



**COVERED**  
**CALIFORNIA**

**PLAN MANAGEMENT AND DELIVERY SYSTEM REFORM ADVISORY COMMITTEE**

**FEBRUARY 4, 2014**

# WELCOME

Valerie Woolsey – Chair

Katherine Hamilton – The Children’s Partnership

Crystal McElroy – MetLife

THANK YOU – ELLEN WU – PAST CHAIR

# AGENDA

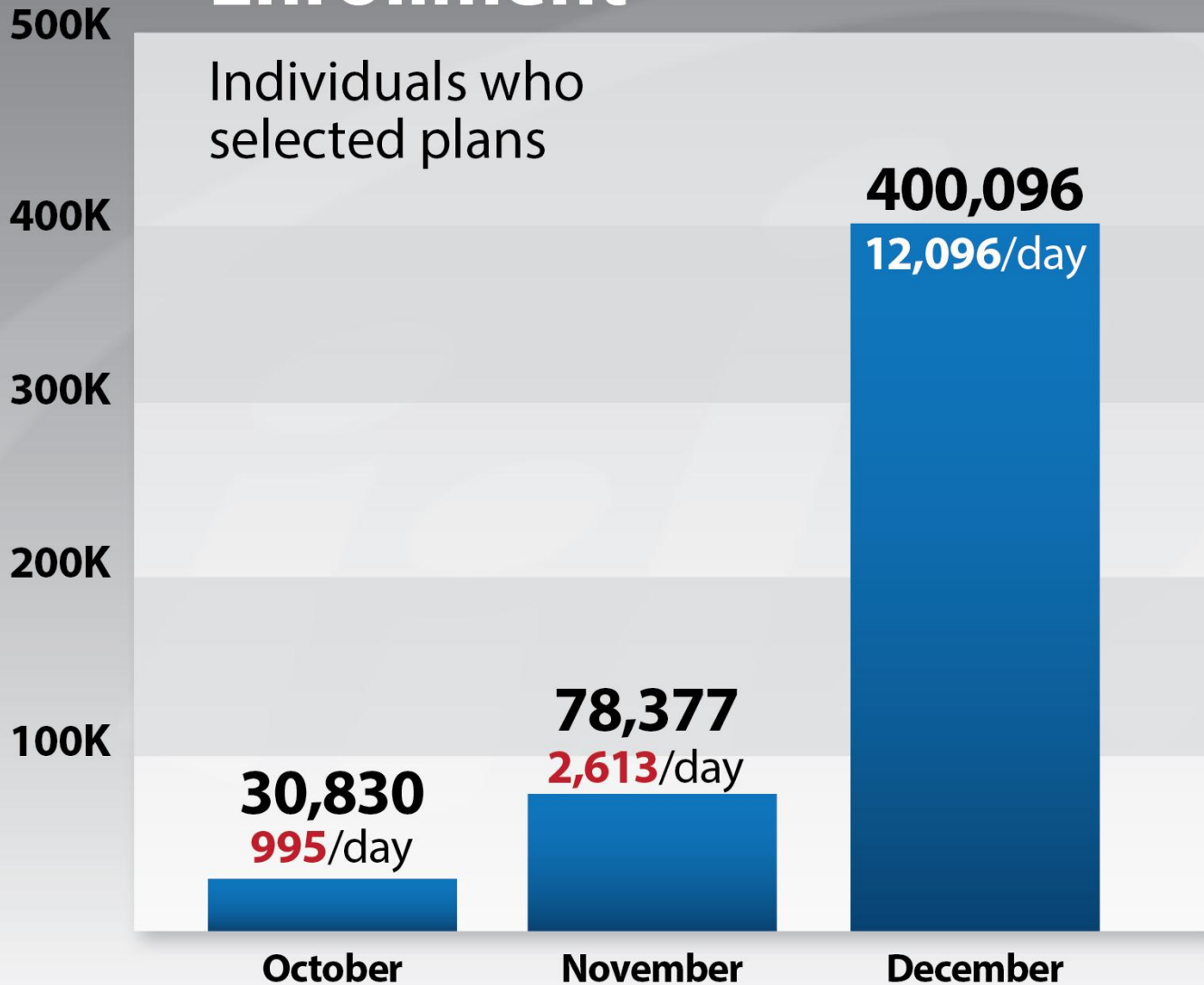
- |             |  |                            |
|-------------|--|----------------------------|
| <b>I.</b>   | <b>Welcome (Casey Morrigan)</b>  | <b>1:30-1:40 (10 min.)</b> |
| <b>II.</b>  | <b>Agenda Review (Valerie Woolsey)</b>   | <b>1:40-1:45 (5 min.)</b>  |
| <b>III.</b> | <b>Program Updates (staff)</b>   | <b>1:45-2:00 (15 min.)</b> |
|             | 1. Enrollment Update   |                            |
|             | 2. Pediatric Dental  |                            |
|             | 3. Other   |                            |
| <b>IV.</b>  | <b>Renewal Application Draft &amp; New Entrant Application Draft<br/>(Leah Morris)</b>             | <b>2:00-2:30 (30 min.)</b> |
| <b>V.</b>   | <b>Qualified Health Plans: Benefit Design Considerations<br/>Embedding Dental (Casey Morrigan)</b> | <b>2:30-4:00 (90min.)</b>  |
| <b>VI.</b>  | <b>Wrap-Up and Next Steps</b>  | <b>4:00-4:15 (15 min.)</b> |

