

COVERED CALIFORNIA BOARD MINUTES
Thursday, February 21, 2019
Covered California Tahoe Auditorium
1601 Exposition Blvd.
Sacramento, CA 95815

Agenda Item I: Call to Order, Roll Call, and Welcome (Discussion)

Chairman Michael Wilkening called the meeting to order at 10:05 am.

Board Members Present During Roll Call:

Art Torres
Paul Fearer
Michael Wilkening

Agenda Item II: Closed Session

A conflict disclosure was performed and there were no conflicts from the Board members that needed to be disclosed. The Board adjourned into Closed Session to discuss personnel, contracting and litigation matters pursuant to Government Code Sections 100500(j), 11126(a), 11126(e)(1), and 11126.3(d).

Chairman Michael Wilkening called Open Session to order at 12:20 p.m.

Agenda Item III: Approval of Board Meeting Minutes (Action)

Motion/Action: Chairman Wilkening asked for a motion and a second to approve the January 17, 2019 meeting minutes.

Presentation: January 17, 2019 Meeting Minutes

Discussion: None

Motion/Action: Art Torres moved to approve the January 17, 2019 Meeting Minutes. The motion was seconded by Paul Fearer.

Public Comment: None

Vote: Roll was called. The motion was approved by unanimous vote.

Agenda Item IV: Executive Director's Report

Announcement of Closed Session Actions (Discussion)

Peter V. Lee reported that there were a number of personnel matters undertaken during closed session. Mr. Lee said that after 40 years working for the state of California, LaVonne Coen, Deputy Director Administration at Covered California, announced her retirement. Ms. Coen worked for Covered California for six years. She previously worked for the Department of Health Care Services. Mr. Lee said that Ms. Coen was instrumental in setting up Covered California's Human Resources. Mr. Lee said that Ms. Coen has been a pleasure to work with and she will be missed. He then noted that Ms. Coen would not be going far.

Chairman Wilkening added his appreciation for Ms. Coen. He said he has known Ms. Coen since she worked at the Department of Health Care Services. He congratulated Ms. Coen on her retirement and reiterated Mr. Lee's comment that LaVonne was not going too far.

Art Torres added his appreciation for Ms. Coen. He stated he worked with Ms. Coen when he was in the legislature. Mr. Torres said Ms. Coen is always gracious, thoughtful, and qualified.

Paul Fearer added his thanks to Ms. Coen. He credited Ms. Coen for helping Covered California grow into what it is today.

Peter V. Lee then said that there is good news. Ms. Coen agreed to return to Covered California as a retired annuitant thus explaining his earlier comments that she would not be going far. Mr. Lee then announced the appointment of Lisa Lassetter as the new Deputy Chief Operations Officer. Mr. Lee stated that Ms. Lassetter has over thirty years of experience with administrative services.

Mr. Lee said that in contracting matters, the Board reviewed the efforts to review the lease and space options in Fresno and Sacramento. Mr. Lee reported that both are proceeding at pace and there will be more updates in the future.

Executive Director's Update (Discussion)

Mr. Lee reported that aside from the approval of the meeting minutes, there were no Action Items for the February meeting. Mr. Lee said there would be a lot of Action Items at the March meeting.

Mr. Lee then called out an item included in the Reports and Research materials on states that have adopted reinsurance programs. Mr. Lee said this is important because there is a lot of policy discussions on what California should do.

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The second report Mr. Lee highlighted was the Karen Pollitz testimony on pre-existing conditions and health insurance. Mr. Lee reminded everyone that it is a very small number of people that incur most of the expenses. Mr. Lee stressed this is why Covered California focuses on making sure their plans do the right thing for people who are sick. People are well today may be sick tomorrow.

The third report Mr. Lee highlighted was the Issue Brief from the Society of Actuaries and Kaiser Family Foundation on what can be done about the cost of health care. Mr. Lee said this is a very good study that looks at how America differs from the rest of the world. He called attention to page ten.

The fourth report Mr. Lee highlighted was a report from the General Accounting Office on health insurance exchanges. Mr. Lee said it was a very significant report. It included looking at plans that were in multiple markets. It included plans that were in California and other markets. The report highlighted the fact that California had fewer significant premium increases than other states attributed to the efforts of Covered California.

The fifth report Mr. Lee highlighted was on the individual mandate penalty in California. Researchers noted that the absence of a federal penalty in California was likely to mean impact on premiums of between four and seven percent.

Mr. Lee then called out a report that was not included in Board Materials. It was the annual report of the Auditor of the State of California on recommendations not fully implemented of high-risk entities. Covered California was not in the report. Mr. Lee said that Covered California is still a high-risk entity. There were nine recommendations made by the auditor that Covered California has fully implemented. Mr. Lee said that Covered California is doing really solid work.

Mr. Lee reported that the Affordability Report that was presented at the previous meeting, was finalized and delivered to the California Governor and the legislature. The Report was also made available to council and was sent under a letter from Covered California to the Washington legislative leadership in the House and the Senate and to the Administration. Mr. Lee said that many, if not all, of the recommendations could be better accomplished at the federal level than at the state level. This Affordability Report provides a roadmap for tools that could be used to build on and improve the Affordable Care Act. Mr. Lee said he testified on February 12, 2019 before a Joint Senate Assembly Committee. Mr. Lee stated his appreciation for Katie Ravel, Kelly Green, Kathy Keeshan, Brandon Ross, Isaac Menashe, Dora Mejia, Karen Johnson, Doug McKeever, and many others. Covered California is bringing their expertise to bear to help policymakers frame the next steps in making the Affordable Care Act work and making healthcare work for Californians.

Mr. Lee reported that since the last meeting Covered California released a report on our 2019 Open Enrollment Period. Covered California ended Open Enrollment 2018 with 1.5 million and we ended it in 2019 with 1.5 million. Covered California did an issue

brief to delve deeply into the numbers. It is still unknown how many of those people will actually pay their bill or how many will effectuate their renewal. Mr. Lee said Covered California is worried there will be a drop in the standard effectuation rate, which is about 85%. The numbers will not be available until March.

New Enrollment numbers are known and they were not good. There was a 24% decline in new enrollment. Mr. Lee thanked Isaac Menashe and the Policy team for the analysis they quickly provided. The analysis showed first, across most dimensions, the drop in enrollment was across the board. It wasn't that young people dropped more than older people. It wasn't that different regions were different. It wasn't that different ethnicities were different. There were two dimensions that Covered California saw a far more significant drop in enrollment. The first was people that in 2018 signed up for Bronze. Covered California saw many fewer people signing up for Bronze. Bronze enrollees are far more likely to be healthy enrollees and hence far more likely to drop health insurance in the absence of a penalty.

