



OFFICE OF THE GOVERNOR

November 15, 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 support the application of the California Health Benefit Exchange for its Level II Establishment Grant. California will use this grant to continue building an exchange that will enable more people to obtain health insurance, improve health care quality, and lower overall health care costs.

We recognize the value of these federal funds, and we will spend them under strict scrutiny and with utmost care. California has effectively eliminated its structural deficit by cutting spending dramatically and increasing state taxes with the passage of Proposition 30 on November 6, 2012. In developing and implementing the exchange, we are committed to ensuring that the impact on the State of California—both fiscal and programmatic—meshes well with our imperative to exercise continuing and relentless budgetary restraint. I do not intend to repeat the budgetary excesses of the past decade.

It hardly needs to be said that I very much appreciate our partnership with the U.S. Department of Health and Human Services. Through our close collaboration and by making tough decisions we will successfully launch the exchange in 2014.

Sincerely,


Edmund G. Brown Jr.



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

Executive Director
Peter V. Lee

November 15, 2012

Gary Cohen
Director
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
Washington, DC 20201

RE: Covered California Level II Establishment Grant

Dear Mr. Cohen:

On behalf of Covered California, California's Health Benefit Exchange, I am pleased to submit our Level II Establishment Grant application as specified in the terms of the "Cooperative Agreement to Support Establishment of the Affordable Care Act's Health Insurance Exchanges." This grant is requested to support establishment activities for the time period of January 1, 2013 to December 31, 2014.

Covered California 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 Covered California to date that have been supported by our first two Level I Establishment Grants.

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. Key activities in this grant period include:

- Building out Covered California's administrative and operational infrastructure, including plans for a multi-site customer service center; and
- Developing the processes to evaluate, select, certify and contract with Qualified Health Plan (QHP) issuers to offer, market and sell QHPs for the individual and SHOP exchanges; and
- Refining and beginning to implement comprehensive outreach, marketing, public education and consumer assistance programs to promote and raise awareness of

November 15, 2012

Gary Cohen, Director, Center for Consumer Information and Insurance Oversight
Page 2

Covered California and provide a multi-faceted network of assistance for those who need it.

With the support from the requested Establishment Grant funding, California will have the resources it needs to expand health care coverage to millions. At the same time, we will be creating a self-sustaining resource that will help make health care more affordable for all Californians.

We want to thank you and your team at CCIIO 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) 323- 3606 or via email at peter.lee@hbex.ca.gov, or Katie Marcellus at (916) 323-3607 or via email at katie.marcellus@hbex.ca.gov.

Sincerely,



Peter V. Lee
Executive Director

Enclosures: Level II Establishment Grant Application and Attachments



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

November 14, 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 writing to express my enthusiastic support for the California Health Benefit Exchange in its application for a Level II Establishment Grant.

The Department of Health Care Services is the single state agency for Medi-Cal, California's Medicaid program. Our department is working in very close partnership with the Exchange to design, develop and launch an integrated eligibility and enrollment platform, the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS). In addition, our department works very closely with our Exchange colleagues on developing and implementing a plethora of important operational and policy issues related to the Affordable Care Act.

DHCS is very committed to continuing our close collaboration to ensure the Exchange's success and the successful implementation of the Affordable Care Act in California.

Thank you for your time and consideration of California's application.

Sincerely,

Toby Douglas
Director



STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE

November 14, 2012

The Honorable 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 writing to express my support for the California Health Benefit Exchange in its application for a Level II Establishment Grant.

The Department of Managed Health Care regulates health plans in California, protects the rights of more than 20 million health plan enrollees and maintains a toll-free consumer assistance call center. The Department has worked closely with the California Health Benefit Exchange since its establishment and looks forward to continuing this partnership on implementation activities including qualified health plan certification.

Should you have any questions, please feel free to contact me at 916-322-2012.

Sincerely,

Brent A. Barnhart, Director
Department of Managed Health Care

EDMUND G. BROWN JR. GOVERNOR	980 9th Street Suite 500 Sacramento, CA 95814-2724	320 West 4th Street Suite 880 Los Angeles, CA 90013-2353	Brent A. Barnhart Director
HEALTH AND HUMAN SERVICES AGENCY	916-324-8176 Voice 916-322-9430 Fax	213-620-2744 Voice 213-576-7183 Fax	www.healthhelp.ca.gov 1-888-HM0-2219