



Notice Published October 20, 2017

NOTICE OF PROPOSED RULEMAKING

CALIFORNIA CODE OF REGULATIONS, TITLE 10, CHAPTER 12, ARTICLE 8 AMEND SECTIONS 6656, 6657, 6660, and 6664

The Board of Directors for the California Health Benefit Exchange (hereinafter referred to as the "Exchange") proposes to adopt the regulation described below after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Exchange has not scheduled a public hearing on this proposed action. However, the Exchange will hold a hearing if it receives a written request for a public hearing for any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Exchange. The written comment period closes on December 9, 2017. The Exchange will consider only comments received at the Exchange's office by that time. Submit written comments to:

Sarah Vu, Regulations Analyst
California Health Benefit Exchange (Covered California)
1601 Exposition Blvd.
Sacramento, CA 95815

Comments may also be submitted by facsimile (FAX) at 916-403-4468 or by e-mail to regulations@covered.ca.gov.

AUTHORITY AND REFERENCE

Government Code Section 100504(a)(6) authorizes the Board of Directors for the Exchange to adopt rules and regulations, as necessary. The proposed regulations

implement, interpret, and make specific Government Code Sections 100502 and 100503; and Title 45 of the Code of Federal Regulations, Sections 155.205, 155.210, 156.215, and 156.260.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Documents to be incorporated by reference:

None

Summary of Existing Laws

In March 2010, President Obama signed federal health reform legislation called the Patient Protection and Affordable Care Act (ACA). It created the opportunity for each state to establish a state-based health insurance exchange to implement the ACA. California chose to operate an exchange that is commonly known as known as "Covered California." For purposes of this Notice, Covered California will be referred to as the "Exchange." The Exchange's mission is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose their health plan.

State law also specifies the powers and duties of the executive board of the Exchange. Government Code Section 100504(a)(6) authorizes the Exchange's Board of Directors to adopt rules and regulations, as necessary. The Exchange proposes this permanent rulemaking in furtherance of its rulemaking authority to implement, interpret and make specific state and federal laws.

Summary of the Effect of the Proposed Regulation

The proposed rulemaking modifies multiple sections governing the Certified Enrollment Entity (CEE) and Certified Enrollment Counselor (CEC) application and certification process. The goal of these amendments is twofold: (1) reduce the amount of information that applicants must provide and (2) ensure compliance with applicable laws.

The Exchange is implementing a new online portal that will facilitate the application process for new enrollment entities and counselors, including CEEs and CECs. As a result, it became necessary to streamline the application to reduce the amount of information that applicants are required to submit when applying to the program. Prior versions of the application collected more information than necessary to determine eligibility. The proposed changes to Sections 6656 and 6657 are intended to streamline the application process for individuals and entities who wish to participate in the program. The only information that is necessary to determine eligibility for the program will be captured in the new enrollment portal. This is a benefit to both the Exchange and its CEE/CEC applicants.

The proposed amendment to Section 6660(b) also removes the requirement for CECs to receive training on the Exchange's Small Business Health Options Program, or "Covered California for Small Business" as it is more commonly known. After reviewing the program, it became readily apparent that CECs do not enroll employers or employees into small group health plans. Rather, CECs solely enroll individuals into QHPs. Consequently, the Small Business training requirement is unnecessary and should be removed to streamline the certification process.

And, finally, the document retention requirement in Section 6664(a)(6)(k) will be changed from six to ten years. This is to ensure that counselors comply with Federal laws, which require a minimum ten year retention requirement for any documents related to the performance of an agreement between Covered California and its contractors.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations

After an evaluation of current regulations, the Exchange determined that these proposed regulation are not inconsistent or incompatible with any existing regulations. In Articles 8, 9, 11, and 12 there are a number of regulations pertaining to the roles and responsibilities of Certified Enrollers, such as Certified Enrollment Counselors, Certified Application Counselors, and Plan-Based Enrollers. The proposed regulations do not conflict with any other regulations governing other Certified Enrollers.

Anticipated Benefits of the Proposed Regulation

The anticipated benefits of this proposed regulation include:

- Streamlining the CEE/CEC application to ease the administrative burden on applicants;
- Removing an unnecessary requirement to receive training on enrolling employers and employees into small group health plans offered by Covered California for Small Business; and
- Ensuring compliance with federal auditing requirements.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Exchange has made the following initial determinations:

Matters Prescribed by Statute Applicable to the Agency or to Any Specific Regulation or Class of Regulations

None.

