

CALIFORNIA HEALTH BENEFIT EXCHANGE BOARD MINUTES
Thursday, August 18, 2016
Covered California Tahoe Auditorium
1601 Exposition Blvd.
Sacramento, CA 95815

Agenda Item I: Call to Order, Roll Call, and Welcome

Chairwoman Dooley called the meeting to order at 10:00 am.

Board members present during roll call:

Diana S. Dooley, Chair

Paul Fearer

Art Torres

Members en route

Genoveva Islas

Members Absent:

Marty Morgenstern

Agenda Item II: Closed Session

Discussion: Announcement of Closed Session Actions

The Board convened to discuss personnel and contracting matters. 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 1:10 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 June 16, 2016 meeting minutes.

Presentation: June 16, 2016, Minutes

Discussion: None.

Motion/Action: Board Member Torres moved to approve the June 16, 2016, minutes.
Board Member Islas seconded the motion.

Public Comment: None

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

Agenda Item IV: Executive Director's Report

Announcement of Closed Session Actions

Peter V. Lee, Executive Director, announced that the Board discussed personnel and contracting matters. Contract matters of the board took up in closed session included an update on the contract with Contra Costa County. The county has opted to conclude the contract in December rather than the end of the fiscal year. The Board also had a robust discussion on health plan contracting. Specifically, the Board was briefed on the negotiation process on lessons learned, and the ways in which 2017 is a transition year. Mr. Lee noted that for 2017 roughly half of California's enrollees are facing a rate increase averaging 7%. About half have increases potentially in the high teens. However, Mr. Lee noted that those increases are one-time increases, as reinsurance is going away, in addition to adjustments for costs related to special enrollment and other unforeseen enrollment costs.

Executive Director's Update

Discussion: Covered California for Small Business (CCSB)

Mr. Lee shared that CCSB is growing above goals and membership targets, with nearly 30,000 people enrolled in about 4,000 groups as of the end of July. There is a big opportunity in the fourth quarter of 2016 as many small businesses will turn over their plans. Compared to last year, CCSB is seeing exponential growth with over 200 times as many leads in a year-over-year basis. Sales are more than 100% over goals. This is due to operations improvements and Mr. Lee thanked staff and partners for their efforts. In terms of operations, 99% of new groups are set up within three days or less; 100% of the new groups get their initial invoice within three days or less; and, 93% of account maintenance issues are resolved in three days or less.

Discussion: Covered California in the Media

Mr. Lee called attention to the Press and Media packet, which shows Covered California in the media, in various languages. These stories highlight efforts at promoting enrollment.

Discussion: Reports and Research

Mr. Lee called attention to two articles. The first article was published in the Journal of the American Medical Association, submitted by President Obama. It summarized the achievements of the Affordable Care Act (ACA) and noted that adjustments are needed, such as paying differently for value, expanding financial assistance, providing public options in regions where there is no competition and addressing prescription drug costs.

The second report is the Kaiser Foundation Longitudinal Panel Survey, which noted that for people that were previously uninsured before the ACA, 78% of those eligible are insured. This highlights the continued need to focus on the uninsured. The report further noted that 80% of those in Covered California had a positive experience, while 20% did not. Covered California will look at what can be done to improve consumers' experience. Lastly, the study noted that for

a majority of Hispanics who continue to be uninsured, immigration status was a concern. This flags some of the issues of why many have brought forward the importance of the 1332 Waiver.

Mr. Lee called attention to the Appendix slides concerning CalHEERs and noted that effective September, there will be a major upgrade to the platform for consumer plan selection. There will also be enhancements for the Service Center to allow improved assistance to consumers.

Chair Dooley noted that the Waiver would likely not be submitted by the September 15 meeting and asked Mr. Lee if he would consider bringing the complete public comment to the Board prior to submitting, rather than delegating him the authority to submit it. Mr. Lee responded that he did not anticipate any issues with that request.

