

**State of California
Office of Administrative Law**

In re:
California Health Benefit Exchange

Regulatory Action:

Title 10, California Code of Regulations

Adopt sections: 6426, 6434

Amend sections:

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

**Government Code Sections 11346.1 and
11349.6**

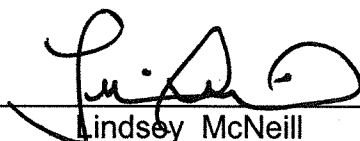
OAL File No. 2015-0306-03 E

This emergency rulemaking action by the California Health Benefit Exchange (HBEX) adopts sections 6426 and 6434 of title 10 of the California Code of Regulations. Specifically, these regulations establish the process and requirements for eligible health issuers in both the Individual Exchange and the Small Business Health Options Program (SHOP) Exchange to submit proposed qualified dental plans (QDPs) for recertification for the Plan Year 2016. The forms used for recertification are also created through this rulemaking. This rulemaking also allows applicants for qualified health plan (QHP) certification or recertification in the SHOP Exchange to submit proposals for an effective date of October 1, 2015.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 3/16/2015 and will expire on 3/17/2017. The Certificate of Compliance for this action is due no later than 3/16/2017.

Date: 3/16/2015



Lindsey McNeill
Attorney

For: DEBRA M. CORNEZ
Director

Original: Peter Lee
Copy: Andrea Rosen

STD. 400 (REV. 01-2013)

EMERGENCY

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2015-0306-03E
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For use by Office of Administrative Law (OAL) only

<p>NOTICE</p>	<p>REGULATIONS</p> <p>2015 MAR -6 PM 4: 07</p> <p>OFFICE OF ADMINISTRATIVE LAW</p>
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ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAR 16 2015
3:09 PM

AGENCY WITH RULEMAKING AUTHORITY
California Health Benefit Exchange

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) 2016 SHOP and Qualified Dental Plan Recertification	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT 6426 , 6434 AMEND REPEAL
TITLE(S) 10	UM per agency 3/16/15 request

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON Andrea Rosen	TELEPHONE NUMBER 916-228-8343	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) andrea.rosen@covered.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 3/17/15
TYPED NAME AND TITLE OF SIGNATORY Peter V. Lee, Executive Director	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAR 16 2015

Office of Administrative Law

Adopt Sections 6426 and 6434 which is all new regulation text to be added, to read:

Section 6426: 4TH Quarter 2015 SHOP Exchange Plans

Applicants for QHP certification or recertification in the SHOP Exchange for the 2016 Plan Year pursuant to sections 6428 and 6430 may submit health plan proposals for an effective date of October 1, 2015 by submitting the application in Section 6428 or 6430 with proposed premium rates to the Exchange by 5:00 pm Pacific Time on May 1, 2015. The application response and proposed premium rates for health plan proposals effective October 1, 2015 must utilize the 2015 Standard Benefit Plan Designs identified in section 6460.

Authority: Sections 100504 and 100505, Government Code

Reference: Sections 100502, 100503, 100504 and 100505, Government Code

Section 6434: Qualified Dental Plan (QDP) Issuer Recertification Application for Plan Year 2016 dated March 5, 2015

Qualified Dental Plans (QDP) are either a Children's Dental Plan or Family Dental Plan as defined in the QDP Issuer Recertification Application for Plan Year 2016 dated March 5, 2015, a form which is incorporated by reference. The purpose of this section is to set forth the requirements for eligible applicants to request recertification of QDPs for the Plan Year 2016 for the Individual Exchange or for the SHOP Exchange. Applicants must complete the QDP Issuer Recertification Application for Plan Year 2016 dated March 5, 2015 in order to request recertification of its proposed QDP plan offerings for Plan Year 2016. If an applicant meets the requirements for recertification as a QDP, that issuer will be certified to offer, market and sell certified QDPs through Covered California for the Plan Year 2016. If an applicant fails to meet the requirements for recertification as a QDP for 2016, Covered California, in its sole discretion, may decline to recertify applicant's QDPs. Covered California, in its sole discretion, shall determine if the applicant's request to offer a QDP in a given geographic service area, is necessary as described in Part 1.4 of the New Dental Application for Plan Year 2015 Version 2-19-14 which is incorporated by reference in 10 CCR Section 6440.

