

Office of Consumer Information and Insurance Oversight

State Planning and Establishment Grants for the
Affordable Care Act's Exchanges

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State: California

Project Title: California Health Benefit Exchange Planning Grant

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Project Summary

Background Research

Starting last year and continuing into the third quarters, several California-based health philanthropies and the University of California began supporting analyses that benefit the Exchange. These include commissioned papers, sponsored projects, and support of policy experts advising the Exchange Board. In addition, philanthropies supported consulting assistance to develop the Establishment grant application. Specific research to date includes:

- *Eligibility for Medi-Cal and the Health Insurance Exchange in California Under the Affordable Care Act* (UC Berkeley Labor Center, August 2010);
- *The Potential Impact of the Affordable Care Act on California – The UC Berkeley/UCLA micro-simulation model for consumer health spending and affordability* (UC Berkeley

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Labor Center and UCLA Center for Health Policy Research, presentation to the Exchange Board, May 11, 2011);

- *California's Individual and Small Group Markets on the Eve of Reform* (CHCF – Katherine Wilson, presentation to the Exchange Board by Marian Mulkey, May 11, 2011).
- *Continuity for (Former) Medi-Cal Enrollees in the California Health Benefit Exchange: Background and Alternative Approaches* (Institute for Health Policy Solutions, June 2011).
- *Exploring the Financial Feasibility of a Basic Health Program in California* (Mercer, presented in a forum in the Capitol, June 2011).
- *Small Employer ("SHOP) Exchange Issues* (Institute for Health Policy Solutions, presentation to the Exchange Board, May 11, 2011).

Several other commissioned papers are expected to be formally released within the next quarter, most notably a set of papers related to various models (e.g., price leader, change agent) for the Board to consider as it develops the vision and mission statements for the Exchange. Two other publications that came out in July are:

- *Easy, Efficient, and Real-Time (EER): A Framework for A First-Class Health Insurance Enrollment Experience in California* (The Children's Partnership, July, 2011); and
- *Creating California's "No Wrong Door" for Health Coverage: Recommendations from Consumer Advocates* (Western Center on Law and Poverty and thirteen other consumer advocacy organizations, July 11, 2011).

Stakeholder Involvement

During the first three quarters of this grant, Exchange and California Health and Human Services Agency (CHHSA) staff regularly participated in conferences and webinars to offer information regarding the Exchange and to solicit comments from interested parties both within and outside of California. This past quarter, speaking engagements included a discussion of California's early efforts related to Program Integration for other Exchange staff on a NASHP webinar; a presentation to Adaptive Business Leaders, a membership organization of health leaders in the San Francisco Bay Area; and a presentation to county managers for the California Welfare Directors Association.

Exchange Board members and staff regularly engage with stakeholders in 1-1 meetings. Public Board meetings continue to provide another meaningful venue for stakeholder participation. Public comment is taken after each agenda item, and Board members respond directly to stakeholder questions and comments. In addition, Exchange staff are using Webinar capability to convene topic-specific meetings with stakeholders across the state.

To promote stakeholder transparency and input, the California Exchange website, www.healthexchange.ca.gov, was established within the second quarter of this grant period and is enhanced on an ongoing basis. Board meeting agendas are posted publicly ten days prior to meetings, pursuant to California's open meeting laws, and all Board materials are posted before the meeting for stakeholders. The website will continue to be updated, both for content

and look and feel throughout the grant period. In addition, the website now contains a dedicated page for stakeholders that provides information about stakeholder meetings and providing input to the Exchange.

During the third quarter, staff developed a stakeholder workgroup process on eligibility and enrollment policy issues in the individual and small group markets. Two workgroups were formed, each with 15-20 select representatives including consumer advocates, provider representatives, health plans, county officials, labor representatives, small business owners, and agents and brokers. The workgroup process began with an informational webinar on July 15 and will continue with biweekly meetings through September. These meetings will provide an opportunity for a broad range of designated stakeholders to provide input relating to eligibility and enrollment in the individual and small group markets that will inform recommendations for eligibility and enrollment systems that will be presented to the Board at its September meeting. Any stakeholder/member of the public is permitted to listen in to the workgroup meetings.

