product and a public product. Staff from both sides are working diligently to overcome these issues and it is getting closer and closer to a resolution.

Mr. Lee also commented on the subject and added that in the last 18 months a quick sort process has been set up so that when people call in, if they appear eligible for Medi-Cal, they go to straight to the counties. The counties have been fabulous partners in having very quick pick up, in getting people in the door. Covered California has had an incredibly good working partnership with Jen Kent, with Toby Douglas before, and with the Department of Healthcare Services, about trying to improve services.

He also pointed out that consumers' perception of the Medi-Cal program is very positive. When looking at independent surveys of, are people in the Medi-Cal program, they are seeing that as a good program, do they get services, it is, they are scoring very well. Staff understands that there are challenges working with Medi-Cal issues. There are challenges with millions of people served in California, where Medi-Cal now covers one out of three Californians.

Board member Islas reiterated the urgency of finding a resolution for this issue and wanted to add that there are many split families and it seems like just such a disservice to enroll parents and then send the rest of the family away to somewhere else.

Chair Dooley assured Board Member Islas that this is not what is happening and this will be a continuation of the current policy, which is at the point of entry, they get the service that they need.

Chair Dooley also explained that there will be let's have this an action item that sort of speaks to the issue that was raised about the recent change in federal law, with the 51-100 size for the small business. The resolution today would authorize agent commissions related to that 51-100 size. If in the future the legislature considers changing that as a result of the change in the federal law, it would come back before the Board, but the current law in California is that those small businesses between 51 and 100 will now will eligible to come into the Covered California for small business.

Public Comment:

Michael Lujan, President of the California Association of Health Underwriters introduced some of the more than 30,000 California Health Insurance Agents that came to the Board meeting. He said that about 12,000 are impacted by today's decision – or no decision, as it were. They would like to just be on record with their position, whether there's a decision made today, we just want to make sure that we are expressing and clarifying our

position. CAHU and their Agents are not looking for a pass, he believes this has been either mischaracterized or misunderstood around the intent of our clarification of the language, which is maybe deliberately ambiguous to leave room, as a learning organization, to modify it as we go. He thinks it's important to note that they are sharing a lot of the same challenges that the CECs share. He would like to see some miracle of funding happen and have mutual training.

He wants to continue on with the meetings because they help bring to light a lot of questions and concerns. As open enrollment starts, in-person enrollment is going to be very important and they request to be given a resource and the opportunity to say when my lobby is full and when my service is insufficient for the need, either the limitation of my training, the limitations of CalHEERS that may or may not accommodate every scenario that we be permitted to have some support and work with in partnership with the county.

Cerrina Jensen, a Certified Insurance Agent, who started her career in this industry 20 years ago right here in this very building, so it's kind of a full circle moment. She is an agent with a local mid-sized agency that specializes in commercial employee benefits and individual and family coverage. She applauded the board and the entire Covered California team for the immense work and leadership that you have achieved since the ACA was passed. She has remained in industry because the need for professional, properly qualified agents is highly evident. She wants to help people, but she is also a working mom with her own family to take care of. She needs adequate resources to fill the needs of the clients that she serves. As the past President of the Sacramento Association of Health Underwriters, she heard of the tremendous issues accessing support to serve their clients who qualify for Medi-Cal and supports CAHU's position and asks the board to move forward with effective and expedient training, support, and access that allows us to serve the communities in which we work.

George Balteria, a certified insurance agent has enrolled several thousand people into the Medi-Cal program and I want to be one part of the voice of the agent community that says that we won't turn anyone away. We want to enroll every person and help with the greater good of enrolling consumers into health insurance in California. Insurance Agents are interested in partnering with many of the nonprofit organizations to get health insurance for everyone in California.

Doreena Wong, Project Director, Asian Americans Advancing Justice, thanked staff for taking all the stakeholder input regarding requiring insurance agents to enroll all Medi-Cal eligible consumers, as we fully support additional training for the agents. Ms. Wong stated that the CEEs and CECs are happy to work with insurance agents on trying to become effective enrollers for the Medi-Cal population.