Send public comments to [qhp@hbex.ca.gov](mailto:qhp@hbex.ca.gov)

# JANUARY ENROLLMENT SLIDES

Peter V. Lee, Executive Director

# Enrollment



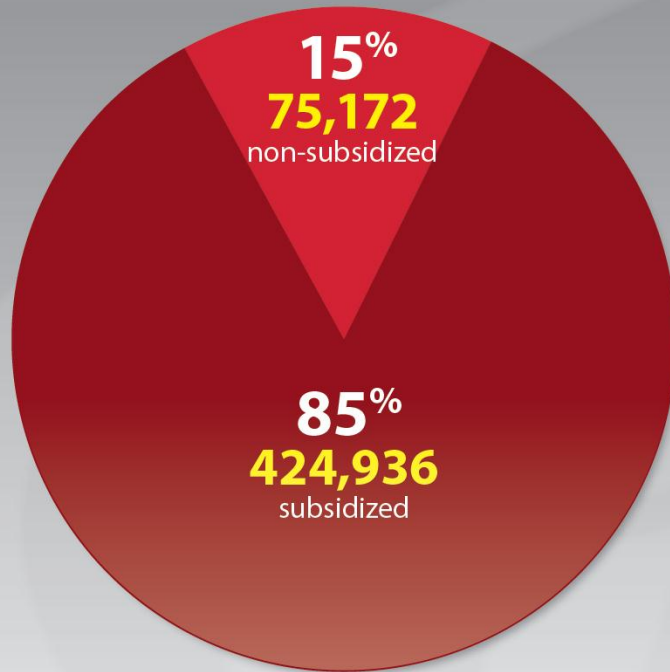
**625,564**

**Individual plans selected through  
Covered California as of Jan. 14.**

# January Enrollment Numbers

## Covered California

Oct.-Dec. Enrollment



Applications Completed:

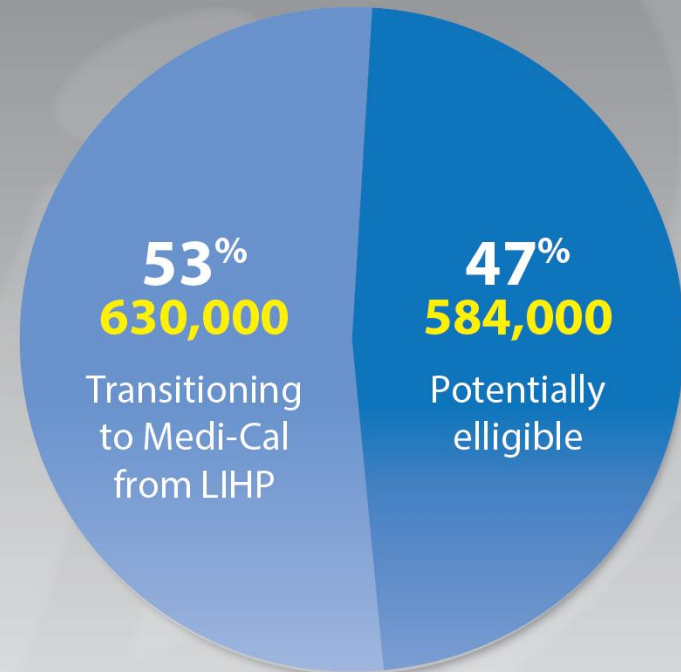
**1,456,909**

Individuals Enrolled:

**500,108**

## Medi-Cal

Oct.-Dec. Enrollment

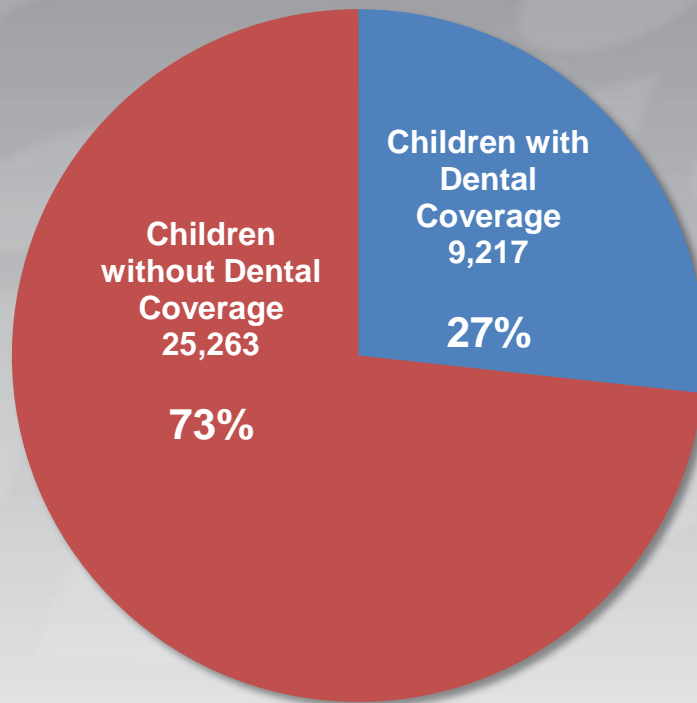


Individuals Enrolled:

**1,214,000**

# Pediatric Dental Enrollment

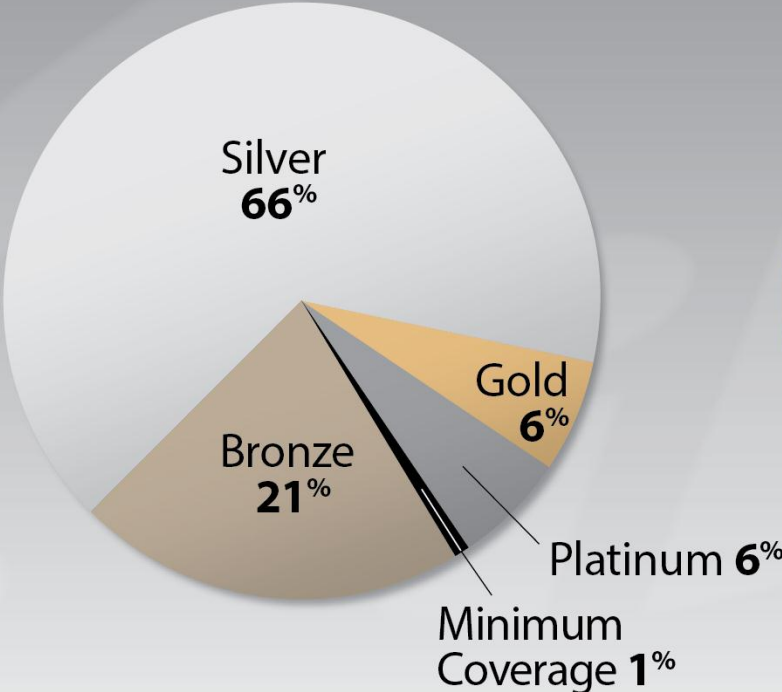
A total of 34,480 children enrolled from Oct - Dec