Program Integration

Program Integration, in particular partnering with Medi-Cal and the Managed Risk Medical Insurance Board (MRMIB), which oversees California's Healthy Families program (i.e., CHIP) is a near-term priority for the Exchange. At the May 24th meeting this past quarter, the Board heard an overview of PI federal requirements. This was followed by presentations from experts from the County Welfare Directors Association (CWDA), which administers the state's Medi-Cal program, as well as experts from MRMIB regarding their eligibility and enrollment processes. At the request of Board members, follow-up information documenting current administrative costs and online application data was presented by CWDA and MRMIB at the subsequent Board meeting on June 15.

In addition to the stakeholder workgroups on eligibility and enrollment mentioned above, the Exchange has partnered with Medi-Cal, MRMIB, and the health and human services agency's Office of Systems Integration to form an IT team. The team drafted a charter and governance structure. Seven IT consultants, including a project manager, several architects, and several business analysts started work in July. Preliminary tasks include reviewing federal guidance and business process requirements, speaking with innovator states, continuing to work on the gap analysis, and learning vendor capabilities and interests. The IT team issued a market research questionnaire for interested vendors to respond to by July 29th. This questionnaire will inform information technology (IT) options for eligibility and enrollment to be presented at the September Board meeting and culminate in a Board decision on a conceptual solution in October 2011. As discussed earlier, recommendations from the stakeholder eligibility and enrollment workgroup process will inform the development of the options as well.

In addition to collaborating with other state purchasers, the Exchange will need to forge close partnerships with California's regulators, the Department of Insurance (CDOI) and the Department of Managed Health Care (DMHC). Representatives from each of the Departments presented to the Board at the May 24th meeting on their respective consumer protection and

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oversight responsibilities for the health insurance marketplace. Exchange staff also met with DMHC staff to learn more about their Consumer Assistance Program grant; activities generated under this grant will eventually transition to the Exchange.

A formal Steering Committee with executives from the Exchange, Medi-Cal, the CDOI, DMHC, and MRMIB will begin meeting monthly (as of August) to discuss common efforts, assigned staff, and key policy issues.

As an aside, discussion is underway regarding whether California's two regulatory agencies should be merged into one. Exchange staff attended a forum on this topic as laid out in an issue brief, *Are We Ready for Reform: Health Insurance Regulation in California Under the ACA* (Kelch and Associates for the California HealthCare Foundation, June, 2011).

Resources and Capabilities

The primary focus of Exchange Board members, staff, and consultants in the third quarter was preparation of the Establishment grant application. At the May 11 Board meeting, the Board directed staff to develop a Level 1 grant application for submission by June 30, 2011. The Board Subcommittee for this purpose provided policy direction to staff and consultants during the preparation of the application. An overview and summary of the application approach was presented at the June 15 Board meeting. The draft application was informed by input from Board members and members of the public. To provide an additional opportunity for public feedback, Exchange staff hosted a Webinar on June 20 to brief stakeholders on the draft application and responded to questions and comments. Board members unanimously approved the final application at the June 28 Board meeting; the application was submitted on June 30, 2011.

During the third quarter, the Board recruitment subcommittee directed staff and consultants to develop a recruitment strategy for the Executive Director and General Counsel positions. Job descriptions were approved by the Board and staff contracted with a firm that specializes in hiring state and local employees. In addition to developing a brochure for the Executive Director position, the firm was tasked with reviewing a salary survey report previously conducted by Towers Watson for these two positions. A list containing more than eighty names of potential candidates or referral sources for the Executive Director position was compiled and outreach was initiated.

Staff obtained initial cost estimates for basic administrative and accounting systems for Board operations, staff recruitment, and ongoing accounting support. The process of locating potential office space and managing the administrative processes to support staff hiring and recruitment is underway. Existing staff/consultants will move into an office space located at the Office of Systems Integration on August 1, 2011.

Note for July: A contract expert was hired, with a second person on loan from MRMIB for the months of August and September. Short-term contracts with other consultants include two

experts on enrollment and eligibility policies and a policy expert to assist with reviewing recently promulgated federal regulations and coordinating comments.

Governance

During the third quarter, the fifth member of the Board, Dr. Robert Ross, was appointed, giving the Board a full complement of members. The Board conducted five public meetings through the grant period, beginning with its inaugural meeting on April 20. The Board created two Subcommittees to provide direction to staff regarding (1) development of a Level I Exchange Establishment grant application; and (2) conducting a recruitment process for the Executive Director and General Counsel. The Board appointed Patricia E. Powers as its Interim Administrative Officer and delegated to her authority to carry out the day-to-day operations of the Exchange.

