Covered California

Small Business Health Options Program
Advisory Group

February 4, 2013
I. Welcome and Introductions
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Company/Position</th>
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<tbody>
<tr>
<td>Jeanne Cain</td>
<td>Executive Vice President, Policy</td>
<td>California Chamber of Commerce</td>
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<tr>
<td>David Chase</td>
<td>California Outreach Director</td>
<td>Small Business Majority</td>
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<tr>
<td>Jorge C. Corralejo</td>
<td>Chairman, Founding Member</td>
<td>Latino Business Chamber of Greater Los Angeles</td>
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<tr>
<td>Virginia Donohue</td>
<td>Small Business Owner</td>
<td>Pet Camp</td>
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<tr>
<td>Tana Elizondo</td>
<td>Insurance Agent</td>
<td>Central Valley Life &amp; Health Benefits</td>
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<tr>
<td>Kathleen Hamilton</td>
<td>Director, Government Affairs</td>
<td>The Children's Partnership</td>
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<tr>
<td>Brent Hitchings</td>
<td>Vice President</td>
<td>Sales and Account Management</td>
</tr>
<tr>
<td>Alan Katz</td>
<td>Executive Vice President</td>
<td>SeeChange Health</td>
</tr>
<tr>
<td>Emily Lam</td>
<td>Senior Director</td>
<td>Healthcare &amp; Federal Issues</td>
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<tr>
<td>Gohn Marie McFadden</td>
<td>President and Founder</td>
<td>McFadden &amp; Associates Insurance</td>
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<tr>
<td>Mark Morgan</td>
<td>Vice President and General Manager</td>
<td>Small Group Business</td>
</tr>
<tr>
<td>John Newman</td>
<td>Executive Director</td>
<td>California Exchange Operations</td>
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<tr>
<td>Carla Saporta</td>
<td>Policy Director</td>
<td>Greenlining Institute</td>
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<tr>
<td>MD Sam Smith</td>
<td>President Elect of CAHU</td>
<td>Independent Agent &amp; CAHU</td>
</tr>
<tr>
<td>Micah Weinberg</td>
<td>Senior Policy Advisor</td>
<td>Bay Area Council</td>
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<tr>
<td>Barbara Vohryzek</td>
<td>Small Business Advocate</td>
<td>California Governor's Office of Business and Economic Development</td>
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<tr>
<td>Covered California Board Participants</td>
<td></td>
<td>Paul Fearer, Susan Kennedy</td>
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Covered California’s Vision and Mission

Vision

The vision of Covered California is to improve the health of all Californians by assuring their access to affordable, high quality care.

Mission

The mission of the Covered California 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 the health plan and providers that give them the best value.
Covered California’s Values

**Consumer-focused**
At the center of the Exchange’s efforts are the people it serves, including patients and their families, and small business owners and their employees. The Exchange will offer a consumer-friendly experience that is accessible to all Californians, recognizing the diverse cultural, language, economic, educational and health status needs of those we serve.

**Affordability**
The Exchange will provide affordable health insurance while assuring quality and access.

**Catalyst**
The Exchange will be a catalyst for change in California’s health care system, using its market role to stimulate new strategies for providing high-quality, affordable health care, promoting prevention and wellness, and reducing health disparities.

**Integrity**
The Exchange will earn the public’s trust through its commitment to accountability, responsiveness, transparency, speed, agility, reliability, and cooperation.

**Partnership**
The Exchange welcomes partnerships, and its efforts will be guided by working with consumers, providers, health plans, employers and other purchasers, government partners, and other stakeholders.

**Results**
The impact of the Exchange will be measured by its contributions to expanding coverage and access, improving health care quality, promoting better health and health equity, and lowering costs for all Californians.
Covered California Governance
Independent Public Entity with Qualified Board

**Diana Dooley**, Board Chair and Secretary of the California Health and Human Services Agency, which provides a range of health care services, social services, mental health services, alcohol and drug treatment services, income assistance and public health services to Californians.

**Kim Belshé**, Senior Policy Advisor of the Public Policy Institute of California, former Secretary of California Health and Human Services Agency, and former Director of the California Department of Health Services.

