

COVERED CALIFORNIA BOARD MINUTES
Thursday, April 14, 2022
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

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

Chairman Mark Ghaly called the meeting to order at 10:00 am.

Board Members Present During Roll Call:

Jarrett Barrios
Dr. Mark Ghaly
Dr. Sandra Hernandez
Art Torres

Board Members Absent During Roll Call:

Jerry Fleming

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).

Chairman Ghaly called open session to order at 12:13 p.m.

Agenda Item III: Board Meeting Action Items

February 17, 2022 Meeting Minutes

Discussion: None.

Motion/Action: Chairman Ghaly called for a motion and a second to approve the February 17, 2022 meeting minutes. Vice Chair Hernandez 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 abstained from the vote and Mr. Fleming was absent during the vote.

Agenda Item VI: Executive Director's Report

Announcement of Closed Session Actions

Covered California Board Minutes
April 14, 2022 Meeting

Jessica Altman, Executive Director, gave a brief introduction and thanked everyone for the warm welcome to Covered California. Ms. Altman stated that the board met in closed session to undertake issues related to contracting. There were no items to report.

Executive Director's Update

2022 Board Meeting Dates: Ms. Altman presented the Covered California Board meeting dates for 2022, with three meetings scheduled as only a possibility. Ms. Altman noted that on May 3, Covered California will host an event to commemorate its 10 year anniversary and to celebrate the team at Covered California.

Executive Director Onboarding Update: Ms. Altman gave a brief summary of her activities and observations of her first five weeks at Covered California. She explained that much of her time has been spent meeting with directors, partners, and stakeholders. Ms. Altman also showed appreciation for the strength, commitment, and culture of the team at Covered California.

State and Federal Policy/Legislative Update

On the federal front, Ms. Altman highlighted that on April 5, the Biden Administration called on Congress to act to make the American Rescue Plan's subsidies permanent. President Biden also signed an Executive Order calling federal agencies to examine policies and practices that will improve coverage, benefits, and eligibility.

Also, on April 7, the Department of Treasury proposed a rule to fix the "family glitch" that currently prevents family members from accessing premium tax credits if an employee's self-only coverage is considered to be affordable.

Additionally, Ms. Altman stated that on April 16, the Department of Health and Human Services extended the public health emergency to July 15. She noted that Covered California is working closely with the Department of Health Care Services to coordinate the next steps for when the public health emergency comes to an end. Furthermore, Covered California is developing training programs and toolkits for enrollment partners.

Lastly, Ms. Altman noted that Congress continues to discuss the extension of the American Rescue Plan's subsidies. In March 2022, Covered California released an issue brief analyzing the impact the expiration of these subsidies would have on consumers.

On the state front, Ms. Altman gave a quick summary of the new bills that Covered California is tracking and monitoring.

Board Comments: Chairman Ghaly expressed appreciation for Covered California's collaboration with the Department of Health Care Services over the past couple of years and now with the public health emergency unwinding.

Mr. Torres thanked Ms. Altman for her updates and looks forward to working with her.

Public Comment: Beth Capell with Health Access California welcomed Ms. Altman and stated that once Covered California fully implements the governor's proposal on

Covered California Board Minutes
April 14, 2022 Meeting

Health4All, the anticipated number of uninsured will drop to 2.3 million people. Ms. Capell noted that 2.3 million people is still too many and it's important to keep working to reduce this number.

Cary Sanders with the California Pan-Ethnic Health Network (CPEHN) welcomed Ms. Altman and thanked her for the comprehensive report. Ms. Sanders also raised Senate Bill 1033, which requires commercial plans to collect and report demographic and health related social needs data.

Alicia Emanuel with the National Health Law Program (NHELP) gave a warm welcome to Ms. Altman and expressed appreciation for the ongoing discussions Covered California is having with Congress surrounding the extension of the American Rescue Plan's subsidies. Ms. Emanuel noted that she is eager to see the implementation of Senate Bill 260 but is also concerned that some individuals who are entitled to Medi-Cal coverage may be inadvertently picked up in the transition.