Finance

See above Resources and Capabilities section.

Technical Infrastructure

See above Program Integration discussion regarding IT team. In addition, Exchange staff are members of a state team, along with Medi-Cal and consumer representatives, providing input to the national UX 2014 project.

Business Operations

See above Resources and Capabilities section regarding office and staffing. Staff have talked with other states and have begun to identify statement of work needs for a consultant solicitation for a business and operational plan.

Regulatory or Policy Issues

This past quarter, at the request of Board members, staff began to examine select pending bills that involve the Exchange to present at the July Board meeting. Exchange staff also met with legislative and stakeholder sponsors for many of the bills.

Barriers, Lessons Learned, and Recommendations to the Program

California recommends that CCIIO facilitate information sharing among states. Discussions and connections made with other states during the Denver grantee meeting in May were extremely helpful to California in developing our Level I grant application. California appreciates the Webinars hosted by CCIIO. We would also be interested in regular information sharing from Innovator states.

Technical Assistance

California is appreciative of the proposed rules for Exchanges and risk adjustment released on July 15; however, California is eager to receive the eligibility and enrollment guidance that CCIIO will release later this year. Eligibility and enrollment is a core element of Exchange

business and guidance is needed to develop the business requirements for eligibility and enrollment systems. California also needs federal guidance on Basic Health Program Option (BHP). Pending state Legislation would establish a BHP to be administered by the state Children's Health Insurance Program agency. Federal guidance is needed to assess the impact of the BHP for the Exchange and its potential enrollees before decisions are made about whether to establish a BHP.

Draft Exchange Budget

The following categories of expenditure have been identified as necessary for the operation of the Exchange. Specific dollar amounts for federal fiscal years 2011 and 2012 are included in California's Level I grant application and will be reported once finalized.

Work Plan

Background Research

Quarter 3

- Name of milestone: Review Analyses of Basic Health Program (BHP) Option
 - Timing: 5/11 and ongoing
 - Description: Staff reviewed literature on the BHP including the findings of California-specific analyses of the financial feasibility of the BHP for California (see narrative).

Name of milestone: Review Reports on Health Status of Potential Exchange Enrollees

- Timing: 5/11
- Description: Staff reviewed reports produced by the UCLA Center for Health Policy Research describing the health status of individuals who will be eligible for the Exchange or newly eligible for Medi-Cal.

Quarter 2

- Name of milestone: Collaborate with foundations on background research projects.
 - Timing: Ongoing
 - Description: CHHSA and the Exchange will collaborate as appropriate with foundations funding background research to ensure that findings are relevant and useful to the Exchange.
- Name of milestone: Provide input to University of California researchers on projects.
 - Timing: 3/11 and ongoing
 - Description: CHHSA and the Exchange began meeting with University of California researchers in March to provide feedback on a model of the potential changes in insurance coverage, include Exchange enrollment and take-up rates, in California. Researchers presented initial findings at the May 11 Board meeting.

Quarter 1

- Name of milestone: Complete Initial Data Inventory (**Note: description revised from quarter 1 report**)
 - Timing: 3/11
 - Description: CHHSA staff completed an initial data inventory of existing state-specific data, information, and analyses to meet data needs.
- Name of milestone: Provide Input in Development California Insurance Market Review (**Note: timing and description revised from quarter 1 report**)
 - Timing: 5/11
 - Description: CHHSA staff provided input to the California HealthCare Foundation (CHCF) during the development of a California-specific individual and small group market overview. CHCF shared findings at the May 11 Board meeting.

Stakeholder Involvement

Quarter 3

- Name of milestone: Develop Stakeholder Workgroup Process for Eligibility and Enrollment Policy
 - Timing: 6/11 through grant period
 - Description: Staff developed a stakeholder workgroup process for eligibility and enrolment policy issues in the individual and small group market. Biweekly meetings of the workgroups, one for the individual market and one for the SHOP, will be held between July and September. Workgroups will include a board set of stakeholders and discussions will be available to the public.
- Name of milestone: Conduct Stakeholder Webinar on Exchange Level I Establishment Grant
 - Timing: 6/11
 - Description: Staff held a webinar to brief stakeholders on the draft Level I Establishment grant application and respond to questions and comments.