Mandate on Local Agencies and School Districts

None. The Exchange has determined that this proposed regulatory action does not impose a mandate on local agencies or school districts.

Cost To Any Local Agency or School District Which Must Be Reimbursed In Accordance With Government Code Sections 17500 Through 17630

None. This proposal does not impose costs on any local agency or school district for which reimbursement would be required pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

Costs or Savings to State Agencies

The proposal results in additional costs to the Exchange but will have no impact on other agencies or the State General Fund. The Exchange is currently completely funded by assessments on premiums charged by Qualified Health Plans.

Costs or Savings in Federal Funding to the State

The proposal will not result in costs or savings in federal funding to the state.

Other Nondiscretionary or Savings Imposed on Local Agencies

None. This proposal does not impose other nondiscretionary costs or savings on local agencies.

Significant Effect on Housing Costs

None.

Effect on Small Business

This proposed regulation is not expected to create or expand small business within the State of California. The current CEE/CEC program already exists. Considering the limited nature of these proposed regulations, there are no anticipated effects on small businesses.

Significant, Statewide Adverse Economic Impact Directly Affecting Business, Including the Ability of California Businesses to Compete With Businesses in Other States

None.

Cost Impacts on a Representative Private Person or Business

The Exchange is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Results of the Economic Impact Assessment/Analysis

The Exchange concludes regarding the proposed regulations that it is:

- (1) **unlikely** that the proposal will create or eliminate any jobs in the State;
- (2) **unlikely** that the proposal will create or eliminate businesses within the State;
- (3) **unlikely** that the proposal will impact the expansion of businesses currently doing business in California; and
- (4) **likely** that the health and welfare of consumers will benefit from the proposed regulation.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Exchange must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of the Exchange would be more effective in carrying out the purpose for which this action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

While the Exchange has initially determined that this proposed action is the most effective in effectuating the purpose of the statute, it invites the public to submit comments or alternatives on the proposed regulation.

The amendments to Sections 6656, 6657, and 6660 actually lessen the burden on CEE/CEC applicants. They remove several requirements to streamline the application process. Applicants will not be required to supply more information than needed to determine eligibility in the program nor will they be required to take Covered California for Small Business training. These amendments should remove some barriers to participation in the program.

The amendment to Section 6664 is necessary to ensure compliance with Federal auditing requirements. There is no reasonable alternative to making sure that CEEs and CECs comply with these requirements.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Sarah Vu
Regulations Analyst
California Health Benefit Exchange (Covered California)
1601 Exposition Blvd.
Sacramento, CA 95815
Telephone: (916) 228-8727

The backup contact person for inquiries concerning the proposed administrative action may be directed to:

Brian Kearns
Attorney
California Health Benefit Exchange (Covered California)
1601 Exposition Blvd.
Sacramento, CA 95815
Telephone: (916) 228-8843

Please direct copies of the proposed text of the regulations, the Initial Statement of Reasons, the modified text of the regulations, if any, or other information upon which the rulemaking is based to Sarah Vu at the above contact information.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS AND RULEMAKING FILE

The Exchange will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date of this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation and the Initial Statement of Reasons. Copies may be obtained by contacting Sarah Vu at the address or phone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding a hearing, if requested, and considering all timely and relevant comments received, the Exchange may adopt the proposed regulations substantially as described in this notice. If the Exchange makes modifications which are sufficiently related to the originally proposed text, it will make the modified text available to the public for at least 15 days before the Exchange adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Sarah Vu at the address indicated above. The Exchange will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Sarah Vu at the above address.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Rulemaking, the Initial Statement of Reasons and the proposed text of the regulations in underline can be accessed through our website at <http://hbex.coveredca.com/regulations/index%20-%20Enrollment%20Assistance.shtml>.



INITIAL STATEMENT OF REASONS

CALIFORNIA CODE OF REGULATIONS, TITLE 10, CHAPTER 12, ARTICLE 8 AMEND SECTIONS 6656, 6657, 6660, and 6664

The Administrative Procedure Act (“APA”) requires that an Initial Statement of Reasons be available to the public upon request when an agency undertakes a permanent rulemaking action. The following information required by the APA pertains to this particular rulemaking action:

BACKGROUND

In March 2010, President Obama signed federal health reform legislation called the Patient Protection and Affordable Care Act (ACA). It created the opportunity for each state to establish a state-based health insurance exchange to implement the ACA. California chose to operate an exchange that is commonly known as known as "Covered California." For purposes of this Initial Statement of Reasons, Covered California will be referred to as the “Exchange.” The Exchange’s mission is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose their health plan.

