



# **California Health Benefit Exchange Laying the Groundwork for 2014**

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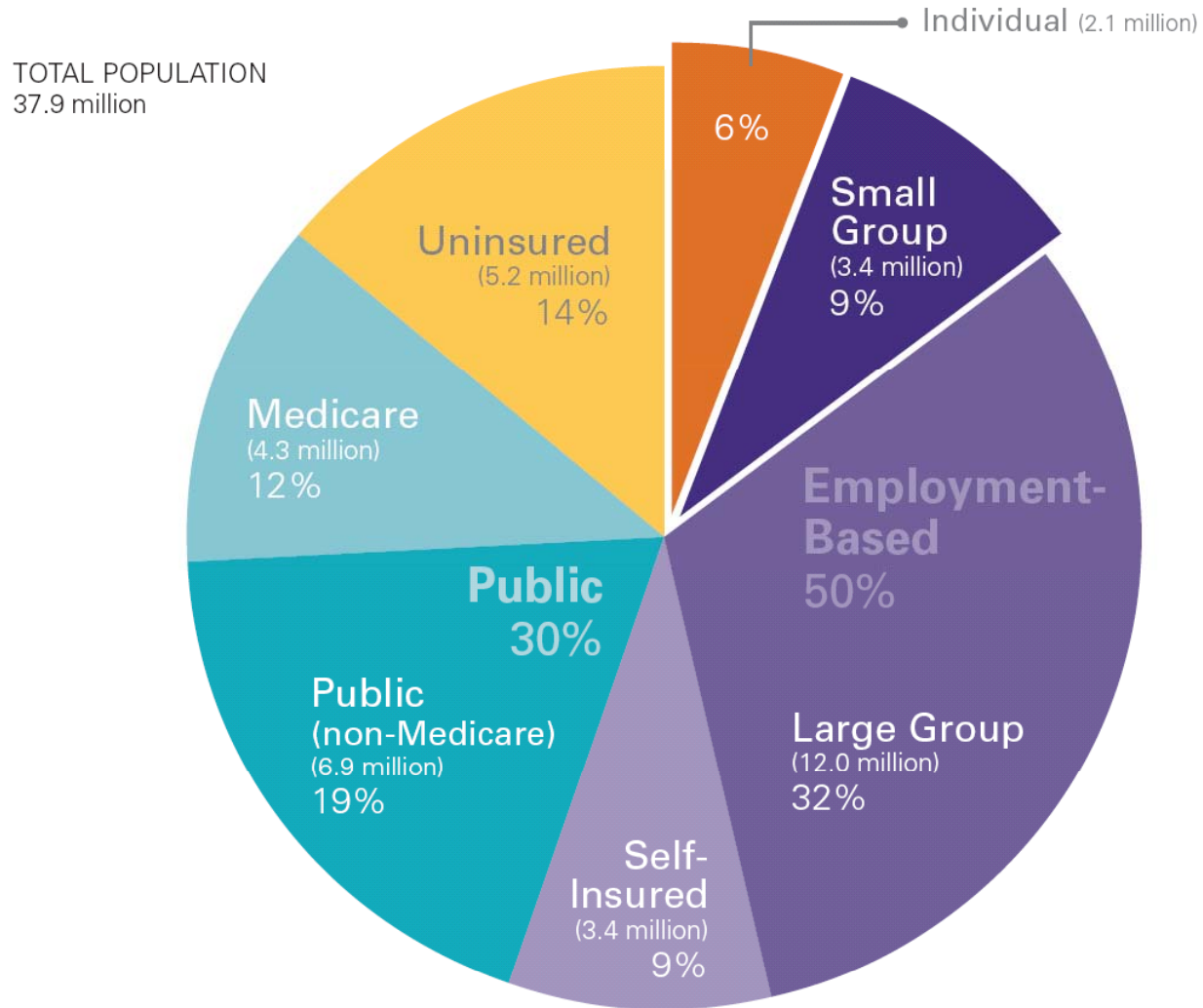
Director, Health and Human Services