**Paul Fearer**, Senior Executive Vice President and Director of Human Resources of UnionBanCalCorporation and its primary subsidiary, Union Bank N.A., Board Chair of Pacific Business Group on Health, and former board chair of Pacific Health Advantage.


**Susan Kennedy**, Nationally-recognized policy consultant, former Deputy Chief of Staff and Cabinet Secretary to Governor Gray Davis, former Chief of Staff to Governor Arnold Schwarzenegger, former Communications Director for U.S. Senator Dianne Feinstein, and former Executive Director of the California Democratic Party.
Foundations of Covered California’s Success

- Affordable Health Plans
- Effective Outreach and Marketing
- Smooth Enrollment
Covered California’s Milestones

2010

March
Affordable Care Act signed by President Obama

2011

April
First California Health Exchange Board meeting

2012

August
California receives $196M. Level 1.2 establishment grant

2013

July
Public education campaign launch

2014

January
Coverage Begins
OCTOBER
Open Enrollment

2015

January
Self sustaining

SEPTEMBER
California first in nation to pass Exchange legislation

AUGUST
California receives $39M. Level 1 establishment grant

NOVEMBER
California submits Level 2 implementation grant and Blueprint (to federal HHS)

JANUARY
Covered California designated as state-based Exchange by HHS
OCTOBER
First Open Enrollment
MARCH
End first Open Enrollment
Small Business Health Options Program
Advisory Group Charter

• **Purpose**: To provide advice and recommendations and serve as a sounding board to Covered California to assist in the continual refinement of policies and strategies to ensure we offer a unique value to small businesses that purchase coverage through SHOP.

• **Scope**: Provide input on strategies to raise interest in the SHOP and ensure that it provides value for small employers.

• **Structure**: Advisory Group members are selected for an initial two-year term and meet quarterly. The SHOP Advisory Chairperson will serve a one-year term.
Commitment to Transparency

• We are very public:
  • Public Records Act: The Public has the right to inspect and/or obtain copies of public records maintained by Covered California.
  • Assume all emails will be in the LA Times
  • Meetings are public
  • Advisory group discussions – individuals’ comments will NOT be treated as “positions” of the organizations they represent, but press and the public will be at quarterly meetings

• Advisory Group members may be contacted by media organizations, but do not “represent” Covered California

• Covered California may informally reach out to some or all of the Advisory Group for input between meetings.
II. Overview of SHOP Development and Status
## SHOP Key Dates

<table>
<thead>
<tr>
<th>Activity</th>
<th>Projected Date</th>
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<tbody>
<tr>
<td>First Quarter Advisory Group Meeting</td>
<td>February 4, 2013</td>
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<tr>
<td>SHOP Admin Vendor Selection</td>
<td>February 26, 2013</td>
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<tr>
<td>Outreach and Education Grant Notice of Intent to Award ($3 million)</td>
<td>April 26, 2013</td>
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<tr>
<td>Second Quarter Advisory Group</td>
<td>May 15, 2013</td>
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<tr>
<td>General Agents Contracted and Onboard</td>
<td>May 2013</td>
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<td>Agent Training and Certification Begins</td>
<td>June 2013</td>
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<tr>
<td>SHOP Vendor Service Center Opens</td>
<td>July 2013</td>
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<td>SHOP Roadshows</td>
<td>July 2013 - November 2013</td>
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<tr>
<td>Third Quarter Advisory Group Meeting</td>
<td>August 14, 2013</td>
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<tr>
<td>Open Enrollment Begins</td>
<td>October 1, 2013</td>
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<tr>
<td>Fourth Quarter Advisory Group Meeting</td>
<td>October 16, 2013</td>
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<tr>
<td>Coverage Begins</td>
<td>January 1, 2014</td>
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SHOP Development and Status

• February 26, 2013: Administration of the Small Business Health Options Program Solicitation

• Supplemental Dental and Pediatric Dental Essential Health Benefit Solicitation

• Supplemental Vision Benefits Solicitation

• May 2013: General Agent RFI
Administration of the SHOP Solicitation

The Exchange seeks to contract with a Vendor for the following sales and operational services:

1) Sales
2) Eligibility and Enrollment
3) Financial Management
4) Call Center
5) Marketing
6) Information Technology Services
Administration of the SHOP Solicitation
Core functions that will be retained by Covered California

- Governance, Policy Development, and Quality Assurance: the Exchange will retain governance and policy-making authority and ensure that Vendors are meeting contractual quality standards.