Public Comment:

Beth Capell, Health Access, noted that staff has done a remarkable amount of work, and had considerable public discussion on the 1332 Waiver. Submission of the Waiver begins another process at the federal level. Although eliminating 10 days may not seem like much from the perspective of California, from the perspective of an administration that is looking at January 20.

Agenda Item V: Covered California Policy and Action Items

Discussion: Section 1332 State Innovation Waiver Update

Mr. Lee reported that Senator Lara, author of SB 10, had hoped to attend the Board meeting to provide comments. However, he was unable to attend due to the legislative session. Senator Lara conveyed his appreciation for the work that has been done in response to SB 10.

Brandon Ross, Assistant General Counsel, provided an update on the Section 1332 Waiver application. The 1332 Waiver allows states to waive certain parts of the ACA to better provide quality, affordable coverage to its consumers. While there is no deadline on when to submit, the Waiver not take effect prior to January 1, 2017.

In Response to Chair Dooley's question about bringing the Waiver back to the Board at the September Meeting, Mr. Ross responded that staff plans on submitting the Waiver in mid-September. If the Board does not take action, staff could bring it back and seek a resolution adopting the Waiver as drafted at the September 15 Board meeting.

Mr. Ross reviewed California's Proposed 1332 Waiver. SB 10 (Lara) requires Covered California to apply for a 1332 Waiver that would allow undocumented immigrants to purchase unsubsidized coverage through covered California beginning plan year 2019.

Mr. Ross reviewed Covered California's 1332 Wavier approach, which included various public meetings and retaining independent health policy experts to assist in developing a successful application that met the four specific guardrails required of every application. Mr. Ross discussed how the proposed waiver meets the guardrail requirements, which include protecting coverage, being affordable, comprehensive, and deficit neutral. In terms of protecting coverage,

the Cal Sim team at Berkeley and UCLA estimate approximately 17,000 additional individuals would gain health insurance under the 1332 Waiver. They also found that there would be no measurable impact on subsidized enrollees. In terms of not increasing premiums or cost sharing, Dr. Wesley Yin of UCLA predicted that the cost of coverage would not change. In terms of coverage being comprehensive without the Waiver, this is not an issue for California. Lastly, in terms of the Waiver being deficit neutral, Mr. John Bertko, Chief Actuary at Covered California determined there would be no additional cost to the federal government.

Mr. Ross reviewed the timeline for the Waiver, noting that public comment will be accepted through September 6, and the application will be submitted in mid-September. Upon submission, the Secretary of Health and Human Services will have 45 days to review the waiver for completeness. If at the end of the 45-day period, the state has a complete waiver, a 180-day review and approval period will begin. If approved, implementation would occur, and coverage would be effective beginning January 1, 2019. Mr. Ross noted that the draft waiver is posted on the Exchange's website and attached to the agenda material for review and comment.

Member Torres asked for a generic profile for the 17,000 projected enrollees for the Waiver, such as age and gender. Mr. Ross responded that it would be primarily higher income undocumented individuals. Member Torres asked if "undocumented" was defined as those without a green card. Mr. Ross responded that there is a complex criteria and guidelines. Member Torres asked what the regional division of the projected enrollees is. Mr. Ross did not have the information on hand but agreed to provide it to Member Torres. Lastly, Member Torres asked if Covered California was prepared for a legal challenge. Mr. Ross responded that Legal will be looking into it. Member Torres advised staff to do so quickly so that Board members are prepared to talk about it publicly. Mr. Ross said staff could discuss at the next meeting.

Chair Dooley noted that it might be worthwhile to have a discussion with counsel at HHS Federal on distinguishing who is liable for what and how Covered California can help defend the action if necessary.

Chair Dooley requested clarification on the number of projected 17,000 enrollees and noted that at the February 1332 Waiver public forum, that number was nearly 100,000. Mr. Ross responded that the Cal Sim team looked at a variety of factors, and there was an estimate of 54,000 potentially new enrollments. However, once numerous dampening effects were factored in, that dwindled down to 27,000 as the high end of the likely range. 17,000 was the best estimate.

