



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

June 25, 2012

Kathleen Sebelius, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

I am pleased to express my strong support for California's application for its second Level I Establishment Grant (1.2) to support the development and implementation of the California Health Benefit Exchange.

The Department of Health Care Services (DHCS) is the single state agency for Medi-Cal, California's Medicaid program. California estimates that Medi-Cal enrollment will increase by approximately two million as a result of the Affordable Care Act (ACA) coverage expansions. We expect that a significant portion of these newly eligible individuals, as well as currently eligible individuals, will enter Medi-Cal coverage through the Internet portal that must be established by the Exchange.

DHCS is working in close partnership with the Exchange in the development of the Internet portal and an integrated eligibility, enrollment and retention platform, the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS). CalHEERS will provide consolidated IT support for eligibility, enrollment and retention for Medi-Cal, the Exchange and CHIP and thus requires close collaboration to ensure successful implementation for all three programs.

DHCS, the Exchange and the Managed Risk Medical Insurance Board (MRMIB), are jointly sponsoring the CalHEERS project as well as the development of an outreach, marketing and assisters' program that will inform Californians of their coverage opportunities and provide enrollment assistance. Joint sponsorship of these efforts is critical for California to ensure that millions of eligible Californians understand their coverage options and find simple pathways to enrollment beginning in 2013.

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DHCS is committed to continued collaboration with the Exchange to ensure that both agencies are working effectively to develop shared functionalities that will meet our common goals of providing seamless coverage and a first-class consumer experience.

Thank you for considering California's application.

Sincerely,

A handwritten signature in black ink, appearing to read 'Toby Douglas', with a long horizontal flourish extending to the right.

Toby Douglas
Director