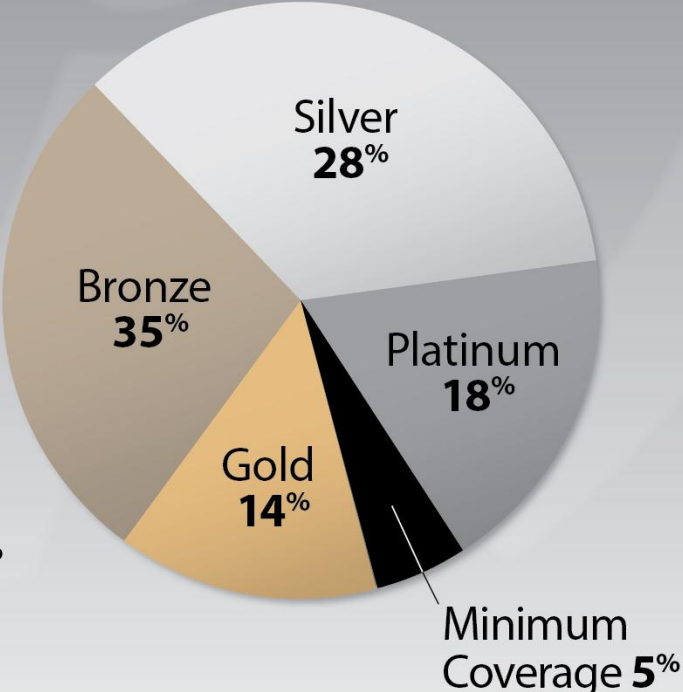


# Oct.-Dec. Enrollment by Metal Tier

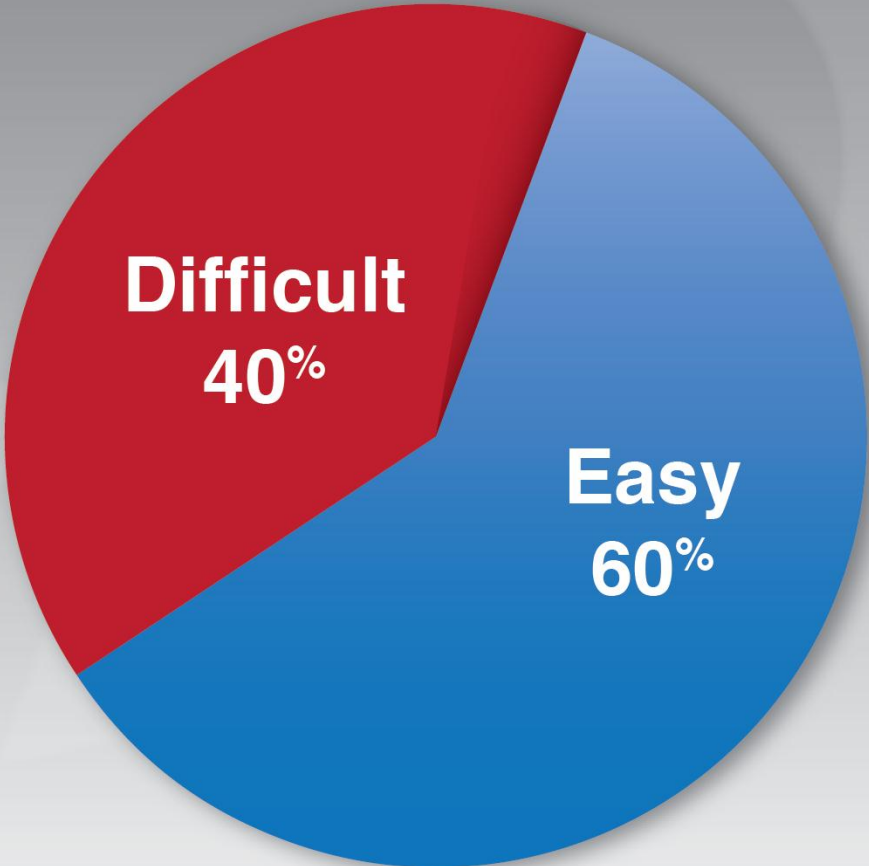
Subsidy eligible



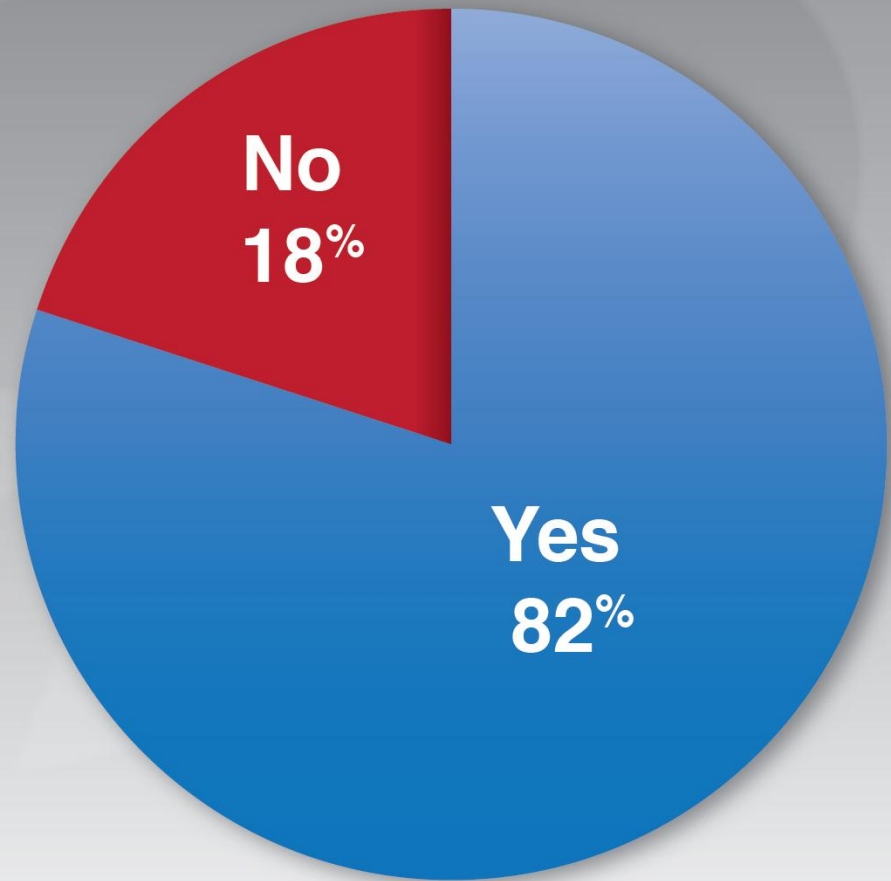
Non-subsidy eligible



**60 percent of those surveyed find the overall enrollment process through Covered California easy to complete.**



**82 percent were able to find the information they needed to choose a health plan that is right for them.**



# Small Business Health Options Program (SHOP)

- **More than 289 small businesses** have applied for coverage, with all successfully completing their enrollment.
- **A total of 2,155 employees** and their dependents were provided coverage by their employer.

# PROGRAM UPDATES

Casey Morigan, Consultant, Plan Management

# BOARD RESOLUTION

...[T]he Board hereby resolves to adopt the staff recommendation that the Exchange, for the individual market only, offer an embedded pediatric dental benefit side by side with a standalone benefit in plan year 2015, understanding that the Exchange must certify an otherwise qualified health plan without a pediatric dental benefit (“9.5”) if proposed by an issuer when a standalone pediatric dental plan is available through the Exchange. For the Small Business Health Options Program (SHOP) market, Covered California recommends that the Exchange allow embedded, 9.5, and standalone pediatric dental options in plan year 2015 and recommends for both the individual and SHOP markets that the Exchange offer a supplemental adult dental benefit no later than plan year 2016.

# PROPOSED 2015 QHP & SADP RECERTIFICATION AND NEW ENTRANT APPROACH

Leah Morris, Senior Clinical Consultant, Plan Management

## Proposed Recertification/Certification Timeline for 2015 Benefit Year for SHOP and Individual Marketplaces

ACTIVITY	DATE
Stakeholder review: Benefit design and recertification/new entrant	Q4 2013 Q1 2014
• Public webinars: QHP and SADP/FP applications; Using ProposalTech and SERFF	MID-FEBRUARY
<b>February Board Meeting</b>	
• Discussion: 2015 standard benefit plan designs	FEBRUARY 20
• Action: QHP & SADP recertification and new entrant applications and regulations	
Release final Covered California QHP & SADP recertification and new entrant applications	MARCH 10
Nonbinding letters of intent due for QHP & SADP recertification and new entrant certification	MARCH 17
<b>March Board Meeting</b>	
• Action: 2015 standard benefit plan designs	MARCH 20
• Action: Model contract amendments – QHP and SADP	
Preliminary portfolio evaluation completed based on letters of intent	APRIL 30
QHP & SADP recertification new entrant applications due to Covered California – all to include 2015 Proposed Rates and Networks	MAY 1



