

Covered California Board Minutes  
August 17, 2023 Meeting

COVERED CALIFORNIA BOARD MINUTES  
Thursday, August 17, 2023  
Covered California  
1601 Exposition Blvd.  
Sacramento, CA 95815

**Alternate Locations:**

California Endowment  
Oakland Office  
2000 Franklin Street  
Oakland, CA 94612

700 S Flower Street, Suite 1000  
Los Angeles, CA 90017

1000 Corporate Center Drive  
Monterey Park, CA 91754

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

The meeting was called to order at 10:30 a.m.

**Board Members Present During Roll Call:**

Mayra Alvarez  
Jarrett Barrios  
Jerry Fleming  
Kate Kendell  
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 matters pursuant to Government Code Section 100500(j).

The open session was called to order at 12:32 p.m.

**Agenda Item III: Board Meeting Action Items**

**June 15, 2023 Meeting Minutes**

**Board Discussion:** None.

**Motion/Action:** Chairman Ghaly called for a motion to approve the June 15, 2023, meeting minutes. Ms. Kendell moved to approve the meeting minutes. The motion was seconded by Vice Chair Barrios.

**Public Comment:** None.

**Vote:** The motion was approved by Ms. Alvarez, Ms. Kendell, Mr. Fleming, and Vice Chair Barrios. Chairman Ghaly abstained from the vote.

## **July 20, 2023 Meeting Minutes**

**Board Discussion:** None.

**Motion/Action:** Chairman Ghaly called for a motion to approve the July 20, 2023, meeting minutes. Ms. Alvarez moved to approve the meeting minutes. The motion was seconded by Mr. Fleming.

**Public Comment:** None.

**Vote:** The motion was approved by a unanimous vote of those present.

### **Agenda Item IV: Executive Director's Report**

#### **Discussion – Announcement of Closed Session Actions**

Jessica Altman, Executive Director, stated that the Board met in closed session to undertake issues related to contracting. There were no items to report.

#### **Discussion – Executive Director's Update**

Ms. Altman shared that the next Board meeting was scheduled for September 21, 2023, with the intention to hold it as planned. Additionally, she mentioned that while there were no current plans for an October meeting and a final decision would be confirmed during the September Board meeting. Ms. Altman also provided the schedule for the 2024 Board meetings.

**2024 Covered California Rates and Carriers:** Ms. Altman shared that Covered California had recently disclosed qualified health plans and rates for plan year 2024. Ms. Altman explained that the preliminary weighted average increase for plan year 2024 had been computed at 9.6 percent.

She introduced that the Inland Empire Health Plan would be joining Covered California, which will become part of Covered California's offerings in Riverside and San Bernardino counties. Furthermore, expansions were noted for Aetna CVS Health and Health Net. Ms. Altman also shared that Oscar Health has made the decision to withdraw from California altogether, and therefore would not be participating in Covered California for the upcoming plan year 2024.

#### **Status Update on the Navigator Program 2025 Contract and Request for**

**Application:** Ms. Altman turned attention to the subject of the Navigator program for the 2025 contract and request for application, recognizing its significance to many of the Board Members and attendees. She provided a contextual timeline, mentioning that in May 2023, the Board had approved a one-year contract extension for the existing Navigator grant program which included a funding increase after a prior one-time increase in the previous year. Ms. Altman then highlighted the forthcoming steps, noting that the focus is shifting to the release of a full new Request for Application, and clarified that the intention is not to pursue another extension year.

She emphasized that the team has already begun preparations for the transition, with the cycle set to commence on July 1, 2024, and extend through June 30, 2027, with two one-year optional contract extensions.

**AB 2530 (Wood, Chapter 695, Statutes of 2022) Implementation:** Ms. Altman addressed Assembly Bill 2530, and briefly outlined its provisions that mandate Covered California to offer enhanced subsidies to Californians who lose coverage due to labor disputes, such as strikes. She highlighted that this year's budget allocated \$2 million to Covered California for funding these enhanced subsidies which provide affected workers, under such circumstances, with benefits equivalent to those at 139 percent of the Federal Poverty Level. This ensures optimal utilization of the premium assistance and cost-sharing benefits offered through Covered California.