Doreena Wong with Asian Resources, Inc. echoed previous comments and expressed appreciation for the proposed rule to fix the family glitch. Ms. Wong also stated that she looks forward to working with Covered California as the public health emergency unwinds and to ensure that the American Rescue Plan's subsidies continue.

Faith Borges with the California Agents and Health Insurance Professionals (CAHIP) echoed previous comments and looks forward to working with Covered California.

Agenda Item VII: Covered California Policy and Action Items

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

Robert Kingston, Deputy Director of Outreach and Sales Division, gave a brief overview of the navigator grant program contract and the action before the board to extend the program by an additional year. Mr. Kingston asked that the board authorize a one-year extension of the existing contract to end June 30, 2023 and to maintain the annual funding of \$6.5 million for Fiscal Year 2022-2023.

Board Comments: Vice Chair Hernandez expressed support for the renewal of the contract and asked staff to take into consideration cost of living increases. She also noted that there is a bill in the legislature for the Department of Health Care Services to establish a navigator program, and she believes Covered California could contribute to that establishment given its navigator experience.

Mr. Barrios expressed excitement for the navigator program and asked Mr. Kingston to share his thoughts of expanding the 40 navigator organizations after the public health emergency ends.

Mr. Kingston stated that in the long-term, Covered California would assess this and keep it in mind when making an additional request for application for a new grant cycle.

Mr. Torres expressed his support for the renewal of the contract and echoed the comments of Vice Chair Hernandez.

Chairman Ghaly echoed Mr. Kingston's comment on the need to further assess where to expand and invest more into the navigator program. He also encouraged Covered California to continue to work with state entities in order to improve the navigator program.

Motion: Vice Chair Hernandez moved the motion to authorize the one-year extension and maintain the annual funding. Mr. Torres seconded this motion.

Public Comment: Cary Sanders with CPEHN expressed support for the extension of the contract and emphasized the significant role that navigator's play in enrollment. Ms. Sanders also asked Covered California to assess where the navigator program can be expanded and improved.

Doreena Wong with Asian Resources, Inc. aligned her comments with those of Ms. Sanders and asked that Covered California ask for feedback from their partners when evaluating how to strengthen the navigator program.

Alicia Emanuel with NHELP expressed support for the extension and echoed the board's comments on deepening investments into the navigator program. Ms. Emanuel noted that the National Health Law Program is working closely with the Department of Health Care Services on the public health emergency unwinding and they foresee an increase in the amount of support consumers are going to need.

Beth Capell with Health Access California aligned her comments with those of her colleagues and of the board members.

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

Action Item: Reconfiguring Current Audit and Finance Committee Into Two Separate Committees

Establishment of a Covered California Audit Committee: Ginny Veneracion-Alunan, Deputy Director of Program Integrity, gave an overview of the current Audit Committee structure, the reasoning behind the reconfiguring, the new Committee structure, and the Audit Committee charter. The purpose of the dedicated Covered California Audit Committee is to provide a structured, systematic oversight of the organization's governance, risk and compliance practices. The new Committee will consist of two board members and the board will appoint the Committee members.

In closing, Ms. Veneracion-Alunan requested that the board approve the Audit Committee charter, appoint or reappoint Audit Committee members, and approve the establishment of the Audit Committee.

Board Comments: Vice Chair Hernandez showed support for the establishment of the Audit Committee and suggested that the dates for the Committee meetings be established in advance so that the Committee members are able to attend.

Mr. Barrios asked if the Audit Committee will be responsible for conducting the hiring for the external audit firm.

Ms. Veneracion-Alunan stated that the Committee and the board will review recommendations for the external audit firm and will approve the hiring.

Mr. Torres expressed support for the establishment of the Audit Committee and believes that it will help improve transparency and accountability to the public.

Motion: Vice Chair Hernandez moved the motion to authorize the establishment of the Audit Committee and to approve the Audit Committee charter. Mr. Torres seconded this motion.

Public Comment: Beth Capell with Health Access California expressed support and appreciation for this change.

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

Board Comments: The board appointed Vice Chair Hernandez and Mr. Barrios to serve on the Audit Committee.

Motion: Mr. Barrios moved the motion to appoint himself and Vice Chair Hernandez to serve on the Audit Committee. Vice Chair Hernandez seconded this motion.

