



Bureau Brief



Memorandum

TO : Marty Garrity
FROM : Mandy Gillip, Legislative Analyst
DATE : September 2013
SUBJECT : Health Insurance Exchange Executive Directors

HANDOUT D4

California: Peter V. Lee, appointed by the California Health Benefit Exchange Board

Biography

Peter Lee is a quick thinker and fast talker. That's good — because he has a lot to accomplish. Lee is executive director of Covered California, the Sacramento-based insurance pool for individuals and small businesses under health care reform. Enrollment is expected to open in October, with coverage beginning on Jan. 1, 2014.

The size of the task before him makes Lee, 54, the Sacramento Business Journal's Executive to Watch for 2013.

His program is the crucial vehicle to affordable, quality health coverage promised to millions of Californians under the Affordable Care Act. Failure to make it affordable, offer enough choices to please consumers — and get enough people signed up to spread the risk — could doom the effort.

Lee knows that. He was CEO at the Pacific Business Group on Health when the coalition pulled the plug on a different attempt six years ago.

Pacific Health Advantage — commonly known as PacAdvantage — cut employer costs in the early years, but was inadequately marketed and failed to enroll more than 5 percent of the small businesses eligible for the program. It died in 2006 after the three remaining health plans pulled out because the numbers weren't big enough to share risk without higher rates.

"The fact that Peter is in the middle of (this new effort) gives people a lot of more confidence than they might have otherwise," said Micah Weinberg, senior policy advisor to the Bay Area Council, a business-sponsored, public policy advocacy organization. "He's well-respected in the business community, in part because of PBGH, in part because he is a very transparent, no-nonsense, hard-working guy."

Opportunity to 'get it right'

The stakes are huge.

California was the first state in the nation to establish a health benefits exchange under the Affordable Care Act.

It's one of a handful of states out front on the effort — and with almost 7 million people uninsured, it's got a bigger job than any other exchange. Not all these people are eligible to



Bureau Brief

participate — undocumented immigrants were left out of the act. But the new California marketplace may serve as many as 4.7 million Californians.

It's doable, Lee said.

"No question, we are going to make it to open enrollment Oct. 1," he said. "No question, we'll be a learning organization. We will not be perfect when we open. There will be hiccups."

Virtually all Lee's professional life has been spent working on issues of health care quality and access, mostly in California.

A graduate of University of California Berkeley, Lee went to work for the National AIDS Network in Washington, D.C., where he says he learned the importance of cost and availability of health care to people who need it the most.

In 1990, Lee returned to California to attend law school at University of Southern California. He was hired by a commercial litigation firm in Los Angeles, but was drawn to pro bono work at an HIV law center.

It was during Lee's stint as executive director of the Center for Health Care Rights in Los Angeles from 1995 to 2000 that he launched the first health rights hotline for managed care consumers in the nation.

Based in Sacramento, the pilot program fielded 3,500 consumer calls in 1999, but demand dropped when the California Department of Managed Care took over HMO regulation in 2000 and started a help center of its own.

Lee took the helm at Pacific Business Group on Health the same year. One of the nation's leading nonprofit business coalitions focused on health care, the group of large employers now spends \$12 billion a year to provide health care benefits to more than 3 million employees.

"Some of my consumer-advocate friends saw it as a move to the dark side, because it represents large employers," Lee said. But many of the issues large employers care about — like how to get high quality services for the money paid — are key at Covered California.

PacAdvantage failed, but the concept became an underpinning of federal health reform. Lee left PBGH in 2008 for a job in the Obama administration testing new models of care that result in higher quality and reduce costs.

He left the policy job in Washington to take the health exchange job in California.

"The exchange represents one of the best opportunities to really get it right in providing quality health care for people. That's my passion and my background," Lee said. "It's not theory ... it's getting health care to people."

'The job is huge'

A lot has happened since Lee started work in October 2011.

Key contracts were signed, including a \$359 million agreement with Accenture LLC to build an information technology platform for the exchange. Exchange staff, expected to reach 200 in another year, currently tops 100.



Bureau Brief

Key policy decisions have been made or are in the works. Health plan selection, model contracts and rate negotiations are pending. Planning continues for service centers to handle enrollment and a marketing blitz to spark interest.

Timing is tight: there are 10 months remaining before the enrollment start date.

Small-business owners are notoriously ignorant of details in the Affordable Care Act. More than three-quarters — 78 percent — said they were not familiar with health insurance exchanges and how they may impact their business, despite subsidies and tax credits offered by the law, according to an August survey by eHealth Inc.

