November 7, 2021

Submitted electronically via HHSPlan@hhs.gov

The Honorable Xavier Becerra
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Re: Covered California Comments on HHS Strategic Plan for Fiscal Years 2022 – 2026

Secretary Becerra:

Covered California is pleased to submit comments in support of the Department of Health and Human Services (HHS) Draft 2022-2026 Draft Strategic Plan.

Many of the goals and objectives mentioned in the Strategic Plan are also focus areas in Covered California's strategic priorities. Since its inception, addressing health equity and disparities in health care has been integral to the mission of Covered California and central to the organization's marketing, benefit design, and qualified health plan (QHP) issuer accountability efforts. Covered California's focus on marketing and outreach to reach California's diverse communities, along with consumer-first policies to address health equity and disparities in health care have led to lower out-of-pocket costs and more lives covered than ever before. Since 2014, Covered California's individual market enrollment has increased each year, with enrollment increasing from more than 1.1 million to over 1.6 million as of June 2021. In addition, California's individual market average premium rate change was 0.6 percent for the 2021 plan year, which is the lowest mark since the launch of the ACA and follows a rate change of only 0.8 percent in 2020.

Covered California applauds and appreciates HHS' commitment to expanding quality, affordable coverage, as well as the inclusion of a new foundational principle to advance equity and reduce barriers for consumers in obtaining such coverage.

Below, we offer feedback on select objectives and strategies outlined in the first goal of the Strategic Plan. These comments are based on our experience and analysis of the necessary efforts to ensure ongoing sustainability for an Exchange, maintaining a healthy and viable risk mix, and providing affordable, quality health plans to the consumers we serve.

Strategic Objective 1.1: Increase choice, affordability, and enrollment in high-quality health care coverage

Strategy: Promoting available and affordable health care coverage to improve health outcomes in our communities

Covered California appreciates HHS' commitment to enhance and support outreach efforts to inform eligible individuals of affordable health coverage options, including cost-sharing assistance programs. In particular, Covered California commends HHS on several recent actions that align with this strategy, including significantly increasing funding to navigators, expanding navigator program requirements for providing consumer assistance, and increasing the user fee rates on the Federally-Facilitated Exchange (FFE) and State-based Exchanges on the Federal Platform (SBE-FP) to support the increased consumer outreach and education.

Currently, Covered California collects a health plan assessment of 3.25 percent of premium to fund its operations, of which a large percentage is devoted to aggressively investing in and implementing ongoing, population-sensitive marketing and outreach programs that target minority communities and evaluate enrollment activities on a range of metrics, including the ethnic and racial mix of consumers enrolling. These actions have resulted in reduced premium rates and a healthier risk mix.

We again urge HHS to consider the adequacy of the FFE and SBE-FP user fee based on what resources are required to do robust and ongoing marketing, as well as oversight of QHP issuers to ensure they are delivering quality care to Americans.

Strategy: Empowering consumers with choices for high-quality health care coverage

Covered California agrees with HHS' strategy to "empower consumers with choices for high-quality health care coverage" by improving transparency of choice and access to available health coverage options and increasing health insurance literacy to bolster enrollment and coverage of underserved populations.

a. We urge HHS, in its efforts to improve transparency of choice and access to available health coverage, to evaluate those shopping and choice tools that can ensure a consumer is making the appropriate health plan selection for his or her needs. We offer findings from a recently published report, commissioned by Covered California, that studied choice architecture of public and private Exchanges.[1]

    1. Implementation of Standardized Benefit Design
    Covered California supports the recent Executive Order 14036 that directs HHS to once again implement standardized plans for the federal marketplaces.[2] Standardized plans will revitalize the health care market, create more competitive pricing among health plans, and allow consumers to make more informed health plan choices.

[1] Covered California. Tools to Help Consumers Shop and Select Health Coverage in the Individual Market: Assessing Public and Private Sector Approaches to Assuring Informed Consumer Choice. February, 2020.
[2] Executive Order 14036, July 9, 2021.

Covered California's QHP issuers have offered only standard patient-centered benefit designs since 2014. To the extent QHP issuers want to offer non-standardized products, they need to demonstrate that such designs are also patient-centered. To date, QHP issuers have not seen the value in promoting additional options. Having standard patient-centered benefit designs allows consumers to shop and compare health plans based on price and quality. Covered California believes that all standardized benefit designs should be centered around promoting better value for consumers while reducing confusion. We believe that limiting the number of QHPs in each metal tier substantially benefits consumers by improving their shopping experience and allowing them to make more informed decisions. Covered California supports the reintroduction of standardized plans and encourages HHS to again look at how those standardized plans are offered next to non-standardized plans and if non-standardized plans should be offered at all through the FFE.

