

AMENDED IN SENATE JANUARY 15, 2016

AMENDED IN SENATE APRIL 20, 2015

**SENATE BILL**

**No. 514**

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**Introduced by Senator Anderson**

February 26, 2015

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An act to amend Section 100503 of the Government Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 514, as amended, Anderson. California Health Benefit Exchange.

Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms that took effect January 1, 2014. Among other things, PPACA requires each health insurance issuer that offers health insurance coverage in the individual or group market in a state to accept every employer and individual in the state that applies for that coverage and to renew that coverage at the option of the plan sponsor or the individual. PPACA also requires each state to establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers, as specified.

Existing law establishes the California Health Benefit Exchange (Exchange) within state government, specifies the powers and duties of the board governing the Exchange, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers. Existing law requires the board, among other things, to determine the criteria and process for eligibility, enrollment, and disenrollment of enrollees and potential enrollees in the Exchange and coordinate that process with state and local

government entities administering other specified health care coverage programs, as specified.

This bill would additionally require the board, ~~without unreasonable delay, no later than September 30, 2016,~~ to allow an applicant to indicate in an application for health care coverage whether or not the applicant would like assistance with completing the application from an Exchange certified insurance agent or certified enrollment counselor. The bill would prohibit the Exchange from disclosing any personal information, as defined, that was obtained from the application for health care coverage to a certified insurance agent or certified enrollment counselor until the Exchange has complied with the provision described above. The bill would also prohibit the Exchange from disclosing personal information that was obtained from the application for health care coverage to a certified insurance agent or certified enrollment counselor if the applicant indicates that the applicant does not want assistance from an Exchange certified insurance agent or certified enrollment counselor. The bill would provide that these provisions do not preclude the Exchange from sharing the information of current enrollees or applicants with the same certified enrollment counselor or certified insurance agent of record that provided the applicant assistance with an existing application, or their successor or authorized staff, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 100503 of the Government Code, as  
2 amended by Section 1 of Chapter 572 of the Statutes of 2014, is  
3 amended to read:  
4 100503. In addition to meeting the minimum requirements of  
5 Section 1311 of the federal act, the board shall do all of the  
6 following:  
7 (a) (1) Determine the criteria and process for eligibility,  
8 enrollment, and disenrollment of enrollees and potential enrollees  
9 in the Exchange and coordinate that process with the state and  
10 local government entities administering other health care coverage  
11 programs, including the State Department of Health Care Services,

1 the Managed Risk Medical Insurance Board, and California  
2 counties, in order to ensure consistent eligibility and enrollment  
3 processes and seamless transitions between coverage.

4 (2) (A) ~~Without unreasonable delay, No later than September~~  
5 ~~30, 2016,~~ allow an applicant to indicate ~~in an application for health~~  
6 ~~care coverage~~ whether or not the applicant would like assistance  
7 with completing the application from an Exchange certified  
8 insurance agent or certified enrollment counselor.

9 (B) Until the Exchange has complied with subparagraph (A),  
10 the Exchange shall not disclose any personal information, as  
11 defined in Section 1798.3 of the Civil Code, that was obtained  
12 from the application for health care coverage to a certified  
13 insurance agent or certified enrollment counselor.

14 (C) The Exchange shall not disclose personal information, as  
15 defined in Section 1798.3 of the Civil Code, that was obtained  
16 from the application for health care coverage to a certified  
17 insurance agent or certified enrollment counselor if the applicant  
18 indicates that the applicant does not want assistance from an  
19 Exchange certified insurance agent or certified enrollment  
20 counselor.

21 (D) Nothing in this section shall preclude the Exchange from  
22 sharing the information of current enrollees or applicants with the  
23 same certified enrollment counselor or certified insurance agent  
24 of record that provided the applicant assistance with an existing  
25 application, or their successor or authorized staff, as otherwise  
26 permitted by federal and state laws and regulations.

27 (b) Develop processes to coordinate with the county entities  
28 that administer eligibility for the Medi-Cal program and the entity  
29 that determines eligibility for the Healthy Families Program,  
30 including, but not limited to, processes for case transfer, referral,  
31 and enrollment in the Exchange of individuals applying for  
32 assistance to those entities, if allowed or required by federal law.