The other population that had a significantly higher drop in enrollment was the unsubsidized. Covered California does not yet know entirely what happened off-exchange, either in California, although, we've got early indications, or what happened nationally. National reports about enrollment are for enrollment of only on-exchanges. Mr. Lee said that off-exchange, where people get no subsidies, is somewhat of a black box right now. Previous studies show that off-exchange enrollment outside of California has dropped precipitously. Meaning, outside of California, where people are not getting subsidies, they are sadly leaving the individual market in droves.

Mr. Lee noted that another found differential was not by ethnicity, but by language spoken. Individuals that self-identify as Spanish speakers, as speakers of Chinese, as speakers of Korean had a much more substantial drop in enrollment. Mr. Lee said that Covered California's hypothesis is that it has nothing to do with the penalty, but it does have to do with federal policies proposed around what's called public charge. Mr. Lee said that at public events, he was struck by the fact that he was asked many, many times by Spanish language reporters, by reporters that serve the Korean community, and Chinese communities of what's the deal with "public charge"? Mr. Lee said he was never asked about the penalty in those communities. There appear to be significant concerns in communities with significant immigrant populations that the proposals to change regulations on public charge mean they might not be able to get permanent residency status here because of getting benefits under the Affordable Care Act whether medical or Covered California. Irrespective of that not being true in the proposed regulations. Mr. Lee reminded everyone that the regulations are not final. These are proposed regulations but there appears to be concern that is affecting enrollment. Mr. Lee said that it is healthy eligible people that have, hopefully, unwarranted fears about immigration status, but it means they're not getting coverage that they have rights to get under the Affordable Care Act.

Mr. Lee said the report also compared the experience in California with the rest of the nation. Mr. Lee said that, in much of America, healthy people have already been scared off from enrolling. Healthy people have already been priced out of enrolling. Healthy people are already not signing up. The issue brief notes that all analysis points to the fact that unfortunately, affirmative steps taken by the Administration across the nation, such as cutting back on marketing, such as promoting short-term and non-ACA compliant plans, such as removal of the penalty, and fear of that penalty removal, have had over the years, a far higher effect. This means that for much of the nation, not California, and not many other states that have state-based marketplaces, but in much of the nation, the individual market is one that has the lucky subsidized people that find their way to coverage in the absence of being told it's there because there's no marketing or a high-risk pool for people that don't get subsidies. People who don't get subsidies are priced out of coverage and the only ones that are going to get it are people that are sick and know they need coverage. That is not a sustainable model. California is doing everything they can, both as policymakers and Covered California to not follow that path. California has a Governor and a Legislature that are looking at having a state-based penalty and having subsidies for people above the cliff. Rather than following policies that discourage enrollment, California is a state that is looking to build on marketing, outreach, patient centered benefit designs, competitive plans with state level policies to promote ongoing, robust enrollment.

Peter V. Lee then discussed three comments made by Covered California in the days prior to the Board Meeting. Mr. Lee praised the work for Covered California's Policy, External Affairs and Legal office and called special attention to fantastic work of Jason Burrue in Legal.

The first comment letter was part of the HHS Notice of Benefit and Payment Parameters for 2020 for the federal government to reduce their assessment on health plans from 3½% to 3%. California is spending over \$105 million annually to promote enrollment through marketing, advertising, the Navigator Program, and support for Covered California agents. Mr. Lee said that Covered California expressed grave concern that in this proposal from the federal government, they are using the rationale that not spending marketing money is a reason to shave half a percent off of their assessment. Mr. Lee said that Covered California's investments in marketing are investments that lead to healthier risk mix and substantially lower premiums.

Mr. Lee said Covered California commented on Risk Adjustment Data Validation, premium adjustment, and prescription drug formulary changes. At the very heart of the Affordable Care Act is risk adjustment. Covered California wants a health insurance market that rewards health plans, not for avoiding sick people, but for taking care of people that need to be taken care of. Risk adjustment is the instrument that does that. It should actually mean that health plans transfer money from one to the other based on the actual, true underlying risk of the people they enroll. The Risk Adjustment Data Validation process known as RADV is the element that adjusts the risk adjustment each year to adjust how money gets moved around.

Mr. Lee called out John Bertko, Covered California's Chief Actuary saying he was pleased to have Mr. Bertko on his side of the table. In the comment letter, Covered California recommended that there needs to be longer term improvements in the risk adjustment process overall. Covered California recommended having HHS convene a group comprised of industry experts, stakeholders, risk adjustment experts to talk about how to improve risk adjustment.

Peter V. Lee said Covered California also commented on the premium adjustment methodology noting concerns under the methodology it could not price correctly because the individual market remained so phenomenally volatile because of the removal of the penalty. With that removal, now may not be the time to use the individual market premiums as an adjuster for premium adjustment.

Mr. Lee said Covered California noted the proposals at the nation level to allow mid-year updates and corrections to drug formularies may have positive reasons but is something that Covered California is quite concerned about. Concerns that individuals that were picked the plan because they were on a particular brand drug finding that going away mid-year maybe of great concern. States should have flexibility to oversee and maintain their marketplaces in this area to protect consumers.

The final letter was a joint letter that Covered California submitted hand-in-hand with twelve other states...all thirteen of the state-based marketplaces. Not all marketplaces are alike. Mr. Lee said that some of the marketplaces are in very deeply red states, some in deeply blue states, some in purple states. The joint letter said that the potential proposal to outlaw silver loading, as a way that health plans fund their required cost-sharing reduction subsidy program, was a bad idea. Fixing and funding cost-sharing reductions, stabilizing markets is a good idea. Just out-lawing it and not allowing states and state regulators to find their own path is a bad solution. Every one of the thirteen state-based marketplaces agreed on that comment.

The thirteen state-based markets also agreed on a response when CMS asked for comment on the potential of outlawing auto renewals. Mr. Lee said that the idea that state-based markets would be prohibited from helping people renew automatically in the plan they've been in, when that's what happens in the employer market, in Medicare, in every market quite honestly boggles the mind. It's a solution to something that is not a problem and it would cause major problems in terms of decreased enrollment, worse risk mix and higher cost for everybody.

Chairman Wilkening asked if there were any questions from the Board. There were none. Chairman Wilkening asked if there were any public comments.

Public Comment:

MJ Diaz, Health Access California voiced their appreciation for Covered California and Covered California staff for their work on the Affordability Report. Ms. Diaz said that the previous week, the Affordability Report was presented in the Legislature. Both Assembly and Senate Health Committees as well as the budget subcommittees discussed the report. Ms. Diaz said they were really pleased the discussion that happened there. A lot of the members, both returning and new members, were very surprised about the expense of healthcare in different parts of California. Ms. Diaz said they are glad that these groups are discussing this topic. They are pleased to have provided the space for the groups to engage more practically in those conversations. Ms. Diaz said they would support the affordability proposals that are most extensive that would increase enrollment and also, move people to better coverage. They would also support a reinstatement of the individual mandate penalty as a funding source of the various affordability proposals that were presented, and they look forward to working with Covered California and the Legislature. On the Covered California public comments on the various Federal Rule changes, Ms. Diaz said they appreciated everyone's being engaged and providing the California-specific experience and adding to the larger, national conversation. Ms. Diaz also highlight that in terms of outreach, engagement, and enrollment, marketing works. Ms. Diaz said they appreciate all of the comments and the work that Covered California provided nationally to ensure that the federal government does the same thing and would reinvest back some of those fees they are trying to cut from the various plans.

