QHP New Entrant Certification Application for Plan Year 2016
December 22, 2014

QUALIFIED HEALTH PLAN
NEW ENTRANT CERTIFICATION APPLICATION
FOR PLAN YEAR 2016

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Purpose of Webinar

- This webinar is a forum to gather public comment and questions on proposed policies related to new entrants to the California Exchange in plan year 2016, and the on the new entrant certification application document.

- Covered California proposed a set of certification and recertification policies to its Board for discussion on December 15, 2014, and today's webinar is based on those proposed policies. They have not been finalized, pending this review and others.

- The Covered California Board will make its final decision on certification and recertification policies, and accompanying application documents, at its regular meeting on Thursday, January 15, 2015.

- Application decisions are proceeding in tandem with standard benefit plan design decisions, but this webinar will not address standard benefit plan design.

- Regulations for certification, recertification, and standard benefit design will be drafted based on January 15, 2015 Board decisions, and filed in early 2015 for plan year 2016.

Logistics

- Today's meeting is being recorded and posted on the Covered California website, where the public will have access to it.

- Draft applications and webinar recording posted here: http://hbex.coveredca.com/stakeholders/plan-management/

DRAFT Proposed Recertification/Certification Timeline for Plan Year 2016	
ACTIVITY	**PLAN YEAR 2016 DATE**
Stakeholder review of proposed policies and draft certification/recertification applications	**DECEMBER 2014 – JANUARY 2015**
December Board meeting: • Board reviews written draft certification and recertification policies and documents • Standard benefit designs concurrently reviewed	**DECEMBER 15, 2014**
January Board meeting: • Board adopts recertification regulations • Board approves New Entrant and Recertification QHP & QDP final applications • Board adopts 2016 Standard Benefit Plan Designs	**JANUARY 15, 2015**
Post regulations on Covered California website (following Office of Administrative Law approval) Submission of non-binding Letter of Intent Includes final applications and Standard Benefit Plan Designs*	**JANUARY 2015 - FEBRUARY 2015**
Applications due: New Entrant and Recertification QHPs and Qualified Dental Plans – all to include 2016 proposed rates and networks	**MAY 1, 2015**
Evaluation of New Entrant and Recertification QHPs and Qualified Dental Plan Applications and data (rates, networks, quality, contract compliance, reporting, analytics, enrollment)	**MAY 1 - JUNE 30, 2015**
Regulatory Review (rate and non-rate)	**JUNE 1 - SEPTEMBER 30, 2015**
Negotiations with Recert Applicants / New Entrant Applicants by Covered California	**JULY 1 - JULY 31, 2015**
Contingent QHP & QDP Recertification and New Entrant Certification complete (subject to regulatory review)	**AUGUST 1, 2015**
Open Enrollment Period for 2016 Plan Year*	**OCTOBER 1, 2015**
*Tentative time frame	

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Steps in the Process

- Application policies and documents approved by Board

- Regulations including applications submitted to Office of Administrative Law by Covered CA

- Upon OAL approval of regulations, applications posted on Covered CA website

- Nonbinding letter of intent from applicant issuers submitted to Covered CA – basis for login credentials for application - confidential

- Webinar-based review of application process and tools, including benefit design, with applicants - confidential

- Applicants apply for certification or recertification using an automated platform for the main body of the application, and SERFF for administrative information, rates, networks, service areas, and plan design.

- Covered CA evaluates applications and holds negotiations with issuers

- Covered CA certifies plans from new and recertifying issuers on contingent basis, subject to regulatory review and approval

- Final certification and public announcement

- Execution of contract with Covered CA

QUESTIONS

Policy Background

- Covered California's policy adopted by the board in 2012 was to not allow new entrants for 2015 and 2016 with the exception of Medi-Cal Managed Care Plans

    - Eligible bidders were limited to QHPs selected in 2014
    - Service area expansions were allowed for QHPs selected for offer in 2014

- For the 2015 plan year, Covered California updated the policy to allow for new entrant consideration limited to Medi-Cal Managed Care Plans <u>and</u> plans newly licensed since August 2012

Proposal

- For 2016, Covered California would consider new entrants previously in the individual market, in specified regions, in which any part of that region has less than 3 carriers as an option for consumers ("new entrant" carriers)

- Covered California will actively encourage existing QHPs to expand their service areas to areas that do not offer at least three carriers

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Proposal *(continued from previous slide)*

- As an active purchaser, Covered California will make final decisions for participation of Medi-Cal carriers, newly licensed carriers, "new entrant" carriers, and current contracted carriers seeking to expand into new regions based on the following:

  - For newly licensed and new entrant carriers, preference will be given to carriers proposing to provide coverage in those portions of identified regions where less than 3 carriers are an option for consumers

  - Covered California will give first consideration to 2015 contracted QHPs who propose to expand to the same counties/regions where there are less than three carriers -- before accepting new entrants in those regions

- Covered California will consider, in its selection of any plans (new or expanding), the increase in consumer choice related to provider network, product offered, enrollment projections, the plan's administrative capacity and price

- Alternatively, Covered California could adopt a policy consistent with 2015: no new carrier entry allowed unless the new entrant is a Medi-Cal Managed Care Plan or newly licensed plan since August 2012

AREAS WHERE CONSUMERS HAVE FEWER THAN THREE PLAN OPTIONS

Seven regions, reflecting about 23% of Covered California's total enrollment, have portions of the region (zip codes or counties) where 10% of consumers have the option of only one or two carriers.