Chair Dooley asked if other states were pursuing a Waiver application, and if so, what they were doing. Mr. Lee responded that other states are looking at Waivers, but none of the applications are on undocumented individuals. Furthermore, they are very narrow, because guardrails are restrictive. Mr. Lee agreed to report back at the next meeting what other states are doing.

In response to Member Torres' question about general profile and regional divisions of the projected 17,000 enrollees, Mr. Lee noted that the report identifies the ethnicity, age and income. Determining the regional divisions will require additional analysis. However, Mr. Lee's assumption is that the distribution is largely similar to enrollment overall, in the Los Angeles region and the other scattered across the state. Member Torres added that his question was asked

to see which plans would be accessible. Mr. Lee noted that considering the vast majority of enrollees would be in the Los Angeles area, there are many plans with a lot of capacity.

Member Fearer asked if implementation could take place sooner than 2019 if approval was granted sooner than planned. Mr. Ross indicated it would be very difficult, as there is already a road map of changes for CalHEERS. Mr. Lee added that plans would also have to be licensed.

Public Comment:

Betzabel Estudillo, California Immigrant Policy Center (CIPC), supports the proposed Waiver. The 1332 Waiver is an innovative way to provide all Californians with the opportunity to be covered by the state marketplace. By pursuing a 1332 Waiver, California can continue efforts on immigrant inclusion and set a powerful model for the rest of the nation by being the first state to remove a critical barrier to health care coverage for undocumented immigrants and DACA recipients. This Waiver will remove an unjust exclusion to Covered California based on immigration status. If this Waiver is approved, immigrant families across California will be able to sit down together and review a plan that works for all family members, regardless of where they were born. It will benefit all to provide a path to health care access that does not exclude a significant population of the state due to immigration status.

Gabrielle Lessard, National Immigration Law Center, supports the proposed Waiver. Undocumented residents are members of the community who pay \$3 billion a year annually in state and local taxes. The Waiver would allow undocumented residents and DACA recipients to buy unsubsidized health coverage through Covered California. This would likely improve the risk pool, as first generation immigrants are generally younger and healthier than the population as a whole. The Waiver represents an opportunity for California to take a national leadership role in acknowledging that the health care system is healthier when nobody is excluded.

Imelda Plascencia, Latino Coalition for a Healthy California, supports the Waiver. They also suggested that the sentiment of levelling the playing field remain consistent throughout the entire application. For example, in the application, it should be stated that SB 10 “allows” Covered California to submit the Waiver, as opposed to stating it is a “requirement.” This speaks to Covered California support for the waiver. Under the “affordability” section, it should be reiterated that communities would now have the opportunity to shop under Covered California’s patient-centered benefit plan and competitive metal tier program.

Cary Sanders, California Pan-Ethnic Health Network, supports the proposed Waiver. California has been a national leader in implementing the ACA, and Covered California has led the way as an active purchaser and by collaborating with advocates in advancing health equity. Through the Waiver application, a clear message will be sent to all Californians, including mixed immigration status families, navigators and brokers helping them that all are welcome. She urged the Board to support staff’s recommendation so that the application can proceed as quickly as possible.

Jerry Jeffe, California Chronic Care Coalition, noted that he has some news article about what other states are doing on the 1332 Waiver and would be sharing them with the Board.

Noe Paramo, California Rural Legal Assistance Foundation, and Fresno Building Healthy Communities Coalition, supports the Waiver application. The Waiver will allow the roughly 8,500 families from Fresno and the Central Valley, the opportunity to make appropriate health care decisions. He will be submitting a support letter from the Building Healthy Communities as well Health for All cards from residents in Fresno in support of the application.

Member Torres congratulated California Rural Legal Assistance for all of their work.

Janice Connallon, Children's Defense Fund, echoed comments made by colleagues in support of the Waiver application. This program will likely increase all family members' appropriate use of health care, particularly children. Research shows that insured children whose parents are also insured are more likely to receive checkups and other preventative care.