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance said she wanted to reiterate the same comments that Ms. Diaz had on the Affordability Report. It was refreshing, at the hearing last week, to see some of the representatives actually doing the math and trying to figure out what people's budget looked like and how much they had to pay on their premiums or their out-of-pocket costs. Ms. Flory said they would support the reinstatement of an individual mandate, as long as it comes with assistance for the people at the lower end of the income scale. Ms. Flory stated their appreciation for the work that the staff did to look into what was going on with our renewal and our Open Enrollment numbers. Ms. Flory said they were particularly interested because they have been hearing concerns on the ground with regards to public charge. Ms. Flory said they appreciate Covered California's looking into how, by language, public charge might be affecting renewals and enrollments. Ms. Flory said they appreciate the comments that Covered California put in the federal proposed rules. She said they share the same concern about reducing the ability to enroll automatically. There's no other model where you would require somebody to affirmatively re-choose again or the idea that CMS had that people should have to shop every year. Ms. Flory said they also have concerns about what may happen with the cost-sharing reduction funding, and, as well as the proposals they have to actually change the indexing on how people get their premium tax credits. Those could drastically decrease affordability and go against everything that we are trying to do here in California to improve affordability.

Cary Sanders, California Pan-Ethnic Health Network (CPEHN), said they also appreciate the report on affordability. She said that they have been following the conversations in the Legislature and appreciate the information and data that the report has given to some of these efforts to really show that with additional assistance, it may make sense to have the mandate and to pair those together.

Ms. Sanders said they appreciate the additional data and analysis of market trends. They expected that public charge may become an issue and although they were not happy to see that it had, that additional data does show the need for everyone to continue to support and invest in outreach and enrollment and in Navigator services. Ms. Sanders said they also commented on the Federal Rule. She said they think they were concerned about the same issues that Ms. Flory mentioned but also, there were some proposed changes to Navigators as well. Ms. Sanders said they wanted to thank Covered California for continuing to really utilize and keep the role of Navigators, agents, and brokers to help enroll folks.

Doreena Wong, Asian Americans Advancing Justice Los Angeles said she supported the comments made by Ms. Diaz, Ms. Flores, and Ms. Sanders regarding the affordability issues and federal comments. Ms. Wong said that increasing affordability to as many consumers as possible will make their job as Navigators easier so they encourage concept options that would increase the number of consumers as much as possible. Ms. Wong said that as a Navigator serving limited English speaking communities, they can corroborate Peter V. Lee's description of what is happening in the Spanish, Korean, and Chinese speaking communities. She said they have seen an approximately 18% decrease in our enrollments. Ms. Wong said she thinks that goes along with the general decrease that Covered California has seen. Ms. Wong said they have seen the chilling effect that Public Charge has caused. Ms. Wong said they get questions from people worried about this issue all the time. It is a very complex issue and some people don't understand that the tax credits aren't included, even in the proposed comments. Ms. Wong said they are constantly providing education on this subject. In relation to the federal comments, Ms. Wong said they appreciate Covered California's kind of commitment to the marketing and outreach and Navigator Program. She said they believe it is an investment toward having a healthier risk pool. She thanked Covered California for their efforts.

Agenda Item V: Covered California Policy and Action Items

Peter V. Lee referenced the Agenda and stated there were no Action items in the Policy and Action Items for the month. Mr. Lee encouraged everyone to submit comments by March 1, 2019 so that the comments can be considered prior to the presentation of the finalization recommendations to the Board at the March Board Meeting. Mr. Lee said that comments can of course be offered at any time but comments received early allow for time thought and inclusion in the final presentation.

Qualified Health Plan Contracting for 2020

James DeBenedetti began his presentation with a quick summary of Actuarial Value. Actuarial value is the percent of healthcare costs that are covered by the health insurance plan as opposed to the consumer. State and federal law requires all the different metal tiers to have a certain actuarial value plus or minus a percentage point or two, typically. Every year, CMS issues an AV Calculator, which is what everyone uses to determine whether or not their benefit designs comply with the law. This year, the AV Calculator was delayed, so Covered California was a bit rushed with coming up with new benefit designs.

Mr. DeBenedetti showed a slide titled *2019 Plans in the Draft 2020 AV Calculator*. He said that in looking at Covered California's benefit designs with the new AV Calculator, it is not uncommon to have a situation like this, where when looking at all of the benefit designs in red, at the bottom, where it says "2020 AV Baseline," those are all of the plans where Covered California had to adjust the benefits in order to come in compliance with the AV requirements for those plans.

Mr. DeBenedetti said there were some global things he wanted to discuss. He presented two slides titled *Global Changes/Discussion Items: CCSB*. Covered California is going to decouple the Silver and Gold plan designs between the individual market and the CCSB market. When Covered California was launched, there were AV values that were maybe mid to low portion of the AV range that a person was allowed to be in. As time went on, the individual market plan designs have increased to the upper end of the AV range. Off-exchange in the small business market it tended to move towards the bottom end of the AV range. As a result, premiums have diverged in the small business market between what you see in Covered California, where they tend to be higher and off-exchange where they tend to be lower. In order to close this gap, Covered California is looking at taking a different view with how they design benefits for the small business market versus what they do for the individual market.

Mr. DeBenedetti showed a slide titled *Global Changes/Discussion Items: Copay Plan*. Covered California has a very multidisciplinary advisory workgroup. The benefit designs discussions are so involved and detailed that Covered California has a subgroup for people who really want to get into the details. At least one of our carriers, and really a few others, have been really interested in the copay-only plan at the Silver metal tier. There are, in many cases, a lot to recommend it. Given the delay in the production of the AV Calculator, Covered California couldn't develop a plan that addressed everyone's concerns and needs in the amount of time available. There were some concerns about what impact this might have to Advanced Premium Tax Credit (APTC). There were concerns about whether or not it should be an optional plan or a required plan. There were concerns about what the copay levels should be. There were concerns about whether or not it would be sellable if the copays for the copay-only

plan are higher than for the non-copay-only plan. Mr. DeBenedetti said these issues will be explored in the years to come but it will not be brought to the next Board Meeting.

Mr. DeBenedetti showed a slide titled *Global Changes/Discussion Items: MHPAEA*. MHPAEA is the acronym for Mental Health Parity and Addiction Equality Act.

Mr. DeBenedetti said Covered California didn't have time to fully investigate the issue. He said meeting mental health parity requirements requires deviations from our standard benefit design and because of the way that calculation is performed, it can require different deviations for different carriers. Mr. DeBenedetti said Covered California would like to bring Covered California carriers into more consistency and not have this deviation in order to meet mental health parity requirements. He said this is a complex subject. Covered California will continue to review going forward but will not be recommending changes at the next Board Meeting.