The California Endowment

April 3, 2012

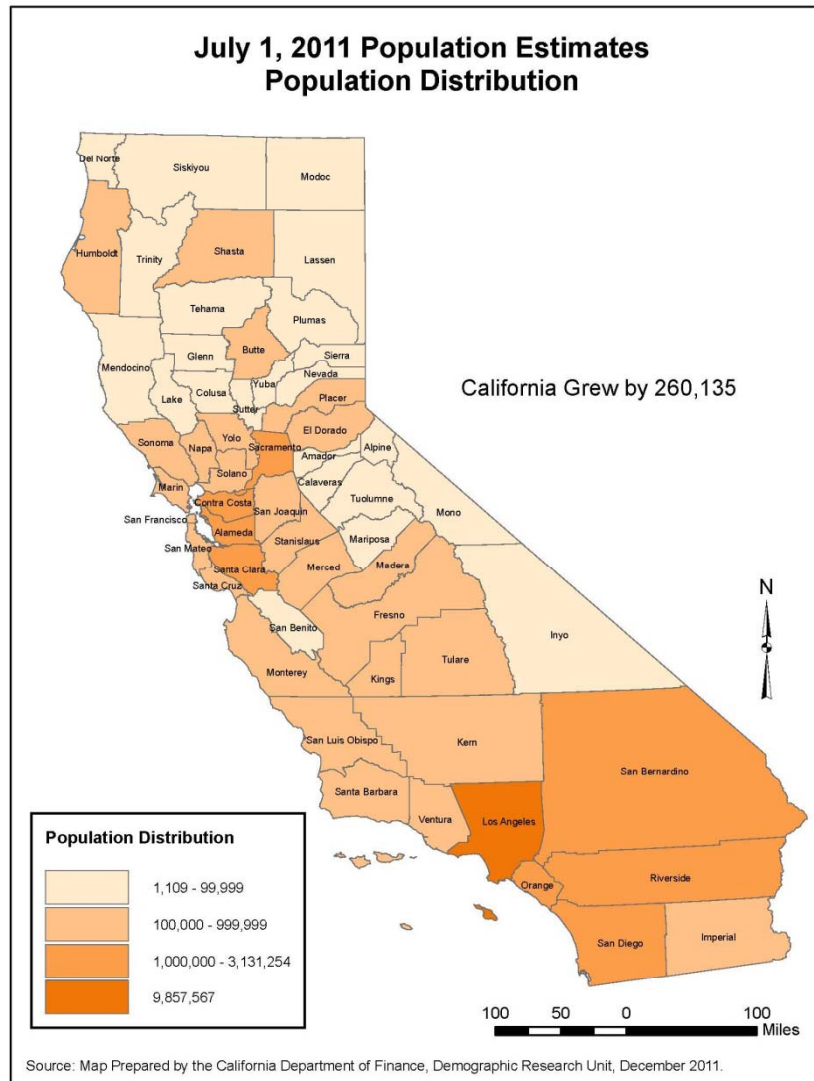
California Partnership for Access to Treatment