Quarter 2

- Name of milestone: Launch and Maintain Exchange Website
 - Timing: 1/11 and ongoing
 - Description: CHHSA, with support from the Department of Health Care Services, launched the Exchange website, www.healthexchange.ca.gov, to provide stakeholders with the opportunity to access relevant information regarding the Exchange including materials from Board meetings.
- Name of milestone: Webcast Board Meetings
 - Timing: 5/11
 - Description: The Exchange will begin webcasting Board meetings beginning with the May 24 meeting.

Quarter 1

- Name of milestone: Conduct Stakeholder Meetings
 - Timing: Ongoing

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- Description: CHHSA and the Exchange will conduct regular one-on-one and group meetings with stakeholders identified through the legislative process and during the first-year planning process.
- Name of milestone: Conduct Exchange Board Public Meetings (**Note: timing revised from quarter 1 report**)
 - Timing: 4/11 and monthly thereafter
 - Description: Open, public meetings of the Exchange Board will be conducted consistent with the Bagley-Keene Open Meeting Act, and promote the opportunity for public comment and testimony on the Exchange.

Program Integration

Quarter 3

- Name of milestone: Develop Strategy and Process for Coordination with California Department of Insurance (CDOI) and the Department of Managed Health Care (DMHC)
 - Timing: 6/11 and ongoing
 - Description: Staff will begin developing a strategy and process for coordination with the two insurance market regulators in California.
- Name of milestone: Collaborate with the Department of Health Care Services (DHCS), the State Medicaid Agency, and the Managed Risk Medical Insurance Board (MRMIB), the State CHIP Agency, on Eligibility and Enrollment Issues
 - Timing: 6/11 and ongoing
 - Description: Staff are collaborating with DHCS and MRMIB to develop business processes and systems requirements for eligibility and enrolment. Eligibility Directors for DHCS and MRMIB are participating in the Eligibility and Enrollment Workgroups referenced above and are collaborating with Exchange consultants in development of systems requirements. These efforts will inform business systems options that will be presented to the Board in September.

Quarter 2

- Name of milestone: Initiate Communications with State Entities
 - Timing: 3/11
 - Description: CHHSA, DHCS, the Office of Systems Integration (OSI), and MRMIB will hold initial meetings in the second quarter of the planning grant to discuss options for streamlining eligibility and enrollment systems.
- Name of milestone: Begin Assessment of Current IT Capabilities and Future Needs
 - Timing: 5/11
 - Description: The Exchange will work with CHHSA, DHCS, OSI and MRMIB to begin an assessment of current IT capabilities and future interoperability needs for program integration.

Quarter 1

- Name of milestone: Begin Assessment of Existing Coverage Programs (**Note: timing and description revised from quarter 1 report**)

- Timing: 9/11
- Description: *Consistent with California's Level I grant work plan, Exchange staff and consultants will begin to assess existing coverage programs and develop options for meeting federal requirements related to the interaction between eligibility and enrollment for public programs (i.e. Medi-Cal and Healthy Families Program) and screening and enrollment activities to be implemented by the Exchange.*
- Name of milestone: Begin Health Plan Assessment (**Note: timing and description revised from quarter 1 report**)
 - Timing: 9/11
 - Description: *Consistent with California's Level I grant work plan, Exchange staff and consultants will begin to assess existing health plan standards, requirements, and performance measurements and evaluate the feasibility and advisability of aligning health care purchasing strategies and standards among public and private programs.*

Resources and Capabilities

Quarter 3

- Name of milestone: Develop a Work Plan and Identify Needed Resources for the 2011-2012 state fiscal year.
 - Timing: 6/11
 - Description: Staff developed a work plan, proposed budget and staffing plan for the period July 2011-June 2012 as part of the development of the Level I grant application.
- Name of milestone: Begin to Hire Staff and Consultants
 - Timing: 5/11 and ongoing
 - Description: Acting Administrative Officer was hired in May. Hiring continued in June and July for consultants and staff, including two retired annuitants, an analyst, and a staff counsel.
- Name of milestone: Recruit an Executive Director
 - Timing: 5/11 and ongoing
 - Description: The search and recruitment committee and Exchange staff are working with consultants to direct and monitor the progress of the Executive Director recruitment. A recruitment brochure was developed and posted on the Exchange website and initial interviews began in July.

