



COVERED
CALIFORNIA

PLAN MANAGEMENT ADVISORY GROUP

June 8, 2017

WELCOME AND AGENDA REVIEW

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP

AGENDA

AGENDA

Plan Management and Delivery System Reform Advisory Group
Meeting and Webinar
Thursday, June 8 , 2017, 10:30 a.m. to 12:00 p.m.

Webinar link: <https://attendee.gotowebinar.com/register/9182933478665311746>

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|------|---|-------------------------|
| I. | Welcome and Agenda Review | 10:30 - 10:35 (5 min.) |
| II. | Cost Sharing Reduction Payment Contingency Planning | 10:35 – 11:05 (30 min.) |
| III. | Federal, State and Covered California Timeline Review | 11:05 – 11:30 (25 min.) |
| IV. | Future Topics | 11:30 – 11:50 (20 min.) |
| V. | Open Forum and Next Steps | 11:50 – 12:00 (10 min.) |

COST SHARING REDUCTION PAYMENT CONTINGENCY PLANNING

PETER LEE, EXECUTIVE DIRECTOR
COVERED CALIFORNIA

COST SHARING REDUCTION PAYMENT CONTINGENCY PLAN

Background

- The Affordable Care Act includes two types of financial support for those who qualify: monthly premium support (Advanced Premium Tax Credit or APTC) and Cost Sharing Reductions (CSRs) available only to Silver Plan members when they seek care.
- Right now the Trump administration has only committed to funding CSRs through the month of May 2017 with no guarantee it will continue. This subsidy is worth approximately \$750 million to our contracting health plans.
- Because Covered California is currently negotiating premium rates for the entire 2018 plan year, and premiums cannot change mid-year, a solution that takes into account the potential for non-payment of CSRs is needed to mitigate uncertainty.

Proposal

- Covered California issuers submit a second set of rates they would charge if the CSR program is not funded, by loading the rate increase attributable to the CSR program on the standard Silver Qualified Health Plan (QHP), including the mirrored Silver Qualified Health Plan sold off-exchange.
- In addition, as a condition of participation in Covered California, staff will seek Board approval to amend its contracts with issuers to require them to offer an additional, separately rated, non-mirrored Silver plan outside of Covered California that is virtually identical to the Covered California Patient-Centered Benefit Design if the CSR program is not funded.

COST SHARING REDUCTION PAYMENT CONTINGENCY PLAN

Rationale and Strategy for Proposal

- Loading CSR costs onto Silver plans has a very different effect for the APTC recipients than for the non-APTC recipients.
 - For APTC recipients, the amount spent on premiums is a % of income based on the second lowest Silver plan in their rating region, no matter how much the premium costs. If premiums go up due to CSRs being “loaded” (i.e. built into) the cost of the Silver QHP, the consumer should be insulated from this additional cost.
 - Those under 250% Federal Poverty Level (FPL) will still get the benefit of Cost Sharing Reductions, even if they are not funded by the federal government.
 - The non-APTC population will pay the entire cost of the premium, so loading the CSR onto the premium for the silver QHP drives up their premiums by ~17%.
(http://www.coveredca.com/news/pdfs/CoveredCA_Consequences_of_Terminating_CSR.pdf)
- Covered California will actively encourage its enrollment that is non-APTC eligible to move off-exchange to the new (nearly identical) Silver product, and will continue working with issuers to conduct outreach to the estimated 360,000 Californians in the individual market who are APTC eligible but have not signed up with Covered California. Because of mirror product pricing, consumers in mirror off-exchange Silver will experience large price increases and will be encouraged by every method possible to sign up for the new Silver product as well.

CONTRACT LANGUAGE FOR JUNE BOARD MEETING

- **3.2.2 Standard Benefit Designs and Off-Exchange Silver Plan**
- a) During the term of this Agreement, Contractor shall offer the QHPs identified in Attachment 1 and provide the benefits and services at the cost-sharing and actuarial cost levels described in the Benefit Plan Design summarized at Attachment 2 (“Benefit Plan Designs”), and as may be amended from time to time under applicable laws, rules and regulations or as otherwise authorized under this Agreement.
- b) During the term of this Agreement, for any plan year that the cost of the cost-sharing reduction program is built into the premium for Contractor’s Silver-level QHPs, Contractor shall offer a non-mirrored, Silver-level plan, that is not a QHP, outside of Covered California that complies with the benefits and services at the cost-sharing and actuarial cost level described in the plan design at Attachment 3 (“Off-Exchange, Non-Mirrored Silver Plan Design”). This plan must not have any rate increase or cost attributable to the cost of the cost-sharing reduction program.

