

Responses to Comment Cycle 2 - Draft 2026-2028 QHP Issuer Contract for Individual Market - General Model Contract

Article	Section #	Comment	Covered CA Response
3	3.2.1	3.2.1 Marketing Concerns that a 0.4% expectation for direct response marketing can lead to inefficient and unnecessary costs and premium impact. <b>Recommendation:</b> Modify requirement to enable lower than 0.4% based on Contractors demonstration of efficient and effective marketing spend.	Proposed requirement will remain the same for 2026, but alternatives will be explored for future years.
3	3.3	We acknowledge the concern regarding the differentiation of agents. However, we continue to believe that it is crucial for Covered California to distinguish between agents and web-broker/web-based entities, allowing QHPs to appropriately compensate based on the services provided and respectfully request to ensure clarity and fairness, we recommend that Covered California distinctly define "web-broker" or "web-based entity" from agents who provide comprehensive services, transparently indicate the status of each certified and terminated agent, conduct audits to accurately classify agents and brokers, and revise the agreement to allow differentiated compensation structures for web-brokers/web-based entities versus servicing agents/brokers.	After further consideration, Covered California has decided there will be no differentiation between web-based enrollers and agents/brokers at this time.
4	4.1.4	Please revise the 4.1.4 language to allow for the SERFF submission of <u>either</u> the EOCs or Disclosure Forms. These documents include duplicate information and the additional submission of the Disclosure Forms will add 10+ pages to the PDFs that are already very large. Suggested language:  b) One upload, for purposes of this paragraph, includes all plan data and documents that must be resubmitted to correct Contractor's errors including Summary of Benefits and Coverage, Evidence of Coverage (EOC) and/or Disclosure Forms.  c) Covered California reserves the right to require that the Contractor receive regulatory approval for licensure, rates, products, Summary of Benefits and Coverage, Evidence of Coverage (EOC) and/or Disclosure Forms, policy documents, network, and Service Area prior to participating in the CalHEERS pre-production environment.	Covered California intended to capture combined EOC and Disclosure Forms in amending the definition "Evidence of Coverage (EOC) and Disclosure Forms" and updating this term throughout the contract. The intention was not to require additional submissions under Section 4.1.4. To clarify this requirement, Covered California will amend the definitions section to specify that EOC, as the term is used in the contract, means the State-Regulator approved document issued to a Subscriber or Member. If a carrier uses a State-Regulator approved combined EOC and Disclosure Form, it should provide this document when EOC submission is required.  <b>Evidence of Coverage (EOC)</b> – The State-Regulator approved document which describes the benefits, exclusions, limitations, conditions, and the benefit levels of the applicable Plans issued to a Subscriber or Member.
4	4.3.2	We previously requested that 'Covered California and' be removed from network adequacy standards. Per last cycle comments, there will not be additional requirements beyond the DMHC. We therefore request that clarification be added that Covered California will work closely with state regulations and not require additional network adequacy standards.	Amendments to Section 4.3.2 are meant to capture Covered California's role in ensuring network adequacy standards in close partnership with state regulators, as required by 45 C.F.R. § 155.1050. QHP issuers continue to be subject to the robust network adequacy requirements imposed by their state regulators. Covered California will communicate with QHP issuers should there be any efforts to develop additional requirements beyond those imposed by state or federal law.  No change will be made.
4	4.3.2 a), b)	<b>Network Adequacy</b> - The proposed contract language implies that Covered California may provide guidance and conduct network adequacy review alongside state regulators, but it does not specify the nature of that work or what carriers would be required to provide. We continue to request concrete details regarding reporting and additional requirements for QHP issuers applicable to 2026 as soon as possible, sooner than January if available.	Thank you for your comment. Covered California understands the urgency of this matter and continues to work closely with federal and state regulators on network adequacy requirements, including those required by 45 C.F.R. § 155.1050. Covered California will communicate with QHP issuers should there be any efforts to develop additional requirements beyond those imposed by state or federal law.
6	6.1.1 d)	In the first revision, there was sections f) and g) referring to the California Premium Credit Program and Cost Sharing Reduction Assistance Program. In this new revision, those subsections were removed with feedback stating it will be under the "State Funded Programs" section. This section seems general and has no details on if efforts for CAPC and CSR unchanged from prior years. Can you confirm if there's an actual change to CAPC and CSR?	No, there is no change to these programs. Covered California amended language in this section to apply to "State Funded Programs" to more broadly capture Covered California's responsibility to provide payments for programs required by state law. Currently this includes both the CAPC and CSR programs.
4	4.6.7	Concerns were raised regarding credits being automatically applied to the monthly premium without offering a refund or notifying consumers that they could request a refund. Request to add information on notices such as statements and invoices.	The following requirement has been added to Section 4.6.7:  g) Premium invoices, termination notices as required under 45 C.F.R § 156.270, and other notices where applicable must prominently inform consumers of their right to request a refund of any credits on their accounts.