The California Health Benefit Exchange: Where We Are and Where We Are Going

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Exchange Value Proposition for Consumers

- Choice
- Competition
- Clout
- Consumer Friendly

ACA Exchange Operational Framework

- Operational by January 1, 2014
- Exchanges must:
  - Facilitate the purchase of Qualified Health Plans (QHPs)
  - Establish the Small Business Health Options Program (SHOP)
  - Facilitate enrollment and plan choice for consumers
  - Perform minimum functions

Key Establishment Dates

- January 2013: Federal government certifies Exchange
- June 2013: IT systems testing complete
- Mid/late 2013: Open enrollment begins
- January 1, 2014: Exchange opens for business
- January 1, 2015: Exchange is financially self-sustaining

Minimum Essential Exchange Functions

- Certifying, recertifying & decertifying QHPs
- Establishing a toll free hotline
- Creating an internet website
- Rating qualified health plans
- Providing standardized information on benefits
- Screening and enrolling into the Exchange, Medicaid, CHIP

Minimum Essential Exchange Functions

- Providing an electronic calculator
- Granting exemptions from individual mandate
- Transferring data to the U.S. Treasury
- Providing employer notification
- Determining eligibility for tax credits, reduced cost sharing
- Establishing a Navigator program

ACA Navigator Requirements

- Exchange establishes Navigator program and awards grants to Navigators
- Navigators must:
  - Conduct public education
  - Provide information on QHPs and premium tax credits/cost sharing subsidies
  - Facilitate enrollment in QHPs
  - Provide referrals to consumer assistance programs
  - Provide information in culturally and linguistically appropriate manner

Planning for California's Navigator Program

- Planning activities will include:
  - Evaluating Navigator program design and funding options with input from key stakeholders and experts
  - Developing a timeline and process for selection and funding of Navigators
  - Identifying organizations and criteria for Navigators

Exchange Eligibility

- Individuals with incomes above 133% of the Federal Poverty Level (FPL)
- Small businesses with up to 100 employees
- U.S. citizens and legal immigrants are eligible

Potential Exchange Enrollment (in millions) in California

Type of Coverage	Without ACA (2014)	With ACA (2014)	With ACA (2016)	With ACA (2019)
Employer-sponsored	19.1	19.2	19.0	18.9
Medicaid	5.7	6.6	7.0	7.5
Healthy Families	0.8	0.6	0.7	0.8
Other Public	1.3	1.2*	1.2*	1.2*
Individual/Exchange (with subsidies <400%)	N/A	1.6	2.0	2.4
Individual without subsidies	2.2	1.6	1.8	2.0
Uninsured	5.6	3.9	3.3	3.0

*Healthy Kids enrollees (70,000) assumed to become uninsured due to undocumented status (50,000) or to move into the Exchange due to income of 250% FPL and above (20,000).
Data presented by UCLA Center for Health Policy to California Health Benefit Exchange Board 5/11/11.

Essential Health Benefits

- Essential health benefit categories:
  - Ambulatory patient services
  - Emergency services
  - Hospitalization
  - Maternity and newborn care
  - Mental health and substance use disorder services including behavioral health treatment
  - Prescription drugs
  - Rehabilitative and habilitative services and devices
  - Laboratory services
  - Preventive and wellness services and chronic disease management
  - Pediatric services including oral and vision care

Current California Benefit Mandates

- 42 benefit mandates within California's Insurance Code applying to health insurance policies regulated by California Department of Insurance
- 45 benefit mandates currently in the Health & Safety Code applying to health care service plans regulated by Department of Managed Health Care
- States will have to pay the full cost of benefits in excess essential health benefits

California Health Benefit Exchange Enabling Legislation

- SB 900 (Alquist, 2010): Exchange governance structure
- AB 1602 (Perez, 2010): Responsibilities and duties of the Exchange

Accomplishments to Date

- Full Exchange Board
- Regular Board meetings since April 2011
  - Board committees
- Exchange Establishment grant application submitted June 30, 2011
  - Requests one year of federal funding (July 2011 – June 2012) for planning and early implementation activities

Near-Term Priorities

- Engage in strategic visioning process
- Develop 3-year business and operational plan
- Hire staff and consultants
- Build systems and program capacity
- Develop application for additional federal funds by Spring 2012

Areas of Focus

- Program Integration
  - Work with state health and human services programs to coordinate eligibility and enrollment activities
  - Work with state insurance regulators to certify health plans for participation in the Exchange

Areas of Focus

- Eligibility and Enrollment
  – Joint Exchange/Medi-Cal IT team
  – Joint Exchange/Medi-Cal stakeholder policy groups

Eligibility, Enrollment & Retention Principles

- “No Wrong Door” service system
- Culturally and linguistically appropriate oral and written communications
- Seamless transition between health programs
- Reduction in the burden of establishing and maintaining eligibility
- Consumer privacy protection

Challenges

- Ambitious timetable for start up
- Short time frame for systems development
- Rapid ramp up for staff and consultant capacity
- Overall state/federal fiscal environment

Opportunities for Stakeholder Involvement

- Public Board meetings
- Stakeholder webinars
- Individual meetings
- Visit our website: www.hbex.ca.gov
- Contact us: info@hbex.ca.gov

Closing Thoughts

- Exchanges hold great promise to increase access, affordability, and quality of health care for individuals and small business
- Lots to work to do in not much time…
- But California is in a great position with an active Board and an ambitious agenda for the next year