(a) The definitions included in 10 CCR 6410 shall govern this section unless a conflict exists. If a conflict exists, definitions in Section 6434 shall prevail.

(b) Applicants eligible to complete the QDP Issuer Recertification Application for Plan Year 2016 dated March 5, 2015 to be recertified to participate in the Individual or SHOP Exchange in 2016 are limited to the entities below:

- (1) Access Dental Plan, Inc.
- (2) Anthem Blue Cross Life and Health Insurance Company
- (3) California Physicians' Service dba Blue Shield of California
- (4) Delta Dental of California
- (5) Dental Health Services Inc.
- (6) Guardian Life Insurance Company
- (7) Liberty Dental Plan of California, Inc.
- (8) Managed Dental Care of California
- (9) SafeGuard Health Plans, Inc.
- (10) Metropolitan Life Insurance Company
- (11) Premier Access Insurance Company

(c) Submission Requirements: Entities eligible to apply for QDP recertification to participate in the Individual Exchange or SHOP Exchange must comply with the submission dates and requirements below:

- (1) Submit a notice to Covered California indicating intent to request recertification no later than 5:00 pm Pacific Time on March 18, 2015.
- (2) Complete the application in subdivision (d) and submit to Covered California in its entirety no later than 5:00 pm Pacific Time on May 1, 2015.

(d) Qualified Dental Plan (QDP) Issuer Recertification Application for Plan Year 2016: Applicants who are eligible to complete the Qualified Dental Plan (QDP) Issuer Recertification Application for Plan Year 2016 dated March 5, 2015 for participation in the Individual Exchange or SHOP Exchange must complete the following: QDP Issuer Recertification Application for Plan Year 2016 dated March 5, 2015.

Authority: Sections 100504 and 100505, Government Code

Reference: Sections 100502, 100503, 100504 and 100505, Government Code



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

per agency request 3/16/15

ADUP 1

Information submitted in response to this application by the applicant will be held in confidence pursuant to Government Code Section 100508 or 6254(k) under the official information privilege, as applicable, unless the information submitted has already been made public. Throughout this application, any reference to the "Exchange" refers to the California Health Benefit Exchange, also known as Covered California.

The Exchange intends to make this entire application available electronically. Please complete the following:

Issuer Name

NAIC Company Code

NAIC Group Code

Regulator(s)

Federal Employer ID

HIOS/Issuer ID

Corporate Office Address

City

State

ZIP

Primary Contact Name

Contact Title

Contact Phone Number

Contact E-mail



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

Check all applicable categories: Children's Dental Plan Individual Exchange¹; Children's Dental Plan SHOP²; Family Dental Plan Individual Exchange³; Family Dental Plan SHOP⁴

On behalf of the Qualified Dental Plan issuer stated above, I hereby attest that I meet the requirements in this Recertification Application and certify that the information provided on this Application and in any attachments hereto are true, complete, and accurate. I understand that Covered California may review the validity of my attestations and the information provided in response to this application and decertify Issuer's Qualified Dental Plans offered on the Exchange should any material information provided be found to be inaccurate. I confirm that I have the capacity to bind the Qualified Dental Plan issuer stated above to the terms of this Recertification Application.

QDP issuer agrees, through submission of this application, to negotiate a contract or contract amendment for 2016 in good faith with Covered California that will establish the terms and conditions of this business relationship.

Date: _____
Signature: _____
Printed Name: _____
Title: _____

¹ Children's Dental Plan Individual means a plan certified by the Exchange that provides only the pediatric dental benefits required in Health and Safety Code 1367.005(a)(5) and Insurance Code 10112.27(a)(5) offered in the individual Exchange.
² Children's Dental Plan SHOP means a plan certified by the Exchange that provides only the pediatric dental benefits required in Health and Safety Code 1367.005(a)(5) and Insurance Code 10112.27(a)(5) offered in the SHOP Exchange.
³ Family Dental Plan Individual means a plan certified by the Exchange that provides the pediatric dental benefits required in Health and Safety Code 1367.005(a)(5) and Insurance Code 10112.27(a)(5) and also includes coverage for certain benefits for adult enrollees, offered in the Individual Exchange.
⁴ Family Dental Plan SHOP means a plan certified by the Exchange that provides the pediatric dental benefits required in Health and Safety Code 1367.005(a)(5) and Insurance Code 10112.27(a)(5) and includes coverage for certain benefits for adult enrollees, offered in the SHOP Exchange.



