

CALIFORNIA HEALTH BENEFIT EXCHANGE RECEIVES \$39 MILLION FEDERAL GRANT

California Health Benefit Exchange Press Release -

Aug. 12: Sacramento - The California Health Benefit Exchange received a \$39 million federal Level 1 Establishment grant that will help the state plan for and design a new health insurance marketplace to cover millions of Californians, Board Chair Diana Dooley announced today. Specifically, the federal funds will be used to create a three-year business and operational plan, begin development of an information technology infrastructure, and conduct other start-up activities including consumer outreach.

"These federal funds will enable California to build a successful Health Benefit Exchange program," said Dooley, who is California's Health and Human Services Secretary. "California continues to be a leader in the development of a Health Benefit Exchange that will provide access to affordable, quality health care."

California was the first state to create a Health Benefit Exchange following the passage of federal health care reform. It is charged with creating a new insurance marketplace in which individuals and small businesses will be able to purchase competitively priced health plans using federal tax subsidies and credits beginning in 2014.

The Level I grant funding will be used to recruit necessary technical and support staff, and to contract for specific subject matter experts. The funds will also support the active engagement of stakeholders in planning and implementation activities.

The grant period is August 15, 2011 to August 15, 2012. By June of 2012, the Exchange will apply for a Level II grant to fund the final phase of development and its first year of operation through 2014. Once the Exchange is fully operational in 2015, it must be self supporting.

The Exchange is overseen by a five-member board appointed by the Governor and Legislature; the California Health and Human Services Secretary serves as an ex officio voting member and is its current Chair.