3.2.3 Offerings Outside of the Exchange

- a) Contractor acknowledges and agrees that as required under State and Federal law, QHPs and substantially similar plans that are identical in benefits, service area and cost sharing structure offered by Contractor outside the Exchange must be offered at the same premium rate whether offered inside the Exchange or outside the Exchange directly from the issuer or through an Agent.

Link to current 2017-2019 Individual QHP contract (bottom right of page): <http://hbex.coveredca.com/insurance-companies/>

COST SHARING REDUCTION PAYMENT CONTINGENCY PLAN

Covered California seeks comment on:

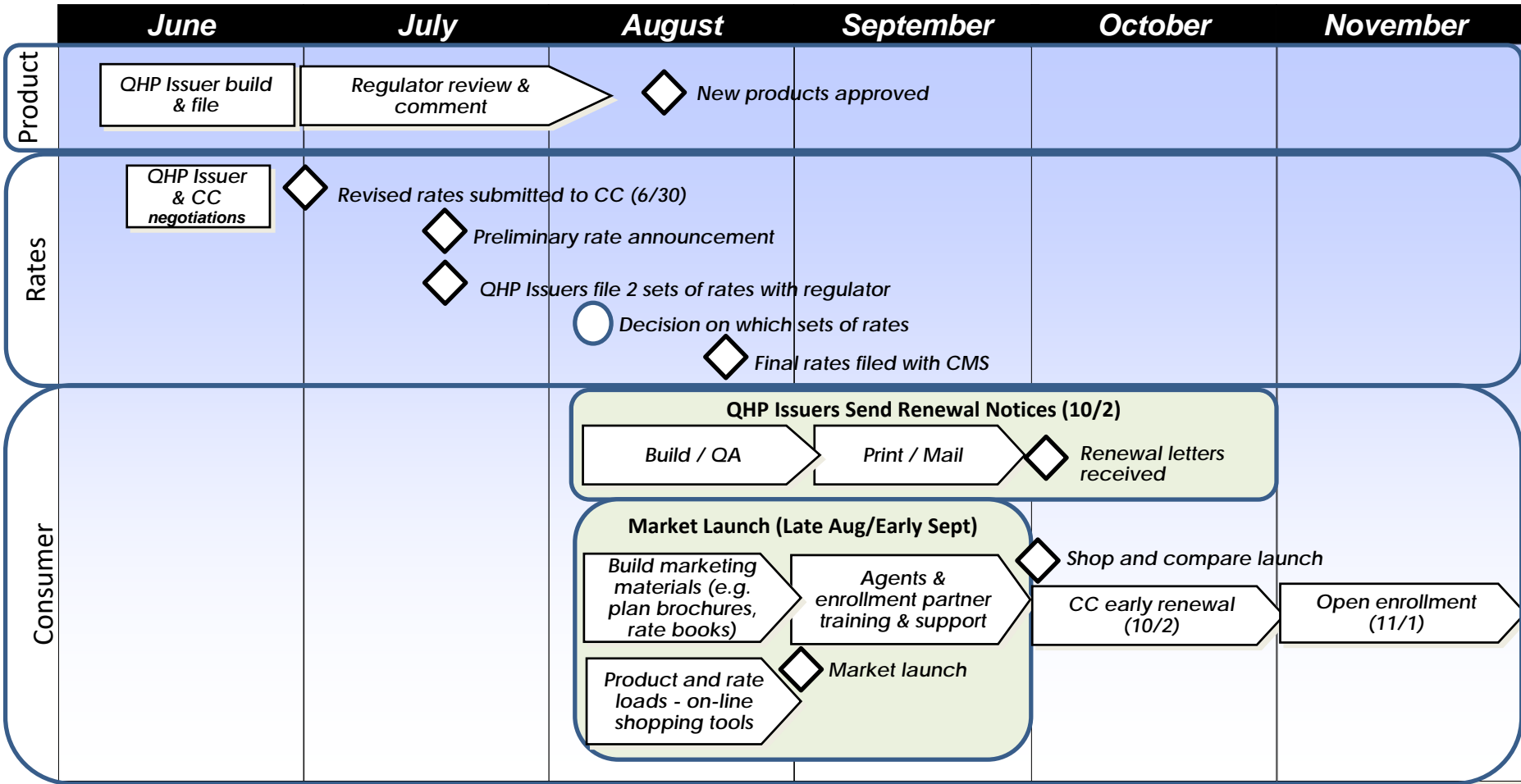
An additional, separately rated, non-mirrored Silver plan:

- Covered California proposes using the same cost-sharing for all services as the standard Silver 70 plan, with one difference:
 - Emergency medical transportation increase from \$250 to \$255 copay after deductible

Implementation details:

- Plan naming conventions
- Target date for deciding which set of premiums to use (consider interactions with public comment period)
- Consumer communications for Covered California and off-exchange mirror members
 - Renewal notices
 - Marketing materials
 - Agents/outreach partner materials
- Other considerations
 - Auto enrollment of non-APTC Silver consumers into near identical off-exchange plan
 - Educating consumers about the impact of switching from Silver to other metal tiers

SAMPLE QHP ISSUER OPEN ENROLLMENT READINESS / TIMEFRAMES



FEDERAL, STATE AND COVERED CALIFORNIA TIMELINE REVIEW

JAMES DEBENEDETTI, DIRECTOR
PLAN MANAGEMENT DIVISION
SHEENA NASH, DEPUTY DIRECTOR
EXTERNAL AFFAIRS AND GOVERNMENT RELATIONS
JASON BURELL, POLICY SPECIALIST
POLICY, EVALUATION AND RESEARCH

2017 TIMELINES

	Covered California Timeline (Proposed)	Federal Regulation Anticipated Timeline	California Legislative Timeline
6/2017	<ul style="list-style-type: none"> QHP Issuer and QDP Issuer Negotiations June Board Meeting 		<ul style="list-style-type: none"> Last day to pass bill out of house of origin (6/2)
7/2017	<ul style="list-style-type: none"> QHP Preliminary Rates Announcement and public posting Regulatory Rate Review Begins (QHP Individual Marketplace) CCSB QHP Rates Due 		<ul style="list-style-type: none"> Last day for policy committees to meet (7/14 – last day for fiscal bills)
8/2017	<ul style="list-style-type: none"> QDP Rates Announcement (no regulatory rate review) 		
9/2017	<ul style="list-style-type: none"> Start of 2019 benefit design process 	<ul style="list-style-type: none"> Proposed Benefit & Payment Parameters for Plan Year 2019 	<ul style="list-style-type: none"> Last day to amend bills on the floor (9/8) Last day of the 2017 Regular Session (9/15)
10/2017	<ul style="list-style-type: none"> Public posting of final rates 		<ul style="list-style-type: none"> Last day for Governor to sign or veto bills (10/15)
12/2017	<ul style="list-style-type: none"> Release draft of 2019 QHP and QDP application 	<ul style="list-style-type: none"> Final Benefit and Payment Parameters for Plan Year 2019 (Dec or Jan) 	

2018 TIMELINES (1 OF 2)

	Covered California Timeline (Proposed)	Federal Regulation Anticipated Timeline	California Legislative Timeline
1/2018	<ul style="list-style-type: none"> Draft application comment periods end. Plan Management Advisory: Benefit Design & Certification Policy recommendation January Board Meeting: discussion of benefit design & certification policy recommendation 	<ul style="list-style-type: none"> FFM Draft Letter to Issuers for Plan Year 2019 (Dec or Jan) 	<ul style="list-style-type: none"> Non-urgency statutes take effect Last day for two-year bills to pass the house of origin (1/31)
2/2018	<ul style="list-style-type: none"> Letters of Intent Accepted Final AV Calculator Released* Applicant Trainings (electronic submission software, SERFF submission and templates*) 	<ul style="list-style-type: none"> FFM Final Letter to Issuers for Plan Year 2019 	<ul style="list-style-type: none"> Last day for bills to be introduced (2/19)
3/2018	<ul style="list-style-type: none"> March Board Meeting: anticipated approval of 2019 Standard Benefit Plan Designs & Certification Policy QHP & QDP Issuer Applications Open 		
5/2018	<ul style="list-style-type: none"> QHP and QDP Application Responses (Individual & CCSB) Due Evaluation of QHP and QDP Responses & Negotiation Prep. (Into June.) 	<ul style="list-style-type: none"> 2019 Health Savings Account Limits 2019 Affordability Threshold Limits Annual Eligibility Redetermination and Re-Enrollment Guidance 	

2018 TIMELINES (2 OF 2)

	Covered California Timeline (Proposed)	Federal Regulation Anticipated Timeline	California Legislative Timeline
6/2018	<ul style="list-style-type: none"> QHP and QDP Issuer Negotiations June Board Meeting 		<ul style="list-style-type: none"> Last day for bills to pass the house of origin (6/1) Last day for policy committees to meet and report bills (6/29), note 6/22 is last day for fiscal bills
7/2018	<ul style="list-style-type: none"> QHP Preliminary Rates Announcement and public posting Regulatory Rate Review Begins (QHP Individual Marketplace) CCSB QHP Rates Due 		
8/2018	<ul style="list-style-type: none"> QDP Rates Announcement (no regulatory rate review) 		<ul style="list-style-type: none"> Last day to amend bills on the floor (8/19) Last day of Regular Session (8/31)
9/2018	<ul style="list-style-type: none"> Start of 2020 benefit design process 	<ul style="list-style-type: none"> Proposed Benefit & Payment Parameters for Plan Year 2020 	<ul style="list-style-type: none"> Last day for Governor to sign or veto bills (9/30)
10/2018	<ul style="list-style-type: none"> Public posting of final rates 		
12/2018	<ul style="list-style-type: none"> Release draft of 2019 QHP and QDP application 	<ul style="list-style-type: none"> Draft Key Dates for Calendar year 2020 (FFM) 	
1/2019		<ul style="list-style-type: none"> 2020 FPL Levels Released 	<ul style="list-style-type: none"> Non-urgency statutes take effect