Quarter 2

- Name of milestone: Complete Salary Surveys for Executive Director and Chief Counsel
 - Timing: 3/11
 - Description: CHSA staff received salary surveys for the Executive Director and Chief Counsel from Towers Watson, an international human resources consulting firm.
- Name of milestone: Develop Duty Statements for Key Executive Positions

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- Timing: 3/11
- Description: CHHSA staff developed duty statements for key executive positions. The Board will review and approve the final duty statements prior to the hiring of these positions.

Quarter 1

- Name of milestone: Hire *Acting Administrative Officer (AAO)* (**Note: timing and description revised from quarter 1 report**)
 - Timing: 4/11
 - Description: The Board appointed Patricia Powers for as the Exchange AAO at their April 20 meeting.
- Name of milestone: Develop Short-term Staffing Plan
 - Timing: 6/11 (**Note: timing and description revised from quarter 1 report**)
 - Description: *CHHSA and Exchange staff will* develop and implement a short-term Exchange staffing plan, including number and type of staff, salaries, job descriptions, and recruitment timeline.

Governance

Quarter 3

- Name of milestone: Appointment of Full Exchange Board
 - Timing: 6/11
 - Description: Dr. Robert Ross was appointed by the State Senate Committee on Rules as the fifth and final member of the California Health Benefit Exchange Board.
- Name of milestone: Adoption of Conflict of Interest Provisions
 - Timing: 7/11
 - Description: Staff will present conflict of interest provisions to the Board at the July 22 meeting and will return to the Board for approval of the conflict of interest policy at the August meeting.

Quarter 2

- Name of milestone: Establish Board Subcommittee for Search/Recruitment
 - Timing: 4/11
 - Description: At the April 20 meeting, the Board established Board subcommittee for search and recruitment of an Executive Director.
- Name of milestone: Establish Board Subcommittee for Establishment Grant Development
 - Timing: 4/11
 - Description: At the April 20 meeting, the Board established a Board subcommittee for to provide policy direction to staff in developing an Exchange establishment grant application.

Quarter 1

- Name of milestone: Establish Exchange Board

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- Timing: 3/11
- Description: Appoint and organize the Exchange Board, pursuant to authorizing state legislation.
- Name of milestone: Establish Board Calendar **(Note: timing revised from quarter 1 report)**
 - Timing: 4/11
 - Description: Establish Board meeting calendar for the first year, including proposed issues, topics, and actions for each meeting.

Finance

Quarter 3

- Name of milestone: Establish California Health Trust Fund
 - Timing: 6/11
 - Description: Staff established the California Health Trust Fund, which was authorized in California's Exchange statute as a continuously-appropriated account for the California Health Benefit Exchange.
- Name of milestone: Begin Development of Accounting Policies and Procedures
 - Timing: 6/11 and ongoing
 - Description: Staff began development of written policies and procedures for invoicing and accounting.

Quarter 2

- Name of milestone: Initiate Analysis of Resources Needed for the Exchange
 - Timing: 5/11
 - Description: CHHSA and the Exchange will begin an initial analysis of requirements and resources needed to operate the Exchange.
- Name of milestone: *Complete salary surveys for executive officers* **(Note: milestone revised from quarter 1 report)**
 - Timing: 9/11
 - Description: CHHSA and the Exchange will obtain salary surveys for executive officers as required by state statute.

Quarter 1

- Name of milestone: Establish Administrative Systems **(Note: timing revised from quarter 1 report)**
 - Timing: 7/11
 - Description: The Exchange will establish basic administrative and accounting systems for Board operations, staff recruitment, and ongoing accounting support.
- Name of milestone: *Obtain Required Grant Tracking Numbers* **(Note: milestone revised from quarter 1 report)**
 - Timing: 6/11

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- Description: The Exchange will obtain DUNS number, Employer Identification Number (EIN), and Central Contractor Registration Number (CCR) to ensure proper tracking and management of federal Exchange grants.

Technical Infrastructure

Quarter 3

- Name of milestone: Release Market Research Questionnaire
 - Timing: 7/11
 - Description: Staff developed and released a market research questionnaire to solicit information on third-party administrative and information technology (IT) resources, systems and services to support the future operations of the Exchange. Responses will be used to inform the solicitation for the IT solution for the Exchange.
- Name of milestone: Perform IT Gap Analysis
 - Timing: Ongoing
 - Description: Staff and consultants began work on an IT Gap Analysis. Summary information from the Gap Analysis was included in California's Level I grant application. Work on the Gap Analysis will continue through the planning grant period as California develops requirements for IT systems.