# Sources of Health Insurance Coverage in California



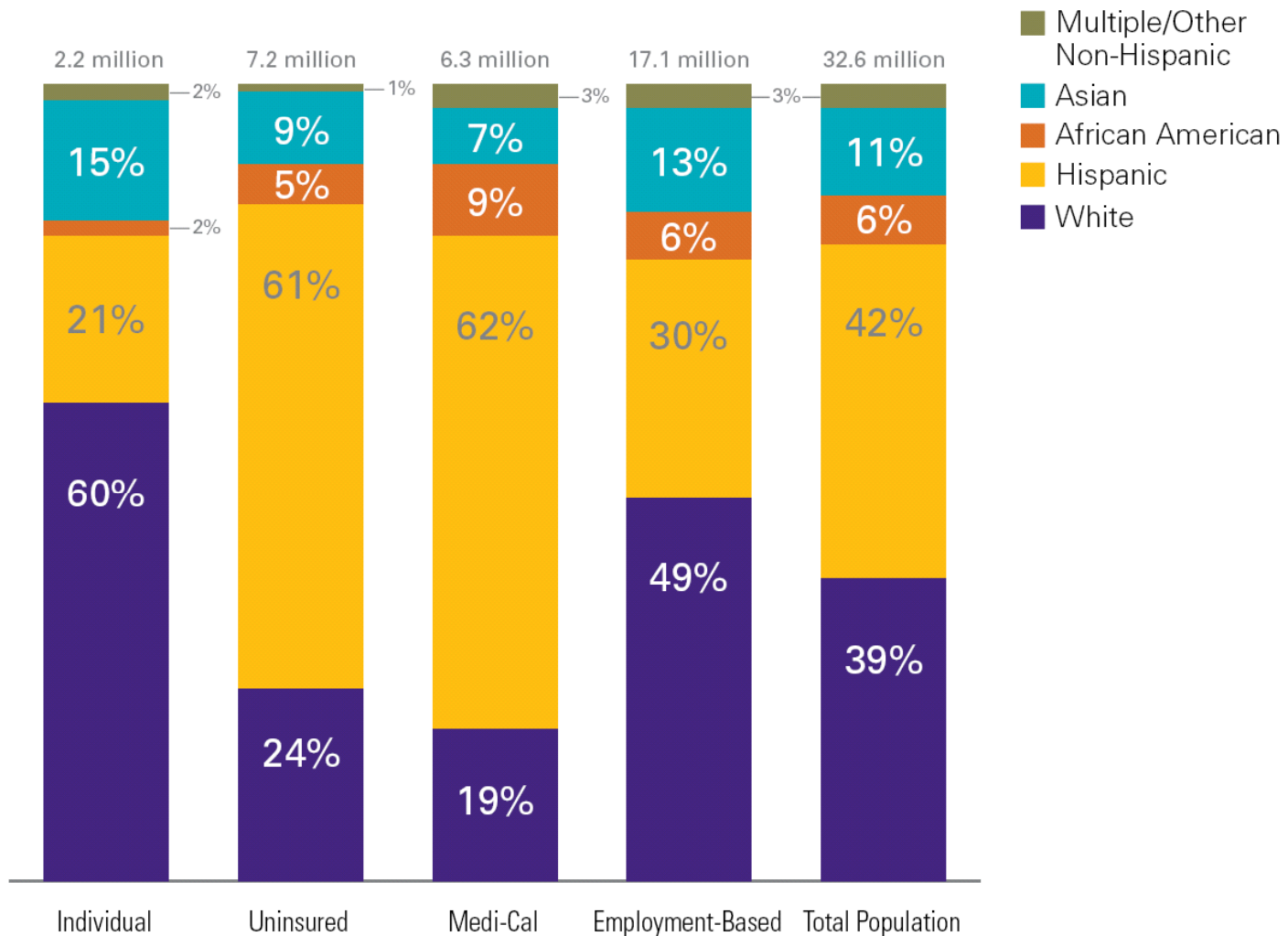
Source: California HealthCare Foundation. SNAPSHOT California's Individual and Small Group Markets on the Eve of Reform, 2011.

# California: A Diverse “Nation-State”



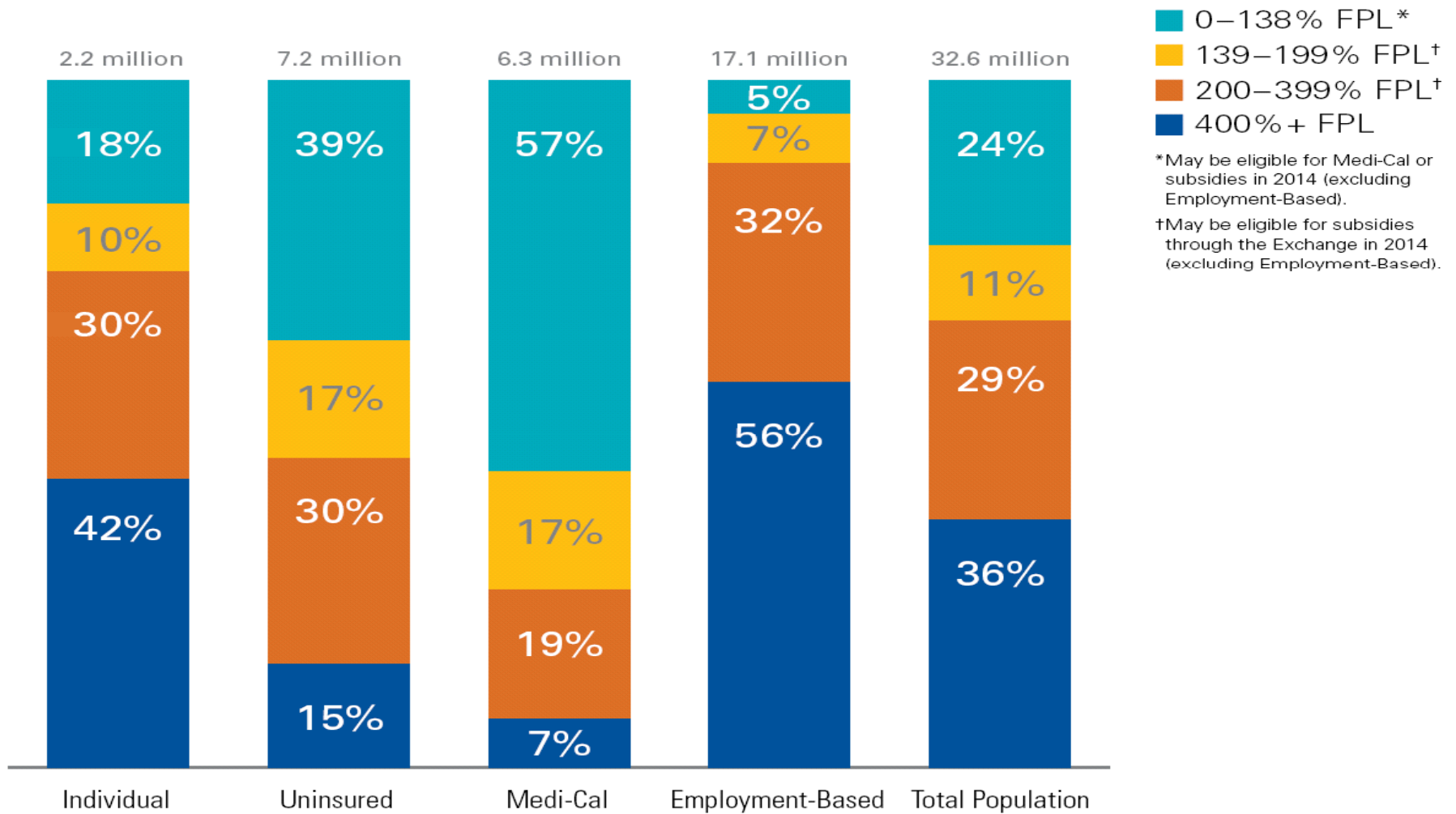
Source:

# Source of Coverage by Race/Ethnicity



Source: California HealthCare Foundation. SNAPSHOT California's Individual and Small Group Markets on the Eve of Reform, 2011.

# Federal Poverty Levels by Source of Coverage in California



Source: California HealthCare Foundation. SNAPSHOT California's Individual and Small Group Markets on the Eve of Reform, 2011.

# Exchange as Active Purchaser: Selective Contracting

- Governing entity to develop standards and criteria
  - based on “best interests of” individuals and small employers purchasing through the Exchange
  - “optimal combination of choice, value, quality, and service”.
- Does not prohibit Exchange from accepting all plans
- Enables Exchange to work with carriers that exhibit desire to work with Exchange to meet policy and business goals

# Visions for California's Health Benefit Exchange

## Price Leader

The Exchange drives lower premiums; it is a cost-focused store and offers the most competitively priced health plans.

## Service Center

The Exchange is a consumer destination; it is a consumer-friendly, one-stop shop with broad choices on plan design, accessible information, and strong customer service.

## Change Agent

The Exchange is catalyst of finance and delivery reform; establishing incentives to encourage innovation and improvement in the cost, quality, and efficiency in health care delivery.

## Public Partner

The Exchange is closely aligned with Medi-Cal and Healthy Families partnering to adopt an array of policies that align to improve the health status and health care outcomes of low-income, high-need individuals.

Source: "California's Health Benefit Exchange: The Future Envisioned," California Healthcare Foundation, August 2011.

# Exchange 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

**Robert Ross, M.D.**, President and Chief Executive Officer of The California Endowment, previous director of the San Diego County Health and Human Services Agency from 1993 to 2000, and previous Commissioner of Public Health for the City of Philadelphia from 1990 to 1993

**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



# California Health Benefit Exchange

## Vision and Mission

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

The mission of the California Health Benefit Exchange 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.