33 (c) Determine the minimum requirements a carrier must meet  
34 to be considered for participation in the Exchange, and the  
35 standards and criteria for selecting qualified health plans to be  
36 offered through the Exchange that are in the best interests of  
37 qualified individuals and qualified small employers. The board  
38 shall consistently and uniformly apply these requirements,  
39 standards, and criteria to all carriers. In the course of selectively  
40 contracting for health care coverage offered to qualified individuals

1 and qualified small employers through the Exchange, the board  
2 shall seek to contract with carriers so as to provide health care  
3 coverage choices that offer the optimal combination of choice,  
4 value, quality, and service.

5 (d) Provide, in each region of the state, a choice of qualified  
6 health plans at each of the five levels of coverage contained in  
7 subsections (d) and (e) of Section 1302 of the federal act, subject  
8 to subdivision (e) of this section, paragraph (2) of subdivision (d)  
9 of Section 1366.6 of the Health and Safety Code, and paragraph  
10 (2) of subdivision (d) of Section 10112.3 of the Insurance Code.

11 (e) Require, as a condition of participation in the individual  
12 market of the Exchange, carriers to fairly and affirmatively offer,  
13 market, and sell in the individual market of the Exchange at least  
14 one product within each of the five levels of coverage contained  
15 in subsections (d) and (e) of Section 1302 of the federal act and  
16 require, as a condition of participation in the SHOP Program,  
17 carriers to fairly and affirmatively offer, market, and sell in the  
18 SHOP Program at least one product within each of the four levels  
19 of coverage contained in subsection (d) of Section 1302 of the  
20 federal act. The board may require carriers to offer additional  
21 products within each of those levels of coverage. This subdivision  
22 shall not apply to a carrier that solely offers supplemental coverage  
23 in the Exchange under paragraph (10) of subdivision (a) of Section  
24 100504.

25 (f) (1) Except as otherwise provided in this section and Section  
26 100504.5, require, as a condition of participation in the Exchange,  
27 carriers that sell any products outside the Exchange to do both of  
28 the following:

29 (A) Fairly and affirmatively offer, market, and sell all products  
30 made available to individuals in the Exchange to individuals  
31 purchasing coverage outside the Exchange.

32 (B) Fairly and affirmatively offer, market, and sell all products  
33 made available to small employers in the Exchange to small  
34 employers purchasing coverage outside the Exchange.

35 (2) For purposes of this subdivision, “product” does not include  
36 contracts entered into pursuant to Part 6.2 (commencing with  
37 Section 12693) of Division 2 of the Insurance Code between the  
38 Managed Risk Medical Insurance Board and carriers for enrolled  
39 Healthy Families beneficiaries or contracts entered into pursuant  
40 to Chapter 7 (commencing with Section 14000) of, or Chapter 8

1 (commencing with Section 14200) of, Part 3 of Division 9 of the  
2 Welfare and Institutions Code between the State Department of  
3 Health Care Services and carriers for enrolled Medi-Cal  
4 beneficiaries. “Product” also does not include a bridge plan product  
5 offered pursuant to Section 100504.5.

6 (3) Except as required by Section 1301(a)(1)(C)(ii) of the federal  
7 act, a carrier offering a bridge plan product in the Exchange may  
8 limit the products it offers in the Exchange solely to a bridge plan  
9 product contract.

10 (g) Determine when an enrollee’s coverage commences and the  
11 extent and scope of coverage.

12 (h) Provide for the processing of applications and the enrollment  
13 and disenrollment of enrollees.

14 (i) Determine and approve cost-sharing provisions for qualified  
15 health plans.

16 (j) Establish uniform billing and payment policies for qualified  
17 health plans offered in the Exchange to ensure consistent  
18 enrollment and disenrollment activities for individuals enrolled in  
19 the Exchange.

20 (k) Undertake activities necessary to market and publicize the  
21 availability of health care coverage and federal subsidies through  
22 the Exchange. The board shall also undertake outreach and  
23 enrollment activities that seek to assist enrollees and potential  
24 enrollees with enrolling and reenrolling in the Exchange in the  
25 least burdensome manner, including populations that may  
26 experience barriers to enrollment, such as the disabled and those  
27 with limited English language proficiency.

28 (l) Select and set performance standards and compensation for  
29 navigators selected under subdivision (l) of Section 100502.