Rates aren't scheduled for public release until mid-May.

"What small-business owners care about is cost. And until they put the numbers out, there will not be a lot of interest," said Scott Hauge, president of Small Business California. "The exchange has to thread this needle and not portray itself as government — because if it does, they will be wary."

Yet the concept of an exchange — one that offers lots of choice and controls costs — could be a good thing for small-business owners, if implemented in the right way, said John Kabateck, executive director of the National Federation of Small Business/California. A vocal critic of the individual mandate portion of the law, NFIB was the plaintiff in one of the cases decided by the U.S. Supreme Court in June.

A deluge of sign-ups may or may not spell success, because the program will have to prove itself sustainable over the long haul. After Jan. 1, 2015, exchanges must be self-funded.

The federal government has invested \$236 million to get things going; California expects word any day on a request for \$706 million more.

"We're making a major investment to make sure California succeeds," said Herb Schultz, regional director for the U.S. Department of Health and Human Services. "California has made a great start. The exchange has met deadlines. We are confident the job will get done."

Lee is the right guy to make it work, said Diana Dooley, Gov. Brown's secretary for health and human services — and chair of the Covered California board. He has the right kind of experience, commitment and "boundless energy," she said.

The year 2013 is the critical time to build the foundation for success when coverage begins in 2014, said Patrick Johnston, president and CEO of the California Association of Health Plans.

"Clearly, the more people who have coverage that's affordable due to networks, plans, subsidies and choices offered by the exchange, the better," Johnston said.

Dr. Paul Phinney, a Kaiser doctor in Sacramento and president of the California Medical Association, calls Lee a visionary, admires his energy and says he brings a lot to the table. But Phinney worries there won't be enough doctors around to care for millions of newly insured patients.

"The job is huge," he said.

Ultimately, decisions about Covered California are made by the group's five-member board, but Lee shepherds the policymaking up to that level.



Bureau Brief



“It requires an extraordinary person to take the helm,” said Daniel Zingale, a senior vice president at the California Endowment and former state regulator who’s known Lee since they went to UC Berkeley together.

Lee brings a strong point of view, an astute ability to balance competing interests — and he does it with humor and confidence, Zingale said.

“I’ve watched Peter’s career over the years --- but this is his moment.”

Source: <http://www.bizjournals.com/sacramento/print-edition/2013/01/04/2013-executive-peter-lee-covered-cali.html?page=all>



Bureau Brief

Connecticut: Kevin Coughlin, chosen by governor after a national candidate search

Biography

June 21, 2012 | By MATTHEW STURDEVANT, msturdevant@courant.com, The Hartford Courant

Connecticut's health insurance exchange has a new CEO who worked as a Cigna Corp. vice president, headed a private health insurance exchange in California and helped implement health care reform in Massachusetts.

Kevin J. Coughlin, 57, was chosen by Gov. Dannel P. Malloy after a national search turned up 75 candidates. Coughlin was introduced to the exchange board during a meeting today. He starts as CEO on July 3. The exchange board has a staff of 12, including an interim CEO.

Source: http://articles.courant.com/2012-06-21/health/hc-health-exchange-ceo-20120621_1_health-insurance-exchange-health-care-victoria-veltri



Bureau Brief

Colorado: Patty Fontneau, appointed by Colorado Health Exchange Board

Biography

Patty Fontneau, Executive Director and CEO

Patty Fontneau joined Connect for Health Colorado as Executive Director and Chief Executive Officer in December 2011. She previously served as Chief Operating Officer at Holme Roberts & Owen LLP, an international law firm. Prior to that, she served as Chief Administrative Officer for the IMA Financial Group Inc. and as Vice President and General Manager of the Western Service Center of TIAA-CREF, managing the operation of a 1,300-employee office in Denver. She serves on the boards of CollegeInvest, the University of Denver Business School and the Downtown Denver Partnership. She was named the Top Health Thinker of 2012 by the Denver Post. She won the 2007 Outstanding Women in Business Award (banking and finance category) from the Denver Business Journal, the Leadership Award from the Alumni Association of the University of Colorado at Denver Business School, and the 2003 Athena award from the Colorado Women's Chamber of Commerce, among other honors. Patty holds a bachelor degree in Business Administration from the State University of New York and an MBA in Finance from New York University. She is a Certified Employee Benefits Specialist and a Chartered Retirement Planning Counselor.