### **Discussion – State and Federal Policy/Legislative Update**

Ms. Altman shared that California submitted a comment letter in favor of the United States Department of Health and Human Services' proposed rule to amend the definition of lawful presence, which would encompass Deferred Action for Childhood Arrival recipients. This alteration would enable these recipients, many residing in California, to access benefits, including financial assistance through Covered California. It is anticipated that this rule will be finalized before open enrollment, and preparations are underway to accommodate such changes. Ms. Altman affirmed the supportive stance taken in the letter.

Next, Ms. Altman mentioned a long-awaited proposed rule designed to further restrict the availability of short-term limited duration insurance which includes reducing its maximum duration. Ms. Altman noted that the sale of such insurance products is already prohibited in California. Nonetheless, she highlighted the broader implications within the Affordable Care Act (ACA) landscape. These changes possess the potential to disrupt market stability and lead consumers towards poor coverage, opposed to genuine ACA compliant coverage.

### **Discussion – Data and Research**

**Preliminary Data on Medi-Cal Transitions:** Katie Ravel, Director of the Policy, Eligibility, and Research Division, shared that nearly 37,000 individuals were eligible to transition from Medi-Cal eligibility to Covered California eligibility which facilitated the purchase of plans, with or without subsidies. Of the nearly 37,000 individuals eligible to transition, 3,273 had effectuated coverage after their automatic plan selection was completed and 31 percent of these individuals were eligible for a zero-dollar Silver plan.

Next, Ms. Ravel proceeded to share the latest progress and outcomes of the transition efforts. She began by disclosing that as of August 8th, the marketing team had disseminated over 40,000 emails, approximately 5,000 text messages, and an equivalent number of direct mail pieces to households. Ms. Ravel highlighted the analytics associated with email campaigns, noting that the team consistently tracks open rates, click rates, and unsubscribe rates, consistently surpassing industry benchmarks in these areas. Ms. Ravel emphasized the significance of text messaging as an additional method to encourage consumer engagement and coverage.

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Looking ahead, Ms. Ravel outlined the future plans for data collection and reporting. A comprehensive report was anticipated for the July 1st cohort, encompassing an array of metrics including the number of transitioners, automatic plan selections, effectuations, plan switches, and demographic breakdowns. These metrics would likely be reported on a monthly basis, similar to the existing practice for the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) and phone data, typically featured in the Executive Director's packet.

**Board Comments:** Ms. Kendell sought clarification on whether the CalHEERS system's technical glitch was an isolated incident or if it had potential implications for other scenarios. She inquired if any measures were being put in place to avert such incidents in the future.

Ms. Ravel responded by describing the situation as a technical safeguard issue and outlined their practice of integrating identified errors into their ongoing checking processes, conducted on a weekly basis. She assured Ms. Kendell that the team's approach involves learning from these occurrences and adapting their processes to minimize the likelihood of similar issues arising again.

Ms. Alvarez inquired about the fate of individuals ineligible for Covered California and highlighted the need to extend the successful outreach strategies to the Medi-Cal side as well. She highlighted the existing discrepancy between those with slightly higher incomes benefiting from the outreach while those with lower incomes facing challenges in accessing similar opportunities.

Ms. Ravel responded, noting that efforts, including various nudging tactics, are also employed by the Department of Health Care Services (DHCS) and the counties, promoting collaborative efforts in leveraging outreach tools. She acknowledged the shared scripting and messaging strategies among Covered California, DHCS, and county partners. She noted that while she did not currently have the call center statistics data, she believed it was being reported on publicly.

Ms. Altman further highlighted the collective endeavor between Covered California and DHCS to address procedural denials through outreach and co-branded notices, acknowledging the complexity of the challenge and the importance of adapting strategies based on insights and feedback from Navigators.