30 (m) Employ necessary staff.

31 (1) The board shall hire a chief fiscal officer, a chief operations  
32 officer, a director for the SHOP Exchange, a director of ~~Health~~  
33 ~~Plan Contracting~~, *health plan contracting*, a chief technology and  
34 information officer, a general counsel, and other key executive  
35 positions, as determined by the board, who shall be exempt from  
36 civil service.

37 (2) (A) The board shall set the salaries for the exempt positions  
38 described in paragraph (1) and subdivision (i) of Section 100500  
39 in amounts that are reasonably necessary to attract and retain  
40 individuals of superior qualifications. The salaries shall be

1 published by the board in the board's annual budget. The board's  
2 annual budget shall be posted on the Internet Web site of the  
3 Exchange. To determine the compensation for these positions, the  
4 board shall cause to be conducted, through the use of independent  
5 outside advisors, salary surveys of both of the following:

6 (i) Other state and federal health insurance exchanges that are  
7 most comparable to the Exchange.

8 (ii) Other relevant labor pools.

9 (B) The salaries established by the board under subparagraph  
10 (A) shall not exceed the highest comparable salary for a position  
11 of that type, as determined by the surveys conducted pursuant to  
12 subparagraph (A).

13 (C) The Department of Human Resources shall review the  
14 methodology used in the surveys conducted pursuant to  
15 subparagraph (A).

16 (3) The positions described in paragraph (1) and subdivision (i)  
17 of Section 100500 shall not be subject to otherwise applicable  
18 provisions of the Government Code or the Public Contract Code  
19 and, for those purposes, the Exchange shall not be considered a  
20 state agency or public entity.

21 (n) Assess a charge on the qualified health plans offered by  
22 carriers that is reasonable and necessary to support the  
23 development, operations, and prudent cash management of the  
24 Exchange. This charge shall not affect the requirement under  
25 Section 1301 of the federal act that carriers charge the same  
26 premium rate for each qualified health plan whether offered inside  
27 or outside the Exchange.

28 (o) Authorize expenditures, as necessary, from the California  
29 Health Trust Fund to pay program expenses to administer the  
30 Exchange.

31 (p) Keep an accurate accounting of all activities, receipts, and  
32 expenditures, and annually submit to the United States Secretary  
33 of Health and Human Services a report concerning that accounting.  
34 Commencing January 1, 2016, the board shall conduct an annual  
35 audit.

36 (q) (1) Annually prepare a written report on the implementation  
37 and performance of the Exchange functions during the preceding  
38 fiscal year, including, at a minimum, the manner in which funds  
39 were expended and the progress toward, and the achievement of,  
40 the requirements of this title. The report shall also include data

1 provided by health care service plans and health insurers offering  
2 bridge plan products regarding the extent of health care provider  
3 and health facility overlap in their Medi-Cal networks as compared  
4 to the health care provider and health facility networks contracting  
5 with the plan or insurer in their bridge plan contracts. This report  
6 shall be transmitted to the Legislature and the Governor and shall  
7 be made available to the public on the Internet Web site of the  
8 Exchange. A report made to the Legislature pursuant to this  
9 subdivision shall be submitted pursuant to Section 9795.

10 (2) The Exchange shall prepare, or contract for the preparation  
11 of, an evaluation of the bridge plan program using the first three  
12 years of experience with the program. The evaluation shall be  
13 provided to the health policy and fiscal committees of the  
14 Legislature in the fourth year following federal approval of the  
15 bridge plan option. The evaluation shall include, but not be limited  
16 to, all of the following:

17 (A) The number of individuals eligible to participate in the  
18 bridge plan program each year by category of eligibility.

19 (B) The number of eligible individuals who elect a bridge plan  
20 option each year by category of eligibility.

21 (C) The average length of time, by region and statewide, that  
22 individuals remain in the bridge plan option each year by category  
23 of eligibility.

24 (D) The regions of the state with a bridge plan option, and the  
25 carriers in each region that offer a bridge plan, by year.

26 (E) The premium difference each year, by region, between the  
27 bridge plan and the first and second lowest cost plan for individuals  
28 in the Exchange who are not eligible for the bridge plan.

29 (F) The effect of the bridge plan on the premium subsidy amount  
30 for bridge plan eligible individuals each year by each region.

