



# California Health Benefit Exchange

## Board Members

Diana S. Dooley, Chair  
Kimberly Belshé Paul Fearer  
Susan Kennedy Robert Ross, MD

## Executive Director

Peter V. Lee

June 27, 2012

Michael Hash, Acting Director, Office of Health Insurance Exchanges  
Center for Consumer Information and Insurance Oversight  
Center for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Room 737F  
Washington, DC 20201

RE: California Health Benefit Exchange Level I Establishment Grant (1.2)

Dear Mr. Hash:

On behalf of the California Health Benefit Exchange, I am pleased to submit our second Level I Establishment Grant application as specified in the terms of the "Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges." This grant is requested to support establishment activities for the time period of August 15, 2012 to June 30, 2013.

The California Exchange has been hard at work laying the foundation for opening its doors next year so that Californians can have access to a wide selection of health coverage offerings and the subsidies that will help to make health care more affordable. Our application catalogues the efforts of the Exchange to date that have been supported by our first Level I Establishment Grant and by the support and engagement of a broad spectrum of the public who are actively participating in our planning work.

We have established effective partnerships with the California Department of Health Care Services, our Medicaid agency, with the Managed Risk Medical Insurance Board, our S-CHIP and PCIP agency, and our two health insurance regulators, the California Department of Insurance and the Department of Managed Health Care. The Exchange has put in place the key building blocks to make coverage more affordable, including:

- Developing an outreach/education plan that will help millions of Californians understand their benefits and responsibilities under the Affordable Care Act. This plan provides a detailed review of how, in 2013, we'll start doing outreach across the large and diverse state of California – in urban and rural communities, in many languages, through advertising and partnerships with local schools, churches and community groups – to bring home these new benefits;
- Beginning the process of building the enrollment system that we hope will make finding affordable coverage as easy as shopping on Amazon; and

June 27, 2012

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Page 2

- Starting the work to develop the benefits and select the plans that will be offered in 2014. At our July board meeting we'll be considering specific options.

We are proposing an aggressive work plan for the coming year that identifies what will be required to assemble the resources needed to establish Exchange operations, build information technology systems, enlist health plan participation, and fully flesh out the outreach and marketing effort so that we can reach out and enroll eligible Californians in high quality health coverage.

We want to thank you and your team and staff at the Centers for Medicaid and CHIP Services for your ongoing advice and support that has helped us greatly in our work.

If you have any questions about this application, please do not hesitate to contact me (916) 319-8555 or via email at [peter.lee@hbex.ca.gov](mailto:peter.lee@hbex.ca.gov), or Katie Marcellus at (916) 319-9073 or via email at [katie.marcellus@hbex.ca.gov](mailto:katie.marcellus@hbex.ca.gov).

Sincerely,



Peter V. Lee  
Executive Director

Enclosures: Level I Establishment Grant (1.2) Application and Attachments

cc: Edmund G. Brown, Jr., Governor, State of California  
Diana Dooley, Chair, California Health Benefit Exchange Board  
Kimberly Belshé, Member, California Health Benefit Exchange Board  
Paul Fearer, Member, California Health Benefit Exchange Board  
Susan Kennedy, Member, California Health Benefit Exchange Board  
Dr. Robert Ross, Member, California Health Benefit Exchange Board  
Brent A. Barnhart, Director, California Department of Managed Health Care  
Janette Casillas, Executive Director, Managed Risk Medical Insurance Board  
Toby Douglas, Director, California Department of Health Care Services  
Dave Jones, California Insurance Commissioner