State law also specifies the powers and duties of the executive board of the Exchange. Government Code Section 100504(a)(6) authorizes the Exchange’s Board of Directors to adopt rules and regulations, as necessary. The Exchange proposes this permanent rulemaking in furtherance of its rulemaking authority to implement, interpret and make specific state and federal laws.

Specifically, the proposed rulemaking modifies multiple sections governing the Certified Enrollment Entity and Certified Enrollment Counselor application and certification process. The goal of these amendments is twofold: (1) reduce the amount of information that applicants must provide and (2) ensure compliance with applicable laws.

PROBLEM STATEMENT

Since 2014, the Exchange has significantly relied upon Certified Enrollers to facilitate enrollment of consumers into Qualified Health Plans (QHPs). Certified Enrollers include Certified Enrollment Counselors, Certified Application Counselors, Medi-Cal Managed Care Plan Enrollers, Agents, and Plan-Based Enrollers. Certified Enrollers account for over half of the Exchange's enrollments every year, so it is important for the Exchange to foster a mutually beneficial relationship with each type of Enroller. Each counselor affiliates with an entity in order to provide enrollment assistance. Certified Enrollment Counselors affiliate with Certified Enrollment Entities. For purposes of this Initial Statement of Reasons, Certified Enrollment Entities and Certified Enrollment Counselors will be referred to as CEEs and CECs, respectively.

Each Certified Enroller plays a unique role in reducing California's uninsured population. CEEs apply for funding through the Navigator Grant Program, which is an Exchange partnership with community organizations across the state who have experience assisting California's diverse populations and have proven success in enrolling consumers into health care programs. CECs facilitate enrollment of consumers into the appropriate QHP that best fits their needs. CEEs are now compensated by the department sustainability funding on an annual basis by the Exchange and employ individual counselors to assist consumers.

The Exchange's Certified Enroller program is in the process of implementing a new online portal that will facilitate the application process for new enrollment entities and counselors, including CEEs and CECs. As a result, it became necessary to streamline the application to reduce the amount of information that applicants are required to submit when applying to the program. Prior versions of the application collected more information than necessary to determine eligibility. The proposed changes to Sections 6656 and 6657 are intended to streamline the application process for individuals and entities who wish to participate in the program. The only information that is necessary to determine eligibility for the program will be captured in the new enrollment portal. This is a benefit to both the Exchange and its CEE/CEC applicants.

The proposed amendment to Section 6660(b) also removes the requirement for CECs to receive training on the Exchange's Small Business Health Options Program, or "Covered California for Small Business" as it is more commonly known. After reviewing the program, it became readily apparent that CECs do not enroll employers or employees into small group health plans. Rather, CECs solely enroll individuals into QHPs. So the Small Business training requirement is unnecessary and should be removed to streamline the certification process.

And, finally, the document retention requirement in Section 6664(a)(6)(k) will be changed from six to ten years. This is to ensure that counselors comply with Federal laws, which require a minimum ten year retention requirement for any documents

related to the performance of an agreement between Covered California and its contractors.

ANTICIPATED BENEFITS

The anticipated benefits of this proposed regulation include:

- Streamlining the CEE/CEC application to ease the administrative burden on applicants;
- Removing an unnecessary requirement to receive training on enrolling employers and employees into small group health plans offered by Covered California for Small Business; and
- Ensuring compliance with federal auditing requirements.

PURPOSE AND NECESSITY

The broad purpose of this proposed regulatory action is to: (1) make the application process more efficient for applicants; (2) remove Covered California for Small Business training requirement; (3) ensure that CEEs and CECs comply with Federal auditing requirements.

Pursuant to its authorities, the Exchange proposes to permanently adopt and amend certain regulations as follows:

Section 6656:

Upon reviewing the application and consulting with stakeholders, it was determined that the Exchange should not require CEE applicants to provide a fax number since the Exchange does not communicate with the entities via fax. As a result, Subdivisions (b)(1)(G), (b)(2)(G), (b)(7)(G), and (b)(8)(D) have been removed. The proposed amendments to this section also make minor language adjustments to ensure clarity.