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

Recertification Requirements

I. Licensed and in Good Standing

1.1 Confirm that Qualified Dental Plan (QDP) issuer possesses and maintains its license to offer health insurance and is in good standing with applicable state, and federal authorities. (See Appendix A – Definition of Good Standing). Covered California, in its sole discretion and in consultation with the appropriate health insurance regulator, determines what constitutes a material violation for this purpose.

Yes

No

1.2 Are you seeking any material modification of an existing license from the California Department of Managed Health Care or certificate of authority from the California Department of Insurance for any individual or small group products offered or proposed to be offered through Covered California?

Yes

No

1.3 If yes, complete Attachment A (Regulatory Filings) to explain what modifications you are seeking and when those are anticipated to be approved.

1.4 Updates to Attachment A must be made on a continuous basis as Applicant files amended documents with the regulator.

II. Provider Network Adequacy

2.1 QDP issuer understands and agrees that provider network adequacy will be determined by the applicable state regulatory agency and verified by Covered California. QDP issuer agrees to maintain a legally compliant provider network for every product it offers (DPPO, DHMO, DEPO) which shall include a sufficient number and types of providers to ensure access to medically necessary services in a timely fashion to its Covered California enrollees.

Yes

No



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

2.2 QDP issuer acknowledges that the contractually required quarterly provider data submissions previously supplied to Covered California may be used to conduct network review prior to recertification negotiations.

Yes

No

2.3 QDP issuer understands that provider network adequacy is directly related to enrollment and that membership growth may require network provider additions. Submit 2016 enrollment projections by product by region on Attachment B1 (QDP Enrollment Projections (Individual)) and Attachment B2 (QDP Enrollment Projections (SHOP)).

2.4 QDP products proposed for 2016 must cover the entire geographic service area for which the issuer is licensed in a rating region. Provide an updated geographic service area by product type for 2016 and include any changes from your 2015 service area by completing and uploading the most current Service Area Template located at:

<http://www.serff.com/>. This template must be submitted through SERFF, the System for Electronic Rate and Form Filing; developed and owned by the National Association of Insurance Commissioners.

Complete Attachment C (Plan Type by Rating Region Individual & SHOP).

2.5 For Plan Year 2016, is QDP issuer applying for any changes to 2015 service area? If yes, describe briefly.

Individual

Yes

No

SHOP

Yes

No

2.6 Please indicate, by rating region, the total number of participating providers available by product, as of March 31, 2015, that will be available to Covered California enrollees. Provide your responses using Attachment D1 (Recertification Provider Counts DPPO) and Attachment D2 (Recertification Provider Counts DHMO).



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

III. Contracting with Dental Providers Who Serve the Low Income and Uninsured Populations

3.1 Describe how QDP issuer is continuing to meet or exceed Covered California's network contracting requirements as defined in QDP Contract Article 3.06 (which is included in Appendix B - Contracting with Dental Providers Who Serve the Low-Income and Uninsured Population).

IV. Quality and Delivery System Reform

4.1 Describe QDP's process to ensure that QDP issuer can comply with QDP Contract Data Submission Requirements (as defined in Appendix C - QDP Contract Data Submission Requirements) to Covered California.

4.2 QDP issuer agrees to submit claims and encounter⁵ data in the requested format to a third party vendor selected by Covered California for the purpose of performing clinical analytics.

Yes

No

4.3 Confirm that QDP will submit, upon request, to the Exchange dental utilization reporting to include the measure numerator, denominator, and rate for the required measures set in the QDP Contract Attachment 14 Group 3 as defined in Appendix D: Covered California QDP Performance Standards: Quality and Delivery System Standards.

Yes

No

V. Operational Readiness and Capacity

5.1 QDP issuer confirms that it can and will populate and submit SERFF templates in an accurate, appropriate, and timely fashion at the request of Covered California for:

- Administrative Information
- Rates

⁵ Claims and encounter data reflect a health care visit by an enrollee to a provider of care or service.



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

- Service Area
- Network
- Benefit Plan Designs

Yes

No

5.2 QDP issuer confirms that QDP will submit and upload corrections to SERFF within three (3) business days of notification by Covered California.