Sonya Vasquez, Policy Director, Community Health Councils, echoed Doreena Wong's comments.

Carrie Sanders, CPHEN, echoed Doreena Wong's comments as well. It has given CPHEN a better understanding of the important role that agents are playing in enrollment, including for diverse communities.

Betsy Imholz, Director of Special Projects, Consumers Union, also echoed Doreena Wong, and applauded the major role that the agents have played in enrolling people in Covered California commercial plans.

Betzabel Estudillo, California Immigrant Policy Center, echoed what previous speakers said. Because of the lessons learned, he just wants to make sure that there are very strong trainings for agents and certified enrollers to understanding what immigrant families are eligible for.

Jen Flory with Western Center on Law and Poverty and the Health Consumer Alliance, reiterated what was previously stated.

Mark Herbert, Small Business Majority. Echoed previous speakers. Agents are a huge part of enrolling small businesses and ensuring that small businesses have incredible resources, know how to take advantage of the amazing opportunities that Covered California has created for small businesses through Covered California for small businesses and we appreciate the role that agents play.

Joe Hart, Certified Insurance Agent. Things are certainly set up better now than before. His concern is the wording – very often it is “for an office of five” particularly if someone doesn't speak English well, or if they have particular other needs, a little knowledge is a dangerous thing. Being able to enroll people, not just in Medi-Cal, but food stamps, income subsidy, etc. would be good.

Kim Lewis, National Health Law Program. Reiterated previous statements. We are very interested in helping to develop a toolkit on Medi-Cal and reviewing Covered California's trainings, because there is complex issues that they review all the time. We offer our assistance to Covered California in this effort.

Miriam Diaz, Certified Agent with Covered California, echoed the sentiments of Michael Lujan and want to just clearly state that as an insurance agent, I am very passionate about helping everyone in our community make sure that they obtain health insurance resources, however that may be. It's also very important to make sure that we identify where there are other opportunities to help these individuals enroll. In working with Medi-Cal eligibility folks out in the field, sometimes they actually advocate to us as agents to go ahead and refer them either back to the local county, where an application may be actually fast tracked based on their health necessities, so that's an important thing to consider when you are making evaluations or when you are looking at the language in the contract.

Nataly Diaz, California Primary Care Association, echoed Doreena Wong's comments. They constantly hear from their CECs that they need additional training and hope that the

field representatives will be able to work closely with them to fill in those training needs gaps that currently exist.

Wesley Samms, California Coverage and Health Initiatives. Echoed previous comments given. It's very important that we maintain the no wrong door process. At a time when the remaining uninsured are harder and harder to reach, the importance of enrollment assistance is going to be critical in making sure that everybody in California can get covered.

Cornelious Burke, Policy Manager with the Bay Area Council. We reiterate what others have said. We feel that certified insurance agents are the workforce of Covered California, enrolling vastly more people than any other channel, yet there's been challenges with compensation. Recurring uncompensated enrollment activities is too large of a disincentive, and a partnership model would be a better solution.

Kevin Canales, Certified independent Insurance Agent. I filed a Public Records Act request notice from Covered California to find out how many people we have, agents that have actually helped enroll in Medi-Cal, and I received the response yesterday – thank you. The biggest issues for Mr. Canales is the deflation of the commissions for agents. We need to have some kind of commission equity across the board.

Dave Fear, Jr., acting Vice President of Legislative Affairs for the California Association of Health Underwriters. We would like clarity if whether we will be in violation of our contracts if we are not able to personally enroll someone, and thus the reason that keeping the status question is insufficient to my members who are asking this specific question. So again, rather than keep things the same, I will ask for clarification -- will contracts be rescinded if a certified insurance agent is not able to help someone, for any reason, enroll into Medi-Cal?

Beth Capell, Health Access California. Although we are very supportive of the staff recommendation to continue to have agents play a role in enrolling people in Medi-Cal, while acknowledge that it's a complicated program, where sometimes it's appropriate for the county eligibility worker to be the place that people go.