Mr. DeBenedetti showed a slide titled *Global Changes/Discussion Items: Endnotes*. One change is that Covered California has historically had a \$200 copay limit for oral anti-cancer drugs in compliance with state law. State law changed recently to increase that to \$250, so Covered California changed as well. Mr. DeBenedetti said that Covered California wants to make it clear that a Silver plan design should not be assumed to be the same benefit for both CCSB and the individual market. View those markets as separate with separate benefit designs.

Mr. DeBenedetti showed a slide titled *Global Changes/Discussion Items: Dental*. Mr. DeBenedetti said there was not a consensus on was the advisability of including orthodontic benefits in the adult dental plan. There will not be recommendations brought to the Board Meeting in March. In terms of our actual benefit design listing, Covered California has a copay schedule. Covered California is often asked to which codes to the procedure categories belong. Covered California added a column titled "Procedure Category" to classify the codes.

Mr. DeBenedetti showed a slide titled *Proposed Cost Sharing Changes: Platinum, Gold, Silver*. One of the biggest concerns is that the copay for primary care visits is already quite high. Mr. DeBenedetti said they didn't want to increase copays any further. The slide showed the areas of increase. Mr. DeBenedetti reminded everyone that detailed pdf documents were posted to the Board Materials website.

The next slide detailed changes to the Silver CSR. These plans allow consumers with lower income to have Silver standard premium, but enhanced benefits, lower cost-sharing. The focus was primarily on increasing the maximum out-of-pocket and deductibles because this only applies to people who are admitted to a hospital, which is a relatively small percentage of Covered California's population.

The next slide detailed changes to Bronze. Mr. DeBenedetti said the Bronze plans would likely have the most change. Mr. DeBenedetti said Covered California doesn't want people to purchase a product thinking they have 100% coverage from the carrier

when they see 100% coinsurance. The proposed changes will alleviate some of the confusion.

Mr. DeBenedetti showed a slide that detailed the changes to Covered California for Small Business Only plans. Mr. DeBenedetti walked through the changes for both Gold and Silver plans.

Mr. DeBenedetti showed a slide that detailed the changes to the Bronze high-deductible plan. He said this is a complex situation. State law requires that a Bronze plan design, benefit design be 60% actuarial value plus or minus 2%.

Mr. DeBenedetti said the issue they're facing is that the IRS typically does not raise the maximum out-of-pocket as quickly or as high as CMS does for the regular Bronze plans.

When we run the maximum out-of-pocket, make it as high as we can, make the deductible as high as we can, switch to 100% coinsurance, so there is really, pretty much no coverage other than preventive services until you reach the maximum out-of-pocket amount, it's a very skinny benefit design here, it still has the higher actuarial value than what state law allows for a Bronze plan by about two tenths of a percentage point. Mr. DeBenedetti said they don't know what the IRS is going to set the maximum out-of-pocket for in 2020. Based on past experience, Mr. DeBenedetti said he expects it to be 68/50 and that won't meet the state law requirements for actuarial value. If they increase it to 69/50, that maximum out-of-pocket then Covered California can meet the actuarial value requirement. Mr. DeBenedetti said that at the next Board Meeting, they will likely recommend that the Board approve this design with the assumption that they can change it or make other action necessary when the IRS makes its ruling in May.

Mr. DeBenedetti said he wanted to make it clear is that this is not an issue for any other state because the federal guidance on what the allowable range for a Bronze product is plus five to minus 4% compared, so basically 65% on the high-end to 56% on the low-end. States that follow the federal guidelines do not have this issue now although they quite possibly will in future years. Mr. DeBenedetti said they will do some contingency planning in case the IRS makes a decision that won't allow Covered California to comply with state law.

Mr. DeBenedetti then showed two slides on how the changes have looked, historically.

Peter V. Lee then thanked James DeBenedetti, his team, and the health consumer advocates for their participation in the plan work group on benefit design. Mr. Lee commented on the complexity of the information. California has had a very engaged cross stakeholder discussion about what these benefit designs mean and what they should mean. It has been a very thoughtful process and Mr. DeBenedetti has led it well.

Mr. Lee turned his attention to health plan contracting for 2020. He said actuarial value is an important issue. Some of the really big issues that everyone will be facing is what the Legislature and the Governor does in the next four months.

Mr. Lee said that one of the things that's come up in the Plan Advisory Committee is highlighted interest and value-based insurance design. Mr. Lee called out his appreciation to Blue Shield. The patient-centered designs Covered California has are value-based. They are benefit designs designed specifically to encourage people to get care at the right time. In much of the nation, people that have Silver plans may have to meet a \$2,000 deductible before a dollar is paid for primary care visits. Covered California thinks that is a bad model. Mr. Lee explained Covered California's role in testing designs for the future. He said that Covered California believes in not only being an evidence-based organization but a contributor to developing better evidence. Mr. Lee said that he wanted to appreciate the work and thinking that has already gone into a value-based design as we are thinking about it for 2021.

Arthur Torres asked for explanation on the ER reimbursement on the Gold plan. It was unclear if his question was related to the small business market or the individual market.

James DeBenedetti said they were increasing the cost share to the premium holder. They were not adding it to the deductible. Mr. Torres asked, increasing the copay? Mr. DeBenedetti said that was correct.

Paul Fearer said he noticed on the Silver plans, the increases in the medical deductible certainly as a percent, but even as straight dollars seem to be quite large. He asked why.

Mr. DeBenedetti said the goal here is really to keep the copay increases low. In order to meet the AV requirements, Covered California had to make a significant impact somewhere and they chose to put the higher impact on the smaller number of users, the ones who are going to be admitted to a hospital, which are pretty much the only ones subject to the deductible and keep the increases minimized for all the other services, which are more widely used by the consumer.

Mr. Fearer asked if this meant that for practical purposes, that's kind of like a hospital?

Mr. DeBenedetti said this was correct. Covered California has been thinking about how to message that on the Plan Selection Tool on the website. He said Covered California wants to try and make it more clear to individuals.

Mr. Fear asked about the numbers for cost sharing reductions.

Mr. Lee said that the deductibles are substantially lower with cost-sharing reduction programs.

Public Comment:

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance agreed that she often has to remind herself when looking at Silver deductibles, that it is really just a hospital deductible. She said they have been in conversation on how to message that to consumers. Ms. Flory commended the staff at Covered California and Allie Mangiaracino in particular. Ms. Flory stated that many proposals were discussed and considered beyond what was presented. She said it wasn't until the last Board Meeting that they could actually plug any numbers in. There was a lot of work done at the last minute and she said she thought there were a lot of decisions made to keep things rather conservative considering how little time that they had and how many things could be changing. Every year, there are things that they don't love about this because it feels like choosing between your children. Not only the hospital deductible, but the fact that the Silver plans and the prescription deductibles going up and even though it is only a dollar or so, the cost of prescription drugs is going up, as well. So, these are things that consumers will really feel. The good news is that the Silver 94 plans have no changes. So far, our lowest income people, they won't be having any increased cost-sharing, but that's really a matter of what the AV allows us to do. Ms. Flory said they look forward to continuing the conversation on what to do with our Bronze HTHPs considering the particular predicament that California is in. They look forward to this continued relationship that they and the plans and the staff have all had in putting their heads together and trying to come up with the best solutions for California.

