

August 1, 2011

Board Members

The California Health Benefits Exchange
c/o Diana Dooley
California Health and Human Services Agency
1600 9th Street, Room 460
Sacramento, CA 95814

Dear California Health Benefits Exchange Board Members,

The Lucile Packard Foundation for Children's Health is pleased to note California's emergence as a leader among the states by its creation of the California Health Benefit Exchange just six months after passage of the Affordable Care Act.

As you may know, our foundation focuses on improving the system of care for children with special health care needs. In these early stages of Exchange development, we would like to draw your attention to the challenges faced by this population of children and their families, and offer the foundation's assistance in ensuring that Exchange products are designed to optimize health outcomes for these children.

Our foundation already has invested substantial resources in efforts to build a better system of care for California's children with special health care needs, including providing financial support for the development of the California Children's Services section of the 1115 Medicaid Waiver. Our goal is that all children with special needs, whatever their form of insurance, have access to the care they need, when and where they need it.

One in seven children in California has a special health care need, and 42 percent have complex needs requiring at least five types of health services. As part of our work, the foundation commissioned an analysis of federal survey data on how these children are faring on a range of indicators. The startling conclusion was that our state ranks *last in the nation* on a minimum quality of care index for children with special health care needs. The index assessed whether children with special needs have adequate health insurance, receive basic preventive care, and receive medical care that is comprehensive, ongoing and family-centered. The analysis, published in November 2010, also documented that children in California fare poorly in comparison to other states on many other key indicators.

These findings highlight how essential it is for our state to address the quality of care provided for these children, particularly the low-to-middle income children who will receive their coverage through the Exchange. On many of our study's indicators, the economic disparities are stark.

We appreciate the Exchange Board's commitment to meeting with key constituencies. As you set up stakeholder meetings, we want to ensure that organizations focused on the needs of children with complex and chronic conditions and their families are included.

We, of course, are aware of the enormous budget pressures the state and the nation currently face. However, we believe that the Exchange should establish a model that can benefit children with special health care needs and their families in a cost-effective manner long after these crises have been resolved.

Thank you for your role in providing health care for the uninsured in California. We will be in touch to discuss how the foundation can be most helpful as you proceed.

A handwritten signature in blue ink, appearing to read 'D. Alexander', with a stylized flourish at the end.

David Alexander, MD
President and CEO

Cc: Patricia Powers