Region	Name	Plan Count	# Counties 1 Plan*	# Counties 2 Plans*	Counties	Members (Nov -14)	% of Total Members	# Members in 1-2 Plan Zips	% of Total in 1 - 2 Plan Zips
1	N. Cal	3	22	21	many	42,492	4%	42,492	4%
3	El Dorado Placer Yolo, Sac	5		2	El Dorado, Placer	57,110	5%	3,202	0%
6	Alameda	3		1	Alameda	52,330	5%	14,039	1%
9	Monterey San Benito Santa Cruz	3	2	2	Monterey, San Benito, Santa Cruz	27,726	2%	15,075	1%
11	Madera Kings Fresno	3		3	Fresno, Kings, Madera	22,249	2%	2,324	0%
12	SLO Santa Barbara Ventura	3		3	SLO, Santa Barbara, Ventura	50,374	4%	26,445	2%
13	Imperial Inyo Mono	3		3	Imperial, Inyo, Mono	5,107	0%	5,107	0%
Total for Regions 1,3,6,9,11,12,13						**257,388**	**23%**	**108,684**	**10%**
Total for Regions 1-19						**1,123,857**			

partial counties (certain zip codes)

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ADDITIONAL PROPOSED POLICIES FOR 2016 CERTIFICATION AND RECERTIFICATION - INDIVIDUAL

New Entrant Applications
- Applicants who qualify (based on final approved criteria) would complete the New Entrant Certification Application for Plan Year 2016

Recertification Applications
- QHPs certified for 2015 would complete the Recertification Application for Plan Year 2016

Benefit Designs
- 2016 benefit designs would apply to all participating plans
- Carriers in the Individual Exchange would not be permitted to offer alternate benefit designs
- Carriers in the SHOP Exchange would be allowed to submit alternate benefit designs

Product Changes (e.g., from PPO to HMO)
- Product changes for current QHPs would be considered applying the following factors: increase in consumer choice related to provider network, product offered, enrollment projections, the plan's administrative capacity and price

Network Changes
- Expansion of networks would be considered and expressly encouraged in some regions

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ADDITIONAL PROPOSED POLICIES FOR 2016 CERTIFICATION AND RECERTIFICATION - DENTAL

New Entrant Applications
- **No new entrant applications accepted for Plan Year 2016**

Recertification Applications
- **QDPs certified for 2015 would complete the Qualified Dental Plan Issuer Recertification Application for Plan Year 2016**

Benefit Designs
- **No changes to standard benefit designs**

Product Changes (e.g., from DPPO to DHMO)
- **Product changes will be considered**

Network Changes
- **Expansion of networks will be considered**

QUESTIONS

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 1 – General Information and Background

Provides background and context for application

- 1.3   Sets out values and philosophy by which the Exchange operates.

- 1.4   Describes guidelines for evaluation and selection of proposed plans.

- 1.5   Notes that Applicant must be available as soon as contingently certified, and must be able to accept enrollment in October 2015 for 2016 plan year.

- 1.6 and 1.10 Recap key dates and steps in application process.

REVIEW OF NEW ENTRANT APPLICATION
Section 2 – Licensed and in Good Standing

- 2.1   Requires Applicant to hold needed licenses and certificates and to be in good standing with all regulatory authorities. Covered California determines what constitutes a material violation for the purposes of maintaining good standing, but regulatory agencies have primary responsibility for regulatory review.

- 2.3   Requires Applicant to notify Covered California of any material modifications to existing licenses or certificates, and requires continuous updates to Attachment A noting applicant's regulatory filings. Requires Applicant to submit results of regulatory audits or reviews to Covered California.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 3 – Applicant Health Plan Proposal
Sets out requirements for submitting a health plan proposal

- Applicant must submit plan proposal adhering to the 2016 Standard Benefit Plan Designs; proposal must include all four metal tiers, and (for Individual) a catastrophic plan, in all rating regions. Must cover entire licensed geographic service area.

- Bronze HSA-eligible plan may be proposed in addition to standard plan designs on Individual Exchange; Bronze and Silver HSA-eligible plan designs may be proposed on SHOP.