31 (G) Based on a survey of individuals enrolled in the bridge plan:

32 (i) Whether individuals enrolling in the bridge plan product are  
33 able to keep their existing health care providers.

34 (ii) Whether individuals would want to retain their bridge plan  
35 product, buy a different Exchange product, or decline to purchase  
36 health insurance if there was no bridge plan product available. The  
37 Exchange may include questions designed to elicit the information  
38 in this subparagraph as part of an existing survey of individuals  
39 receiving coverage in the Exchange.

1 (3) In addition to the evaluation required by paragraph (2), the  
2 Exchange shall post the items in subparagraphs (A) to (F),  
3 inclusive, on its Internet Web site each year.

4 (4) In addition to the report described in paragraph (1), the board  
5 shall be responsive to requests for additional information from the  
6 Legislature, including providing testimony and commenting on  
7 proposed state legislation or policy issues. The Legislature finds  
8 and declares that activities including, but not limited to, responding  
9 to legislative or executive inquiries, tracking and commenting on  
10 legislation and regulatory activities, and preparing reports on the  
11 implementation of this title and the performance of the Exchange,  
12 are necessary state requirements and are distinct from the  
13 promotion of legislative or regulatory modifications referred to in  
14 subdivision (d) of Section 100520.

15 (r) Maintain enrollment and expenditures to ensure that  
16 expenditures do not exceed the amount of revenue in the fund, and  
17 if sufficient revenue is not available to pay estimated expenditures,  
18 institute appropriate measures to ensure fiscal solvency.

19 (s) Exercise all powers reasonably necessary to carry out and  
20 comply with the duties, responsibilities, and requirements of this  
21 act and the federal act.

22 (t) Consult with stakeholders relevant to carrying out the  
23 activities under this title, including, but not limited to, all of the  
24 following:

25 (1) Health care consumers who are enrolled in health plans.

26 (2) Individuals and entities with experience in facilitating  
27 enrollment in health plans.

28 (3) Representatives of small businesses and self-employed  
29 individuals.

30 (4) ~~The State Medi-Cal Director.~~ *Chief Deputy Director of*  
31 *Health Care Programs.*

32 (5) Advocates for enrolling hard-to-reach populations.

33 (u) Facilitate the purchase of qualified health plans in the  
34 Exchange by qualified individuals and qualified small employers  
35 no later than January 1, 2014.

36 (v) Report, or contract with an independent entity to report, to  
37 the Legislature by December 1, 2018, on whether to adopt the  
38 option in Section 1312(c)(3) of the federal act to merge the  
39 individual and small employer markets. In its report, the board  
40 shall provide information, based on at least two years of data from

1 the Exchange, on the potential impact on rates paid by individuals  
2 and by small employers in a merged individual and small employer  
3 market, as compared to the rates paid by individuals and small  
4 employers if a separate individual and small employer market is  
5 maintained. A report made pursuant to this subdivision shall be  
6 submitted pursuant to Section 9795.

7 (w) With respect to the SHOP Program, collect premiums and  
8 administer all other necessary and related tasks, including, but not  
9 limited to, enrollment and plan payment, in order to make the  
10 offering of employee plan choice as simple as possible for qualified  
11 small employers.

12 (x) Require carriers participating in the Exchange to immediately  
13 notify the Exchange, under the terms and conditions established  
14 by the board when an individual is or will be enrolled in or  
15 disenrolled from any qualified health plan offered by the carrier.

16 (y) Ensure that the Exchange provides oral interpretation  
17 services in any language for individuals seeking coverage through  
18 the Exchange and makes available a toll-free telephone number  
19 for the hearing and speech impaired. The board shall ensure that  
20 written information made available by the Exchange is presented  
21 in a plainly worded, easily understandable format and made  
22 available in prevalent languages.

23 (z) This section shall become inoperative on the October 1 that  
24 is five years after the date that federal approval of the bridge plan  
25 option occurs, and, as of the second January 1 thereafter, is  
26 repealed, unless a later enacted statute that is enacted before that  
27 date deletes or extends the dates on which it becomes inoperative  
28 and is repealed.