Chairman Ghaly commented on Ms. Alvarez's inquiry by highlighting the Medicaid redetermination unwinding work and the innovative communication strategies being employed, including sending millions of emails and text messages to beneficiaries during the redetermination period. He noted the cross-learning between DHCS and Covered California in terms of communication strategies. He also mentioned that DHCS recently held a comprehensive webinar to provide information about redetermination. Chairman Ghaly suggested the idea of having a collaborative conversation during a Board meeting to discuss how these two aspects—Medicaid and Covered California—are working together in implementation. He emphasized the need to understand the intersection of these efforts and how individuals might be navigating between different coverage options.

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Vice Chair Barrios directed a question to Ms. Ravel regarding the customer journey in the transition process. He brought up the issue of the customer journey and sought clarification on how the process unfolds for individuals who receive notifications at different stages. He also inquired about the roles of both Medi-Cal and Covered California in reaching out to recipients, seeking insights into the process's effectiveness and possible areas for improvement.

Ms. Ravel replied that for recipients with automatic plan selections, the process generally works smoothly because the county has updated addresses. She agreed that as long as individuals haven't changed their phone numbers or email addresses, communication should be effective. She mentioned that people who were procedurally denied and did not receive the packet would eventually get a notice at their outdated address. She acknowledged that there could be a gap for those whose mailing addresses were not available. Ms. Ravel pointed out that efforts were being made to utilize text messaging and email but highlighted the challenge of maintaining accurate contact information for recipients. She also acknowledged the collaborative efforts with DHCS and their initiatives to update addresses using federal flexibilities.

Ms. Altman continued the discussion and emphasized that various parties, including counties, health plans, Navigators, and organizations, are all working to use available information to reach out to individuals and facilitate the transition process. She highlighted that despite the collective efforts, there might still be cases where individuals cannot be reached due to information gaps.

Chairman Ghaly added to the conversation, mentioning that counties have received funding to handle eligibility and notices historically. He highlighted the role of DHCS and health plans in this process, with health plans being motivated to ensure enrollment to sustain their operations.

Vice Chair Barrios continued his questions, inquiring about the cross-training between ambassadors for Medi-Cal and Covered California in terms of the handover process. Ms. Ravel mentioned that there has been communication with ambassadors and county staff about the handover process to Covered California once individuals are deemed ineligible for Medi-Cal.

Vice Chair Barrios then directed a question to Chairman Ghaly, asking about the outreach efforts for undocumented individuals to enroll in Medi-Cal. He inquired whether resources are being used to reach out to these individuals and inform them about the option to enroll. Chairman Ghaly acknowledged the importance of the question and highlighted the hierarchy of eligibility, with Medicaid being the primary option for those who qualify based on income.

Ms. Alvarez noted the significance of leveraging various communication avenues to ensure that the projected two million people are not lost from Medi-Cal during the renewal process. Ms. Alvarez emphasized the importance of navigating multiple messages through trusted resources to reach the community effectively.

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Chairman Ghaly added to Ms. Alvarez's point, highlighting that DHCS and Covered California have included information about continuous coverage in a toolkit for schools across the state.

He acknowledged the role of schools as a trusted source of information for many families and appreciated the efforts to utilize this avenue for communication.

**Public Comment:** Doreena Wong with Asian Resources Inc., shared insights into the Navigator program's effectiveness, particularly in addressing confusion around Medi-Cal renewals and transitions into Covered California.

Carrie Sanders from the California Pan Ethnic Health Network praised Covered California's success, highlighting it as a model program that has influenced the growth of similar initiatives in the Medi-Cal community-based and Navigator programs.

Diana Douglas from Health Access reiterated Health Access' support for the Navigator program particularly during times of increased transitions due to redeterminations.

### **Agenda Item V: Covered California Policy and Action Items**

#### **Action – 2024 California Enhanced Cost-Sharing Reduction Program Design**

Ms. Ravel opened with a restatement of the Enhanced Cost-Sharing Reduction (CSR) Program for 2024 including that the Board approved the program's benefits and discussed the Program Design Document in July. Ms. Ravel explained that the program design document establishes the program's parameters in law, including income eligibility, plan features, carrier payments, and key definitions. She explained that the document now includes the finalized interim payment rate, which is set at 60 percent of the full per member per month (PMPM) rate. This rate is designed to minimize repayments from carriers to the State, although some repayments may still occur. The carriers will reconcile this interim rate at the end of the year, with any remaining balance or payback up to 100 percent of the full PMPM.