MJ Diaz, Health Access California said she would like to echo a log of what Ms. Flory stated in terms of their engagement with the plan management and the various workgroups that they participated in the last three to four months. She said they were not happy that the AV calculator was delayed but it allowed them to go into other issues. While the calculator was late, they were able to be nimble thanks to Covered California staff having a contingency plan and having draft estimator that allowed us to have those conversations early on rather than later. Ms. Diaz said that they are not thrilled that the maximum out-of-pockets are increasing and also, on the cost-sharing parts, copays, and deductibles are increasing, as well. That's why Health Access supports affordability proposals to make copays and deductible and other cost-sharing's more affordable to people. Now that the AV is available, they look forward to working with the Covered California staff on the Bronze high deductible issue and looking at who actually signs up for them. Is it more on the on-exchange or off-exchange? What income levels do people have to opt into Bronze HDHP? Especially, because they see that our state law is more protective than the federal guidelines that allow for that plus four/minus five percentage in the AV Calculator. So, they are looking forward to that conversation next week and they are happy to engage in it.

Michelle Lilienfeld, National Health Law Program (NHLP) said she wanted to echo the comments made by Ms. Diaz and Ms. Flory. She said they were also a member of the benefit design subcommittee and she wanted to take the opportunity to thank Covered California and Covered California's staff for that stakeholder process. She thanked

Covered California for the opportunity to provide feedback through that subgroup and as others have mentioned, staying within the AV is the challenge. But the stakeholder process and the stakeholder engagement and opportunity for advocates to actively participate in that process is just much appreciated. She said she thinks it's one of the things, as others have said, that makes Covered California stand out.

Cary Sanders, California Pan-Ethnic Health Network (CPEHN) said she also wanted to echo the comments of others. They really appreciate staff's work on this, especially, without the benefit of the AV Calculator. She said she wanted to echo Health Access' comments too on the need for greater affordability. She said she thinks this exercise every year really illustrates and demonstrates why it's so important. A jump from 2500 to 4000 is a lot and will be experienced by certain individuals. They agree it would be helpful to clarify it's for hospital only and the difference between the different Silver levels. They look forward to continuing conversations and discussions on value-based plans and on the high deductible health plans.

Peter V. Lee introduced Terri Convey, the Director of Outreach and Sales. Ms. Convey presented on the potential of setting standards for agent payments for Covered California's qualified health plans. Ms. Convey said she would provide a brief update for the Board on an evaluation that done recently with the agent compensation and commissions. She said she wanted to acknowledge and note that agents are involved with one out of two of the enrollments for Covered California consumers and because they are an important part of us being able to get folks enrolled, Covered California wanted to do the evaluation. In doing so, Covered California identified four key takeaways for further exploration. One, looking at agent compensation as one component of total acquisition costs and impact to consumers. Two, evaluating adequacy of compensation programs. Three, recognizing the value to the independent agent channel to have predictable revenue streams to plan and invest in their operations. Four, ensuring agent incentives align with consumer protections.

Ms. Convey showed a graph showing us the trends of agent compensation from the year before the ACA law went into effect, which is 2013 to current. She then presented an additional slide that displayed the same information in a table.

Ms. Convey showed a slide titled *Potential Actions Covered California is Considering Regarding Agent Compensation*. Ms. Convey discussed three options. First, setting a minimum agent commission requirement. Second, setting rules or limits on agent commission decreases. Third, taking no action. Ms. Convey said they would bring recommendations to the Board at the March meeting.

Peter V. Lee said Dr. Sandra Hernandez, who was absent, had reviewed the material ahead of time and had comment to relay through Mr. Lee. The first comment was that Covered California is number one, very committed to supporting the agent community. A little bit over forty-five percent of Covered California's enrollment comes from agent. They are anchored in every part of California. They reflect the diversity of our state in

many ways, in particular, serving Asian communities and have done a very good job of enrolling the diverse Asian communities in California. Mr. Lee said Covered California is loathed to get into the business of setting commissions. Mr. Lee said Covered California thinks having some diversity is not a bad thing, having markets is not a bad thing. But in particular, Covered California is concerned that they want agents to be able to make long-term investments and having some sense of certainty is really important. These are some issues that Covered California is wrestling with and these are tough balancing issues.

Mr. Lee noted that on a prior slide, the fact that we are not spending 7% of Covered California's premium dollars on agent commissions. He said this is a pretty good thing because it's more money going to healthcare.

Mr. Lee said that Dr. Hernandez very much recognizes and supports the critical role that agents play and has strong desire to provide them with certainty and stability, but she noted concern about setting minimum commission amounts and in particular, her concern was it may have the unintended negative effect of all plans lowering their commissions to whatever that minimum is. The effect of setting a minimum may mean, so to speak, for those that are above that minimum if that minimum were to average or whatever all plans, some plans might be moved up, but others might move down. That is the concern that Dr. Hernandez expressed *in absentia* and she looks forward to being here next month.

Chairman Wilkening said he would echo a lot of the same points that Dr. Hernandez made. He said he recognized the important role that agents play in enrollment for Covered California and making sure that Covered California has a good, healthy population in the mix, and appreciate the need for certainty and stability as they plan their business models, but also share Sandra's concern about setting minimums. Chairman Wilkening said he is concerned about the ones that are a little bit below that coming up and spending more of it on the administrative side rather than on the services side.

Chairman Wilkening asked if there were additional comments from the Board. There were none.

Public Comment: None

MJ Diaz, Health Access California thanked Covered California for presenting on the issue. She said it was the first that they were seeing this and they were glad to see some data in terms of how much agents have made over time since the creation of Covered California. They would like to engage a little bit more in this process in the next couple weeks especially, as everyone considers an action on this next month. She said they would also just like to highlight that, right when Covered California was created, agents did play a critical role especially, understanding there were a lot of changes that needed to happen. Before the ACA, agents had done a lot of work

administratively, especially, in an underwritten world where consumers would have to fill out thirty or forty pages worth of applications to even be considered for coverage. She said they think that Covered California, over time, has simplified that process and it's really commendable that consumers can just go on the website and shop and compare across plans because there are standardized benefit designs, but also, Covered California just simplified how you can get coverage so quickly through Covered California. While at the same time, they know that the agents played a critical role in ensuring we get people enrolled through renewals and through new enrollments. She said they would just say they are open to engaging with Covered California on this matter.

