

California Exchange Legislation (Companion Bills, A.B. 900 and S. B. 900) Summary of Key Provisions	
Governance/Structure	<ul style="list-style-type: none"> ▪ Establishes the California Health Benefit Exchange as an independent public entity ▪ Governed by 5-member Board of Directors, including the Secretary of California Health and Human Services (or designee), 2 members appointed by the Governor, 1 member appointed by the Senate Committee on Rules, and 1 member appointed by the Speaker of the Assembly ▪ Members serve 4-year terms, except initial appointments are staggered terms ▪ Appointments made by Governor after January 2, 2011 are subject to Senate confirmation ▪ Board members required to have expertise in at least 2 of following areas: individual health coverage; small employer health coverage; health benefits plan administration; health care finance; administering a public or private health care delivery system; or purchasing health plan coverage. ▪ Board members may not be a board member, employee of, consultant to or affiliated with any carrier, insurer, agent or broker, health care provider or health care facility or belong to any trade association of such entities while serving on the board of the exchange ▪ Board shall hire an executive director to manage the operations of the exchange ▪ Board meetings must be open to the public
Exchange Duties And Requirements	<ul style="list-style-type: none"> ▪ Specifies the powers and duties of the exchange board, including determining eligibility, selecting and certifying qualified health plans and arranging for coverage for individuals and small businesses ▪ Requires the Board to facilitate the purchase of health insurance through the exchange by January 1, 2014 ▪ Requires separate exchanges for individuals and small businesses ▪ Carriers must actively market (within the exchange) at least 1 product at each of the 5 levels of coverage specified in federal law ▪ Carriers must sell all products offered within the exchange to participants outside of the exchange
Funding:	<ul style="list-style-type: none"> ▪ Creates the CA Health Trust Fund for deposit of federal funds, working capital loan and other funds to support the exchange ▪ Requires Board (or California Health and Human Services Agency) to apply for federal funding for purposes of establishing the exchange ▪ Authorizes \$5 million working capital loan to exchange from California Health Facilities Authority; loan must be repaid by June30, 2016 with interest ▪ Use of CA general fund monies prohibited unless specifically appropriated

**Joint Select Committee on Health Care Reform
Opportunities and Implementation
Sept. 21st Meeting**