Regem Corpuz, Pre-Health Dreamers, supports the 1332 Waiver. California is stronger when everybody has access to health care coverage. This is a priority and it is not just about young individuals, but all their families. If they are able to access better quality insurance, it will result in a healthier California.

Priya Murthy, Services Immigrant Rights & Education Network (SIREN), strongly supports the Waiver application. SIREN works closely with undocumented community members and DACA recipients throughout Silicon Valley, many who belong to mixed status families. Community members who SIREN works with directly support this waiver, as it will allow undocumented immigrants and DACA recipients to access Covered California. It is one-step closer to being able to achieve health care for all, regardless of where they come or immigration status.

Juli Broyles, California Association of Health Underwriters (CAHU) supports the Waiver. Concerning the Data Book included in the Waiver, Ms. Broyles recommended that in the future, information be included on the persistency of enrollees brought in by service channel.

Kathryn Dresslar, Children's Partnership, strongly supports the submission of the Waiver and echoed other colleague's comments. About 1,200 of the 17,000 enrollees are going to be kids. The state of California passed historic legislation last year and implemented it this year and 133,000 kids are now enrolled in Medi-Cal that otherwise would not have been eligible for full coverage. As Ms. Connallon noted, children whose parents also have access to health care coverage are far more likely to get the preventive care that they need. It is very important for children's development and will contribute to a much healthier California.

Brenda Diaz, California Coverage and Health Initiative, supports previous comments made by colleagues. The Waiver will encourage undocumented families to get help from navigators and enrollment assisters, which will reduce enrollment barriers such language and literacy hurdles, navigation of coverage, and access interest.

Stacy Wittorff, California Medical Association, supports the 1332 Waiver.

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance, echoed others' comments in support of the Waiver.

Jana Castillo, California Primary Care Association, supports the Waiver. The Waiver is an opportunity to find innovative solutions to improve the health care system. We can assure no one is locked out of care from the state marketplace by removing the barriers to access that many immigrant families in California experience.

Dorena Wong, Asian Americans Advancing Justice Los Angeles, supports the Waiver. It will greatly benefit the immigrant and limited English speaking populations. Advancing Justice LA's over 135 certified enrollment counselors and over 20 certified enrollment entities, are ready to continue providing the in-language and culturally competent assistance to this new population.

Betsy Imholz, Consumers Union, supports the Waiver application; both for the health benefits to Californians and for the message of inclusiveness that this sends across the country. Consumers Union was unable to add sign the joint letter referenced by Mr. Lee due to timing. She noted that New York may be considering something similar, but California is leading the way.

Evelyn Gonzales, Community Health Councils, supports the Waiver. She echoed others' comments and noted they signed on to the joint. Undocumented persons are not only being named and humanized, but the way is being paved for human rights and access to care.

Allyson Osorio, National Council of La Raza (NCLR), supports the Waiver. California is stronger whenever one has an opportunity for health coverage. This waiver builds upon the state's tradition of immigrant inclusion, getting one-step closer to achieving health for all, and once again demonstrates California's bold, visionary approach to addressing opportunity gaps facing vulnerable individuals and families.

Gustavo Herrera, Young Invincibles, supports the Waiver. Young Invincibles is a national, nonpartisan research and advocacy organizations committed to expanding access to affordable care for millennials. Thirty eight percent of new enrollees in qualified health plans in California during the last open enrollment period were young adults ages 18-34. In addition, young adults made up 46.8% of adults enrolled in Medi-Cal in 2014. With that said, California's home to one of the largest immigrant populations in the nation. Young people, as the highest proportion of California's immigrant population, are particularly vulnerable. The 1332 Waiver is an opportunity to find an innovative solution to improve our health care system. We can ensure that no one is locked out of care from our state marketplace by removing the barriers to access. California has a long-standing history of passing immigrant inclusive policies. This Waiver benefits many immigrant families and continues California's legacy of inclusiveness.