Certified Agent Policies Regarding Non-Affordable Care Act Compliant Products.

Peter V. Lee said Terri Convey would present again, this time on Certified Agent Policies Regarding Non-Affordable Care Act Compliant Products. Mr. Lee said that Covered California wants to take a closer look at what their policies are for Certified Agents. He said he would remind everyone that there are agents that are selling insurance that are not certified by Covered California and they do not sell Covered California's product. That's fine, they can sell non-off-exchange products to their heart's content. But to sell through Covered California, you must be certified. Covered California has a range of policies about what it means to be a Certified Agent. Covered California has removed certification from agents that have violated those policies and taken actions that are not in consumers' best interest. Covered California monitors what their agents do. Covered California is bringing up the potential of implementing new policies with regard to plans that are sold in the California market that don't comply with the ACA.

Terri Convey said there are a lot of products out there that are non-compliant with the ACA act. California, unlike the rest of the nation, has taken a lot of excellent measures to protect consumers against many of these products like the short-term medical plans. But there are some non-insurance products being sold in California that we believe pose a significant financial risk to consumers. One product category is the Healthcare Sharing Ministry plans. These plans are exempt from complying with the Affordable Care Act. That exemption was granted in 2010. They are faith-based membership organizations in which people enroll themselves or get enrolled, in which they pay a fee like a premium monthly that is pooled to pay out medical costs. They are not insurance plans, so they do not have any of the protections, the market protections that are in place. There's no guaranteed solvency and no contract obligation between a member and the organization to pay anything they might publish they say they're going to pay and no governmental oversight. There are big categories of protections that Covered California has with Covered California plans and ACA compliant plans that don't exist with these plans. They may deny people because of health status. They may also limit or exclude for coverage pre-existing conditions. They don't comply with minimal essential benefit coverage. They charge an application fee when folks get enrolled and

they pay very high agent commissions in a range of fifteen to twenty percent. Their monthly premiums are typically significantly cheaper than ours.

Ms. Convey showed a slide with an example of coverage for a thirty year-old living in Los Angeles. She then showed a slide titled *Covered California Silver Plan Benefits Compared to Health Care Sharing Ministries Benefits*.

Ms. Convey said these plans have been around for a while but national enrollment has grown quite a bit in the last year....by about a million. In California, the estimate is that ten to twelve to fifteen thousand individuals in California have recently enrolled. It was reported that the funding or the money invested in these pools has significantly changed. It was at a little under 100 million in 2010, and in 2016 was already up to 600 million.

Ms. Convey showed a slide titled *Covered California May Bring to the Board Recommendations to Protect Consumers*. The slide detailed possible methods. Ms. Convey said they look forward to bringing a recommendation to the Board in March.

Peter V. Lee said that that this is a market that is pretty opaque because it is not regulated. So, Covered California doesn't really know how many people have these products in California. He said Covered California is guesstimating from the reports from the association that represent them that it maybe 100,000, it may be double that, it may be somewhat less. Mr. Lee said that Covered California spends a lot on advertising and gets a lot in return. One of the core elements of Sharing Ministry is they are exempt. If you have a Sharing Ministry, you have been exempt from paying a federal penalty. Even though, it isn't meeting the criteria of essential health benefits, it is a qualifying benefit to exempt you from paying a penalty. That would be an issue not for Covered California to take up, but for the State to take up on a parallel or separate track of how these are considered. But to the extent people enroll in these under federal law, they do not pay a penalty. So, the issues that may or always will be there in having these products be fairly and duly disclosed, so that consumers know what they are or aren't getting under any circumstance.

Chairman Wilkening said that he thinks that people should know what they're purchasing. He thinks this should be a transparent process; that everyone should know both what the benefit package looks like, but also, people as they're purchasing should be aware of what the agent is receiving in compensation.

Peter spoke on behalf of Dr. Sandra Hernandez. Dr. Hernandez noted great concern about consumers selecting these on an uninformed basis. Mr. Lee said Dr. Hernandez was worried that these are really not insurance plans. She is particularly concerned with the implications of sales of these plans in 2020 if California has a penalty in enrolling and sharing ministries would exempt the consumer from the penalty. She said that's a concern for her. She is also, though, while liking disclosure, is concerned that all too often we all sign disclosure forms that are not well informed, and she's quite

concerned that for a disclosure statement to be truly informed it's tough. And so, she is worried how many of us have checked the box and said I accept something and don't know what we've signed. She thought it was appropriate to raise these concerns and again, concerned about how to make a disclosure real.

Public Comment:

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance Said that they do appreciate Covered California looking into this issue. They are starting to hear reports from their local programs that people are signing up for these plans and when they do, there's not really much that they can do to help them because they are not regulated by anybody. So, it really is buyer beware. She said they also think that it is completely appropriate for this state to have a clear division between products that discriminate against California residents and products that don't.

Bill Wehrle, Kaiser Permanente said he just wanted to underscore for them that one of the most distressing aspects of these products is not cured by a disclosure and that is the impact they have on the price of a Bronze product. As talked about earlier, there is pretty good antidotal evidence, at least nationally, that some of the drop off in that Peter V. Lee described in the opening report on enrollment is going to these alternative products that are outside of the ACA rubric for the simple reason they are a lot cheaper as your slide showed. Simply disclosing to consumers that oh, by the way, this doesn't cover you for a whole bunch of stuff and there's no guarantee that anybody will actually pay, other than that, it's great. Even that kind of disclosure doesn't cure the impact on Bronze. We know there is a challenge here about what you could do versus what the Legislature and the Governor could do, but he said he just wanted to underscore that the disclosure doesn't help with that latter and they would say, bigger problem.

MJ Diaz, Health Access California said she would echo many of what has already mentioned with regards this particular type of coverage offered. Health Access California has long supported and sponsored legislation making sure that consumers get comprehensive ACA compliant plans, so they are protected and covered and that they have an actual health plan that will cover those costs for them. For example, last year, they sponsored the legislation that banned the sales of short-term plans. They appreciate the new data, the crosswalk that compares between what Covered California offers and little these types of ministries offer. In the same way that Covered California provided that information on ACA compliant plans versus Covered California plans that were being sold last year. While they are not surprised about what little these plans provide, it is still very good to see it. And also, it would help to inform the Legislature and the new Administration on these types of plans. They are looking forward to taking action on this matter next month.

Cary Sanders, California Pan-Ethnic Health Network (CPEHN) said that they just don't see any upside to allowing the sale of these types of plans. They're already confusing enough as they are. It feels like a huge step backwards. When you look at the

comparison between the products in Covered California and what is allowable and currently provided with these other plans, it just doesn't make any sense. She said she thinks that the confusion that folks feel will be exasperated for communities that don't speak English and have other considerations. Trying to explain in a way that would make sense to folks that have low health literacy would be difficult. She said she thinks this is something that will hopefully, be pretty clear cut in terms of action.