# California Health Benefit Exchange 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.

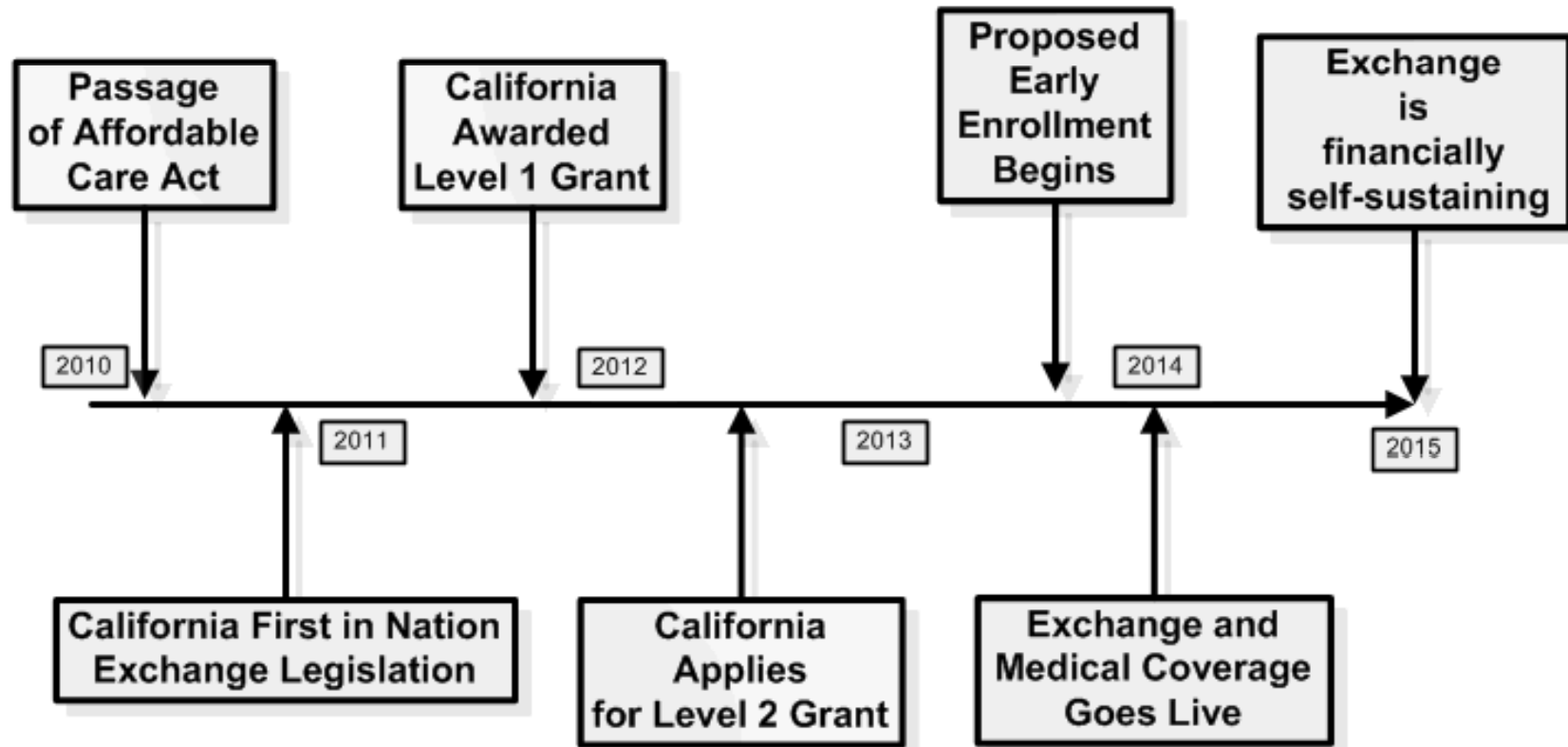
## Partnership

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.

