

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

08/28/2023

2. Department

Covered California

3. Organizational Placement (Division/Branch/Office Name)

Program Integrity Division

4. CEA Position Title

Deputy Director, Program Integrity Division

5. Summary of proposed position description and how it relates to the program's mission or purpose.
(2-3 sentences)

Under administrative direction of the Director, Program Integrity Division (PID), the Deputy Director (DD), PID, is responsible for the strategic and tactical oversight of three PID branches: Customer Care (CC), Enterprise Fraud, Risk & Reporting (EFRR), and Reconciliation of Enrollment & Membership (REM).

The DD, PID, plays a critical role in carrying out Covered California's mission. As the DD, PID, the incumbent will oversee independent reviews of key business areas in Covered California (Department) to help ensure compliance with federal and state laws, regulations, and policies; and identify opportunities to help internal and external stakeholders continuously improve the Department's consumer-focused operations. In addition, the DD, PID, will provide strategic vision; develop, improve, and give guidance on policies; build effective relationships with stakeholders; align priorities; and monitor divisional performance goals.

6. Reports to: (Class Title/Level)

Director, Program Integrity / Exempt

7. Relationship with Department Director (Select one)

- ☒ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☐ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- ☐ 1st ☐ 2nd ☐ 3rd ☒ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under administrative direction of the Director, PID, the DD is responsible for the strategic oversight of three branches within PID (CC, EFRR, and REM). The DD, PID, provides strategic vision; develops, implements, and improves policies; builds effective relationships with internal and external stakeholders; aligns priorities; and monitors divisional performance goals within PID. Duties may include access to information systems containing protected enrollee information, including federal tax information, protected health information, and personally identifying information. Specifically, the DD, PID, performs the following duties:

REM: Provides strategic direction on data integrity initiatives and sets organizational policies around the reconciliation process to support Covered California's mission and strategic pillars. Oversees highly complex projects and goals, which impact multiple business areas to ensure the accuracy of consumer eligibility and enrollment information between the California Healthcare Eligibility, Enrollment and Retention Systems (CalHEERS) and the qualified health/dental plans' systems. Provides strategic direction and oversight of the user acceptance testing (UAT) process by testing the CalHEERS enhancements prior to implementation and resolves critical issues which may negatively impact consumer enrollment. Directs post-implementation reviews of the CalHEERS system functionalities to improve policies for operational efficiencies and program compliance. Establishes effective partnerships with internal and external stakeholders.

Enterprise Risk Management (ERM): Provides strategic direction over Covered California's ERM policies. Develops, improves, and provides guidance on risk management policies and procedures to support Covered California's mission and strategic pillars. Collaborates with divisional Directors and DDs to identify, assess, and monitor organizational risks. Ensures risk information is effectively and timely communicated across the organization and serves as an escalation point for risk management activities. Ensures compliance with the State Leadership Accountability Act (SLAA) internal control assessment, biennial reporting to the Department of Finance (DOF), and ongoing monitoring requirements. Establishes effective partnerships with internal stakeholders.

Integrated Fraud Management: Provides strategic direction over Covered California's fraud management policies and procedures on early detection and prevention of fraud, waste, and abuse activities. Improves associated policies surrounding the consumer protection and fraud management program framework and data analytics. Directs strategy and guidance to effectively collaborate with internal and external stakeholders to align priorities on fraud management activities (e.g., program areas within Covered California, the California Department of Health Services, California Department of Insurance, health insurance carriers, etc.).

CC: Formulates consumer experience policy initiatives with an enterprise-wide, multidivisional organizational focus on serving California's diverse communities and building consumer loyalty. Objectively measures the success of the consumers' experience by establishing and refining key performance indicators (e.g., for self-service, assisted enrollment channels, etc.). Directs and reviews independent internal and external research for industry best practices to inform Covered California policy work and operations. Establishes and maintains deep department-wide relationships and create cross functional policies to facilitate a consistent and connected experience for Covered California consumers.