- Encourages inclusion of all 10 Essential Health Benefits.

- Formulary information is required, including listing by Covered California required tiers and definitions for and criteria used in categorizing into tiers.

- Provides requirements for submission of preliminary rate proposals.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 4 – Provider Network

All data requested relates to providers and networks available to Covered CA enrollees

- 4.1 Requires enrollment projections for 2016, consistent with those filed with regulator

- 4.2 Description of network strategy

- 4.3 Description of provider contracting strategy

- 4.4 Requirement to submit provider network data with application response

- 4.5 Certification that networks are adequate; notes that regulatory agency will evaluate adequacy and Covered California will verify

REVIEW OF NEW ENTRANT APPLICATION
Section 4 – Provider Network

All data requested relates to providers and networks available to Covered California enrollees

- 4.6 HEDIS-defined board certification information for physicians, including specialists

- 4.7 Centers of Excellence information

- 4.8 Provider contracting transparency

- 4.9-4.11 Provider terminations

- 4.14 Requires information on network development, tiering, consumer access to providers

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 4 – Provider Network

All data requested relates to providers and networks available to Covered California enrollees

- 4.15 Requires certified QHP to make specific quality information available for public use

- 4.16-4.17 Requires information on quality improvement, access and care coordination, and delivery system reform

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 5 – Essential Community Providers

- Sets out requirements for geographic sufficiency of Applicant's Essential Community Provider (ECP) network.

- Provides information on categories of ECPs.

- Describes Covered California analysis and evaluation of ECP networks.

- Provides alternate standard option.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 6 – Operational Readiness & Capacity; Technical Requirements

- 6.1- 6.3 Requires information on issuer capabilities and barriers to serving Covered California consumers, including key personnel on issuer team, member services abilities, and disclosure of non-network costs.

- 6.4 Sets out technical and process requirements for interfacing with Covered California enrollment and payment systems, including guidelines for the required use of SERFF; sets out performance measures for customer service, operations, and quality of care.

- 6.4.1.15-16 Requires compliance with privacy laws and regulations and appropriate treatment of Protected Health Information and Personally Identifiable Information.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 6 – Operational Readiness & Capacity; Technical Requirements

- 6.4.2 Sets out required financial interface capabilities, including premium payment systems and transactional capability, to accept and reconcile initial and ongoing payments.

- 6.4.2.4 Documentation requirements related to per member-per month assessments.

- 6.5 Implementation performance requirements, including business and clinical aspects of transitioning enrollees into Covered California.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 6 – Operational Readiness & Capacity; Technical Requirements

- 6.6 Fraud, Waste, and Abuse prevention, detection and reporting

- 6.6.6.12 Confirmation required that Applicant will agree to audits by Covered California or others for premium rate setting, agent payment, APTC amounts, or participation fees.

- 6.7 Requires description of enrollment processes, including how Applicant works with agents, small businesses, and internal plan based enrollers.

- 6.8 Describes Applicant responsibilities in developing and conducting Exchange-specific marketing, and collaborating with Covered California's marketing efforts, including adhering to Covered California marketing guidelines, cobranding rules, and plan naming conventions.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 7 – Quality and Delivery System Reform

- Requires current accreditation or interim survey

- 7.1 Collects details on accreditation status

- 7.2 Requires the completion of eValue8™ as described in Section 8

- 7.3 Sets out information requirements for description of Applicant Quality Improvement Strategy, including describing past or current initiatives and results of two recent initiatives.

- 7.4 Requests Medical Management information related to physician report cards, consumer access to physician performance information, Nurse Advice Line availability, health information resource availability, and patient safety improvement initiatives.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 7 – Quality and Delivery System Reform

- 7.5 Requires information about behavioral health services.

- 7.6 Requests information related to Applicant's ability to collect and use individual enrollee health status and behaviors information to manage health conditions, including description of use of health assessment (HA) tool and its use in care.

- 7.7 Requires description of approaches to integrated health care delivery, including sources of practice guidelines, requirements by issuer for contracted hospitals to report National Quality Forum consensus measures, and capability to measure impact on Exchange enrollees.

- 7.8 Requires description of capacity to plan, implement and evaluate quality and cost innovations for Exchange enrollees. Notes Applicant obligation to provide claims and encounter data to third party clinical analytics vendor.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 8 – eValue8™ Submission

- Detailed eValue8™ Request For Information.

REVIEW OF QHP NEW ENTRANT APPLICATION
Section 9 – SHOP Supplemental Application

- Requires issuer contact information for SHOP Applicants

- Notes that alternative benefit design proposals will be allowed, in addition to the required standard benefit design plans, and required format for submission

- Requirements for rate proposal submission

- Requests information on SHOP-specific member incentives

Please submit questions and comments to
QHP@covered.ca.gov