

COVERED CALIFORNIA BOARD MINUTES
Thursday, February 17, 2022
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

Please Note: Covered California hosted its February 17th board meeting remotely. Per Assembly Bill No. 361 (2021-2022 Reg. Sess.) and the Governor's Executive Order N-1-22, certain provisions of the Government Code pertaining to open meeting requirements were temporarily waived to mitigate the effects of the COVID-19 pandemic. As such, Covered California board members participated remotely by way of teleconference.

Additionally, consistent with the Governor's Executive Order N-33-20 regarding the statewide stay-at-home directive to preserve the public health and safety throughout the entire State of California, public participation was limited to remote participation only.

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

Vice Chair Hernandez called the meeting to order at 9:30 am.

Board Members Present During Roll Call:

Jarrett Barrios
Jerry Fleming
Dr. Sandra Hernandez
Art Torres

Board Members Present During Roll Call:

Dr. Mark Ghaly

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 for closed session to discuss contracting, personnel, and litigation matters pursuant to Government Code Section 100500(j), 11126 (a), and 11126 (e)(1).

Vice Chair Hernandez called open session to order at 12:04 p.m.

Agenda Item III: Board Meeting Action Items

January 20, 2022 Meeting Minutes

Discussion: None.

Motion/Action: Vice Chair Hernandez called for a motion and a second to approve the January 20, 2022 meeting minutes. Mr. Torres moved to approve the meeting minutes. The motion was seconded by Mr. Barrios.

Public Comment: None.

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Vote: The motion was approved by a unanimous vote of those present. Chairman Ghaly was not present during the vote.

January 28, 2022 Meeting Minutes

Discussion: None.

Motion/Action: Vice Chair Hernandez called for a motion and a second to approve the January 28, 2022 meeting minutes. Mr. Torres moved to approve the meeting minutes. The motion was seconded by Mr. Barrios.

Public Comment: None.

Vote: The motion was approved by a unanimous vote of those present. Chairman Ghaly was not present during the vote.

February 7, 2022 Meeting Minutes

Discussion: None.

Motion/Action: Vice Chair Hernandez called for a motion and a second to approve the February 7, 2022 meeting minutes. Mr. Torres moved to approve the meeting minutes. The motion was seconded by Mr. Barrios.

Public Comment: None.

Vote: The motion was approved by a unanimous vote of those present. Chairman Ghaly was not present during the vote.

Agenda Item IV: Executive Director Recruitment Update

Vice Chair Hernandez stated that the board has selected Jessica Altman to serve as Covered California's next Executive Director, replacing Peter Lee. Ms. Altman currently serves as the Commissioner for the Pennsylvania Insurance Department.

Board Comments: Mr. Torres reflected on Mr. Lee's efforts throughout his tenure and showed appreciation for his tremendous leadership. Also, Mr. Torres paid tribute to former Covered California board member Marty Morgenstern, who passed away last week.

Mr. Fleming expressed appreciation for Mr. Lee's outstanding leadership and stated that he is grateful for being able to serve alongside Mr. Lee.

Mr. Barrios echoed previous comments and looks forward to hearing about Mr. Lee's next steps.

Vice Chair Hernandez thanked Mr. Lee for the work he has done for the state and the nation. She noted that there will be a public event in April to say goodbye to him and celebrate Covered California's accomplishments under his leadership.

Agenda Item V: Public Comment on Peter Lee's Departure

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Diana Dooley, Covered California's former board chair, expressed excitement for the board's selection of Ms. Altman as Covered California's next Executive Director. Ms. Dooley also spoke to Mr. Lee's intellect, leadership, compassion, and integrity.

Dr. Bob Ross, Covered California's former board member, expressed how honored he is to have worked alongside Mr. Lee and to have been a part of everything that was accomplished under his leadership.

Anthony Wright with Health Access California thanked Mr. Lee on behalf of advocates for his leadership and the impact that he has made on the lives of Californians. Also, Mr. Wright commended Mr. Lee for creating such a successful exchange despite all of the challenges and obstacles that he faced during its conception.

Paul Markovich, President of Blue Shield of California, echoed Mr. Wright's comments and commended Mr. Lee for his courage to make those difficult, but necessary decisions on behalf of the exchange. Additionally, Mr. Markovich congratulated Mr. Lee on all of his accomplishments and wished him the best moving forward.

Chris Jennings with Jennings Policy Strategies stated that Covered California has earned its reputation as a national role model for what the federal government should aspire to be thanks to the leadership of Mr. Lee and the extraordinary team at Covered California. Mr. Jennings noted that Covered California has been first when it comes to every meaningful federal discussion on how to strengthen, modernize, and improve the Affordable Care Act. Lastly, Mr. Jennings thanked the board for empowering Mr. Lee and his team to do the great work that they do.

Doreena Wong with Asian Resources, Inc. emphasized how Mr. Lee was the key component of Covered California's vision to improve the health of all Californians. Ms. Wong expressed appreciation for Mr. Lee's commitment to the values of being consumer-focused and accessible to all the diverse populations in California. She also thanked Mr. Lee for being a catalyst of change for the healthcare system and for working in partnership with QHP issuers carriers.