## Proposed Recertification/Certification Timeline for 2015 Benefit Year for SHOP and Individual Marketplaces (continued)

ACTIVITY	DATE
Evaluation of QHP & SADP recertification and new entrant application including rates, networks, quality, contract compliance, reporting, etc.	MAY 1-MAY 31
Covered California negotiations with recertification and new entrant applicants	JUNE
Contingent QHP & SADP recertification and new entrant certification complete subject to regulatory rate review	JUNE 30
Regulatory rate review	JULY AND AUGUST
Final QHP & SADP recertification and new entrant certification complete	AUGUST 30
SERFF templates submitted by QHPs & SADPs	SEPTEMBER 1
2015 QHP & SADP data loaded into CalHEERS and tested	SEPTEMBER TO OCTOBER 15
Open enrollment period for 2015 plan year*	OCTOBER 15 TO DECEMBER 7

\*The proposed federal rule *HHS Notice of Benefit and Payment Parameters for 2015* would change the open enrollment period for all Exchanges to November 15, 2014 through January 15, 2015.

# GUIDING PRINCIPLES

- 1. Partnership: Ask for key updates and changes – no need to repeat information collection from first solicitation**
- 2. Stable Portfolio: Standard benefit designs for 2015 limited to those required to comply with federal and state law, embedded dental, and family dental plans in individual and SHOP.**
- 3. Evaluation: focus on data where available: enrollment, licensure/accreditation, ability to receive payments and process claims, and other basic QHP and dental plan functions.**
- 4. Transparent process**

# PROPOSED QHP ISSUER ELIGIBILITY FOR RECERTIFICATION AND NEW ENTRANT APPLICATION

	Individual Market	SHOP
QHP New Entrant Application	Medi-Cal managed care plans and plans newly licensed since August 2012	Issuers not currently offered through the SHOP
QHP Recertification Application	QHPs and issuers who received conditional certification for the 2014 plan year	SHOP QHPs

# PROPOSED SADP & FAMILY DENTAL ELIGIBILITY FOR RECERTIFICATION AND NEW ENTRANT APPLICATION

	Individual Market	SHOP
SADP & FD New Entrant Application	Issuers not currently offered through Individual Market	Issuers not currently offered through the SHOP
SADP & FD Recertification Application	Issuers who received certification for the 2014 plan year	Issuers who received certification for the 2014 plan year

# PROPOSED PORTFOLIO DESIGN

	Individual Market	SHOP
QHP	10.0	9.5
DENTAL	<ul style="list-style-type: none"><li>• SADP (PED .5)</li><li>• FAMILY PLAN (PED .5 + FAMILY)</li></ul>	<ul style="list-style-type: none"><li>• SADP (PED .5)</li><li>• FAMILY PLAN (PED .5 + FAMILY)</li></ul>

# RECERTIFICATION APPLICATION: PROPOSED APPROACH

1. Existing QHP issuers, and issuers that were certified for 2014 as QHPs, contingent on regulatory rate review, will be eligible to seek recertification for plan year 2015
2. Existing SADP issuers will be eligible to seek recertification for plan year 2015: new plan design; new entrants allowed
3. Draft recertification renewal application recognizes that much of the data will be collected from QHPs & SADPs during 2014 as required by the QHP & SADP contracts and will not be available in time for recertification
4. Require attestations of performance expectations across all domains of QHP & SADP model contract, supplemented by supporting documentation for Covered California staff review and evaluation

# NEW ENTRANT APPLICATION: PROPOSED APPROACH

1. Individual market 2015 QHP new entrant application: open to newly-licensed health insurance issuers (any health insurance issuer that received a license after the Board adopted its policy in August 2012) and Medi-Cal managed care plans
2. Individual market 2015 SADP + Family Plan: open to current certified issuers and issuers not currently offered on the individual market
3. SHOP 2015 new QHP and SADP entrant application: open to issuers not currently offered through SHOP; applicants selected on the basis of the plan adding to the competitiveness of the SHOP portfolio
4. Use initial solicitation as base for 2015 new entrant application
5. Retain core elements needed to evaluate new entrant applications and clarify bid requirements where appropriate to reflect initial solicitation experience
6. Align solicitation with QHP & SADP Contract terms – Contract amendments needed

# BENEFIT PLAN DESIGN

Leesa Tori, Senior Advisor, Plan Management



# DESIGN PRINCIPLES

- 1) Minimize any changes to the benefits and cost-sharing amounts
- 2) Align some of the 2015 benefits across issuers so that the average consumer can more easily compare options
- 3) Consider benefits that are more consumer-friendly (lower or simpler, but maintain AV).