Source: <http://www.connectforhealthco.com/about-us/staff/about-patty-fontneau/>



Bureau Brief

Hawaii: Coral Andrews, hired after a public search

-No biography available



BureauBrief

Idaho: Amy Dowd, hired by the Idaho health exchange board after nation-wide search

Biography:

Amy has over 20 years of leadership experience in the health insurance and utilities industries. She is a strategic thinker with experience planning enterprise change, conducting health plan enrollment and billing, implementing operational performance improvements and leading cost containment initiatives.

Source: <http://www.yourhealthidaho.org/about-us/yourhealthidaho-staff/>



Bureau Brief

Kentucky: Carrie Banahan, appointed by governor

Biography:

“Gov. Beshear selected Carrie Banahan to serve as executive director of the Office of the Kentucky Health Benefit Exchange. A career state employee with experience in the Department of Insurance and the Department of Medicaid Services, Banahan currently serves as the executive director of the Office of Health Policy within the Cabinet. She will remain acting executive director of health policy until a permanent replacement is named.”

Source:

<http://migration.kentucky.gov/newsroom/governor/20120717healthexchangeadvisoryboard.htm>



BureauBrief

Maryland: Rebecca Pearce: Appointed by board of trustees with governor's approval

Biography:

In September 2011, Rebecca Pearce was appointed to the position of Executive Director of Maryland Health Benefit Exchange. Prior to her appointment, she served as the Director of Benefits Administration at Kaiser Permanente where she was responsible for negotiating and implementing benefit exceptions for major national companies throughout the Kaiser Permanente organization. She also helped to develop Kaiser Permanente's national preventative benefit package as required by the Affordable Care Act. Prior to that, she managed the Medicare Advantage product nationally for Kaiser Permanente. She began her health care career in product development at CareFirst BlueCross BlueShield in Owings Mills, Md. where she was responsible for the growth and viability of each product and/or segment of the market. As the director of the small group market, she worked with the Maryland Health Care Commission to modify the comprehensive standard health benefit plan benefits to stay within statutory requirements.

Pearce earned a bachelor's degree from Washington University in St. Louis and an MBA from the University of Maryland College Park. She resides in Baltimore County, Md.

Source: <http://dhumh.maryland.gov/exchange/SitePages/rpearce.aspx>



Bureau Brief

Minnesota: April Todd-Malmlov

Biography:

April Todd-Malmlov is the Exchange Director at the Minnesota Department of Commerce. She is responsible for leading the design and development of Minnesota's Health Insurance Exchange. Prior to this role, Ms. Todd-Malmlov served as Minnesota's State Health Economist and was responsible for monitoring the health care market and informing state health policy related to health care access, cost, and quality. Ms. Todd-Malmlov has also served as the Director of Competitive Intelligence for UnitedHealthcare and the Vice President of Strategic Analysis and Communications for Government Affairs at UnitedHealth Group. Ms. Todd-Malmlov holds a masters degree in public health from the University of Minnesota and a bachelors degree from Beloit College. She was named one of the top business leaders to watch in 2012 by the Business Journal and the Star Tribune.

Source: <http://www.worldcongress.com/speakerBio.cfm?speakerID=7645&confcode=HL12025>



BureauBrief

Nevada: Jon Hagar, appointed by the NV Exchange Board after an open interview process

Biography:

Jon M. Hagar was appointed as the first Executive Director of the Silver State Health Insurance Exchange in January 2012 by unanimous vote of the Exchange Board in an open interview process. Prior to 2012, Mr. Hagar was the first Chief Financial Officer of Nevada's Public Employees' Benefits Program and was responsible for the Program's \$476 million annual budget which served 72,000 state and local government employees, retirees, and dependents. Mr. Hagar served as a pilot in the U.S. Navy for nine years. He earned his MBA from Texas A&M and a BS in Physics from the United States Naval Academy.

Source: <http://exchange.nv.gov/About/Staff/>

Nevada's previous advertisement for executive director:

D R A F T
EXECUTIVE DIRECTOR
SILVER STATE HEALTH INSURANCE EXCHANGE
Carson City, Nevada
Salary to \$114,104 (employee/employer-paid retirement plan)

The Board of Directors of the Silver State Health Insurance Exchange is seeking qualified candidates for the position of Executive Director. This is an unclassified position that serves at the pleasure of the Board.