- Health Plan Management: the Exchange will retain control over health plan selection, certification and ongoing management of qualified health plan relationships for the SHOP Exchange.

- Marketing Strategy: the Exchange will retain SHOP marketing efforts, which will include branding, standards, and general oversight of marketing and collateral development. Conversely, the Vendor will be responsible for ownership for Agent Sales Support.

- Legal: the Exchange will manage legal issues internally but does not assume responsibility for legal issues unrelated to SHOP.
## Key Dates

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<tr>
<th>Activity</th>
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<tr>
<td>Release of Solicitation</td>
<td>01/08/2013</td>
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<td>Questions from bidders due to the Exchange</td>
<td>01/16/2013</td>
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<tr>
<td>Intent to Bid notifications due to the Exchange</td>
<td>01/16/2013</td>
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<tr>
<td>Submission of bidder responses (12:00 noon PST)</td>
<td>03/01/2013</td>
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<tr>
<td>Certification notices to be sent to bidders</td>
<td>05/15/2013</td>
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<tr>
<td>Execution of contracts with the selected plan issuers (projected)</td>
<td>06/01/2013</td>
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General Agent Draft
Request for Information

• For agents serving the small employers segment, general agents serve as a significant distribution partner and aggregator of multiple carrier proposals and rates, among other services.

• General Agent RFI release February 2013
  – Contract with limited number of general agents through a competitive bid process

• General agents onboard in May 2013
California Healthcare Eligibility, Enrollment and Retention System

• Offer eligibility determinations for both Medi-Cal and federally subsidized Covered California coverage

• Allow enrollment through multiple access points including
  – Mail
  – Phone
  – In-person

• Accenture hired for design, development and deployment of CalHEERS
III. Agent Strategy
Covered California Agent Strategy

- Actively engage agents for both Individual and SHOP Markets
- **Agent Compensation**
  - Pay Commission at market competitive rate
  - Individual commission paid by issuers
  - SHOP commission paid by SHOP vendor
- **Agent Training and Certification**
  - Train for both Individual and SHOP market
  - Approximately eight hours
  - In person and computer based training
  - Qualifies for Continuing Education Credits
  - Annual Renewal
  - Training to begin as early as June
Covered California Agent Strategy

• Agent Agreement/Appointment
  – Active Life and Health Agent License in good standing
  – Code of conduct, rules, expectations, anti-steering etc.
  – Marketing and Brand rules
  – Minimum Activity or Production Requirements

• General Agent Status
  – Role in recruitment, road shows
  – Expectations for electronic enrollment
IV. SHOP Outreach and Education Grants
SHOP Outreach and Education Grants
Grant Program Guiding Principals

• Target resources based on the greatest opportunity to reach the highest number of uninsured and subsidy eligible individuals. Where uninsured and subsidy eligible individuals live, work, play and shop.

• Ensure that all regions and markets in the state, including the hard to move (e.g. rural and limited English proficient populations) are reached.

• Complement the Assisters Program and the broader marketing strategy, including Covered California’s Qualified Health Plan marketing efforts.

• Provide consumers and small businesses with information and tools where individuals and employers can enroll on their own.
SHOP Outreach and Education Grants

- **Original Recommendation:** The Outreach and Education Grant Program’s purpose is to conduct outreach to uninsured consumers eligible for enrollment through Covered California.

- **Stakeholder Feedback:** Stakeholders recommended the inclusion of small businesses for outreach and education; voiced concern about capacity of a single vendor to conduct the outreach and education campaign for SHOP.

- **Revised Recommendation:** $3 million in a separate funding pool has been established specifically for organizations that will target outreach and education activities to small businesses who are interested in providing coverage to their employees through SHOP. These grantees will be separate from grantees targeting individual consumers.
VI. Public Comment