# DESIGN FACTORS

- 1) Federal 2015 AV calculator
  - a. Dental OOP, deductibles, copays
  - b. Oral anti-cancer drugs: in standard benefits
  - c. Inpatient hospital services - +
- 2) Dental out-of-pocket maximum - SADP
- 3) Dental AV – SADP
- 4) SB 639
- 5) CALHEERS Display-esp. deductibles

# PROPOSED BENEFIT DESIGN

## SAMPLE 1 – SILVER – 69.45% AV

	2014	2015 Proposed
Deductible	Some plans have separate drug and medical deductibles; other plans have a combined deductible.	Combined medical and drug deductible of \$2,250. Preferred brand drugs can be excluded with no actuarial impact.
Inpatient Copay	Varying application of deductibles in copay and coinsurance plans	Replace inpt. copay (in copay plan) with 20% coinsurance. Standardize deductibles across copay and coinsurance products.

# PROPOSED BENEFIT DESIGN

## SAMPLE 1 – SILVER (continued)

	2014	2015 Proposed
<b>Imaging</b>	20% coinsurance for coinsurance plan; \$250 copay in copay plan.	Eliminate \$250 copay and replace with 20% coinsurance. Aligns non-CSR silver plans; better comparison; higher AV
<b>Generic Drug Copay</b>	\$19	\$15 Marginally increases AV. Assists QHP's in complying with DMHC regs on generic drugs.

# PROPOSED BENEFIT DESIGN

## SAMPLE 2 – SILVER – 70.68% AV

	2014	2015
<b>All changes in Sample 1</b>	See Sample 1	See Sample 1
<b>Primary Care Visit Copay</b>	\$45	\$25
<b>Specialist Visit Copay</b>	\$65	\$50
<b>Mental Health and Rehabilitative Copay</b>	\$45	\$25 - parity

# EMBEDDING DENTAL IN QHP

Casey Morigan, Consultant, Plan Management

# APPROACH TO EMBEDDING

- 1) Retain standard plan design as current pediatric standalone, adjusting for change to OOP Max
- 2) Require description of how QHP will assure dental service delivery – does not prescribe.
- 3) Emphasize collection of quality metrics – already in SADP contract – require description of how QHP will assure data delivery
- 4) Dental network adequacy – QHP must describe

# PROPOSED PORTFOLIO DESIGN

	Individual Market	SHOP
QHP	10.0	9.5
DENTAL	<ul style="list-style-type: none"><li>• SADP (PED .5)</li><li>• FAMILY PLAN (PED .5 + FAMILY)</li></ul>	<ul style="list-style-type: none"><li>• SADP (PED .5)</li><li>• FAMILY PLAN (PED .5 + FAMILY)</li></ul>



# DESIGN POSSIBILITIES

1. Paired platforms – HMO required to pair with DHMO
2. Single Pediatric dental design over all metal tiers? (current: hi/lo 85/70 AV, and DHMO/DPPO for each)
3. Allocated or integrated dental deductible, OOP?
4. What is dental network adequacy?

# FEEDBACK OPPORTUNITIES

## 1. BOARD MEETING 2/20/14

- a. DRAFT PLAN DESIGNS – DISCUSSION - REGULATIONS
- b. APPLICATIONS – FINAL APPROVAL - REGULATIONS

## 2. SHOP ADVISORY GROUP

## 3. WEBINARS: WEEK OF 2/10

- a. Reviewing public comments received on draft QHP applications (renewal and new entrant) and preview proposed submission formats
- b. Reviewing public comments received on draft dental plan applications (SADP renewal and SADP/FP new entrant) and preview proposed submission formats

## 4. BOARD MEETING 3/20/14

- a. FINAL PLAN DESIGNS – APPROVAL - REGULATIONS

## 5. REVIEW OF QHP AND DENTAL MODEL CONTRACT AMENDMENT LANGUAGE

- a. March or April Advisory and Ad Hoc Review
- b. March or April Board discussion and later final approval

# COMMENTS

Public comments due on plan design draft regulations: March 7

# WRAP-UP AND NEXT STEPS