Sandy Valenciano, California Immigrant Youth Justice Lines, supports the Waiver. She noted that she and her parents are undocumented. This makes it challenging her parents to navigate the opportunities that are available to them. As they get older and need more health attention, it would be a great impact to ensure that the 1332 Waiver moves forward. Something else to consider is the importance of health, not only physical, but also mental health opportunities that are needed with the continuing impacts of detention and deportation.

Athena Chapman, California Association of Health Plans, supports the Waiver. She noted that there would need to be discussions with the plans, as it will create some operational challenges.

Beth Capell, Health Access California, noted that her organization was one of the 67 that signed on to the joint letter. The number is expected to exceed 67 by the September 5 deadline. She is very pleased with the broad support for the Waiver, including bipartisan support in the legislature, and the entire health community; such as advocates from the health and immigrants' rights community, the California Medical Association, health plans, from others within the health community. This reflects California's commitment to inclusiveness. She encouraged the Board to move as swiftly as possible towards implementing this.

Chair Dooley noted that she tries to be as inclusive as possible and delegate infrequently and only when necessary, but she does not want to create the sense that staff and advocates had to return in September to repeat their thoughts about the measure.

Motion/Action: Board Member Fearer moved to pass Resolution 2016-32. Board Member Islas seconded the motion.

Member Islas expressed her appreciation for the support and input from all, and expressed her commitment for this cause, as she too is from the Valley, is Latina, and has family, with irregular documentation, that has been negatively affected by the failed immigration system. She does not believe anybody is illegal, and refers to it as irregular documentation.

Mr. Lee noted that Covered California takes very seriously delegation and only delegates when needed. If delegation is authorized, Covered California will move with all deliberate speed. If the Waiver has not been submitted by the next meeting, staff can bring it back to the Board. Staff has solicited comments. He thanked experts and staff for their support. The Waiver draft is very strong. Although most of the public comment was in affirmation, suggestions are needed on how to make it as strong as possible.

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

Covered California Regulations

Discussion: Remote Identity Proofing Regulations Readoption

Tessa Hammer, Legal, presented proposed substantive changes to the remote identity proofing regulations. Visual verification is one of the ways in which a consumer may provide proof of identity. There is a list of acceptable documents that outlines what documents consumers may submit to pass visual verification. Staff proposes to expand the list of acceptable documents so that the regulations coincide with the changes made in CalHEERS. These changes were made in consultation with the Department of Health Care Services and stakeholders.

Public Comment:

Isabel Sanchez, Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA), echoed others' comments in support of the Section 1332 Waiver. California has been a leader in pro

immigrant legislation and CHIRLA would like to see the Waiver carried out. CHIRLA has been assisting a lot of undocumented individuals and many of them have applied for DACA. The Waiver would benefit these individuals.

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance, supports the changes proposed to the remote identity proofing regulations. For recent immigrants and persons who are unbanked, having to rely solely on an electronic source is a difficult way to prove identity. Ms. Flory shared that when her husband immigrated to the United States, it almost two years for him to show up in the federal hub. Adding some very common documents to the visual verification will help many people to access health care.

Gabrielle Lessard, National Immigration Law Center, supports the proposed identity proofing regulations and thanked Covered California for its leadership in permitting in-person visual verification of identity.

Betzabel Estudillo, California Immigrant Policy Center (CIPC), echoed others' comments in support of the proposed identity proofing regulations. This will benefit many immigrant families.

Discussion: Certified Application Counselors (CAC) Emergency Regulations Readoption

Drew Kyler, Branch Chief, Outreach and Sales Division, noted that federal ACA regulations were recently amended. Federally-Facilitated Exchanges are required to implement all of the changes, but most changes are optional for State-based exchanges. Staff brought the proposed regulations before the Board for consideration and received public comment. Changes that affect the CAC program include, requiring CACs to make referrals to the appropriate agencies should consumers have a grievance, complaint or question regarding with respect to tax credit or tax advice information. Secondly, a CAC would be required to inform consumers that they are not tax advisors through the process of helping them fill out the application. Lastly, it would put a cap on the value of a gift that can be provided to an applicant by a CAC, to a nominal value.