29 SEC. 2. Section 100503 of the Government Code, as amended  
30 by Section 2 of Chapter 572 of the Statutes of 2014, is amended  
31 to read:

32 100503. In addition to meeting the minimum requirements of  
33 Section 1311 of the federal act, the board shall do all of the  
34 following:

35 (a) (1) Determine the criteria and process for eligibility,  
36 enrollment, and disenrollment of enrollees and potential enrollees  
37 in the Exchange and coordinate that process with the state and  
38 local government entities administering other health care coverage  
39 programs, including the State Department of Health Care Services,  
40 the Managed Risk Medical Insurance Board, and California

1 counties, in order to ensure consistent eligibility and enrollment  
2 processes and seamless transitions between coverage.

3 (2) (A) ~~Without unreasonable delay, No later than September~~  
4 ~~30, 2016, allow an applicant to indicate in an application for health~~  
5 ~~care coverage~~ whether or not the applicant would like assistance  
6 with completing that application from an Exchange certified  
7 insurance agent or certified enrollment counselor.

8 (B) Until the Exchange has complied with subparagraph (A),  
9 the Exchange shall not disclose any personal information, as  
10 defined in Section 1798.3 of the Civil Code, that was obtained  
11 from the application for health care coverage to a certified  
12 insurance agent or certified enrollment counselor.

13 (C) The Exchange shall not disclose personal information, as  
14 defined in Section 1798.3 of the Civil Code, that was obtained  
15 from the application for health care coverage to a certified  
16 insurance agent or certified enrollment counselor if the applicant  
17 indicates that the applicant does not want assistance from an  
18 Exchange certified insurance agent or certified enrollment  
19 counselor.

20 (D) Nothing in this section shall preclude the Exchange from  
21 sharing the information of current enrollees or applicants with the  
22 same certified enrollment counselor or certified insurance agent  
23 of record that provided the applicant assistance with an existing  
24 application, or their successor or authorized staff, as otherwise  
25 permitted by federal and state laws and regulations.

26 (b) Develop processes to coordinate with the county entities  
27 that administer eligibility for the Medi-Cal program and the entity  
28 that determines eligibility for the Healthy Families Program,  
29 including, but not limited to, processes for case transfer, referral,  
30 and enrollment in the Exchange of individuals applying for  
31 assistance to those entities, if allowed or required by federal law.

32 (c) Determine the minimum requirements a carrier must meet  
33 to be considered for participation in the Exchange, and the  
34 standards and criteria for selecting qualified health plans to be  
35 offered through the Exchange that are in the best interests of  
36 qualified individuals and qualified small employers. The board  
37 shall consistently and uniformly apply these requirements,  
38 standards, and criteria to all carriers. In the course of selectively  
39 contracting for health care coverage offered to qualified individuals  
40 and qualified small employers through the Exchange, the board

1 shall seek to contract with carriers so as to provide health care  
2 coverage choices that offer the optimal combination of choice,  
3 value, quality, and service.

4 (d) Provide, in each region of the state, a choice of qualified  
5 health plans at each of the five levels of coverage contained in  
6 subsections (d) and (e) of Section 1302 of the federal act, subject  
7 to subdivision (e) of this section, paragraph (2) of subdivision (d)  
8 of Section 1366.6 of the Health and Safety ~~Code~~ Code, and  
9 paragraph (2) of subdivision (d) of Section 10112.3 of the  
10 Insurance Code.

11 (e) Require, as a condition of participation in the Exchange,  
12 carriers to fairly and affirmatively offer, market, and sell in the  
13 Exchange at least one product within each of the five levels of  
14 coverage contained in subsections (d) and (e) of Section 1302 of  
15 the federal act and require, as a condition of participation in the  
16 SHOP Program, carriers to fairly and affirmatively offer, market,  
17 and sell in the SHOP Program at least one product within each of  
18 the four levels of coverage contained in subsection (d) of Section  
19 1302 of the federal act. The board may require carriers to offer  
20 additional products within each of those levels of coverage. This  
21 subdivision shall not apply to a carrier that solely offers  
22 supplemental coverage in the Exchange under paragraph (10) of  
23 subdivision (a) of Section 100504.

24 (f) (1) Require, as a condition of participation in the Exchange,  
25 carriers that sell any products outside the Exchange to do both of  
26 the following:

27 (A) Fairly and affirmatively offer, market, and sell all products  
28 made available to individuals in the Exchange to individuals  
29 purchasing coverage outside the Exchange.