Don McFarland with the California Agents and Health Insurance Professionals (CAHIP) thanked Mr. Lee for his years of dedication to making quality health care affordable for Californians.

Manan Shah with Anthem Blue Cross thanked Mr. Lee for his efforts and commitment to improving health care for Californians and wished him the best in his future endeavors.

George Balteria with Collective Choice Insurance Solutions thanked Mr. Lee for his continuous support and empowerment of agents, advocates, and navigators.

Mr. Lee thanked everyone for their kind remarks and reflected on his time at Covered California. He also thanked all of his colleagues for their dedication and contributions to the exchange.

Agenda Item VI: Executive Director's Report

Announcement of Closed Session Actions

Mr. Lee stated that the board met in closed session to undertake issues related to personnel, contracting, and litigation. There were no items to report.

Executive Director's Update

2022 Board Meeting Dates: Mr. Lee presented the Covered California Board meeting dates for 2022, with four meetings scheduled as only a possibility. He noted that Covered California has not yet decided on a date for the March board meeting.

Open Enrollment Campaign Update: Mr. Lee gave a brief update on the open enrollment campaign for 2022. He highlighted that the campaign reached approximately 98 percent of California adults 35 times. Also, total enrollment in California exceeded 1.77 million, the highest amount ever by the close of open enrollment. In particular, enrollment more than doubled for those above 400 percent of Federal Poverty Level.

Covered California Data and Research

Katie Ravel, Director of Policy, Eligibility, and Research gave a brief update on Covered California's efforts to implement the Medi-Cal autoenrollment process.

Overview of Medi-Cal Autoenrollment Process: Ms. Ravel explained how Covered California conducted a robust research effort through focus groups and in-depth interviews with a diverse array of Californians. The participants were current Medi-Cal enrollees who could someday be eligible for coverage through Covered California and individuals who were previously covered by Medi-Cal who enrolled in coverage through Covered California, employer-coverage, or who went uninsured. The research found that consumers want options and also need help understanding their options based on their coverage status. Covered California plans to design materials to help consumers understand that their plan selection is a starting point and that they have options. Additionally, Covered California plans to provide a simple set of options throughout the process and give consumers the ability to actively opt-out in order to cancel their plan. Ms. Ravel noted that Covered California will be sharing detailed implementation plans informed by consumer research with Covered California advisory groups, Tribal Consultation, and Qualified Health Plan (QHP) Issuers.

State and Federal Policy/Legislative Update

Mr. Lee gave a brief federal and state update. On the federal front, on January 27, Covered California submitted three comment letters on the Notice of Benefit and Payment Parameters for 2023. On the state front, Mr. Lee noted that there have been legislative hearings on the Governor's proposed Fiscal Year 2022-2023 Budget. Also, the Department of Finance released trailer bill language, which would establish the Office of Health Care Affordability within the Department of Health Care Access and Information. Additionally, Mr. Lee highlighted Assembly Bill 1787 and Senate Bill 944, which would require Covered California to offer cost-sharing assistance based on Federal Poverty Levels with certain actuarial values. Lastly, he highlighted Senate Bill 967, which would require the exchange to annually conduct outreach and enrollment efforts to individuals who indicate on their tax returns that they are interested in no-cost or low-cost health care coverage.

Board Comments: Mr. Torres noted that Assembly Bill 1130 by Assembly Member Wood from Sonoma County will implement the Office of Health Care Affordability. He stated that the governor is very supportive of this and hopes that it will take effect in January 2023.

Vice Chair Hernandez asked for an update on the continuation of the subsidies from the American Rescue Plan.

Mr. Lee stated that Build Back Better will not be moving forward, but there is a lot of support from Congress for the continuation of these subsidies.

Public Comment: Betsy Imholz with Consumer Union expressed how grateful she is to have worked with Mr. Lee and expressed excitement to hear about the Biden administration's interest in standardized benefit designs.

Diana Douglas with Health Access California thanked Mr. Lee for his leadership and underscored the importance of the American Rescue Plan's subsidies for consumers.

Cary Sanders with the California Pan-Ethnic Health Network (CPEHN) also thanked Mr. Lee for his leadership and congratulated Covered California on the historic enrollment numbers.

Agenda Item VII: Covered California Policy and Action Items

Discussion Item: Fiscal Year 2022-23 Navigator Grant Program Contract

Terri Convey, Director of Outreach and Sales, gave an overview of Covered California's current navigator program funding level and the proposal for the next fiscal year contract amendment. The board approved a total program funding cap of \$19.5 million across a three-year grant cycle period. In March, the team will propose to the board an extension of the resulting grants for an additional year beyond the approved three-year term.

Board Comments: Vice Chair Hernandez thanked Ms. Convey for her work with this program.