2. Optimizing Choice Architecture
   When looking at plan display comparisons, many choice structures have similar tools (see Report, Figure 8. Plan Display Comparison, pp. 17-19.) While most structures, including those through Covered California, and other SBMs like Colorado, Washington, Washington DC, and private web-based enrollers such as Health Sherpa, use total cost estimate as a default for displaying plan choice to consumers, some, including Healthcare.gov, rank by lowest premium. Using a premium-only default often moves sub-optimal plan choices to the forefront. Lower-income consumers can benefit greatly by enrolling in Silver-level coverage that could provide very large cost-sharing reduction (CSR) subsidies. In the standard displays, Healthcare.gov CSR-eligible consumers are shown only Bronze plans within the top 10 selections (see Report, Figures 5a-5c. Eligible Scenarios Prioritized Plans by Plan Sorting Used, pp. 12-13.) Conversely, when default displays are based on an estimate of a consumer's total health care costs, as done for Covered California CSR-eligible consumers, Silver plans are predominantly displayed first, followed by Gold and Platinum plans. These constructs have serious implications for how plan choices are displayed to consumers and ultimately the plans that are selected by consumers. Most notably, using only health plan monthly premium as the default attribute in plan choice tools addresses a consumer's predominant interest in low monthly cost, but masks differences in coverage and contributes to plan selection errors. The potential for choice error is amplified by consumers' "present bias" to pay a lower premium at the outset without consideration of potential future costs due to higher cost-sharing plan designs.

b. Covered California offers the following overview of its enrollment and outreach activities, as well as the features of its patient-centered benefit designs that are designed to enhance consumers' health insurance literacy and ultimately to bolster enrollment and the coverage of underserved populations.

1. Marketing and Outreach
   - Marketing and promotional efforts are focused on health insurance literacy, racial and cultural diversity, LGBTQ communities, and rural locales.

- Materials and strategies are culturally and linguistically tailored, and include in-language marketing in nine languages, targeting both paid and earned media at media channels specific to Latino, African American, Asian American, and LGBTQ+ communities.
- Service channels are identified and promoted to assist consumers with navigating their health care coverage, including promoting in-language resources and consumer support through racially and ethnically diverse agents, navigators, and Covered California service center representatives.
- Regular public reporting provides accountability and serves as a monitoring mechanism to transparently share the effectiveness of outreach, education, and enrollment efforts.
- QHP issuers are required to conduct marketing, outreach, engagement, education, and support to enrollees in navigating commercial health insurance, understanding benefits, and accessing care informed by the diversity of Covered California's service population.
- Currently developing an auto-enrollment program to assist eligible enrollees exiting Medi-Cal, who are more likely to be people of color and lower-income Californians, to be automatically enrolled in Covered California.

2. Benefit Designs
   - Focus on "health insurance literacy" and income with attention to the impact of cost-sharing at each income level.
   - Benefits are designed to prevent "gotcha" insurance experiences, such as utilizing copays instead of co-insurance and standard drug formulary tier definitions to simplify plan comparisons.
   - Minimize barriers to receiving primary and urgent care by including first-dollar coverage in all tiers above Bronze, with Bronze plans including three non-preventive visits annually that are not subject to any deductible.

Strategy: Leverage knowledge and partnerships to increase health coverage enrollment

Covered California is pleased to see HHS call out the need to improve enrollment and retention of eligible individuals in comprehensive public and private coverage. With the increasing reliance of the federal government on exchanges to ensure consumers who are leaving Medicaid do not experience an interruption in health coverage at the end of the public health emergency (PHE), here are some of the strategies Covered California has used to facilitate continued coverage for individuals who lose eligibility for Medi-Cal, California's Medicaid program, or who face life transitions that impact their health coverage.

a. Pursuant to state law[3], Covered California will auto-enroll individuals losing Medi-Cal coverage into the lowest-cost silver plan available to them to maximize premium tax credit and cost-sharing support. Coverage will be effective the day after Medi-Cal coverage ends provided that the consumer effectuates coverage within the first month. All auto-enrolled consumers will have to take an affirmative step to effectuate their coverage to ensure that understand they are receiving APTC. If a

[3] California Senate Bill 260 (Chapter 845, Statutes of 2019) authorizes Covered California to enroll individuals in a qualified health plan when they lose coverage in Medi-Cal – California's Medicaid program – and gain eligibility for advanced premium tax credits (APTC).

consumer fails to effectuate coverage, their plan will be canceled; however, they will have the remainder of their 60-day special enrollment period to select a plan on their own. Covered California's implementation of this law will ensure that individuals losing Medi-Cal will not experience a gap in coverage as long as they effectuate their Exchange coverage within a month of their disenrollment from Medi-Cal.

b. To promote continuity of care, Covered California is exploring the feasibility of auto-enrolling consumers into a plan offered by the carrier they were enrolled with in Medi-Cal. A decision to incorporate prior Medi-Cal plan enrollment into the autoenrollment program could be made for plan year 2023.
c. Covered California is exploring options to leverage the autoenrollment infrastructure to smooth transitions for those losing employer-sponsored coverage, applying for unemployment insurance, and paying a penalty under California's individual coverage mandate. While Covered California likely would not have the current and complete eligibility information that is available for those losing Medi-Cal coverage, facilitated enrollment options such as pre-populated applications or personalized coverage proposals could be developed.