URGENCY BILLS

An urgency clause may be inserted into a bill if it is necessary for immediate preservation of the public peace, health, or safety.

- An urgency statute requires a 2/3 majority vote.
- Urgency statutes are not bound by the same committee and floor deadlines as non-urgency statutes. They can be sent to the Governor at any time prior to November 15 of the last year of the two-year legislative session.
- An urgency statute would take effect immediately upon the signature of the Governor, rather than January 1 of the following year.

FUTURE TOPICS

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP

2017 FUTURE STRATEGIC TOPICS: UPDATED SCHEDULE

Red indicates changes since 5/11

Meeting Month	Strategic Topic	Expected Outcomes
2-Mar	2018 Stabilization Regulations	Gather input for Covered California comments on 2018 stabilization regulations and discuss policy change options.
6-Apr	<i>Meeting Cancelled (Account based health plans topic moved to May)</i>	Awareness of the current operational capabilities for account based health plans; Primer on the different types of account based plans; Ideas on operational, policy and member facing impacts on Account Based Health Plans (ABHP) in alignment with potential ACA changes.
11-May	Account Based Health Plans (HDHP, HSA, HRA)	
11-May	Consumer Lifecycle Work Group	Covered California is embarking on a long term "lessons learned" project to improve the consumer experience. The initial phase will review how various channels (Covered California, agents, navigators, enrollment system etc.) interact with consumers in efforts to understand weaknesses and gaps to strategize on improvements. Goal is to introduce the project and discuss the potential for Advisory and/or sub work group involvement.
11-May	Covered California Provider Directory	Demonstrate proposed member functionality for provider look up & PCP selection; Feedback on improving experience and developing readiness plans.
8-Jun	Federal, State and Covered CA Cycles - Timeline Review	Review how Federal and State law cycle overlap with Covered California's certification cycle and major decision points for each. Goal is to set groundwork for understanding when changes for 2019 would likely come and when response actions would need to be taken by Covered California.
13-Jul	Primary Care QIS: PCP for PPO and PCMH update and input gathering session	Gather ideas to improve the assignment and rollout for new members and how to improve awareness and positive acceptance of PCP in the PPO environment.
10-Aug	Off Exchange Products Market Scan	Healthy Indiana Program Deep Dive (as follow-up from Account Based Health Plans discussion) Discuss potential for a rich bronze product in 2019 Gather ideas on any benefit designs found off exchange (non-mirrored) that should be considered for on-exchange. Consider variety in telehealth offerings and possibility of best practice encouragement.
10-Aug	Open Enrollment 2018 User Experience	Preview for stakeholders, no specific outcomes.
28-Sep	Healthcare Evidence Initiative (Truven) Progress	Share a baseline on key metrics in our quality agenda/dashboard based on the data submitted via Truven (disparities, etc.); share top priorities in research queue.
<i>No Oct meeting</i>		
9-Nov	Hospital Safety QIS	Goal is to hold an update and input session on network improvements so far and momentum gained (number of hospitals signed up for HIINs and CMQCC, improvement in timing of data flow, annual C-Section Honor Roll etc.) and on payment strategies for quality and for reducing low risk C section.
14-Dec	Health Disparities QIS	Goal is to hold an input session on plan submissions, efforts to improve rates of data capture, and preliminary work and best practices discussion on projects to improve chronic disease management (Plan Care Management Programs).



WRAP UP AND NEXT STEPS

JAMES DEBENEDETTI, DIRECTOR
PLAN MANAGEMENT DIVISION

CCSB SILVER HDHP UPDATE

- The IRS released the 2018 HDHP minimum deductible limits in [Revenue Procedure 2017-37](#) on May 4th.
- The minimum deductible for a family increased from \$2600 to \$2700
- The individual-in-a-family deductible in the CCSB Silver HDHP will be changed to comply with federal law:

Deductible Type in CCSB Silver HDHP	Amount
HDHP Individual deductible	\$2000
HDHP Family deductible	\$4000
HDHP family plan: Individual deductible	\$2600 \$2700

- The plan design and Endnote #5 have been updated to reflect the change and will be presented to the Board for action in June.