AB 1810
AFFORDABILITY WORKGROUP Meeting #2

Operational and Policy Considerations

November 16, 2018
POTENTIAL POLICY AND OPERATIONAL CONSIDERATIONS: ENHANCE AND/OR EXTEND PREMIUM ASSISTANCE

• Policy Considerations
  ◦ Advanceable premium assistance and/or refundable credit
  ◦ Reconciliation requirements
  ◦ State entity(ies) responsible for program administration, payments to carriers/consumers and program oversight
  ◦ Development of California-specific required contribution parameters
  ◦ Funding source and duration

• Operational Considerations
  ◦ System changes to calculate, display, transmit, report and reconcile state premium assistance amount
  ◦ Consumer noticing, outreach and education
  ◦ Potential changes to tax form process
POTENTIAL POLICY AND OPERATIONAL CONSIDERATIONS: ENHANCE AND/OR EXTEND PREMIUM ASSISTANCE

• Carrier Considerations
  ◦ System changes to capture and apply state premium assistance amount
  ◦ Establishment of processes for receiving and reconciling state premium assistance

• Agency Coordination and Required Approvals
  ◦ State authorizing legislation and budget appropriation
  ◦ Federal approvals: TBD
  ◦ Establishment of payment process with carriers if premium assistance is advanceable
  ◦ Coordination with any impacted state and county agencies
POTENTIAL POLICY AND OPERATIONAL CONSIDERATIONS: EXTEND AND/OR ENHANCE COST SHARING SUPPORT

• Policy Considerations
  ◦ Development of California eligibility and/or cost sharing variants
  ◦ Funding source and duration
  ◦ Implications for current “silver loading” approach
  ◦ State entity(ies) responsible for program administration, payments to carriers, and oversight

• Operational Considerations
  ◦ System changes to determine eligibility, display appropriate plans, transmit and report cost sharing assistance amount as needed
  ◦ Cost sharing payment approach
POTENTIAL POLICY AND OPERATIONAL CONSIDERATIONS: EXTEND AND/OR ENHANCE COST SHARING SUPPORT

• Carrier Considerations
  ◦ Plan design and approval process
  ◦ Rate development and “silver loading” impacts
  ◦ Establishment of processes for receiving and reconciling state assistance

• Agency Coordination and Approvals
  ◦ State authorizing legislation and budget appropriation
  ◦ Federal approvals: TBD
  ◦ Establishment of carrier payment process if cost sharing is directly funded
  ◦ Coordination with any impacted state and county agencies
POTENTIAL POLICY AND OPERATIONAL CONSIDERATIONS: CALIFORNIA INDIVIDUAL MANDATE AND PENALTY

• Policy and Operational Considerations
  ◦ The coverage that qualifies (minimum essential coverage)
  ◦ Penalty amount for not maintaining coverage
  ◦ Exemptions available
  ◦ Use of penalty revenue
  ◦ Administrative processes (penalty collection, granting of exemptions, reporting, tax code changes)
POTENTIAL POLICY AND OPERATIONAL CONSIDERATIONS: REINSURANCE PROGRAM

• Policy and Operational Considerations
  ◦ Reinsurance model (attachment point or condition-based)
  ◦ 1332 waiver
  ◦ Funding source and duration
  ◦ State entity(ies) responsible for program development and administration, payments to carriers and program oversight
DISCUSSION OF PRIORITIES FOR “STEP 2” MODELING

• Modifications of individual options

• Option combination modeling

• Trend and phasing
DECEMBER 17 PROPOSED AGENDA AND WORKGROUP INFORMATION

• December 17 proposed agenda items:
  ◦ Review of combined modeling
  ◦ Review of affordability impact of options

• Key Dates:
  ◦ December 17, 2018 – workgroup meeting
  ◦ January 17, 2019 – Board meeting
  ◦ February 1, 2019 – affordability report due

Meeting dates/times, agendas, and presentation slides available online:
https://hbex.coveredca.com/stakeholders/AB_1810_Affordability_Workgroup/

Questions and/or requests to be added to our distribution list can be sent to policy@covered.ca.gov
SELECTED RESOURCES

• Vermont
  ◦ Health Coverage Map

• Massachusetts
  ◦ ConnectorCare Health Plan Overview

• State Individual Mandates
    ◦ https://www.shvs.org/resource/model-legislation-for-state-individual-mandate/

• Reinsurance
  ◦ Application Template for Section 1332 Reinsurance Waiver
    ▪ https://www.shvs.org/resource/application-template-for-section-1332-reinsurance-waiver