Michelle Lilienfeld, National Health Law Program (NHLP) thanked Covered California for putting this on the agenda and for talking about these healthcare Sharing Ministry plans. As mentioned during the presentation, nationally, the number of consumers on these plans has increased and we have heard of issues that they cause. It has been said they are deceptive because you look at the premiums and it appears it's a cheaper premium, but what happens is when someone has a medical need that's where it becomes more expensive because they realize they don't have health coverage for the health needs they have. She said they appreciate the opportunity to submit comments on this by March 1st and look forward to continued discussions on these healthcare ministries, which she said she thinks are incredibly problematic

Rob Spector with Blue Shield California said they actually surveyed one of their producers to ask them specific numbers of people who did not renew their coverage with their HMO product. That producer told them that 5% of the people that left the Blue Shield product left them to go into one of these products. So, they are starting to get more clarity on the data on this.

Doreena Wong, Asian Americans Advancing Justice Los Angeles said she would echo a lot of the concerns that other advocates have raised. They haven't actually had a chance to see the impact of what these kinds of plans have had on their community, so she really appreciates Covered California for raising this, so they can go back and actually ask their Navigator partners if they have seen this is an issue. She said she could imagine that it would be an issue considering the more kinds of plans that you have and the more different they are than what is already provided will just cause greater confusion. Offering more choices is not necessarily a good thing. She said she would think this would be harder to explain, especially, for the populations that they serve. She would like to see not only how many people are buying these plans, but really, what their experiences are with them? She said she would check into this and provide more information.

Proposed Navigator Program and Request for Applications for FY 19/20.

Peter V. Lee introduced Robert Kingston, the Sales Operations Chief in the Outreach and Sales Division. Mr. Kingston started off with a slide that detailed the current state of the Navigator Program. The following slide detailed what the funding provides followed by a slide on the funding model for Covered California Navigators.

The next slide was titled *Covered California's Navigator Program Refresh*. Mr. Kingston said that in March, they would potentially submit a Request for Application. The slide provided details.

Mr. Kingston presented a slide which detailed the Navigator Program Refresh, performance payments.

The next slide was titled *Covered California Navigator Proposed Scope of Work 2019-2020*. This slide provided a broad scope of the major expectations of the Navigator organizations.

Mr. Kingston then presented a slide on *Cost Per Effectuation Benchmarks Examined with Stakeholders*. The slide detailed four benchmarks. The next slide showed a chart of the benchmarks.

The next slide was titled *Proposed Navigator Funding and Goals Updated Based on Stakeholder Feedback*. The slide contained a chart with details on funding level and goal amount.

Mr. Kingston presented a slide titled *More Ways to Conduct Outreach and Meet Performance Goals* followed by slides on *Funding to Reach Targeted Areas*.

The next slide was titled *Comments on Proposed Navigator Program and Request for Applications for FY 19/20*. The slide invited comments and provided an email address.

Peter V. Lee said he wanted to provide highlights and Dr. Hernandez's comments. Mr. Lee said that Covered California structured this and have been working on this for quite a few months to be budget neutral to our budget. Covered California is just embarking on the budget process with having faced a 23% decline in new enrollment. As an organization, Covered California is going to be having a very tight belt probably next year. Mr. Lee said Covered California is looking forward to growing enrollment if this state makes the right policies. But note a budget consistency of 6½ million is in many ways a budget increase based on enrollment and Covered California making a commitment to a program that they value very, very highly.

Mr. Lee said it's very important to underscore that there are a number of certified application entities that get no compensation and have enrolled 40,000 people. Covered California will also look at how they can support them better.

Mr. Lee said he had a tiny bit of disagreement with Mr. Kingston. Covered California is not seeking to protect each individual entity to keep them at the same funding amount. There will be entities next year that get more or get less than they made this year. Covered California is committed to spending about the same amount of money across the pool and that's an issue. These awards will be competitively awarded. This is not an entitlement in the organization. And so, the organizations that have done a good job

are in great status to continue to get funding, but they need to apply, they need to show they have a plan to do a good job going forward, and that's one of the things that we'll be looking at because we've had great partners. But those partners and partnership is based upon delivering for Californians in the communities they serve. And that's what the applying entities will need to look forward to as Covered California enters into multi-year agreements with those entities.

Mr. Lee said Dr. Hernandez had an opportunity to look at the proposal and the comments submitted from a number of organizations, which were shared with the Board and had two primary comments. One, she is conceptually supportive of having payments to Navigators being quote/unquote performance based and her other major commented was with regard to the area of social media where she noted that she saw this, and she thought that virtually all Navigators would see this, as a major upside and a benefit of getting training and support from Covered California that could reinforce other elements of their work. That's something that Covered California thinks is the case. One of the things that has held Navigators different from enrollers early on is they have a responsibility to promote outreach and not just enroll people. Outreach today isn't just being at a farmer's market, it's not just being a fair, it is being in social media. Covered California wants to support Navigators in doing that and doing it well.

Chairman Wilkening asked if there were comment from the Board. There were none.

Public Comment:

Doreena Wong, Asian Americans Advancing Justice Los Angeles said she wanted to express her appreciation to Covered California for recognizing the importance of the Program and also to recognize the work that they do to reach their hard to reach communities. She said she would also like to thank Covered California staff for meeting with the Navigators and meeting with other interested stakeholders to discuss the Program and the changes in the Program. She said she wanted to say that they do support the proposed changes conceptually because they do understand the need for changes to recognize the effectuated enrollments and renewals to make sure that people are actually enrolled. They do appreciate the reimbursement for the effectuated enrollments are at the \$175 level and that Covered California has heard their input and feedback. She said she would point out that one of the issues when they saw the presentation is that actually it would be very helpful and useful to have a consistent contract every year, so that they could plan and make plans and the idea that the amount could go up and down 25 to \$40 is kind of an idea that they would just want to talk about because in the past 3 years, one of the issues has been that Covered California has changed the rules around what would be counted and what wouldn't be and it is just hard to plan that way. She said she wanted to talk about the concerns that they have around the social media, the social and earned media requirements. She said they do use social media and they do have press conferences, but she thinks their concern around that is the requirements around the tracking and reporting, which might put an additional burden on partners. Some of the social media is not necessarily

effective for some of the communities they serve, which are immigrants and older and limited in English speaking. She said they are looking forward to working on the details of this and they think they will come to agreement on this.