Steve Young, Independent Insurance Agency Brokers of California. We stand with our colleagues at CAHU in thanking you for your support in expressing our disappointment that perhaps greater clarity could not have been afforded in the agent agreement to the specific responsibilities of agents in this area, although we certainly understand the comments that Mr. Lee has made and why we will stick with the status question for the time being.

Julianne Broyles, California Advocates Inc., California Association of Health Underwriters (CAHU), Independent Insurance Agency Brokers of California, and National Association of Insurance and Financial Advisors of Northern California. What we have been requesting falls into three categories. Clarity—a pathway to follow when we find ourselves overwhelmed in that total heads down period when we are not only

dealing with renewals, but new enrollments, Medicare renewals, etc., and the ability to put out a hand and know that we can hand off to a place where those people who are asking for our help on Medi-Cal when it gets too complex, that we can do so. Toolkit—we know that isn't a lot yet that we can change over, but we are making strides with the new toolkit for agents. We think it's wonderful and are fully supportive of seeing that go forward. Compensation—we know that there is not the dollars now, but hop that DHCS and Covered California will look for avenues in the future to find ways to help agents pay for the time that they spend in those enrollments.

Chairwoman Dooley stated how heartened she is by the effect of the four years we have all spent together and the conversations that this particular conversation crystallized for her. We are going to find answers to the needs of the agents and – with our county partners and with our consumer advocate constituents. She is very heartened by the spirit of this conversation and the recognition that we want to solve this problem together. Thank you to your members and all of the partners that are working to resolve the questions that still exist.

Member Torres asked for clarification from Ms. Broyles regarding fees/commission on signing up a client in Medi-Cal and a plan and where those monies come from.

Member Morgenstern also asked for a bit more clarification as well with regard to enrolling in Medi-Cal.

Michael Lujan returned to the podium to clarify a bit more as to how the commission payment policy works on and off the exchange. And how it works for agents.

Peter Lee remarked to finalize the discussion as to how DHCS and Covered California, agents, CECs, etc. all work together to give consumers the best possible plan. It is a partnership and in the spirit of said partnership it is about putting consumers first.

Motion/Action: Board Member Torres moved to adopt Resolution 2015-63, which authorizes the Executive Director to, (1) establish a certified agent commission rate of 5% for groups with 51-100 employees, and (2) to remove the \$500,000 premium cap on commission for groups up to and including 50 employees. Board Member Islas seconded the motion.

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

Discussion: Agent Regulations

Kirk Whelan, Director Individual and Small Business Sales. Agent regulations were developed to incorporate the terms of the Agent Agreement; recent legislation clarifies that Covered California agreements so not need to be promulgated in regulations; due to our amending the Agent Agreement, the current regulations will be out-of-date; and since there is no longer a need to put

the Agent Agreement in regulations, staff is recommending the repeal of the agent regulations.

Discussion: Individual Eligibility & Enrollment Regulations Emergency Readoption

Katie Ravel, Director Policy, Evaluation & Research. Ms. Ravel stated that there are a few items for action next month which are: Clarify language regarding our expedited appeals process and also regarding how we implement appeals decisions; and to potentially put some time frames for implementing appeals decisions (we have made great progress in doing that, but we will look to formalize that in the regulations)

Public Comment:

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance. Ms. Flory commended staff for working with them to update some of the appeals regulations so that they are in compliance with AB-617, and also what DSS has been doing.

Kim Lewis, National Health Law Program and Health Consumer Alliance, echoed Ms. Flory's comments.

Beth Capell, Health Access California, acknowledged with respect to the agent regulations that the fact the law was changed reflects the reality that Covered California has a public board process in which there is the opportunity for engagement and comments, and thus it was not felt necessary that everything go through the formal regulatory process, which is itself the administrative procedures, which creates its own public process. What the law says is you discuss it at one meeting and vote at the next in order to give that opportunity for public input, and we think that's an important protection and otherwise would have insisted on the full Administrative Procedures Act.

Agenda Item VI: Adjournment

The meeting was adjourned at 3:34 p.m.