Dental Technical Work Group

December 8, 2015

PRELIMINARY DRAFT SLIDES – SUBJECT TO CHANGE

AGENDA

Dental Technical Work Group
Meeting and Webinar
Tuesday December 8, 1:00 - 3:00 p.m.

Agenda Items	Suggested Time
I. Welcome and Introductions	1:00 - 1:10 (10 min)
II. Program Updates	1:10 – 1:30 (20 min)
III. Copay Plan Designs (Children's & Adult Benefits)	1:30 – 1:50 (20 min)
III. Adult Dental Benefits Discussion	1:50 - 2:20 (30 min)
IV. Children's Dental Benefit Discussion	2:20 – 2:35 (15 min)
V. Covered California for Small Business Dental Benefit Plan Design	2:35 - 2:50 (15 min)
VI. Next Steps	2:50 - 3:00 (10 min)

Send public comments to QHP@covered.ca.gov

PROGRAM UPDATES

COVERED CALIFORNIA FAMILY DENTAL PLANS ENROLLMENT UPDATE

33,000+ individuals have selected dental plans as of November 17

Dental plans selected by renewing consumers: **27,000 +**

Dental plans selected by open enrollment consumers: **6,000 +**

2017-2019 INDIVIDUAL CERTIFICATION GUIDING PRINCIPLES

Provide stability for consumers by having a stable portfolio with three year contracts, of carriers, products, and networks that offer distinct choice and quality healthcare at a cost with annual changes that are at, or below, trend.

- May allow for the consideration of new carriers in 2018 and 2019 based on differentiation of product, network, operational capabilities and quality innovations that will benefit Covered California consumers.
- Promote continued growth and implementation of integrated models of care such as Accountable Care Organizations (ACO), Medical Homes, and models that reimburse and support primary care.
- Implementation of new provider payment models that benefit consumers receiving the right care at the right time and place.
- Allows for annual changes to benefit designs that promote preventive care, increase management of chronic conditions and increase access to needed care.
- Revise contract to require continued improvement and hold carriers accountable for the delivery of quality care to consumers that focuses on the unique economic, demographic and regional variation that exists within our membership.
- Require efforts that increase new enrollment, effectuation and improve retention.
- Identify opportunities to reduce administrative costs to favorably impact affordability.

PROPOSED APPROACH FOR 2017-2019 QDP CERTIFICATION

- For 2017, recommend one QDP certification application open to all licensed dental issuers
- 2017 application is for a multi-year contract term (2017-2019) with annual certification that includes review and Covered California approval of the following:
  - Contract compliance and performance review
  - Rates
  - Benefits
  - Networks
  - New Products
  - Updates to Performance Requirements

- No new dental issuer entrants through 2019 except newly licensed issuers.

- Allowance for changing the exchange participation fee that includes changing the structure of the fee to a percent of gross premium for HMO and PPO dental plans.

2017 CERTIFICATION PRELIMINARY TIMELINE

Activity	Date
Medical, Dental Benefits and Quality Subcommittee Meetings with Carriers, Stakeholders and Regulators	September –Nov 2015
Plan Management Advisory Updates of Subcommittee Meetings	October 15th & November 12th
Continued Subcommittee Meetings	December 2015 –January 2016
Plan Advisory Meetings	January and February 2016
Board recommendation for 2017 Certification, Benefits Designs and Contract Quality Requirements	January 21, 2016
Board Approval of 2017 Certification, Benefit Designs and Contract Requirements	February 18, 2016
2017 Application Open to Health and Dental Plans	March 1, 2016
2017 Application Due to Covered California	May 2, 2016 **Proposed QDP 6/1/16**
Covered California Application Evaluation and Carrier Negotiations	June 6 –June 17 **Proposed QDP 7/11-7/15**
Public Announcement of Preliminary Rates	Week of July 4 **Proposed QDP Aug 1**
Regulatory Review of Rates Begins	Week of July 4 **not applicable to dental rates**