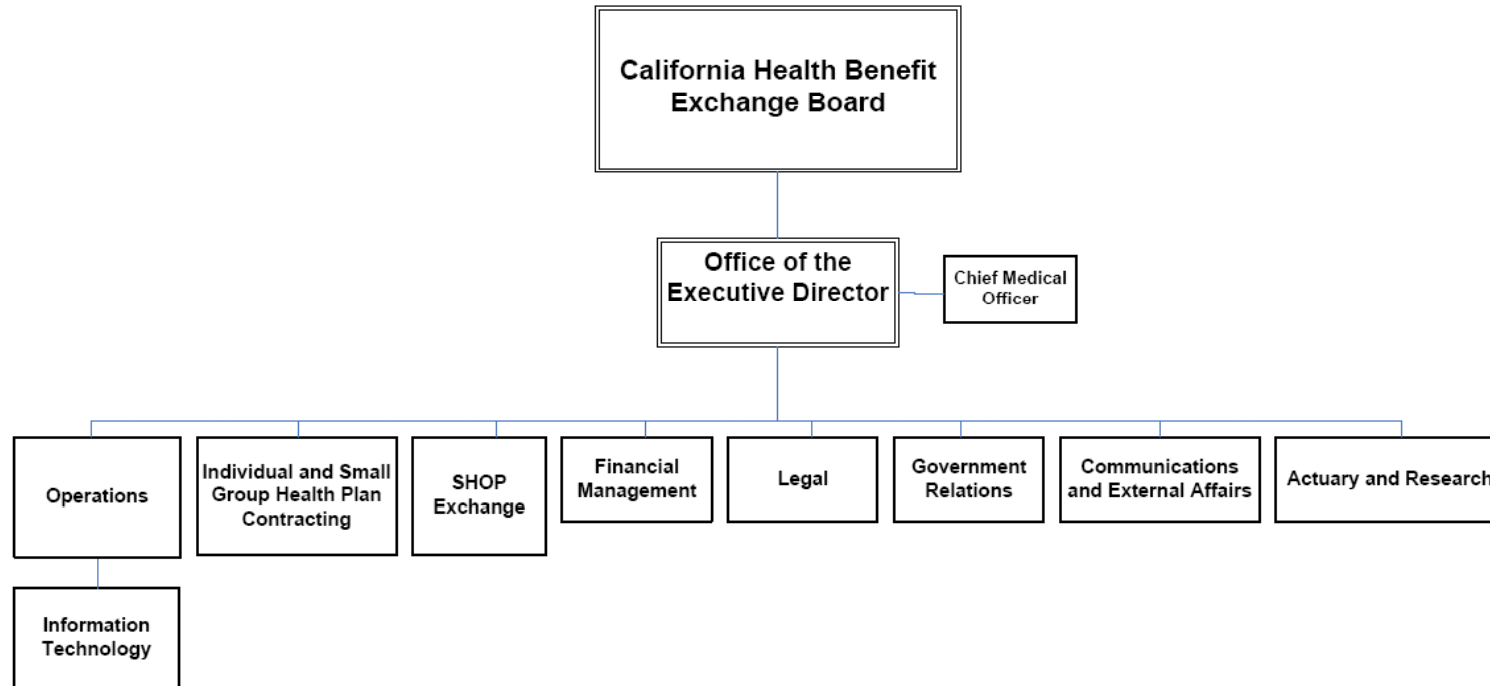
## Results

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.

# Timeline for California Health Benefit Exchange



# Health Benefit Exchange Organizational Structure



## Go to [hbex.ca.gov/jobs...](http://hbex.ca.gov/jobs...)

The California Health Benefit Exchange recognizes that its employees are its most important asset. Exchange employees are the vital link that ensure its vision, mission and values are fully realized. To this end, the Exchange strives to ensure that its workforce is drawn from the broadest segments of society and reflects the diversity of California so that the Exchange is poised to meet the present and future health care needs of the entire state's population.

Version: December 2011

# Major Issues before the California Health Benefit Exchange

## **Major Issues:**

- Business, Operations, and Financial Sustainability
- Enrollment & Information Technology
- Communication Support; Research and Marketing, Outreach, and Education
- Assisters Strategy
- Health Plan Management and Delivery Reform
- Small Business Health Options Program (SHOP)
- Essential Benefits
- Basic Health Plan

## **All supported by:**

- Alignment and coordination with State partners
- Stakeholder Consultation
- Research and Analysis