Motion/Action: Board Member Torres moved to pass Resolution 2016-35. Board Member Fearer seconded the motion.

Public Comment:

Dorena Wong, Asian Americans Advancing Justice Los Angeles, thanked staff for adjusting the language regarding the requirement to refer consumers for consumer assistance.

Beth Capell, Health Access, appreciates how carefully the regulations handle things like gifts and how Covered California has been diligent about not creating the appearance of impropriety.

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

Discussion: Individual Eligibility and Enrollment Regulations Emergency Readoption

Mr. Lee noted that the individual eligibility and enrollment regulations emergency readoption was originally scheduled for action, but it would instead be a discussion item. It will be carried forward for action at the next board meeting.

Bahara Hosseini, Legal, presented proposed conforming changes to the special enrollment period regulations to bring them in compliance with the federal final regulations that became effective July 11, 2016. She presented the changes to the qualifying life events that trigger a special enrollment for consumers. A consumer may enroll in a QHP during special enrollment if; a qualified individual gains independent, becomes a dependent through marriage, or enters into a domestic partnership, birth, adoption, placement for adoption, or placement in foster care, or through a child support order or other court order. In addition, enrollees who lose a dependent or are no longer considered a dependent through divorce, legal separation or dissolution of domestic partnership, or through death of the enrollees or his or her dependent. Additionally, a qualified individual or his or her dependent becomes newly eligible for enrollment in a QHP through the exchange, because they newly satisfy the requirements of lawful presence, citizenship, or release from incarceration. Lastly, the last change concerns a permanent move. All consumers applying for a special enrollment period using permanent move after qualifying life events are now required to show that they have had minimum essential coverage for one or more days during the 60 days preceding the date of the permanent move to qualify for special enrollment period. There are a few exceptions. One is for people who are moving from outside of the United States or from a United States territory or people who are moving from a non-Medicaid expansion state to California, and have income that was below 100% FPL in that state, and that is why they were not eligible for APTC or for Medicaid.

Mr. Lee added that under the new federal rules, it is a very important new standard of having the 60-day rule for permanent moves and it needs to be in accord with California laws. It is a very important provision relative to the challenges some plans appear to have had relative to affecting risk mix of people waiting to get coverage, potentially inappropriately. It is an issue staff wants to give due consideration to, which is why the item is up for discussion.

Public Comment:

Beth Capell, Health Access, thanked the Board for moving this agenda item from action to discussion. The federal regulations are less protective of consumer rights than the California law is. California law says that a permanent move is the qualifying life event that allows a consumer to gain access to new health benefit plans. It does not contemplate, as the new federal requirements do, that someone has previously had MEC. California law, which is more consumer protective, would have a different result than your current proposal.

Betsy Imholz, Consumers Union, echoed Ms. Capell's comments. California has been more protective of consumers than the federal government in many instances. Consumers Union looks forward to looking into that further. She thanked the working group on special enrollment periods. There continue to be some differences with the plans about some of the underlying issues. The regulation is appreciated, which has the statistical sampling and attestation where documents are not available. Those things accommodate the needs of real consumers and the situations they will face.

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance, concurred with Ms. Capell and Ms. Imholz that there should be time allotted to analyze, how the federal regulations fit with California statute. California law is often more consumer friendly than federal law and it should remain that way. She commended staff for holding off on items that needed more discussion. It is always good to have a month of discussion before action.

Cori Racela, National Health Law Program (NHLP), thanked the Board for changing the agenda item from action to discussion. NHLP opposes the inclusion of the requirement for one day of MEC in the last 60 days in order to qualify for a permanent move special enrollment period. NHLP opposed that in the federal regulations, because it is unnecessarily punitive to consumers. It is based on the notion of fraud that NHLP has not seen any evidence of. California law sets the proper standard and affords appropriate and better consumer protection and does not exclude or discourage consumers from appropriately seeking health coverage.