Cary Sanders, California Pan-Ethnic Health Network (CPEHN) thanked Covered California staff for speaking with stakeholders and trying to address some of their concerns about the changes. She said they at CPHEN submitted a letter, a joint letter with Health Access, Western Center on Law and Poverty, and the National Health Law Program. They do not receive funds for assistance for outreach and enrollment assistance however, they do have concerns about the impact to groups they work with. Particularly, at a time when they are talking about substantial declines in enrollment due to external market forces, due to all of the various things that talked about earlier in the meeting from public charge to the sales of short term plans. She said she thinks one of their questions as they looked at the presentation that staff put together is just really a question of whether agents and brokers really are the right benchmark for a comparison when we think about Navigators? She said the reason she mentioned that is because they are really talking about 11% of the Covered California population that's really on the margins. It goes back and forth, right, between Medi Cal and Covered California. A lot of these folks have complex, very difficult cases that may require different plans for different family members. They have low health literacy, don't speak English or LEP, immigrant communities, and the service that Navigators provide is really geared towards this population. They have a lot of other points that she thinks they raise in their letter but she said she would just mention in terms of the social media, that there is concern about, and again, while they think it's a great concept in theory, they are sort of asking and thinking about revamping this program and asking small organizations to really do things differently and more than what they've perhaps, done before without really knowing how that's going to work out and how groups are going to be able to what kind of support both in in language and other types of support they'll get to really help this population, which in many cases don't really access social media. Ms. Sanders said there was more in their letter and she hoped everyone would take a look at that as well.

Michelle Lilienfeld, National Health Law Program (NHLP) said her organization signed on to the letter that Cary Sanders mentioned. Navigators just play a critical role in Covered California enrollment. They offer a wide range of services. Many times, they're working with low-income individuals who maybe transitions from Medi-Cal to Covered California and need assistance navigating plan options. They work with individuals who are more likely could be limited English proficient and need that one-on-one assistance and help in enrolling and using their health coverage. Navigators also frequently deal with referrals from legal aid and other organizations. We're handling, as Ms. Sanders mentioned, some of the more complex cases. For these and all of the reasons in the letter, they really urge Covered California to work with Navigator entities and advocates to maintain an appropriate level of funding and scope of work. One way to do that is through the Market, Outreach, and Enrollment

Advisory Group. Alicia Kauk from their office is co-chairing that group and would like to continue using that group to discuss the Navigator RFA prior to implementation, since a wide range of stakeholders participate, including Navigators, who actively participate in the group and who would be impacted by these changes.

Jen Flory, Western Center on Law and Poverty and the Health Consumer Alliance said she would like to align herself with the comments that were made by Doreena Wong, Michelle Lilienfeld, and Cary Sanders. Their local health consumer centers work very closely with the Navigator entities and their communities and they know the complexities of the cases and a lot of the handing off that goes between the Programs, as they try to ensure that people get the right level of service. She said they do understand the extensive service that they give, the community education they give on not just Covered California, but Medi-Cal and access to health programs, finding your doctor, and all sorts of other things. They would just appreciate continuity in the Program and extending it. They also do appreciate looking at rural areas and areas that may need additional outreach, but in looking at rural areas versus urban areas although, there are a lot of Navigators in urban areas, they are reaching smaller segments of the population that other people don't necessarily reach. So, everybody needs more.

MJ Diaz, Health Access California said she would also like to align herself with the comments that their partners have made, especially, those that are doing the hard work on the ground; outreaching, educating, and making sure that Californians have coverage whether it's through Covered California, Medi-Cal, or any other public program. The one thing that they would add is that they see the State Legislature and the new Administration role in this and investing in this type of work. They are looking forward to seeing how that looks in the next few months.

Maria Romero-Mora with the California Coverage and Health Initiative said they also align themselves with all of the comments that had been said by the various entities that spoke previously. She said, it's more of a clarification on their end or question that they have and it was noted earlier in terms of social media, if Covered California is going to continue to provide that support at the state level and continue to do its own advertisements, how is that going to work with the Navigators, and if it's going to become a requirement? She said they understand the support that wants to be provided, but as noted by Doreena Wong, many of the families that need to be enrolled on this program do not rely on their phones, do not rely on the advertisement that is foreign to them. She said that when they talk low-income families and individuals on these programs are not dependent on social media, they are dependent on individuals that are helping them in-person. Back to the whole comment about the Medi-Cal population, she said they would like to see the data that shows how many individuals are going through the CalHEERS into Medi-Cal program? How many applications or touches are being done before the actual effectuated enrollment? Deleting from the requirement the health plan selection, it will be a disservice to this population and also to the Navigators because individuals, they are going into these programs and many times have never had health insurance and their families. She said she would echo

what was said by others about continuing this conversation in the workgroup that is already created.

Peter V. Lee said the Navigator Program has been incredibly important to Covered California. Covered California has 100 groups that are key partners in communities across California. Covered California also has 13,000 insurance agents that are key partners, and this isn't an either or situation. The point of showing as a frame of reference of what agents get paid isn't the right benchmark. Covered California is proposing a rate that is higher than that. Mr. Lee said he wanted to make sure that everybody understands, that he has met with hundreds and hundreds of agents that talk about the amount of work they do to enroll people in Medi-Cal for no compensation. They talk about the amount of time they spend with very complex cases. They talk about how many of their clients also have mixed families, have parents in Covered California and children with Medi-Cal, and they spend time working with county offices to make sure that entire family gets coverage. Mr. Lee said that Covered California looks forward to getting comments in the next couple weeks on these programs. Covered California looks forward to this engagement in the next weeks. This program is vitally important to Covered California. It's important to Californians.

Covered California Regulations – Certified Application Counselor Permanent Regulation Package

Peter V. Lee introduced Brian Kearns from Covered California's Legal Affairs Office. Mr. Kearns presented a slide outlining the Certified Application Counselor Regulations. These are volunteer enrollers that help consumers enroll into plans, they perform education and outreach. Currently, the regulations governing the Program are in an emergency status and Covered California started the process of making them permanent. Mr. Kearns presented slides detailing the program and the changes. Mr. Kearns highlighted two noteworthy changes. Section 6854(a) has been amended to clarify that any person with legal authority can execute the CAE agreement on behalf of the entity. The next change was 6860(d) has been updated to include a deadline to complete annual recertification training. Mr. Kearns said that this would be brought back to the Board for Action at the March Board Meeting.

Chairman Wilkening asked if there were any questions.

Arthur Torres asked if there was a delay in the Office of Legal Affairs looking over regulations because he had heard that from other agencies that there's such an overabundance of applications for review. He asked if Covered California was going to confront that same issue?

Mr. Kearns replied that he had not heard of the issue. Covered California's regulations don't expire until 2020 and they have a year to complete the rulemaking process.

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Doreena Wong, Asian Americans Advancing Justice Los Angeles said they would like to thank Kelly Green and some of the other Covered California staff for working with the advocates to incorporate some of their comments and recommendations into the final regulations. They look forward to continuing some discussions with just a couple outstanding issues around language proficiency and training issues that they might have an opportunity to have further discussions about. She said they appreciate that some of their recommendations were adopted.

Michelle Lilienfeld, National Health Law Program (NHLP) said she wanted to thank Covered California for the opportunity to provide feedback on the Certified Application Counselor regulations and for incorporating our suggestions. She said they appreciate it and look forward to continued discussions.

Chairman Wilkening adjourned the meeting at 2:43.