Personnel Management: Recruits, selects, mentors, trains, develops, assigns work, and evaluates performance of subordinate managers and at a very-high level, as needed, for staff in the three PID branches: CC, EFRR, and REM. Meets regularly with subordinate staff regarding performance, individual developmental needs, and career aspirations. Approves training requests, time off requests, monthly time sheets, and travel expense claims. Prepares probationary reports and annual appraisals as required and makes recommendations regarding corrective disciplinary action as necessary. Assigns work and project priorities, monitors progress, adjusts priorities, redistributes workload and/or secures extensions as needed to meet established deadlines. Institutes tracking systems to monitor divisional performance goals, special projects, and provides regular reports and updates to Covered California's Leadership Team.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The mission of Covered California is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

PID identifies opportunities to help internal and external partners continuously improve Covered California's consumer-focused operations. The Division encourages accountability, transparency, effectiveness, efficiency, and risk management by independently analyzing key business areas to help ensure compliance with federal and state laws, regulations, and policies. By ensuring federal and state compliance, confirming the accuracy of enrollee information, and by maintaining the integrity of the on-line enrollment system, CalHEERS, utilized by millions of consumers, PID directly supports Covered California's mission and strategic pillars.

Further, PID supports Covered California's goals, strategic pillars, and initiatives through:

- Managing, monitoring, and overseeing all data integrity initiatives to preserve data consistency and accuracy within the core systems of CalHEERS and with external entities.
- Improving data accuracy and reliability to support Covered California as a data-driven/evidence-based organization for its policy advancements, operational improvements, and strategic vision.
- Managing and overseeing the UAT process by testing CalHEERS enhancements prior to implementation and resolving critical issues which may negatively impact consumers when they apply for and enroll in a Covered California plan.
- Conducting post-implementation review of the CalHEERS system functionalities to improve operational efficiencies and program compliance.
- Overseeing and monitoring an enterprise-wide risk management reporting process to assist all divisions in their risk analysis and evaluation of organizational operations, internal controls, policies, and procedures.
- Establishing safeguards by monitoring and overseeing an integrated and enterprise-wide fraud, waste, and abuse management program, which requires collaboration and partnership with various internal and external entities.
- Improving compliance with federal and state regulations and mandates.
- Understanding consumer experience at every stage of the consumer journey and formulating policies to enhance or create a positive consumer experience.
- Establishing and maintaining department-wide relationships to partner in creating cross functional policies to facilitate a consistent and connected experience for Covered California consumers.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Presently, PID is comprised of four branches: CC, EFRR, REM, and Office of Audit Services (OAS). Since the establishment of the DD, PID, CEA Level A, on April 1, 2020, PID has experienced an increase in policy responsibilities which involve compliance with federal and state mandates, and supporting Covered California's mission and strategic pillars. Examples of these responsibilities are as follows:

1. Payment Integrity Information Act (PIIA): In compliance with the PIIA of 2019, the Centers for Medicare and Medicaid Services (CMS) implemented the Improper Payment Pre-Testing and Assessment (IPPTA) program. On April 17, 2023, CMS finalized standards for issuers and Marketplaces that help consumers with enrollment through Marketplaces. The IPPTA program requires Covered California to participate in pre-audit activities that will prepare State Marketplaces for complying with the audits required under PIIA. Over the past few years, Covered California implemented a new program, State Exchange Improper Payment Measurement (SEIPM), to be in compliance with PIIA. With the enactment of the Final Rule, the Department determined that SEIPM only meets some of the federal requirements under the new IPPTA program. Executive leadership and strategic oversight are necessary to oversee the SEIPM project to review methodologies used to validate proposed federal criteria that will be applied to defined sampling scenarios. Further, policy must be developed to ensure agency-wide coordination of the SEIPM review process and implementation.

2. Redirection of CC: In 2018, the Director, Consumer Experience, CEA Level B (presently known as Director, CC) was established to oversee the newly created Consumer Experience Division (presently known as the CC Team). This division was critical to Covered California's mission and strategic initiatives by elevating and centralizing policy formulation directed at enhancing and improving the experience of its consumers. In April 2022, the Director, CC, position was vacated, leaving the CC Team without leadership. Executive leadership determined it was important to keep the CC Team intact and redirected the Team to PID, which similarly encourages accountability, transparency, effectiveness, efficiency, and risk management by independently reviewing key business areas to help ensure compliance with federal and state laws, regulations, and policies. As of May 2022, the Director, PID, has direct oversight of the CC Team and its sensitive and complex policy responsibilities.

3. Increased Reporting of Potential Fraud: Over the past few years, health insurance carriers have reported a noticeable increase in activities related to fraud, waste, and abuse. Examples of potential fraud include the need to verify enrollment or confirm eligibility as the carrier identified an issue with an address; or a certified insurance agent demonstrated behavior which is not in compliance with their Covered California agreement and/or state and federal laws and regulations. It is critical that the Department consistently improves their policies to become more efficient and effective in early detection, prevention, and monitoring of potential fraud. New policies continue to be created to identify casework which needs to be closely monitored, and to proactively search/watch for suspicious activities and fraud trends. If new policies are not developed or existing policies are not updated to manage fraud, waste, and abuse, it may result in the inappropriate use of state and federal funds and ultimately affect the affordability of premiums for the consumer.