# The Exchange's Process for "Evidence-Based Policy Making"

## 1. Legal Scope

- Regulatory requirements
- Prohibited approaches
- Allowable alternatives

## 2. "Just the Facts"

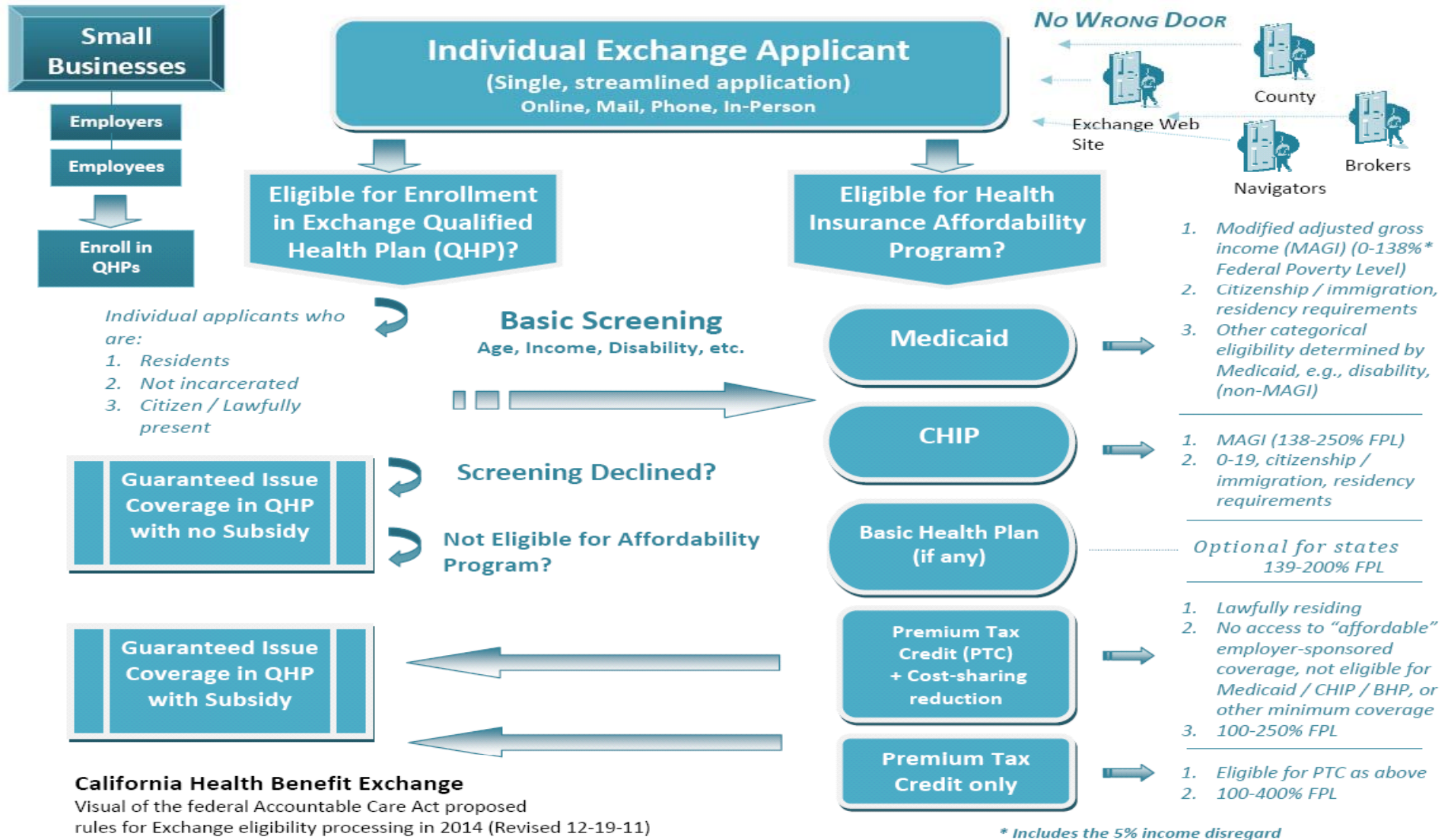
- Current California activities
- California and National relevant data

## 3. Stakeholder Perspectives

## 4. Options and Recommendations

## 5. Detailed budget and timeline for Level II grant

# Eligibility and Enrollment Pathways



# Information Technology Solicitation

- Solicitation for the California Healthcare Enrollment, Eligibility, and Retention System (CalHEERS) released on January 18, 2012. Solicitation released jointly by the Exchange, Department of Health Care Services (DHCS), and the Managed Risk Medical Insurance Board (MRMIB).
- Solicitation overview:
  - Solicitation seeks to assure the information technology system will support the common aspiration of the Exchange, DHCS, and MRMIB to have maximum possible enrollment of the eligible individuals in the Exchange, Medi-Cal, and Healthy Families.
  - Listen and learn from partners' expertise in California and nationally.
  - Build on existing capacity whenever possible.



# CalHEERS Solicitation Overview

## Functionality to be implemented by 2014:

- **Eligibility and Enrollment\***
- **Plan Management**
- **Service Center Hardware, Software, Facilities**
- **Customer Service and Education via Web Portal (English and Spanish)**
- **Forms, Notifications, and IVR in Threshold Languages**
- **Eligibility Transfer (i.e., pre-enrollment, pre-notification, and pre-population)**
- **Financial Management**
- **Case Data Management (two approaches solicited)**
- **Organizational Change Management**

\* includes Modified Adjusted Gross Income (MAGI) Medi-Cal, Children's Health Insurance Program (CHIP), Access for Infants and Mothers (AIM), Advanced Premium Tax Credit (APTC), Cost Sharing Reductions (CSR), if enacted, the Basic Health Program (BHP) based on verified Application data and non-subsidized individual exchange coverage.

