

COVERED CALIFORNIA BOARD MINUTES  
Thursday, August 15, 2024  
Covered California  
1601 Exposition Blvd.  
Sacramento, CA 95815

**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:**

Jerry Fleming  
Kate Kendell  
Mayra Alvarez  
Jarrett Barrios  
Dr. Mark Ghaly

**Board Members Absent During Roll Call:**

None.

**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, and personnel matters pursuant to Government Code Section 100500(j) and 11126(a).

The open session was called to order at 12:30 p.m.

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

**February 15, 2024 Meeting Minutes**

**Board Discussion:** None.

**Motion/Action:** Chairman Ghaly called for a motion to approve the February 15, 2024, meeting minutes. Ms. Kendell moved to approve the meeting minutes. The motion was seconded by Ms. Alvarez.

**Public Comment:** None.

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

## **May 16, 2024 Meeting Minutes**

**Board Discussion:** None.

**Motion/Action:** Chairman Ghaly called for a motion to approve the May 16, 2024, meeting minutes. Mr. Fleming moved to approve the meeting minutes. The motion was seconded by Ms. Alvarez.

**Public Comment:** None.

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

## **June 20, 2024 Meeting Minutes**

**Board Discussion:** None.

**Motion/Action:** Chairman Ghaly called for a motion to approve the June 20, 2024, meeting minutes. Mr. Fleming moved to approve the meeting minutes. The motion was seconded by Ms. Kendell.

**Public Comment:** None.

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

## **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 and personnel. There were no items to report.

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

Ms. Altman shared that there are not any plans for a September meeting and the next meeting would be on October 17, 2024.

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

Ms. Altman shared that in June 2024, the Governor signed budget related bills including Assembly Bill (AB) 107, AB 108, and Senate Bill (SB) 159. Key appropriations related to Covered California include \$165 million for the California Enhanced Cost-Sharing Reduction Program, \$2 million for the Striking Worker Benefit Program (with a potential additional \$3 million), and \$20.35 million for the \$1 per member/per month California Premium Credit. Ms. Altman noted that SB 159 delayed the repayment of a \$600 million loan from the Health Care Affordability Reserve Fund to the General Fund, with repayment starting in Fiscal Year (FY) 2026-27 over three years. Additionally, the Legislature and Governor agreed to one-time loans of \$62 million in FY 2024-25 and \$109 million in FY 2025-26, respectively.

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Ms. Altman noted that the 2023-24 Legislative Session will end on August 31<sup>st</sup>, and that the Governor will have until September 30<sup>th</sup> to act on legislation presented to him.

Next, Ms. Altman shared that Covered California partnered with the California Public Employees' Retirement System to submit a joint comment letter in response to Senators Cassidy and Whitehouse's Request for Information regarding the proposed Pay Primary Care Physicians Act of 2024. She explained that the joint letter provides technical assistance on several policies including those to increase payment transparency, incorporate quality measures into payment models, and ensure continuity of care.

Ms. Altman shared that Covered California continues to monitor ongoing litigation challenging the Affordable Care Act's nondiscrimination in health care rule issued by the United States Department of Health and Human Services (HHS). Regarding the federal rule extending coverage to the Deferred Action for Childhood Arrivals (DACA) recipients, Ms. Altman shared that a coalition of 15 states filed a federal lawsuit challenging the Biden-Harris administration's rule. While Covered California is closely monitoring the litigation for any further developments, she explained that Covered California will be ready to begin enrolling all eligible individuals at the start of Open Enrollment on November 1<sup>st</sup>.

**Board Comments:** Ms. Alvarez asked Ms. Altman to confirm that DACA recipients would be eligible for Open Enrollment on November 1<sup>st</sup> with the ongoing litigation.

Ms. Altman confirmed that currently, DACA recipients would be eligible to enroll on November 1<sup>st</sup>.

Ms. Alvarez expressed appreciation to Covered California for the commitment to the importance of educating the public.

**Public Comment:** Christine Smith, representing Health Access California, shared her organization's eagerness for the implementation of the DACA rule to allow Covered California to cover the gap and move towards universal coverage.