Section 6657:

The CEC application also requires individuals to supply more information than is needed to determine eligibility. Subdivisions (b)(3), (4), (5), and (6) all identify information that is extraneous to the CEC application and should be removed to streamline the application process for individuals. Subdivisions (b)(7) and (8) contained language that potentially confused applicants, so those sections have been re-worded to ensure clarity.

Subdivisions (b)(5) and (b)(6) have been amended to include additional certification language at the end of the CEC application. This language requires CECs to certify that they will comply with all applicable laws and regulations when performing enrollment assistance.

The proposed amendment to Subdivision (c)(5) removes some notification requirements that are triggered when a CEC affiliates or de-affiliates from a CEE. These requirements do not facilitate the Exchange's administration of the program and should not be further imposed on CEEs.

Section 6660:

Subdivision (b) has been modified to remove the Covered California for Small Business training requirement. CEEs and CECs do not enroll employers and employees into small group health plans offered by Covered California for Small Business. As a result, this training is unnecessary.

Section 6664

Section 6664's document retention requirement has been changed from six to ten years. This is to ensure that CEEs and CECs comply with Federal laws, which require a minimum ten year retention requirement for any documents related to the performance of an agreement between Covered California and its contractors.

RELIED ON DOCUMENTS

None.

ECONOMIC IMPACT ASSESSMENT (EIA)

Creation of Jobs

This proposed regulation is not expected to create or eliminate any jobs within the State of California. The proposed Navigator and Certified Enroller regulations are intended to clarify the regulations already in existence, and align the current practices being used for Navigators and Certified Enrollers. Additionally, these regulations will streamline the application process to ease the administrative burden on applicants. Therefore, no new job creation or elimination is expected to occur due to this proposed regulation.

Creation of Businesses

This proposed regulation is not expected to create or eliminate any new business within the State of California. The current Certified Enroller program is already in existence

and the regulations only tighten the requirements for Certified Enroller to participate in the program. Therefore, no new businesses are expected to form or be eliminated due to this proposed regulation.

Expansion of Businesses

This proposed regulation is not expected to expand any business within the State of California. The current Certified Enroller program is already in existence. Therefore, no expansion of businesses are expected due to this proposed regulation.

Benefits

The regulations package has a number of benefits which are tied to the Exchange's overall mission. The Exchange is committed to improving the consumer experience in using a CEC to obtain health insurance. These regulations ensure that the Exchange obtains only that information which is necessary to determine a CEE/CEC applicant's eligibility. They also remove an unnecessary training requirement.

DESCRIPTION OF ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Exchange has determined that no reasonable alternative considered or that has otherwise been identified and brought to the attention of the Exchange would be more effective in carrying out the purpose for which this action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in effectuating the purpose of the statute. This proposed action is the most effective in effectuating the purpose of the statute.

The amendments to Sections 6656, 6657, and 6660 actually lessen the burden on CEE/CEC applicants. They remove several requirements to streamline the application process. Applicants will not be required to supply more information than needed to determine eligibility in the program nor will they be required to take Covered California for Small Business training. These amendments should remove some barriers to participation in the program.

The amendment to Section 6664 is necessary to ensure compliance with Federal auditing requirements. There is no reasonable alternative to making sure that CEEs and CECs comply with these requirements.

SUPPORT FOR DETERMINATION OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

The proposed rulemaking modifies multiple sections governing the Certified Enrollment Entity (CEE) and Certified Enrollment Counselor (CEC) application and certification process. The goal of these amendments is; (1) reduce the amount of information that applicants must provide and (2) ensure compliance with applicable laws. The proposed changes are intended to streamline the application process for individuals and entities who wish to participate in the program. Requiring only information that is necessary to determine eligibility for the program is captured. This is a benefit to both the Exchange and its CEE/CEC applicants.

The proposed amendment also removes the requirement for CECs to receive training on the Exchange's Small Business Health Options Program. The CECs solely enroll individuals into QHPs; therefore, the Small Business training requirement is unnecessary and should be removed.

Lastly, the document retention requirement was changed from six to ten years to ensure that counselors comply with Federal laws, which require a minimum ten year retention requirement for any documents related to the performance of an agreement between Covered California and its contractors.

These provisions will have no substantial impact on the operation of these entities and thus the proposed regulation is not expected to have a significant adverse economic impact on businesses.