# CalHEERS Solicitation Overview

## Functionality to be priced separately:

- **Provider Directory Linkage to Plan Choice**
- **Individual Premium Aggregation**
- **Incorporation of other Health Care Services Programs (e.g., Breast and Cervical Cancer Treatment Program)**
- **Incorporation of other Non-Health Care Services Programs (e.g., CalFresh)**
- **Incorporation of MEDS Functionality (central Medi-Cal eligibility index)**
- **Translation of Web Portal to support other threshold languages**
- **Small Business Health Options Program (SHOP)**

## Stakeholder Engagement Marketing, Outreach & Enrollment

- Exchange in partnership with Department of Health Care Services, Managed Risk Medical Insurance Board, and the Office of the Patient Advocate convened a series of small group meetings around the state.
- Convened meetings with consumer advocates, brokers, counties and providers.
- Meeting participants drawn from a diverse group of organizations that collectively serve or represent over 25 California counties.
- Received input on questions regarding marketing, outreach, enrollment and retention including feedback on over 50 questions developed with input from the Exchange's Individual and Small Business Advisory Groups.

# Stakeholder Engagement Marketing, Outreach & Enrollment

Notable quotes on success in 2014 and beyond:

- Consumer advocate: success means people “understand, trust and believe” in our programs.
- Broker: success means “sustained affordability in 2016 and beyond.”
- County representative: “coverage is not the end point...success means we have “a care system in place to handle the newly eligible.”
- Provider: success means “you monitor and address disparities between the young and old, women and men, and between racial and ethnic groups.”
- Provider: success in 2016 means “prevention won’t be an afterthought.”

# Stakeholder Engagement Marketing, Outreach & Enrollment

Rich feedback on marketing and outreach strategies:

- Use schools and faith-based organizations including parent teacher nights and first day of school; partner with colleges and universities to inform graduating students of their coverage opportunities; work with veterans groups to link returning vets to coverage; work with local farm bureaus to reach rural communities.
- Use local trusted sources to communicate information about the Exchange; partner with promatora groups; identify and enlist community “health heroes” to communicate the message.
- Partner with non-health government agencies to distribute information about the Exchange including Employment Development Department, the Franchise Tax Board, Department of Motor Vehicles, local utility companies and local public housing agencies.
- Partner with providers including hospitals, clinics and physicians to do outreach; work with professional schools and associations to develop curriculum or continuing education on coverage options.

## Outreach and Marketing Solicitation

- Communications Support for the Outreach and Education Campaign Plan and Assisters Program Solicitation released on December 27, 2011. Solicitation released jointly by the Exchange, Department of Health Care Services and the Managed Risk Medical Insurance Board and awarded to Ogilvy Public Relations Worldwide on March 7, 2012.
- Solicitation will help inform Californians about the full range of affordable health coverage that will be available to millions as of January 2014 and support their enrollment into health care programs.
- Solicitation includes:
  1. Development of outreach, marketing and education campaign
  2. Design of the Assisters Program
- Outreach campaign and design of Assisters Program will be informed by broad stakeholder input on how best to communicate and promote the availability of the new health care coverage options.

# Health Plan Management and Delivery Reform

- Consultation on Qualified Health Plan Management and Delivery System Improvement Solicitation released December 22, 2011 and awarded to PriceWaterhouseCoopers on March 5, 2012.
- Statement of Work was developed with input from state partners including Department of Health Care Services, Department of Managed Health Care and CalPERS
- **Scope:**
  - Develop standards and process for certification and selection of Qualified Health Plans for Exchange Programs
  - Develop ongoing program for certification, performance measurement, quality monitoring and compliance for participating QHP's
  - Develop implementation timeline, process & solicitation packages for Qualified Health Plan selection
  - Recommend strategies for using Exchange programs to improve broader health delivery systems in California
- Posting questions for input, holding board input sessions and meetings across California

# Health Plan Strategy and Delivery Reform Working Timeline

## Health Plan Procurement Tentative Timeline

Deliverable	Date
Draft Contractor report with detailed task, timeline and resources that will be needed to support health plan selection and procurement as background to the level II grant application	April 15, 2012
Draft Contractor report and recommendations for health plan certification standards, selection process and for delivery system improvements	June 1, 2012
Draft health plan solicitation document and model health plan contract	September 1, 2012
Health plan solicitation released	October 1, 2012
Health plan solicitation responses are due	January 1, 2013
Exchange preliminary health plan selection	April 1, 2013
Final selection of Health plans and adjustment of rates	July 2013 (TBD)
Coverage begins in the Exchange	January 1, 2014



**For More Information:**

Visit the website at  
<http://www.hbex.ca.gov>  
And join our listserv