

**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/](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](mailto:policy@covered.ca.gov)

# SELECTED RESOURCES

- Vermont
  - Health Coverage Map
    - [https://info.healthconnect.vermont.gov/sites/hcexchange/files/Health\\_Coverage\\_Map-2018Q2.pdf](https://info.healthconnect.vermont.gov/sites/hcexchange/files/Health_Coverage_Map-2018Q2.pdf)
- Massachusetts
  - ConnectorCare Health Plan Overview
    - [https://www.mahealthconnector.org/wp-content/uploads/ConnectorCare\\_Overview-2017.pdf](https://www.mahealthconnector.org/wp-content/uploads/ConnectorCare_Overview-2017.pdf)
- State Individual Mandates
  - [https://www.brookings.edu/wp-content/uploads/2018/10/Levitis\\_State-Individual-Mandates\\_10.29.18.pdf](https://www.brookings.edu/wp-content/uploads/2018/10/Levitis_State-Individual-Mandates_10.29.18.pdf)
  - <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>