Doreena Wong, representing Asian Resources, Inc., shared her organization's appreciation to Covered California for the commitment to move forward to cover DACA recipients, and for the development and outreach to eligible populations.

Cary Sanders, representing the California Pan-Ethnic Health Network, aligned her comments with the previous callers.

Alicia Emanuel, representing the National Health Law Program and Health Consumer Alliance, echoed the comments of the previous callers regarding the DACA rule and urged Covered California to continue developing materials with effective messages to help enroll the eligible population.

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

### **Discussion – Quality Transformation Initiative Use of Funds: Proposed Population Health Investments**

Dr. S. Monica Soni, Chief Medical Officer and Director of the Health Equity & Quality Transformation Division began by presenting a summary of the actions taken regarding the Quality Transformation Initiative.

Over 14 months, staff engaged stakeholders through nine public meetings and a six-week comment period. She shared that new methods, including co-creation with Covered California enrollees and discussions with healthcare providers, were introduced to better understand challenges in achieving quality and equity goals.

The comprehensive engagement led to a detailed analysis of the population needs, implementation feasibility, and impact measurement methods. Dr. Soni noted feedback highlighting the importance of accessible, integrated programs, accountability for Qualified Health Plans (QHP), and addressing financial barriers and health-related social needs. Discussions with QHP issuers revealed significant initiatives to improve member services and health outcomes, though concerns remained about accountability for non-compliance QHP issuers.

Providers expressed indifference toward the payer identity focusing instead on improving healthcare workflows. Challenges included high turnover rates among medical and administrative staff, difficulties in data exchange for race and ethnicity information, and the struggle of established organizations to integrate health-related social needs and collaborate with community-based organizations.

Dr. Soni provided an overview of Covered California enrollees using various data sources. Analysis revealed that 38 percent of enrollees have a chronic condition, 12 percent face mental health issues, and 18 percent reside in the lowest quartile of the Healthy Places Index (HPI), indicating they live in the least healthy neighborhoods.

Dr. Soni emphasized the socioeconomic pressures affecting enrollees, which is typically associated with Medi-Cal, now recognized in the marketplace line of business. Dr. Soni highlighted the Population Health Investment Advisory Council's role in identifying three primary health investment areas for 2025.

Dr. Soni identified children's health in California as the first priority, with California ranking low on the Commonwealth Fund's 2023 scorecard and data showing insufficient healthcare visits. To combat this issue, Dr. Soni proposed partnering with CaKIDS to offer financial rewards for achieving health milestones in children under two, aiming to improve well-child visit and vaccination rates. Public comments and advisory council feedback led to the inclusion of financial coaching to reduce no-shows, boost vaccination rates, and alleviate parental depression.

Dr. Soni discussed that the second primary population health investment focuses on addressing food insecurity among Covered California members with chronic conditions, as identified in member surveys.

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The proposed intervention provides eligible individuals with a reusable card loaded with funds for purchasing food, aimed at members with incomes below 200 percent of the Federal Poverty Level. Feedback emphasized the importance of adjusting the program to consider household size and extending the intervention period to ensure its effectiveness.

Finally, Dr. Soni shared the third primary population health investment, aimed at assisting small, independent practices within the HPI serving Covered California members. This initiative offers one-on-one coaching to improve practice effectiveness.

Dr. Soni underscored the partnership with the Department of Health Care Services and the importance of long-term sustainability while avoiding duplicating efforts in primary care support. Modifications based on feedback include enhancing reporting capabilities and connecting to additional member benefits, focusing on both immediate impacts and long-term changes in healthcare delivery and outcomes.

**Board Comments:** Ms. Alvarez expressed her admiration for the work led by Dr. Soni and the team but raised concerns about the uptake rate of CalKIDS accounts, suggesting partnerships to increase awareness and participation. She also highlighted the challenges Covered California enrollees face due to California's cost of living and proposed exploring support mechanisms like universal basic income to assist families along with adjusting performance thresholds for healthcare plans.

