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Chairperson Diana Dooley and Board Members  
Covered California  
560 J Street, Suite 270  
Sacramento, CA 95814

VIA ELECTRONIC MAIL:  
[ddooley@chhs.ca.gov](mailto:ddooley@chhs.ca.gov)

**Re: Pediatric Dental Benefits and Out-of-Pocket Maximus**

Dear Chairperson Dooley and Covered California Board Members:

The California Association of Health Plans (“CAHP”) represents 40 public and private health care service plans that collectively provide coverage to over 21 million Californians. We write today on behalf of the Qualified Health Plans (QHPs) that will offer coverage through Covered California.

During the June 20, 2013 Covered California Board meeting many concerns were raised about the pediatric dental benefit. It was suggested that the Covered California Board re-visit the decision to allow QHP products in the Exchange that do not include the pediatric dental benefit, which are commonly referred to as “9.5 products.”

CAHP and our member plans are extremely concerned with a change in policy at this late date that would eliminate 9.5 products in the Exchange or change the structure of the out-of-pocket maximums (OOPMs). Requiring the embedding of all pediatric dental in 2014 is not feasible at this late date and would be opposed by the QHPs.

Embedding the pediatric dental benefit would require that the pediatric dental benefit be offered in the exact same manner as all other medical benefits, with a single premium, and coordination of all cost sharing, including a single out-of-pocket maximum. This is distinct from the bundling option that QHPs were given where the medical benefit could be paired with a stand-alone dental plan in order to offer all 10 Essential Health Benefits (EHBs), and embedding causes several major operational concerns that are further outlined below.

To embed dental plans, all but one standard plan designs would have to be restructured to absorb the pediatric dental out of pocket limit. A requirement that plans embed the pediatric dental benefit would require increasing other cost-sharing in the standard plans, which would force the QHPs to re-price and re-file all the Exchange products. With a product change this extensive, it is not clear that plans would be ready in time for the October 1 open enrollment.

Additionally, any changes to OOPM policies related to stand-alone dental products are not supported by QHPs at this late date. Health plans are currently unable to cross accumulate out of pocket expenses with bundled dental plan partners and such a requirement would require major and costly systems changes that would not be completed in time for an October 1<sup>st</sup> launch date.

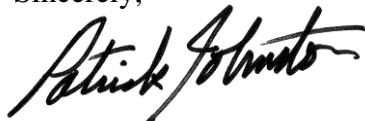
We would respectfully suggest that if Covered California wishes to require purchase of pediatric dental before consumer logs out of the CalHEERS system, then a simple solution could be to change that function in the enrollment system. If an enrollee selects a 9.5 product they can be instructed to select a stand-alone dental plan in order to purchase all 10 EHBs and complete the enrollment process. We do not believe that it is necessary to require all QHPs to embed the pediatric dental benefit and in fact, doing so could prove very problematic.

CAHP held a call with the Center for Consumer Information and Insurance Oversight (CCIIO) on July 2, 2013. On that call CCIIO confirmed that health plans can offer bundled products outside the exchange with the stand-alone dental out-of-pocket-max (OOPM) set at \$1,000 and the medical OOPM set at \$6,350; for a total OOPM of \$7,350. This is consistent with the QHP solicitation requirements, where a 9.5 product can be offered and bundled, or otherwise purchased in conjunction, with a stand-alone dental plan. Therefore, QHPs have developed products for Covered California that reflect this design and these products have already been bid and filed with the regulator and it is too late to make changes that would impact rates and product filings.

It is our understanding that CCIIO communicated this policy clarification to the Department of Managed Health Care, the California Department of Insurance, the California Health and Human Service Agency, and Covered California staff on July 3, 2013. This policy clarification from CCIIO resolves a regulatory problem with the outside exchange products and eliminates the need for Covered California to revise its pediatric dental policy in order to provide parity for products in and out of the Exchange. Any changes at this point in time could seriously jeopardize the implementation timeline of Covered California.

In summary, we urge the board to consider solutions to the concerns of advocates that do not require product or cost sharing changes for QHPs at this late. Doing so will engender opposition from QHPs because it would be incredibly disruptive and could endanger open enrollment. If there are other options that you believe the plans should consider we would be happy to facilitate such a discussion and provide feedback to the Board. We appreciate your consideration of the issues outlined in this letter and look forward to continuing to partner with Covered California.

Sincerely,



Patrick Johnston  
President & CEO

cc: Peter Lee, Executive Director, Covered California  
Teri Boughton, Assembly Health Committee  
Melanie Moreno, Senate Health Committee  
Diane Van Maren, Office of the President Pro Tempore of the Senate  
Agnes Lee, Office of the Speaker of the Assembly  
Joe Parra, Senate Republican Caucus  
Peter Anderson, Assembly Republican Caucus