5.3 QDP issuer may not make any changes to its SERFF templates once submitted to Covered California without providing prior written notice to Covered California and until Covered California agrees with the proposed changes.

5.4 Demonstrate through existing QDP contract compliance or systems testing that QDP issuer operates systems which can report electronic data in an accurate and timely fashion to Covered California using national standards for electronic transactions.

5.5 Demonstrate, through submission of a March 2015 audit report or systems testing, as applicable, that QDP issuer can accept and generate 834, 820, 999 and other standard transaction electronic files for enrollment and premium remittance in an accurate, consistent and timely fashion and utilize the information for its intended purpose (see Attachments E1 (834 Enrollment Error Listing) & Attachment E2 (834 Effectuation Error Listing)).

5.6 QDP issuer must confirm it will implement systems in order to accept and generate TA1 and 999 acknowledgement files and other standard format electronic files in an accurate, consistent and timely fashion, and utilize the information for its intended purpose. QDP issuer must confirm that it has the capability to accept and complete non-electronic enrollment submissions and changes.

5.7 Describe how QDP issuer's computer systems can maintain an electronic interface with CalHEERS and/or Pinnacle HCMS in an accurate and timely fashion. QDP issuer must be prepared and able to conduct testing of data interfaces with the Exchange no later than July 1, 2015 and confirms it will plan and implement testing jointly with Covered California in order to meet system release schedules. QDP issuer must maintain computer systems for testing any future modifications to the interface design and data interchange. Covered California requires QDPs to sign an industry-standard agreement which establishes electronic information exchange standards in order to participate in the required systems testing.



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

5.8 Describe the QDP issuer's systems ability to generate invoices for new members, which must be fully operational no later than October 15, 2015.

5.9 Describe QDP issuer's systems which must accept premium payments from members no later than October 15, 2015 made using paper checks, cashier's checks, money orders, EFT, web-based payment, and all general purpose pre-paid debit cards and credit cards. If such systems are not currently in place, describe plans to implement such systems, including the use of vendors for any functions related to premium payment, if applicable, and an implementation work plan with timeline.

5.10 Describe how QDP issuer complies with the federal requirement to serve the unbanked, specifying the forms of payment available for this population for binder and ongoing payments for both on-Exchange and off-Exchange lines of business.

5.11 QDP issuer must confirm it can provide detailed documentation, including member level detail, to substantiate each per-member per-month (PMPM) payment in a format that is compatible with Covered California's systems.

5.12 QDP issuer agrees not to impose any fees or charges on any members who request paper invoices for premiums due for any individual products sold by issuer in California.

5.13 Describe how QDP issuer will maintain sufficient staffing in the customer service center to meet contractual performance goals.

5.14 Describe QDP issuer's plans that are in place for the purpose of detecting and reporting incidents of fraud, waste and abuse. Provide a description of such plans and their efficacy.

5.15 Describe any education efforts QDP issuer provides to members to help them identify and report possible fraud scams. Describe QDP's procedures to report fraud scams to law enforcement.

5.16 Describe QDP issuer's safeguards against Social Security and identity fraud.

5.17 QDP issuer confirms that it operates in compliance with applicable federal and state privacy laws and regulations, and maintains appropriate procedures to detect and respond to privacy and security incidents.

Yes

No



Qualified Dental Plan Issuer Recertification Application for Plan Year 2016

5.18 QDP issuer confirms that it has in place administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Protected Health Information and Personally Identifiable Information that it creates, receives, maintains, or transmits.

Yes

No

5.19 QDP issuer must adhere to Covered California naming conventions for both Exchange plans and off-Exchange mirror products pursuant to Government Code section 100503(f).

VI. Rates for 2016

6.1 Submit premium rates for every proposed QDP by rating region for 2016 by completing and uploading the most current SERFF Rates Data Template located at: <http://www.serff.com/>. This template must be submitted through SERFF.

VII. 2016 Standard Benefit Plan Design

7.1 QDP issuer must adhere to 2016 standard benefit plan designs.

Yes

No

7.2 QDP issuer agrees to submit its proposed 2016 plans for its licensed geographic service area(s).

Yes

No

7.3 QDP issuer must comply with California state benefit plan laws in effect for 2016, including those pertaining to plan design requirements.

Yes

No