Moreover, on August 29, 2022, DOF issued Audit Memo 23-02, to state entities. The Audit Memo outlined the following requirements: 1) to comply with audit standards in accordance with Government Code 13886.5; 2) maintain structural independence; and 3) obtain periodic peer reviews. Specifically, DOF clarified state entity audit organizations must maintain structural independence in compliance with internal audit standards and/or government auditing standards, as applicable. Further, DOF states "independence impairments" for those following applicable audit standards "may diminish the credibility, functionality, and usefulness of the audit activities within the state entity and the ability to place reliance on the results of the audit activities performed."

Based on PID's increased policy responsibilities and the mandatory compliance with the DOF Audit Memo, Covered California is proposing to restructure PID. To comply with DOF's audit directive and ensure the structural independence of OAS, the current DD, PID (CEA Level A), will be renamed the DD, OAS, and only the OAS branch will remain under the DD, OAS. As the Chief Audit Executive (CAE), the DD, OAS, will report functionally to Covered California's Audit Committee and administratively to the Director, PID. This request for a dedicated DD, OAS, is necessary. If the DD, OAS, has other functional responsibilities broader than internal audit activities, such as risk and fraud management, the audit organization would not be considered independent of these additional activities which are also subject to audit.

The three remaining PID branches (CC, EFRR, and REM) will form the newly restructured PID. The vacant Director, CC (CEA Level B), will be renamed the DD, PID, and redirected from reporting to the General Counsel to the Director, PID. Under the DD's direction, the newly structured PID will provide independent review and program oversight to ensure the accuracy of enrollee data; provide guidance on risk management policies; review the Department's policies and procedures on early detection and prevention of fraud, waste, and abuse activities; and formulate consumer experience policy initiatives with an enterprise-wide, multidivisional organizational focus on serving California's diverse communities and building consumer loyalty.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

PID plays a critical role in Covered California carrying out its mission by independently reviewing key business areas and identifying opportunities to help internal and external stakeholders continuously improve Covered California's consumer-focused operations. Through this work, PID supports Covered California's ability to remain transparent, innovative, efficient, and in compliance with state and federal laws and regulations. Examples of areas that the DD, PID, will be the principal policy maker are as follows:

1) Reconciliation of Carrier Data: REM is responsible for ensuring the alignment of Covered California and carrier data. PID continues to identify policies to improve the Department's approach and process with health insurance carriers.

For example, Sections 1401 of the Patient Protection and Affordable Care Act (ACA) established the Advance Premium Tax Credit (APTC) program to lower the monthly premium for eligible individuals. When consumers enroll in a plan through a marketplace, such as Covered California, they are eligible to apply for APTC as part of the purchase process. Covered California calculates the consumer's credit amount, notifies the health insurance carrier, and the carrier automatically applies the credit to the consumer's monthly premium. The health insurance carrier is reimbursed for APTC through CMS. Subsequently, CMS requires Covered California to report the amount of APTC for their consumer population. The Department reconciles their APTC data against the health insurance carriers' data on a monthly basis which totals to approximately \$700 million or about \$8 billion annually. Incorrect data could impact Covered California's consumers not receiving the APTC that they are eligible for, or the health insurance carriers may not receive accurate APTC payment from CMS.

The DD, PID, will provide strategic direction on data integrity initiatives and set organizational policies around the reconciliation process to ensure the accuracy of consumer eligibility and enrollment information between CalHEERS and the health insurance carriers' systems. In addition, the DD, PID, will establish effective partnerships with internal and external stakeholders to ensure Covered California consumers and prospective consumers have a positive experience and have qualified health/dental plans and providers that give them the best value.

2) Policy and Research Initiatives: CC provides ongoing independent research and analysis to assist in developing Covered California's strategic plan to guide the Department in our vision to improve the health of all Californians by assuring their access to affordable, high-quality care.

In the past few years, CC has expanded their policy and research initiatives on a much larger scale extending beyond Covered California to state, federal and private marketplaces. This work seeks to inform both Covered California policy work as well as provide guidance to inform policy for other state-based exchanges and the federal exchange. As an example, CC was tasked with conducting an 18-month study of the choice architecture and decision support tools of other public and private marketplaces. This work was intended to aid policy makers throughout the nation on how to optimize consumer health coverage decisions. Ultimately, the findings were presented to the Chief Executive Officers of all of the state-based exchanges as well as CMS to demonstrate how health plan and benefit design selection would benefit from national evaluation and shared engagement in all marketplaces (public or private, state-based, or federally facilitated).