Public Comment: Cary Sanders with the California Pan-Ethnic Health Network (CPEHN) thanked Covered California for keeping the navigator funds stable and ensuring that consumers have the assistance they need in order to enroll and maintain coverage.

Doreena Wong with Asian Resources, Inc. echoed Ms. Sanders' comments and expressed appreciation for Covered California's partnership with navigators.

Discussion Item: 2023 Qualified Health Plan Contract and Certification Process

Action Item: 2023 Qualified Health Plan Issuer Model Contract

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James DeBenedetti, Director of Plan Management, gave an overview of the 2023-2025 Qualified Health Plan Contract. Mr. DeBenedetti highlighted Article 5, which references Attachments 1, 2, and 4. This article proposes new quality standards for potential exclusion of health plans effective 2023 and proposes new monitoring requirements for QHP issuers conducting required improvement. He also highlighted Article 3, which will work to support smoother member transitions and facilitate continuous coverage for enrollees to and from Covered California and other health coverage programs. In addition, under Article 3, Covered California will reduce the current expectation for certification that 0.6 percent of premium be spent on marketing to 0.4 percent.

Mr. DeBenedetti noted that Covered California welcomes analysis from QHP issuers that provide evidence that any QHP issuer population served has characteristics related to the income of enrollees or their race and ethnicity that may warrant adjusting targets of either the Quality Transformation Initiative or the health plan removal policy. To the extent that adjustments are warranted, Covered California would bring such adjustment to the board for consideration and amend the contract as needed.

Covered California solicited public comments on new contract language from January 28 to February 11, 2022. The public comments received are currently under review and Covered California will release any necessary revisions to contract language and responses to those comments prior to the March board meeting.

Quality Transformation Initiative Update

Dr. Alice Chen, Chief Medical Officer, began by reviewing the overarching Quality Transformation Initiative strategy. Next, Dr. Chen covered the recommended core set of four metrics. These four metrics include controlling high blood pressure, Hemoglobin control, Colorectal Cancer screening, and childhood immunization status. Lastly, Dr. Chen gave an overview of the establishment of the Quality Transformation Fund, the use of the quality improvement payments, and the potential timelines for implementation of the Quality Transformation Initiative.

Action Item: 2023 Certification

Mr. DeBenedetti returned to give the Plan Year 2023 Certification Application updates. The applications will go live on March 1, 2022 and are due on April 29, 2022.

Motion: Vice Chair Hernandez moved the motion to approve the model contract and Quality Transformation Initiative. Mr. Fleming seconded this motion.

Vice Chair Hernandez also moved the motion to approve the certification process. Mr. Fleming seconded this motion.

Board Comments: Mr. Fleming expressed excitement for these implementations and thanked Dr. Chen for all of her hard work.

Vice Chair Hernandez stated that this work is a capstone for Covered California and Mr. Lee's leadership. She also expressed appreciation for the team at Covered California, the stakeholders, and the QHP issuers.

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Mr. Torres thanked Mr. DeBenedetti and Dr. Chen for their work and emphasized the importance of holding health plans accountable.

Public Comment: John Newman with Kaiser Permanente expressed support for the direction of the 2023 contract. Mr. Newman also stated that the changes made to the Quality Transformation Initiative eliminated their initial concerns.

Rick Crum with Anthem Blue Cross thanked Covered California for their policies regarding the Quality Transformation Initiative and existing contractors. Furthermore, Mr. Crum thanked Mr. Lee and his team for their transparency and their partnership with stakeholders and QHP issuers.

Ernie Bernal with Health Net thanked Covered California for its dedication to expanding coverage and improving health care for Californians. Mr. Bernal also expressed support for the Quality Transformation Initiative and the health plan contract.

Cary Sanders with the California Pan-Ethnic Health Network (CPEHN) thanked the team for moving Attachments 7 and 14 to Attachments 1 through 4. She thanked Covered California for its emphasis on improving quality and equity as well. Furthermore, Ms. Sanders expressed appreciation for the new contract language and requirements.

Diana Douglas with Health Access California expressed support for the emphasis on quality and holding health plans accountable for quality measures.

Hector Hernandez-Delgado with the National Health Law Program expressed support for these implementations and thanked Covered California for its efforts to address health quality concerns among health plans.

Vote: The motion to approve the model contract and Quality Transformation Initiative was approved by a unanimous vote of those present. Chairman Ghaly was not present during the vote.

The motion to approve the certification process was approved by a unanimous vote of those present. Chairman Ghaly was not present during the vote.

Discussion Item: 2023 Benefit Design

Jan Falzarano, Deputy Director of Plan Management, briefly discussed the benefit plan design and the strategy for patient-centered benefit plan designs. Ms. Falzarano then summarized the several key approaches to member cost-sharing to ensure the right care at the right time. Next, she covered the factors influencing the 2023 benefit plan designs and the proposed benefit plan design changes. Lastly, Ms. Falzarano noted that the final 2023 proposed benefit designs will be presented for action in March.

Board Comments: None.

Public Comment: None.

Vice Chair Hernandez adjourned the meeting at 2:42 p.m.