The Executive Director oversees all activities of the Silver State Health Insurance Exchange (SSHIE) and works closely with the Board of Directors and agency staff to define and execute its mission in light of its statutory responsibilities and the health insurance needs of individuals and small business. This includes oversight of the SSHIE's public and private health insurance programs, policy decisions that set coverage requirements for adults and employers across Nevada, statewide enrollment and outreach initiatives, and the agency's budget. These activities will expand to encompass new wellness initiatives for small businesses which purchase coverage through the SSHIE, network and payment innovations designed to contain health care costs, and new membership and shopping features stemming from the recent enactment of national health care reform.

The Executive Director must be attuned to rapidly evolving health insurance market and health care delivery system trends and opportunities and state and national legislative and political dynamics.

RESPONSIBILITIES INCLUDE:

- Set strategic priorities for SSHIE in consultation with the Board of Directors and agency staff
- Assemble and retain high-performing staff, establish scope of responsibilities, facilitate cooperation on cross-agency policy and operational initiatives, and provide guidance and



Bureau Brief

feedback

- Manage the SSHIE, in partnership with senior staff, to ensure achievement of short and long-term strategic priorities
- Work with Operations Manager to oversee agency finances and maintain and self-sustaining financial model
- Build and manage external relationships essential to the success of the SSHIE to include high-level state and federal government officials, health care industry leaders and key vendors
- Highlight agency's accomplishments and participate in discussion and debate of health care policy
- Seek opportunities to educate policymakers and the public about the SSHIE and promote health care reform.

Source:

<http://exchange.nv.gov/uploadedFiles/exchangenvgov/Content/Meetings/AnnouncementExexDirSilverStateHIE.pdf>



Bureau Brief



New Mexico: Mike Nunez, interim CEO, appointed by board of directors

Biography:

The New Mexico Health Insurance Exchange board made several major moves on Friday, hiring an interim CEO and naming an information technology vendor and project manager.

The board named Mike Nunez its interim CEO. Nunez, a 30-year health care veteran, has been the executive director of the New Mexico Health Insurance Alliance since November 2009.

He will serve as interim leader of the health exchange at least through the first quarter of 2014, when the exchange board hopes to name a long-term CEO. It was unclear whether Nunez would have to resign from the Alliance.

"I'm just happy to serve. There is a lot of work to do, it is going to take an army," Nunez said afterward. Insurance exchange board member Ben Slocum said the organization will issue bids for a national firm to conduct the search for the long-term CEO. The firm will be hired by Nov. 1, Slocum said.

The board also selected Getinsured.com as its IT vendor. It will pay the firm \$39.9 million over five years. The other finalist was Deloitte LLP.

Deloitte's work would have cost \$60 million over five years, and the state would have owned the site. GetInsured will host the site and make any changes and updates needed.

The board named Public Consulting Group as the project manager for the exchange. Its contract will be worth an estimated \$1.4 million to \$1.7 million.

Source: <http://www.bizjournals.com/albuquerque/news/2013/05/17/health-exchange-names-interim-ceo.html>



Bureau Brief

Oregon: Rocky King, appointed by the Oregon health exchange board

Biography:

-No biography available



BureauBrief

Rhode Island: Christine Ferguson, hired by the exchange board

Biography:

Though Christine became our Director in June of 2012, she's no newcomer to the world of health reform. She worked to overhaul the U.S. healthcare system as U.S. Senator John H. Chafee's Counsel and Deputy Chief of Staff, and has served as the Director of Rhode Island's Department of Human Services, helping to shape RItE Care into the successful program it is today.

Most recently, Christine served on the faculty of George Washington University's School of Public Health and Health Services, where she taught students about her passions—improving healthcare services, access and financing to deliver better health outcomes for everyone.

Source: <http://www.healthsourceri.com/about-us/our-team/>



Bureau Brief

Washington: Richard Onizuka, appointed by governor

Biography:

On May 16, 2012, Richard was appointed as the first CEO for the Washington Health Benefit Exchange (HBE). Richard brings extensive public and private sector executive level policy and health care experience to this position. He was Assistant Director for Health Policy for the Washington State Health Care Authority (HCA) for over nine years, where he was responsible for programs and initiatives related to Governor Gregoire's five point plan to improve quality and cost efficiency in Washington's health care system, and also served as the State Health Information Technology (HIT) Coordinator. Prior to his service to the State of Washington, he spent over eight years as a manager and clinic administrator with Kaiser Permanente in Colorado. He has a PhD in Clinical Psychology from the University of Kentucky, and is a licensed psychologist.

Source: <http://www.wahbexchange.org/about-us/exchange-staff/richard-onizuka/>