Quarter 2

- Name of milestone: Review IT Guidance
 - Timing: Ongoing
 - Description: CHHSA and the Exchange regularly review IT guidance relating to the Exchange and Medicaid and update planning efforts based on new guidance.
- Name of milestone: Initiate Discussions with State Entities and Counties Regarding Technical Infrastructure
 - Timing: 3/11
 - Description: CHHSA, the Department of Health Care Services (State Medicaid Department), the Office of Systems Integration (OSI), and the Managed Risk Medical Insurance Board (State CHIP administrator), and the counties held initial meetings to discuss options for streamlining eligibility and enrollment, working to reach an agreement on steps moving forward. (Also see milestones on stakeholder involvement and new eligibility and enrolment workgroup.)

Quarter 1

- Name of milestone: Initiate IT Inventory
 - Timing: 6/11
 - Description: CHHSA and the Exchange will inventory existing computer and technology systems, and other state infrastructure relevant to Exchange operations, including an analysis of what current and existing IT projects will be affected by, supportive of, and modified by the Exchange operations.
- Name of milestone: Assess ONC Standards

- Timing: 6/11
- Description: CHHSA and the Exchange will evaluate and assess standards adopted by the Office of the National Coordinator (ONC) for impact on Exchange operations and standards for qualified health plans.

Business Operations

Quarter 3

- Name of milestone: Develop Work Plan and Secure Resources for Business and Operational Planning
 - Timing: 9/11
 - Description: California's Level I grant application included milestones and requested resources to complete a business and operational plan for the Exchange. Work on the business and operational plan is expected to begin in the fourth quarter of the Planning Grant period.
- Name of milestone: Develop strategy to coordinate with state Consumer Assistance Programs
 - Timing: 6/11
 - Description: Staff have initiated discussions with state agencies that run consumer assistance and education programs including the Department of Managed Health Care and the Office of the Patient Advocate to develop options for leveraging funding and capabilities to provide consumer assistance for Exchange customers.

Quarter 2

- Name of milestone: Facilitate Board Discussion and Stakeholder Comment on the SHOP Exchange
 - Timing: 5/11
 - Description: CHHSA and Exchange staff will arrange for the Board to be briefed on federal requirements and policy options related to the SHOP Exchange. The Board will discuss this topic in open session and solicit public comment. CHHSA and Exchange staff will arrange for follow up information and action.
- Name of milestone: Facilitate Board Discussion and Stakeholder Comment on Business and Systems Requirements Related to Eligibility and Enrollment
 - Timing: 6/11
 - Description: CHHSA and Exchange staff will arrange for the Board to be briefed on several aspects of eligibility and enrollment including federal requirements, current eligibility determination approaches, and work underway to enhance the consumer experience. The Board will discuss this topic in open session and solicit public comment. CHHSA and Exchange staff will arrange for follow up information and action. (Also see milestones on stakeholder involvement.)

Quarter 1

- Name of milestone: Secure Office Space (*Note: timing revised from quarter 2 report*)

- Timing: 8/11
- Description: CHHSA will assist in locating and securing office space and equipment for Exchange staff and operations.
- Name of milestone: Identify and Incorporate Core Capabilities (**Note: timing revised from quarter 1 report**)
 - Timing: 8/11
 - Description: Exchange staff will incorporate into the long-term workplan and timeline identification of core capabilities and functionalities needed to conduct the basic business operations of the Exchange by 2014.

Regulatory or Policy Actions

Quarter 3

- Name of milestone: Obtain Board Positions on Pending Legislation Affecting the Exchange
 - Timing: 7/11
 - Description: At the July 22 meeting, the Board took positions on six bills that would impact the Exchange in the areas of eligibility, small group market rules, rate review, and the BHP. The Board determined that legislation related to eligibility and enrollment was premature pending stakeholder engagement and federal guidance; supported changes to the small group insurance market that conform with ACA requirements; determined that the Exchange should be exempted from proposed rate review legislation; and opposed the creation of a BHP in this legislation session pending additional analyses and federal guidance.
- Name of milestone: Develop Process for Presenting Policy Decisions to the Board
 - Timing: 5/11
 - Description: To the extent possible, policy decisions will be presented to the Board for discussion at least one meeting before the Board is asked to take action on a policy item. This process will give the Board members a chance to discuss the policy and request additional information, if needed, and to hear stakeholder input.