Chair Dooley noted that much of what has been done at Covered California has been successful because of the transparent and broad outreach to get many perspectives. She added that she is troubled by the pressure being faced on overall costs. Furthermore, there is not an organized voice for all the other consumers for whom the cost shifts to when special accommodations are made for people that have been excluded. While she is interested in exploring ways to maintain the commitment in California to broad consumer protections, the cost to the overall rate base and how it is affected needs to be looked at. Consumers respond to the rules. Special enrollment period is not about fraud, it is about human behavior. When people have a need, they look to meet that need with this new rule. The new rule about no pre-existing conditions has a counterpart of it, which is that that enrollees come in during open enrollment periods, and stay covered. There are many aspects of this that no one comes to the podium and addresses. Chair Dooley noted she has taken many actions in the past five years to protect, enhance, and advance the rights of the dispossessed and the people who have been left out of the system and wants to continue to be able to do that. However, there is another hard fight as this change in the system is accommodated. Everyone must be open, honestly and intellectually, to challenges that result in adding to the cost of everyone. When a mandate is added particular drug or a particular need, that cost is spread. Very often, they are little tiny increments of cost that spread over the rest of the market. Chair Dooley expressed concern about the overall cost and how much is too much as we approach 20% of GDP. A lot of what we has been done with the transparency of the ACA is expose the underlying unit cost of the delivery of care. A lot of that increase is needed, appropriate, and supported by people who have not had access to that care. However, it is inflationary to the cost.

Member Torres noted that he had the opportunity to work with Chair Dooley in 1975 and her commitment to the underserved has not wavered in all of that time. He added that the Board would look at the legal guardrails, including the intent behind both the state law and the federal regulations and how those need to be synchronized. He echoed strongly, the Board's role to protect all consumers. Part of protecting consumers is moderating rates. While the attention is often focused on the roughly 90% of Covered California enrollees getting subsidies, there are a million Californians that have no subsidies, and every dollar of a rate increase means some of them will drop coverage. California is benefiting from a competitive market that is working for consumers. In much of the nation that does not have a competitive market, rate increases are

higher and are putting many Americans at risk for not having coverage. When thinking about how to protect consumers, the regulations will be closely looked at in the context of how all consumers are being protected.

Discussion: Covered California for Small Business (CCSB) Eligibility and Enrollment Regulations Emergency Readoption

Kirk Whalen, Director, Outreach and Sales Division, thanked Mr. Kyler for his work and leadership in the Outreach and Sales Division. He also introduced a new member of the team, Bob Manzer, Deputy Director, Covered California for Small Business.

Mr. Whalen presented the re-adoption of emergency regulations for CCSB. Covered California is currently operating under emergency regulations, and was granted authority by the legislature to continue emergency rule making authority through January 1, 2019. In the meantime, small business health options program (SHOP) eligibility and enrollment regulations need to be updated. Changes include cleaning up language, simplifying requirements, and aligning all elements with current state and federal law. Staff has reached out to stakeholders for review comment on the proposed changes and responded directly to those who have commented. He referred to the Board to the presentation slide that highlights the primary proposed changes.

Public Comment:

Michael Lujan, California Association of Health Underwriters (CAHU), thanked Chair Dooley for her comments and balanced perspective. About SEP, he thanked the Board for their support of fair anti-steering policy that allows brokers to serve the market without any steering and interference with compensation. Mr. Lujan congratulated Mr. Kyler on his new role and thanked him for his work in support of insurance agents. CAHU also appreciated the opportunity to provide input for the SHOP regulations.

Mr. Lee clarified that SHOP is now Covered California for Small Business (CCSB). With regards to the Covered California Data Book, he thanked staff for posting an incredibly rich amount of data, broken down by region, ethnicity, income, and health plan and service channel. In response to Ms. Broyles' comment about including persistency of the enrollees brought in by service channel, Mr. Lee noted that staff is looking at how to build on the data and he looks forward to further analyzing that data at a future board meeting. Covered California spends a lot of time trying to understand who is enrolling, how they are enrolling, how they are staying.

Agenda Item VI: Adjournment

The meeting was adjourned at 1:53 p.m.