Dr. Soni expressed enthusiasm about CalKIDS, emphasizing its potential impact on newborns, particularly among black and brown communities. Additionally, Dr. Soni spoke on the transformative potential of guaranteed basic income and the desire to shift paradigms on quality intervention and investment, reflecting on the common misconceptions about direct financial support to families. She also mentioned ongoing efforts to avoid redundancy in equity and transformation work.

Ms. Kendell appreciated the insights, supporting direct financial assistance while calling for higher benchmarks to improve the lives of the communities being served.

Mr. Fleming acknowledged the progress made and inquired about the evolving dynamics between provider groups and health plans.

Dr. Soni reflected on the complex relationship between financial incentives and physician motivation, suggesting that simply increasing fee-for-service payments may not drive effective change.

Vice Chair Barrios asked how to allocate limited funds among individuals with varying needs.

Dr. Soni acknowledged the complexity and emphasized a learning approach, with strategies adjusted based on feedback and findings from the community.

Chairman Ghaly expressed pride in the team's work and its evolution, particularly in improving health outcomes for Medi-Cal dependent children and addressing health-related social needs. He urged holistic collaboration between health plans and providers, and with state departments to enhance programs like CalFRESH for greater support for Californians in need.

**Public Comment:** Ms. Sanders expressed her gratitude to Covered California for the work being conducted. She commended the organization for its efforts to understand and address the everyday realities of its enrollees.

Ms. Smith acknowledged the exploration of the quality initiatives.

Ms. Wong echoed the comments of the previous callers and Board members. She reiterated her organization's commitment as Navigators assisting various populations.

**Board Comments:** Chairman Ghaly expressed the significance of the process used to develop the initiative, highlighting it as a noteworthy aspect that could interest and benefit others beyond their immediate work. He encouraged Ms. Altman and Dr. Soni to consider publishing the methodology and experiences to guide and inspire other organizations looking to undertake similar initiatives.

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

Bahara Hosseini, Senior Attorney in the Office of Legal Affairs, outlined Covered California's plans to amend its eligibility, enrollment, and appeals regulations for the individual exchange to comply with new federal requirements and introduce consumer-friendly policies under its emergency rulemaking authority valid through January 1, 2025.

She explained that the proposed changes include updating the definition of "lawfully present" to include DACA recipients, revising Advanced Premium Tax Credit (APTC) eligibility rules to enhance compliance and education on tax filing requirements, and modifying income and incarceration status verification processes. Additionally, she explained that adjustments will be made to automatically enroll consumers in new plans if they move to a new coverage area and fail to choose a new plan, with implementation targeted by October 1, 2025. The special enrollment period regulations will be aligned with federal requirements, particularly for low-income individuals and those experiencing qualifying events. Lastly, Ms. Hosseini shared that the appeals process will be updated to encompass appeals for state financial assistance determinations.

**Board Comments:** Ms. Alvarez asked if there was an estimated number of people impacted by the APTC that receive the credit and do not file.

Ms. Altman replied that due to the process being paused, Covered California does not yet have the data.

Katie Ravel, Director of the Policy, Eligibility & Research Division, added that the data will be available in November.

**Public Comment:** Ms. Emanuel expressed appreciation to Covered California for the opportunity to review and discuss proposed regulation changes. She expressed satisfaction with the consumer-friendly updates to eligibility and enrollment regulations, highlighting the adoption of more lenient thresholds and the continuous enrollment process for individuals at or below 150 percent FPL as significant improvements aimed at facilitating easier enrollment and retention of Covered California consumers.

## **Discussion – Proposed Permanent Identity Verification Regulations**

Crystal Hirst, an attorney in the Office of Legal Affairs, presented proposed amendments to regulations regarding identity verification for applicants. The revisions include expanding the list of individuals authorized to verify identities to include Medi-Cal eligibility staff and certified plan enrollers and updating the remote identity verification process to incorporate additional HHS approved data sources beyond the federal data services hub.

Ms. Hirst noted that a 45-day public comment period is planned, with intentions to finalize the regulations in November, and any further proposed changes will be communicated to stakeholders for feedback.

**Board Comments:** None.

**Public Comment:** None.

The meeting adjourned at 2:30 p.m.