Quarter 2

- Name of milestone: Comment on Relevant Federal Guidance and Rulemaking
 - Timing: Ongoing
 - Description: CHHSA and other state departments continue to comment on relevant federal guidance to ensure California's perspective is heard. The Exchange will continue this task once it is staffed.
- Name of milestone: Analyze State Legislative Proposals Affecting the Exchange
 - Timing: Ongoing
 - Description: The Exchange will analyze and regularly provide comments, feedback, and positions on state legislative proposals affecting the Exchange, and related public program and insurance market policies.

Quarter 1

- Name of milestone: Provide Public Information Regarding the California Health Benefit Exchange
 - Timing: Ongoing
 - Description: CHHSA and Exchange staff will develop and disseminate for the Exchange Board and the public materials related to the Affordable Care Act (ACA) and related federal law, guidance, and regulations, as well as applicable state laws, affecting the implementation and operation of the Exchange.
- Name of milestone: Identify Required Statutory Changes
 - Timing: 7/11
 - Description: CHHSA and Exchange staff will identify statutory changes as may be needed for effective implementation of the Exchange and seek legislation enacting those changes.

Collaborations/Partnerships

- **Name of Partners:** Department of Health Care Services (DHCS), Managed Risk Medical Insurance Board (MRMIB), Office of Systems Integration (OSI)
 - **Organizational Type of Partner:** DHCS is the Medicaid Agency; MRMIB is the CHIP agency; OSI procures and manages technology systems that support the delivery of health and human services.
 - **Role of Partner in Establishing Insurance Exchange:** The interaction between the Exchange, Medicaid, and CHIP is a key part of the success of the Exchange especially as relates to IT infrastructure for eligibility and enrollment and for contracting with health plans.
 - **Accomplishments of Partnership:** Collaborative planning work done on eligibility and enrollment procedures for the Exchange and Medi-Cal.
 - **Barriers/Challenges of Partnership:** Although the Exchange, Medi-Cal, and CHIP are closely interwoven due to eligibility and enrollment processes the Exchange must perform, they are separate programs with different eligibility rules and service delivery models which will present challenges for streamlining eligibility and enrollment.
- **Name of Partners:** Department of Managed Health Care (DMHC) and California Department of Insurance (CDOI)
 - **Organizational Type of Partner:** DMHC and CDOI regulate health insurance products in California.
 - **Role of Partner in Establishing Insurance Exchange:** The Exchange will coordinate with both DMHC and CDOI on issues relating to qualified health plans, including rate review and certification, and consumer assistance.
 - **Accomplishments of Partnership:** Initial meetings to understand roles and responsibilities which will lead to formal working relationship.
 - **Barriers/Challenges of Partnership:** The dual regulatory structure in California increases the complexity of coordination.

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- **Name of Partners:** California HealthCare Foundation (CHCF) and Blue Shield of California Foundation (BSCF)
 - **Organizational Type of Partner:** California-based health philanthropies.
 - **Role of Partner in Establishing Insurance Exchange:** CHCF and BSCF have funded activities related to preparing the establishment grant.
 - **Accomplishments of Partnership:** CHCF is funding a grant preparation plan and initial grant writing. BSCF is funding IT systems options analysis.
 - **Barriers/Challenges of Partnership:** California is grateful to have generous foundation support during the start up period of the Board. However, the Exchange will need to transition from foundation-supported work to Exchange-funded work completed by Exchange staff or consultants.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1101. The time required to complete this information collection is estimated to average (433 hours) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Public Report

Grantees are required to prominently post progress reports about their planning grants on their respective Internet websites to ensure that the public has information on the use of funds. The Public Report must be compliant with Section 508 (see <http://www.section508.gov/> for more information). The required public report includes, but is not limited to:

1. Project Summary – an overview of the grantee’s activities, both planned and accomplished
2. Stakeholder Involvement – an outline of any and all opportunities for involvement to the residents of the State and other pertinent stakeholders. This includes any discussions regarding the Exchanges such as public hearings, town hall meetings, etc.
3. Budget – the total amount of the grant award and the broad budgetary categories of the award.
4. Deliverables – all press releases, news articles, public recognition, and any other documentation allowed by law for public disclosure.

In addition, it is the grantees discretion to publicly disclose any and all information in the quarterly and/or final project reports.

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