California Code of Regulations

Title 10. Investment

Chapter 12. California Health Benefit Exchange (§ 6650 et seq.)

Article 8. Enrollment Assistance.

California Code of Regulations

§ 6656. Navigator Program Request for Application and Selection Criteria.

[(a)(1)-(7): No change]

(b) The Navigator Grant Program Application shall contain the following information.

(1) Individual or Organization Information

[(b)(1)(A)-(F): No change]

~~(G) Fax number;~~

(G)~~(H)~~ E-mail address; and

(H)~~(I)~~ Website address.

(2) Primary contact information:

(A) Primary contact name ~~person;~~

(B) Physical address;

(C) Phone number; and

~~(D) Fax number; and~~

(D)~~(E)~~ E-mail address.

[(b)(3): No change]

(4) Previous experience ~~involving~~ performing the Navigator Program activities.

[(b)(5)-(6): No change]

(7) Subcontractor('s) information:

...

~~(G) Fax number;~~

~~(G)(H) E-mail address; and~~

~~(H)(I) Website address.~~

(8) Subcontractor(s) primary contact information:

[(b)(8)(A)-(B): No change]

(C) Phone number; and

~~(D) Fax number; and~~

~~(D)(E) E-mail address.~~

[(b)(9)-(13): No change]

(14) Letter(s) of reference from organizations that have previously collaborated with the applicant with.

§ 6657. Navigator Program Request for Application and Selection Criteria.

[(a)(1)-(4): No change]

(b) An individual's application to become a Certified Enrollment Counselor shall contain the following information:

~~(1) Name, e-mail address, primary and secondary phone number, and preferred method of communication;~~

[(a)(2): No change]

~~(3) Identification of the Certified Enrollment Entity that the individual will affiliate with;~~

~~(4) Affiliated Certified Enrollment Entity's primary site location address;~~

~~(5) Site(s) served by the individual;~~

~~(6) Mailing address of the primary site for the Certified Enrollment Entity;~~

~~(3) (7) Languages that the applicant can speak An indication of the languages that the Certified Enrollment Counselor can speak;~~

~~(4) (8) Languages that the applicant can write An indication of the languages that the Certified Enrollment Counselor can write;~~

~~(5)(9)~~ Disclosure of all criminal convictions and administrative actions taken against the individual;

~~(6)(10)~~ A certification by the individual that:

(A) The individual complies with the Certified Enrollment Counselor Agreement as well as all requirements as set forth in this Article, including but not limited to Section 6666;

(B) The individual is a natural person of not less than 18 years of age; ~~and~~

(C) The statements made in the application are true, correct, and complete to the best of his or her knowledge and belief;

(D) The individual will abide by all applicable privacy and security standards, including but not limited to those set forth in the agreement between the Certified Enrollment Entity and the Exchange; and

(E) The individual will adhere to all applicable State and Federal laws and regulations.

(c) A Certified Enrollment Entity shall notify the Exchange of every individual to be added or removed as an affiliated Certified Enrollment Counselor. Such notification shall include:

[(c)(1)-(4): No change]

~~(5) An indication of whether the individual is certified as an Certified Enrollment Counselor, and if so, the following information:~~

~~(A) Certification number; and~~

~~(5) (B) When adding an individual, s Site(s) that the individual will serve to be served by the individual.~~

§ 6660. Training Standards.

[(a): No change]

(b) To ensure that all Certified Enrollment Counselors are prepared to serve both the individual Exchange ~~and the Small Business Health Options Program~~, all individuals or entities who carry out Consumer Assistance functions shall complete training in the following subjects prior to carrying out any Consumer Assistance functions:

§ 6664. Roles & Responsibilities.

(a) Certified Enrollment Entities and Certified Enrollment Counselors shall perform the following functions:

[(a)(1)-(5): No change]

(6) Prior to receiving access to any consumer's personally identifiable information, as defined in section 6650 of Article 8, the Certified Enrollment Counselor shall:

[(a)(6)(A)-(J): No change]

(K) Maintain a record of such authorizations for a minimum of ~~six (6)~~ ten (10) years.