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

Establishment of a Covered California Finance Committee: Jim Watkins, Director of the Financial Management Division, gave an overview of the Finance Committee's responsibilities, the new structure, and the Finance Committee charter. Unlike the Audit Committee, the Finance Committee will be a standing advisory committee and will meet quarterly. It will also consist of two board members who are independent of the organization.

Mr. Watkins then requested that the board approve the Finance Committee charter, appoint or reappoint Finance Committee members, and approve the establishment of the Finance Committee.

Board Comments: The board appointed Mr. Fleming and Mr. Torres to serve on the Finance Committee.

Motion: Mr. Barrios moved the motion to approve the Finance Committee charter, appoint or reappoint Finance Committee members, and approve the establishment of the Finance Committee. Vice Chair Hernandez seconded this motion.

Public Comment: None.

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

Action Item: 2023 Patient-Centered Standard Benefit Designs

Jan Falzarano, Deputy Director of the Plan Management Division, provided a couple of updates to the proposed 2023 standard benefit designs. Ms. Falzarano noted that they

are still waiting for the final draft of the 2023 Notice of Benefit and Payment Parameters and the Actuarial Value Calculator.

These standard benefit designs were presented for discussion at the February board meeting. Since then, changes were made to the Silver 73 plan by reducing the drug deductible from \$85 to \$30 and two new codes were added to the 2023 Copay Schedule for dental plan benefit designs.

Ms. Falzarano noted that these updated plan designs will still be draft versions until the final draft of the 2023 Notice of Benefit and Payment Parameters and the Actuarial Value Calculator are released. She then asked that the board approve these benefit designs.

Motion: Mr. Barrios moved the motion to approve the standard benefit designs. Mr. Torres seconded this motion.

Public Comment: Beth Capell with Health Access California encouraged the board to approve the standard benefit designs but raised the high deductible pricing for the Silver and Bronze plans. Ms. Capell also emphasized the need to get additional cost-sharing assistance to consumers due to the high deductibles.

Cary Sanders with CPEHN aligned her comments with those of Ms. Capell.

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

Discussion Item: 2023 Affordability Contingency Planning

Katie Ravel, Director of the Policy, Eligibility and Research Division, presented three scenarios that Covered California is currently tracking regarding the American Rescue Plan's premium subsidies.

The three scenarios include the expiration of the American Rescue Plan's subsidies, the extension of these subsidies with federal affordability funding, and the extension of the subsidies without federal affordability funding.

If the subsidies were to expire, Covered California assumes that the state would reimplement the California Premium Subsidy Program. Also, in the case that the subsidies are extended with federal funding, Covered California has been working with the CalHEERS project to begin design work and understand what technology is feasible to implement for the 2023 benefit year.

Finally, Ms. Ravel discussed the timing and operational considerations for implementing enhanced cost-sharing reduction options.

Board Comments: Mr. Barrios asked what the expectations are for the board once Covered California receives an update on the future of these subsidies.

Ms. Altman stated that there are certain scenarios where board action will be needed and others where it isn't needed. The board could also be asked to approve a preliminary plan or different options.

Covered California Board Minutes
April 14, 2022 Meeting

Vice Chair Hernandez asked if the \$330 million that is included in this year's state budget could be used for subsidies.

Ms. Ravel stated that it could be used for subsidies, but a bill would be required to appropriate those funds.

Public Comment: Beth Capell with Health Access California expressed appreciation for the planning in case the American Rescue Plan's subsidies aren't extended. Ms. Capell also raised that the reserve in the state's budget is \$330 million, but in the past, the state was spending about \$400 million to \$500 million on premiums annually. She also noted that California will potentially see trailer bill language as June approaches regarding the subsidies.

Board Comments: Mr. Barrios asked Ms. Capell if there will be enough money in the reserve to support the subsidies.

Public Comment: Ms. Capell stated that they are encouraging the legislature to reevaluate the reserve funds and explore other options in case the subsidies aren't extended.

Alicia Emanuel with NHELP thanked the staff at Covered California for their planning around these subsidies and emphasized the significant impact it would have on consumers if these subsidies aren't extended.

Vice Chair Hernandez adjourned the meeting at 2:00 p.m.