Strategic Objective 1.3: Expand equitable access to comprehensive, community-based, innovative, and culturally-competent health care services while addressing social determinants of health

Strategy: Understand barriers to access and the impacts of social determinants of health to develop evidence-based community-based health care service delivery models

Covered California supports HHS' efforts to expand equitable access to comprehensive, community-based, innovative, and culturally-competent health care services while addressing social determinants of health. In an effort to understand barriers to access and the impacts of social determinants of health, Covered California has adopted several contractual requirements directly related to health equity and disparities reduction. Contract elements and regular oversight include:

a. Demographic data collection: The ability to analyze data for disparities is the foundation of Covered California's health equity work and requires complete and accurate demographic data. Covered California has an approximately 80% voluntary response rate to race and ethnicity questions during the enrollment process. In addition, Covered California requires QHP issuers to achieve an 80% self-reported response rate for race and ethnicity, tied to a performance guarantee. By 2023, QHP issuers will also be expected to meet a threshold of collection of self-reported spoken and written languages.
b. Ongoing work to stratify performance measures by race and ethnicity: Covered California has consistently sought to stratify key clinical measures by race and ethnicity but has found these efforts challenging. Initially Covered California identified 14 measures for stratification but encountered significant methodologic issues. In 2021, Covered California transitioned to four HEDIS measures using issuer-submitted patient-level data; these are being used to inform disparities-reduction interventions. In the future, the Quality Transformation Initiative – which is under consideration and would use a small number of critical clinical measures to

hold QHP issuers accountable – will be stratified by race and ethnicity, language, and income.

c. Disparities reduction interventions are required of all QHP issuers and are tied to performance guarantees. QHP issuers are being supported with mandatory learning and technical assistance sessions, and each issuer is required to submit a disparity intervention plan for approval with a target disparity reduction. Most plans are working on diabetes control in Latino or Black enrollees.
d. NCQA Multicultural Health Care Distinction or Health Equity Accreditation must be obtained by 2023, with a performance guarantee credit for early attainment in December 2022.

Strategic Objective 1.4: Drive the integration of behavioral health into the health care system to strengthen and expand access to mental health and substance use disorder treatment and recovery services for individuals and families

Strategy: Strengthen a fragmented behavioral and physical health system to reduce costs, enhance quality care and patient experience, and improve mental health and substance use disorder outcomes for individuals and families

Covered California supports HHS' efforts to drive the integration of behavioral health into health care to strengthen and expand access to behavioral services. Recognizing that monitoring and improving access to behavioral health services is necessary to ensure enrollees are receiving appropriate and timely behavioral health services; that telehealth has the potential to address some of the access barriers to behavioral health services; and that measuring and monitoring quality is necessary to ensure enrollees receive appropriate, evidence-based treatment and inform quality improvement efforts, Covered California has incorporated the following contractual requirements for its QHP issuers:

a. To evaluate how QHP issuers track and access behavioral health services, Covered California requires its issuers to submit NCQA Health Plan Accreditation Network Management reports for the elements related to the issuer's behavioral provider network.
b. To strengthen access to behavioral services, Covered California requires issuers to offer telehealth for behavioral health services and provide enrollee education about how to access telehealth services.
c. QHP issuers must collect Depression Screening and Follow Up measure results for their enrollees and annually report results and engage with Covered California to review their performance.
d. QHP issuers must annually report how they are encouraging the appropriate use of opioids and promoting access to evidence-based treatment of opioid use disorder, including Medication Assisted Treatment (MAT).
e. QHP issuers must report how they are promoting the integration of behavioral health services with primary care through support of best practices such as the Collaborative Care Model.

Covered California aims to strengthen and expand its behavioral health requirements in 2024 and is currently collaborating with the California Department of Health Care

Services and the California Public Employees' Retirement System to align these efforts across California purchasers.

We appreciate your consideration of our comments. We look forward to continuing our partnership with you to make the ACA work as effectively as possible and build on its foundation as we work to ensure that all Americans have access to affordable health coverage.

Sincerely,

Peter V. Lee
Executive Director