

Cover Page

QHP Model Contract for Individual Market Second Round Comments

The following is the Covered California response to “Second Round” comments received for the 2023-2025 QHP Individual Model Contract Amendment for 2024.

All documents will be posted to the Plan Management HBEX webpage:
<https://hbex.coveredca.com/stakeholders/plan-management/>.

Article	Section #	Other Document Cross-Ref	Comment	Covered California Response
1	1.3.b ii		<p>Current language: Contractor's delegation agreements shall comply with the specifications included in 45 C.F.R. § 156.340 and <u>must include language stating</u> that Covered California</p> <p>Modification requested to red underlined section above to "<u>must include language supporting</u>". Currently our delegation agreements have language that supports Covered California being able to demand and receive the listed information, it would be a large undertaking to update all agreements to include the specific language noted here.</p>	<p>This section requires compliance with 45 C.F.R. § 156.340(b)(5). If delegation agreements already comply with federal requirements, this section would not require agreements to be updated.</p> <p>No change will be made.</p>
3	3.2.1		<p>Oppose 0.4% of projected premium for expected spend on direct marketing.</p> <p>Recommendation:We again express significant concerns that a contractual expectation for QHPs to increase their marketing spend each year based on costs related to medical trend, pharmaceutical & hospital pricing and utilization runs counter to our shared focus on affordability. This becomes particularly acute when the health care industry is still facing significant inflation, and the costs for advertising potentially becomes cheaper due to an overall economic slowdown. Recommend that this requirement be amended to allow "or other agreed upon marketing spend between the QHP and Covered CA"</p>	<p>This is established contract language and a certification applicatiton requirement in force since last year's 2023-2025 QHP Issuer contract refresh.</p> <p>No contract change will be made.</p>
3	3.2.1.2 d)		<p>Oppose "any translated marketing materials shall be produced at the same time as English materials."</p> <p>Recommendation: remove this sentence as it is vague and would be costly to administer without additional context. It is unclear what issue/concern is being solved by having this language. Carriers already provide marketing materials in additional language as required and appropriate for their market/service area.</p>	<p>Covered California added this section to address delays in distributing translated materials that disadvantage limited English proficient individuals. To the extent that QHP issuers provide translated marketing materials, these materials should be accessible to Enrollees at the same time as English language materials. Based on comments received regarding the language of this section, Covered California will revise the language to clarify the requirement.</p>

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Model Contract - 1	3.2.1.2 d)		We respectfully request newly added d) be modified to "d) Provide in-language outreach and marketing materials, as appropriate required by law or regulation. Any translated marketing materials shall be produced at the same time as English materials;"	Covered California added this section to address delays in distributing translated materials that disadvantage limited English proficient individuals. This provision was intended to apply to translated materials to the extent that QHP issuers provide them. Covered California will revise the language to clarify the requirement.
3	3.2.1.2 d)		Please clarify what "in-language outreach and marketing materials" are. What does "in-language" mean?	This provision was intended to apply to translated materials. Covered California will revise the language to clarify the requirement.
	3.2.1.2 f) and g)		We would like to comment that there are requirements to submit a separate marketing plan and spend report for retention and renewal marketing. We don't designate a separate budget or campaign for retention and renewals, this falls within OEP and SEP. We would like to see if this requirement can be removed in 2024.	If retention and renewal efforts are covered under OEP and SEP plans, those plans can be resubmitted with a clear call out of which activities and spend are for retention/renewal to meet this requirement. No contract change will be made.

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3	3.2.1.2 a) & b-f and g		<p>We would like to request the removal of the requirements for submission of a marketing plan and spend reporting for Retention and Renewal efforts in 3.2.1.2 a) & b). We do not designate a separate budget and plan outside of OEP and SEP for retention and renewal. If this request cannot be made, we would like language added to specify that this is only required for Contractors that maintain a separate plan and spend for retention and renewal.</p> <p>Recommended changes:</p> <p>a)Submit to Covered California a marketing plan at least thirty (30) Days prior to Open Enrollment that details the anticipated budget, objectives, strategy, creative messaging, and ad placement by medium promoting acquisition activities. Similarly, a marketing plan shall be submitted to Covered California at least thirty (30) Days prior to Special Enrollment Period. Marketing plans for Retention and Renewal efforts shall be submitted to Covered California at least thirty (30) Days after Open Enrollment begins;</p> <p>b)Submit to Covered California annual actualized spend amounts for: (1) Open Enrollment Period at least thirty (30) Days after Open Enrollment Period closes, and (2) Special Enrollment Period for the calendar year, at least thirty (30) Days after the calendar year ends, and (3) retention and renewal, at least thirty (30) Days after Open Enrollment Period begins. Open Enrollment Period actualized spend submissions shall include spend by media channel, Designated Market Area (DMA), brand versus direct response as shall be defined by Covered California, as well as note if direct response or brand messaging was co branded with Covered California. Covered California shall treat these materials as confidential consistent with Section 1.4.1;</p>	<p>If retention and renewal efforts are covered under OEP and SEP plans, those plans can be resubmitted with a clear call out of which activities and spend are for retention/renewal to meet this requirement.</p> <p>No contract change will be made.</p>

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4	4.6.4 a) i)		<p>Removal of the exception for holidays observed by Covered CA, for Standard Operating hours seems to imply that carriers are not allowed to be closed on those holidays.</p> <p><u>Suggestion:</u> Clarify the operating hours to indicate that carriers may align their closures with Covered CA and public holidays.</p>	<p>The contract language update was to make the distinction between “normal business hours” referred to in the contract as Standard Operating Hours, and any Service Center hours outside of the Standard, referred to as “Special Operating Hours.” These hours are flexible, determined in part by analysis of consumer demand, and include holiday closures. The contract clearly states Special Operating Hours are to align between Contractors and Covered California and are posted on the “Service Center Hours of Operation Matrix” on Contractor’s Extranet website.</p> <p>No contract change will be made.</p>
2024 QHP Modle Contract Amedment	4.6.4 Customer Service Call Center		<p>Recommendation to continue allowing call center closure on state holidays. Call volume is typically very low on holidays and it is costly to staff for such a low call volume.</p>	<p>The contract language update was to make the distinction between “normal business hours” referred to in the contract as Standard Operating Hours, and any Service Center hours outside of the Standard, referred to as “Special Operating Hours.” These hours are flexible, determined in part by analysis of consumer demand, and include holiday closures. The contract clearly states Special Operating Hours are to align between Contractors and Covered California and are posted on the “Service Center Hours of Operation Matrix” on Contractor’s Extranet website.</p> <p>No contract change will be made.</p>
4	4.6.4 a) ii.		<p>We recommend changing "prior agreement" to "prior notification". Some circumstances requiring hour adjustments due to high customer demand may not allow time for prior agreement.</p> <p>Recommended change: "Contractor may adjust hours as required by customer demand with prior notification to Covered California."</p>	<p>The objective of Covered California is Contractor’s Service Center hours align with Covered California at the minimum.</p> <p>The contract has been updated to reflect Contractor hours that are more than those stated in the “Service Center Hours of Operation Matrix” do not need prior approval.</p>

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Def			Request from QHP Issuer via EQT for update to Downstream Entity definition limiting the type of Downstream Entity (or Subcontractor) to those only having to do with CC related services.	Covered California agrees to update the definition for clarity.