30 (B) Fairly and affirmatively offer, market, and sell all products  
31 made available to small employers in the Exchange to small  
32 employers purchasing coverage outside the Exchange.

33 (2) For purposes of this subdivision, “product” does not include  
34 contracts entered into pursuant to Part 6.2 (commencing with  
35 Section 12693) of Division 2 of the Insurance Code between the  
36 Managed Risk Medical Insurance Board and carriers for enrolled  
37 Healthy Families beneficiaries or contracts entered into pursuant  
38 to Chapter 7 (commencing with Section 14000) of, or Chapter 8  
39 (commencing with Section 14200) of, Part 3 of Division 9 of the  
40 Welfare and Institutions Code between the State Department of

1 Health Care Services and carriers for enrolled Medi-Cal  
2 beneficiaries.

3 (g) Determine when an enrollee's coverage commences and the  
4 extent and scope of coverage.

5 (h) Provide for the processing of applications and the enrollment  
6 and disenrollment of enrollees.

7 (i) Determine and approve cost-sharing provisions for qualified  
8 health plans.

9 (j) Establish uniform billing and payment policies for qualified  
10 health plans offered in the Exchange to ensure consistent  
11 enrollment and disenrollment activities for individuals enrolled in  
12 the Exchange.

13 (k) Undertake activities necessary to market and publicize the  
14 availability of health care coverage and federal subsidies through  
15 the Exchange. The board shall also undertake outreach and  
16 enrollment activities that seek to assist enrollees and potential  
17 enrollees with enrolling and reenrolling in the Exchange in the  
18 least burdensome manner, including populations that may  
19 experience barriers to enrollment, such as the disabled and those  
20 with limited English language proficiency.

21 (l) Select and set performance standards and compensation for  
22 navigators selected under subdivision (l) of Section 100502.

23 (m) Employ necessary staff.

24 (1) The board shall hire a chief fiscal officer, a chief operations  
25 officer, a director for the SHOP Exchange, a director of ~~Health~~  
26 ~~Plan Contracting~~, *health plan contracting*, a chief technology and  
27 information officer, a general counsel, and other key executive  
28 positions, as determined by the board, who shall be exempt from  
29 civil service.

30 (2) (A) The board shall set the salaries for the exempt positions  
31 described in paragraph (1) and subdivision (i) of Section 100500  
32 in amounts that are reasonably necessary to attract and retain  
33 individuals of superior qualifications. The salaries shall be  
34 published by the board in the board's annual budget. The board's  
35 annual budget shall be posted on the Internet Web site of the  
36 Exchange. To determine the compensation for these positions, the  
37 board shall cause to be conducted, through the use of independent  
38 outside advisors, salary surveys of both of the following:

39 (i) Other state and federal health insurance exchanges that are  
40 most comparable to the Exchange.

1 (ii) Other relevant labor pools.

2 (B) The salaries established by the board under subparagraph  
3 (A) shall not exceed the highest comparable salary for a position  
4 of that type, as determined by the surveys conducted pursuant to  
5 subparagraph (A).

6 (C) The Department of Human Resources shall review the  
7 methodology used in the surveys conducted pursuant to  
8 subparagraph (A).

9 (3) The positions described in paragraph (1) and subdivision (i)  
10 of Section 100500 shall not be subject to otherwise applicable  
11 provisions of the Government Code or the Public Contract Code  
12 and, for those purposes, the Exchange shall not be considered a  
13 state agency or public entity.

14 (n) Assess a charge on the qualified health plans offered by  
15 carriers that is reasonable and necessary to support the  
16 development, operations, and prudent cash management of the  
17 Exchange. This charge shall not affect the requirement under  
18 Section 1301 of the federal act that carriers charge the same  
19 premium rate for each qualified health plan whether offered inside  
20 or outside the Exchange.

21 (o) Authorize expenditures, as necessary, from the California  
22 Health Trust Fund to pay program expenses to administer the  
23 Exchange.

24 (p) Keep an accurate accounting of all activities, receipts, and  
25 expenditures, and annually submit to the United States Secretary  
26 of Health and Human Services a report concerning that accounting.  
27 Commencing January 1, 2016, the board shall conduct an annual  
28 audit.

