

Responses to Comment Cycle 2 - Draft 2025 QHP Issuer Contract Amendment for Individual Market

Article	Section	Comment	Response
	General	Even though the use of “material concerns” is not new, we think it is ambiguous and respectfully request it be clarified by having the phrase defined.	Covered California does not believe a further definition of the term “material concern” is necessary at this time. No change will be made.
1	1.5 e	We respectfully request that "within 48 hours of receiving them from State and Federal Regulators" is changed to days (as defined) to avoid vagueness.	Covered California does not believe this existing standard has caused confusion. No change will be made.
1	1.9	Recommend changing the timeline to five business days. Two calendar days does not allow enough time to review the regulator communication before sharing with Covered California.	Covered California removed the added language in Section 1.9 following Comment Cycle 1.
1	1.15	Recommend changing the timeline to five business days. Two calendar days does not allow enough time to review the regulator communication before sharing with Covered California.	The added language to Section 1.15 restates the existing requirement in Section 1.5(e). Existing language in Section 1.15 requires reporting to Covered California of any material concerns that may impact performance under the Agreement. Consistent with existing Section 1.5(e), if any such concerns results in a regulatory report, the report shall be provided to Covered California within 48 hours. If Contractor requests confidential treatment for any information it provides, Covered California shall treat the information as confidential, consistent with Section 1.4.1. No change will be made.

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1	1.15	<p>We respectfully resubmit our request for the removal of the new language in section 1.15 (Fraud Waste and Abuse). This language was added with the intention to restate the requirements in section 1.5 (e), however “reports, findings, or orders related to material concerns identified by State and Federal Regulators” as referenced in section 1.5 would not be inclusive of FWA findings and is therefore unrelated to section 1.15.</p>	<p>Existing language in Section 1.15 requires reporting to Covered California of any material concerns that may impact performance under the Agreement, consistent with section 1.5(d)(ii). Added language in Section 1.15 clarifies the additional existing reporting requirement stated in Section 1.5(e), as it applies to such material concerns.</p> <p>In response to Commenter’s concern, Covered California has added the language “that may impact performance under this Agreement” to the added language in Section 1.15, to clarify that the scope of this requirement does not exceed existing contractual requirements.</p>
2	2.2.4	<p>We request a more detailed termination reason be included in the 834.</p>	<p>This should not affect the current contract language in the Model Contract. Covered California will discuss the request separately with the Carrier.</p>
2	2.24	<p>Termination of Coverage: We appreciate the amendment clarifying that contractors must provide notice to Covered California enrollees when terminating coverage in a contractor’s QHP.</p>	<p>Thank you for your comment.</p>

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3	3.2.1	<p>Given the increasing premiums and shifts in the paid marketing landscape, Covered California should adjust its marketing expectations away from 0.4% of projected premiums. We remain concerned that this requires an annual increase in marketing (and thus premiums) tied to healthcare trend - when cost for marketing have generally been going down. We recommend the following changes to this section:</p> <p>For the 2023 Plan Year, and any year thereafter, Contractor is expected to spend at least 0.4% of projected premium, or <u>an amount comparable to relevant industry benchmarks</u> on direct response advertising, outreach and community-based efforts, and non-open enrollment “brand” marketing that includes co-branding of with Covered California. Brand marketing that does not reference Covered California does not count towards this expectation.</p>	<p>Covered California is unable to define Industry benchmarks for marketing expectations, leading to risks such as QHP Issuers spending significantly different amounts from each other and annually. Covered California prefers a uniform amount set.</p> <p>No change will be made.</p>
3	3.2.1.2 a	<p>Please note that requirement 3.2.1.2 a has changed and is not in redline. In 3.2.1.2 (a), it mentions we need to add the Covered California shop and compare tool to our website. Can we assume this will be a link to they tool not the actual tool itself? We have a shop and compare tool but it is limited to our plans. Does it need to be a compare of all carriers? This is unclear.</p>	<p>Contract language within 3.2.1.2 a has not changed from previous years. Currently and through 2025, links to the Covered California Shop & Compare tool and carrier specific shopping tools are acceptable. Carriers will be queried and notified should the expectations of this requirement be proposed to change in any way for future contract amendments.</p>

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3	3.2.1.2 d.	We respectfully request that the translated marketing materials is “upon request” instead of “available concurrently”.	<p>Covered California added this requirement for the 2024 QHP Issuer Contract Amendment 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. Changing the contract language to "upon request" would not ensure that translated materials are distributed along the same timeline as English materials.</p> <p>No change will be made.</p>
3	3.2.1.2	We suggest that the paragraph after g, starting with “after the applicable annual periods close, submit to Covered California actualized marketing spend...”, should be h since it is a different requirement.	This requirement is currently listed as "h". Please see the clean version for how this appears correctly.
3	3.2.2.2 c	We respectfully request the reference to off-Exchange efforts be removed.	<p>Section 3.2.2.2 c) will continue to include off-exchange individual market efforts in regards to Contractor's marketing plans as it has in past years.</p> <p>No change will be made.</p>
3	3.2.2.2 c	Marketing Materials that must be submitted to Covered California: We appreciate the additional language acknowledging the recognition that “uninsured Californians, Covered California Enrollees and other health care consumers benefit from efforts relating to outreach activities designed to increase awareness of coverage options available through Covered California and encourage enrollment.”	Thank you for your comment.

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5	5.2.3	<p>Please clarify how the Removal policy will adjust the 2018 benchmark to another calendar for measure changes. The following measures are changing and the 2018 benchmark will no longer be appropriate:</p> <ul style="list-style-type: none"> •BCS is moving to an electronic measure in 2023. •A1c <8% is switching to >9% in 2023. •COL is moving to an electronic measure in 2024. 	<p>Covered California will continue to issue guidance and program updates as measures change within the 2023-2025 contract period.</p>
10	10.2	<p>Please add clarification to section 1.4.1 that addresses how Covered California will handle accidental or otherwise erroneous release of Contractor confidential information and notify the Contractor of such release. We recommend the following language revisions to 10.2 a. ii to further define the “Disclosing Party” and the “Receiving Party”. This change will address Covered California’s responsibilities under section 10.2 f. as the “Receiving Party.”</p> <p>“iii. “Disclosing Party” means the party who sends Information Assets that it owns or properly possesses to the other party Covered California for the purposes outlined in this Agreement.</p> <p>iv. “Receiving Party” means the party who receives Information Assets owned by the other party. Covered CA may be a Receiving Party under this definition.”</p>	<p>Although Covered California appreciates commenter’s concerns regarding inadvertent disclosures of confidential information, it believes existing language in Section 10.2 already provides the requested terms. Section 10.2 provides procedures, including prompt written notification requirements, for unauthorized disclosures of confidential information. Covered California believes definitions included in this section sufficiently address commenter’s concerns. Therefore, no change will be made.</p>