The DD, PID, will continue to direct and lead similar efforts and establish and maintain deep department-wide relationships and inform cross functional policies to facilitate a consistent and connected experience for Covered California consumers. Without the DD, PID, taking on these initiatives, Covered California would miss the opportunity to formulate and improve policies and processes to enhance or create a positive consumer experience which is one of the Department's strategic pillars.

3) Risk Management: ERM operates as an independent and objective group to ensure Covered California has governance over the Department's risks enterprise wide. The ERM program infrastructure requires all levels of management to actively evaluate, strengthen, monitor, and mitigate all risks within their respective program area.

An example of a mandated program for all state departments is the State Leadership Accountability Act (SLAA). SLAA, which was enacted through GC sections 13400 through 13407, reduces the waste of resources and strengthens internal control. This act requires each state agency to maintain effective systems of internal control, to evaluate and monitor the effectiveness of these controls on an ongoing basis, and to biennially report to the DOF (June 30th and December 31st in odd years) on the adequacy of the agency's systems of internal control. Non-compliance with SLAA could result in the negative consequences such as unfavorable public image causing damage to Covered California's reputation; negative impact to our consumers in their ability to enroll and/or access care; and financial impact to the Department due to operational inefficiencies.

The DD, PID, will be responsible for developing, improving, and providing guidance on risk management policies and processes such as SLAA. The DD, PID, will provide oversight of risk management to ensure effective integration and coordination of all risk management activities. In addition, the DD, PID, will collaborate with divisional Directors and DDs to identify, assess, and monitor organizational risks and ensure risk information is effectively and timely communicated across the organization.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The DD, PID, will have high-level policy development, full decision-making authority, and governance over Covered California's reconciliation of enrollment and membership data; fraud, waste, and abuse prevention activities; and risk management, which are critical to achieving the Covered California's mission and strategic pillars. The DD's decisions will impact departmental programs, external stakeholders (e.g., qualified health/dental plans), Covered California's approximately 1.74 million members, potentially eligible Californians for Covered California programs, and possibly Covered California's reputation and financial independence.

For example, the DD, PID, will play a critical role in the policy development and strategic initiatives to improve the customer journey/experience with Covered California. The DD, PID, will direct policy and research initiatives which extend beyond Covered California to state, federal and private marketplaces. This work seeks to inform both Covered California policy work as well as provide guidance to inform policy for other state-based exchanges and the federal exchange; therefore, setting Covered California as a model state for health benefit exchange.

The DD, PID, will also have decision-making responsibility over highly complex projects and goals, which impact multiple business areas to ensure the accuracy of consumer eligibility and enrollment information between CalHEERS and the qualified health/dental plans' systems. In addition, the DD, PID, will provide strategic direction and oversight of the UAT process by testing CalHEERS enhancements prior to implementation and will make decisions to resolve critical issues which may negatively impact consumer enrollment.

The DD, PID, will provide strategic direction and oversight of Covered California's fraud and risk management policies to support Covered California's mission and strategic pillars. The DD will collaborate with divisional Directors and DDs to identify, assess, and set policy to mitigate risks within their respective program area. The DD, PID, will also make decisions in improving fraud management policies and procedures on early detection and prevention of fraud, waste, and abuse activities by working with internal and external stakeholders to align priorities on fraud management activities.

Further, the DD, PID, will have direct and frequent contact with the Executive Director, the Chief Executive Deputy Directors, Directors, DDs, and external stakeholders. The DD, PID, will serve as a full participating member in Covered California's executive decision-making process in the overall policy development of Covered California.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

As Covered California is still a developing organization, the DD, PID, will develop and implement new policies, as well as interpret and implement existing policies which directly impact the following PID areas: CC, EFRR, and REM.

PID plays a critical role in Covered California carrying out its mission by independently reviewing key business areas and identifying opportunities to help internal and external stakeholders continuously improve Covered California's consumer-focused operations. New policies typically originate from federal and state laws and regulations, and changes in Covered California programs and/or their business needs. The DD, PID, will work with Covered California's Executive Leadership Team, departmental programs, and internal and external stakeholders, to develop and implement policies that will fulfill Covered California's goals, strategic pillars, and initiatives.

Furthermore, the DD, PID, will review and revise existing departmental policies to continuously improve Covered California's consumer-focused operations; identify, assess, and monitor organizational risks; and improve the consumer protection and fraud management program framework and data analytics.