Ms. Ravel mentioned that no other substantive changes were made to the document since the July draft and requested the Board's approval of the final draft of the Program Design Document. If approved, the next procedural steps would involve notifying the Joint Legislative Budget Committee and proceeding with the planned timeline for the renewal period.

**Board Comments:** None.

**Public Comment:** Anete Millers representing the California Association of Health Plans advocating on behalf of the Qualified Health Plans carriers voiced support for Covered California's Enhanced CSR Program Design.

Carrie Sanders, representing the California Pan Ethnic Health Network, conveyed their strong endorsement of the proposed action and expressed their full support for the Enhanced CSR Program Design.

Diana Douglas, representing Health Access, emphasized their support for the approval of the new plan design, which incorporates additional cost-sharing assistance.

**Motion/Action:** Chairman Ghaly called for a motion and a second to approve this action item. Ms. Alvarez moved to approve the motion. The motion was seconded by Ms. Kendell.

**Vote:** The motion was approved by a unanimous vote of those present.

## **Discussion – Eligibility and Enrollment Regulations Emergency Readoption**

Bahara Hosseini, representing the Office of Legal Affairs, began by explaining that the emergency rulemaking authority was granted by the Legislature through January 1, 2025 which allowed Covered California to bring forward the proposed package for Board discussion. Ms. Hosseini emphasized that these changes were the outcome of collaborative efforts and consultations with various stakeholders.

Regulatory changes include revising the eligibility requirements for Advanced Premium Tax Credits, the eligibility inconsistency process, the eligibility and enrollment appeals process, the renewal process, and SEPs including coverage effective dates.

Ms. Altman noted that these changes aimed to provide more flexibility, time, and opportunities for consumers to connect with and maintain continuous coverage. The intention was to reduce administrative barriers that could hinder access to coverage.

**Board Comments:** Chairman Ghaly reiterated the significance of the changes.

**Public Comment:** None.

## **Discussion – Covered California Strategic Plan 2023-2026**

Ms. Altman introduced the three-year strategic plan for fiscal year 2023-2024 through 2025-2026. She emphasized that the plan is intended to guide the organization's actions and serve as a foundation for teams as they prioritize their work. Ms. Altman discussed the vision, mission, and core values of Covered California, noting that while the vision and mission remained unchanged from the organization's inception, the core values reflect the aspirational qualities the team aims to embody.

Ms. Altman emphasized the overarching impact of the strategic plan on Californians and communities and that the goal is to reach all individuals while minimizing barriers to coverage, ensuring a covered future for Californians by leveraging efforts to make progress on affordability, cost, quality, and equity.

**Board Comments:** Chairman Ghaly expressed appreciation to Ms. Altman for her detailed presentation of the strategic plan.

Ms. Kendell shared her appreciation for the dynamic and grounded values embedded in the plan, highlighting how closely aligned it is with the organization's core functions.

Vice Chair Barrios expressed appreciation for the presentation and commended the inclusion of the core value statement in the strategic plan.

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Mr. Fleming commended the strategic plan as a step towards realizing the possibilities the organization has always aimed for.

Ms. Alvarez inquired about the accountability plan for the Board's role in implementing the strategic plan, asking for measures to ensure commitment and partnership.

Ms. Altman responded by outlining her plan for accountability to the strategic plan, stating her intent to provide the Board with annual updates on progress, milestones achieved, and the impact of the plan's implementation.

Chairman Ghaly questioned how the strategic plan would lead to changes in Covered California's day-to-day operations.

Ms. Altman explained that both the initial steps and the ongoing phases of the process are focused on considering how the strategic plan will bring about changes in Covered California's operations.

**Public Comment:** Doreena Wong from Asian Resources, Inc. expressed her support for Covered California's strategic plan during the meeting.

The meeting adjourned at 2:46 p.m.