

## **California holds 2nd exchange board meeting, eyes level 1 grant**

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The governing board of California's Health Benefit Exchange on Wednesday held its second meeting and spent time examining the current individual and insurance markets and discussing how other policies, such as establishing a basic health plan, could affect the exchange. The board also opened up the possibility of applying for a "level one" establishment grant from HHS in June, despite recent assertions by board member - and former state HHS Secretary Kim Belshe - that the board was only interested in seeking a "level II" grant, and intended to apply by September.

Marian Mulkey of the California Health Care Foundation presented an overview of the state's individual and small business insurance markets at the meeting. Mulkey tells Inside Health Policy that Belshe, the lone member of the exchange's grant subcommittee, opted to reexamine the timing and level of the grant after learning more about the size and flexibility of the grants that HHS has issued to smaller states.

HHS in January announced funding availability for the grants, and explained that a level one grant would provide funds for one year for states that have made some progress on their exchanges, but needed more work. Level two grants are meant for states that are further along and funding would be available through Dec. 31, 2014 - after which all exchanges must be self-sustaining. Level two grants require certain criteria.

In addition to discussing the grants, some hiring issues and next steps, Mulkey said that attendees also spent time talking about the potential impact of creating a basic health plan, which could cover people earning from 133 to 200 percent of the federal poverty level.

Mulkey said there was a lot of discussion about how the plan could impact the risk pool, and other issues, but stressed that the decision on whether to create such a plan is something the state legislature, not the board, must decide.

The next meeting is slated for May 24.

- Amy Lotven