Note: Authority cited: Sections 100503 and 100504, Government Code. Reference: Section 100502 and 100503, Government Code; and 45 C.F.R. §§ 155.205, 155.210, 155.215 and 155.260.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT

DEPARTMENT NAME California Health Benefit Exchange	CONTACT PERSON Brian Kearns	EMAIL ADDRESS brian.kearns@covered.ca.gov	TELEPHONE NUMBER (916) 228-8843
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Certified Enrollment Entity (CEE) and Certified Enrollment Counselor (CEC) application			NOTICE FILE NUMBER Z

A. ESTIMATED PRIVATE SECTOR COST IMPACTS *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:

- | | |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input checked="" type="checkbox"/> e. Imposes reporting requirements |
| <input type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input checked="" type="checkbox"/> c. Impacts jobs or occupations | <input type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input type="checkbox"/> h. None of the above (Explain below): |

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.**If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*2. The California Health Benefit Exchange estimates that the economic impact of this regulation (which includes the fiscal impact) is:
(Agency/Department)

- Below \$10 million
 Between \$10 and \$25 million
 Between \$25 and \$50 million
 Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a Standardized Regulatory Impact Assessment as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: UnknownDescribe the types of businesses (Include nonprofits): Certified Enrollment Entity (CEE) and Certified Enrollment Counselor (CEC).Enter the number or percentage of total businesses impacted that are small businesses: Unknown4. Enter the number of businesses that will be created: 0 eliminated: 0Explain: The Proposed regulation seeks to streamlining the CEE/CEC applications.5. Indicate the geographic extent of impacts: Statewide
 Local or regional (List areas): _____6. Enter the number of jobs created: 0 and eliminated: 0Describe the types of jobs or occupations impacted: Certified Enrollment Entity (CEE) and Certified Enrollment Counselor (CEC).7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? YES NO

If YES, explain briefly: _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

ECONOMIC IMPACT STATEMENT (CONTINUED)

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ Unknown Cost: \$ 0

Alternative 1: Benefit: \$ Unknown Cost: \$ 0

Alternative 2: Benefit: \$ Unknown Cost: \$ 0

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: The Exchange is committed to improving the consumer experience in using a CEE/CEC to obtain health insurance.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? YES NO

Explain: These regulations ensure that the Exchange obtains only that information which is necessary to determine a CEE/CEC applicant's eligibility and removes unnecessary training requirements.

E. MAJOR REGULATIONS *Include calculations and assumptions in the rulemaking record.*

California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? YES NO

***If YES, complete E2. and E3
If NO, skip to E4***

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: Total Cost \$ _____ Cost-effectiveness ratio: \$ _____

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

YES NO

If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.

5. Briefly describe the following:

The increase or decrease of investment in the State: N/A

The incentive for innovation in products, materials or processes: N/A

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: Making high quality health care available to all Californians, and providing increased education and access to health care coverage.

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

a. Funding provided in _____

Budget Act of _____ or Chapter _____, Statutes of _____

b. Funding will be requested in the Governor's Budget Act of _____

Fiscal Year: _____

2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ _____

Check reason(s) this regulation is not reimbursable and provide the appropriate information:

a. Implements the Federal mandate contained in _____

b. Implements the court mandate set forth by the _____ Court.

Case of: _____ vs. _____

c. Implements a mandate of the people of this State expressed in their approval of Proposition No. _____

Date of Election: _____

d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: _____

e. Will be fully financed from the fees, revenue, etc. from: _____

Authorized by Section: _____ of the _____ Code;

f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

3. Annual Savings. (approximate)

\$ _____

4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

5. No fiscal impact exists. This regulation does not affect any local entity or program.

6. Other. Explain _____

**ECONOMIC AND FISCAL IMPACT STATEMENT
(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2013)

FISCAL IMPACT STATEMENT (CONTINUED)

B. FISCAL EFFECT ON STATE GOVERNMENT *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

It is anticipated that State agencies will:

a. Absorb these additional costs within their existing budgets and resources.

b. Increase the currently authorized budget level for the _____ Fiscal Year

2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any State agency or program.

4. Other. Explain _____

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ _____

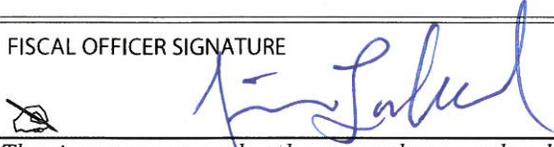
2. Savings in the current State Fiscal Year. (Approximate)

\$ _____

3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.

4. Other. Explain _____

FISCAL OFFICER SIGNATURE



DATE

9/25/17

The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

AGENCY SECRETARY



DATE

9/27/17

Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

DATE