29 (q) (1) Annually prepare a written report on the implementation  
30 and performance of the Exchange functions during the preceding  
31 fiscal year, including, at a minimum, the manner in which funds  
32 were expended and the progress toward, and the achievement of,  
33 the requirements of this title. This report shall be transmitted to  
34 the Legislature and the Governor and shall be made available to  
35 the public on the Internet Web site of the Exchange. A report made  
36 to the Legislature pursuant to this subdivision shall be submitted  
37 pursuant to Section 9795.

38 (2) In addition to the report described in paragraph (1), the board  
39 shall be responsive to requests for additional information from the  
40 Legislature, including providing testimony and commenting on

1 proposed state legislation or policy issues. The Legislature finds  
2 and declares that activities including, but not limited to, responding  
3 to legislative or executive inquiries, tracking and commenting on  
4 legislation and regulatory activities, and preparing reports on the  
5 implementation of this title and the performance of the Exchange,  
6 are necessary state requirements and are distinct from the  
7 promotion of legislative or regulatory modifications referred to in  
8 subdivision (d) of Section 100520.

9 (r) Maintain enrollment and expenditures to ensure that  
10 expenditures do not exceed the amount of revenue in the fund, and  
11 if sufficient revenue is not available to pay estimated expenditures,  
12 institute appropriate measures to ensure fiscal solvency.

13 (s) Exercise all powers reasonably necessary to carry out and  
14 comply with the duties, responsibilities, and requirements of this  
15 act and the federal act.

16 (t) Consult with stakeholders relevant to carrying out the  
17 activities under this title, including, but not limited to, all of the  
18 following:

19 (1) Health care consumers who are enrolled in health plans.

20 (2) Individuals and entities with experience in facilitating  
21 enrollment in health plans.

22 (3) Representatives of small businesses and self-employed  
23 individuals.

24 (4) ~~The State Medi-Cal Director.~~ *Chief Deputy Director of*  
25 *Health Care Programs.*

26 (5) Advocates for enrolling hard-to-reach populations.

27 (u) Facilitate the purchase of qualified health plans in the  
28 Exchange by qualified individuals and qualified small employers  
29 no later than January 1, 2014.

30 (v) Report, or contract with an independent entity to report, to  
31 the Legislature by December 1, 2018, on whether to adopt the  
32 option in Section 1312(c)(3) of the federal act to merge the  
33 individual and small employer markets. In its report, the board  
34 shall provide information, based on at least two years of data from  
35 the Exchange, on the potential impact on rates paid by individuals  
36 and by small employers in a merged individual and small employer  
37 market, as compared to the rates paid by individuals and small  
38 employers if a separate individual and small employer market is  
39 maintained. A report made pursuant to this subdivision shall be  
40 submitted pursuant to Section 9795.

1 (w) With respect to the SHOP Program, collect premiums and  
2 administer all other necessary and related tasks, including, but not  
3 limited to, enrollment and plan payment, in order to make the  
4 offering of employee plan choice as simple as possible for qualified  
5 small employers.

6 (x) Require carriers participating in the Exchange to immediately  
7 notify the Exchange, under the terms and conditions established  
8 by the board when an individual is or will be enrolled in or  
9 disenrolled from any qualified health plan offered by the carrier.

10 (y) Ensure that the Exchange provides oral interpretation  
11 services in any language for individuals seeking coverage through  
12 the Exchange and makes available a toll-free telephone number  
13 for the hearing and speech impaired. The board shall ensure that  
14 written information made available by the Exchange is presented  
15 in a plainly worded, easily understandable format and made  
16 available in prevalent languages.

17 (z) This section shall become operative only if Section 4 of the  
18 act that added this section becomes inoperative pursuant to  
19 subdivision (z) of that Section 4.

20 SEC. 3. Sections 1 and 2 of this bill shall become operative on  
21 October 1, 2015.

22 SEC. 4. This act is an urgency statute necessary for the  
23 immediate preservation of the public peace, health, or safety within  
24 the meaning of Article IV of the Constitution and shall go into  
25 immediate effect. The facts constituting the necessity are:

26 Protecting Californians' privacy rights is of the utmost  
27 importance, and in order to protect the privacy rights of individuals  
28 applying for health care coverage through the California Health  
29 Benefit Exchange at the earliest possible time, it is necessary that  
30 this act take effect immediately.