2017 DENTAL BENEFIT DESIGN

DENTAL TECHNICAL WORK GROUP
2017 BENEFIT DESIGN TIMELINE

Date	Event	Description
5-Nov	Dental Technical Work Group (2017 Benefit Design)	Kickoff meeting
12-Nov	**Plan Management Advisory Group Meeting**	Progress Update Provided to Advisory
Mid-Nov	Draft AV Calculator Release	Draft CMS rules and AV Calculator expected
19-Nov	**Board Meeting**	
8-Dec	Dental Technical Work Group (2017 Benefit Design)	Formulate Proposal for presentation to Plan Management Advisory
Early Jan	Dental Technical Workshop (2017 Benefit Design)	Finalize recommendation for presentation to Plan Advisory
Jan 14	**Plan Management Advisory Group Meeting**	Recommendation Provided to Plan Management Advisory for Feedback
Jan 21	**Board Meeting**	Recommendation to Board (Pending Final Actuarial Value Calculator)
Late Feb	Final AV Calculator Release	Final CMS rules and AV Calculator expected (based on prior year experience)
Feb 18	**Board Meeting - Decision**	**Approval by Board of final adjustments to 2017 Dental SBPD**

COVERED CALIFORNIA DENTAL PLAN DESIGN

Covered California Guiding Principles and Policy Decisions

- Pediatric dental EHB will meet 85% actuarial value requirement
- No member cost share for adult or children's preventive and diagnostic services
- Keep pediatric dental benefits the same whether embedded in health plan or delivered through standalone dental plans
  - Exceptions for actuarial value reasons: out-of-pocket maximum, medically necessary orthodontia cost share
- Annual benefit limit and waiting period for major services allowed for adult coinsurance benefits in order to keep premiums affordable
- Qualified Dental Plan enrollment available only during Open Enrollment and Special Enrollment for qualified individuals

COPAY PLAN DESIGN STANDARDIZATION

COPAY PLAN DESIGN

Option 1

Standardize copays for a larger set of procedure codes

Option 2

Standardize copays for all procedure codes

Option 3

Set copay limits for each procedure category, allowing plans to determine all individual procedure copay amounts

COPAY PLAN DESIGN:
OPTION 1 PROCEDURE CODES

Background:

- 30 procedure codes cover approximately 91% of claim costs and 97% of pediatric utilization
- 40 procedure codes cover approximately 90% of claim costs and 95% of adult utilization

Please refer to the handout entitled "CoveredCA 2017 Draft Dental Copays version 1" for discussion of specific proposed copays

COPAY PLAN DESIGN

Option 1 Proposed Next Steps:

- Feedback on proposed copays for selected pediatric and adult procedure codes
- Operational/Network contracting impacts to dental plans

Option 2: Standard Full Copay Schedule

- Two plans support setting standard copays for **all** covered procedure codes
- Need discussion and proposed next steps

ADULT DENTAL BENEFITS

ADULT COINSURANCE DESIGN

Current Coinsurance Plan Design:

- Six month waiting period for major services, waived with proof of prior coverage
- Annual benefit limit of $1500 per member
- No adult out-of-pocket maximum

Cost sharing for adult members includes premium, $50 deductible, waiting period, and 50% coinsurance plus benefit limit. This can create cost challenges and could make DPPO members question value.

*Note dental plan enrollment only available during open enrollment and special enrollment

ADULT COINSURANCE DESIGN: WAITING PERIODS

Major Services Waiting Period Options	Plan-reported Estimated Premium Impact
Option 1: Remove six month waiting period	Increase 4-6% (Milliman: 2%+ due to additional risk associated with voluntary dental offering)
Option 2: Shorten waiting period to three months	Increase 2-3% (Milliman: 1%+ due to additional risk associated with voluntary dental offering)
Option 3: Retain six month waiting period	No change

ADULT COINSURANCE DESIGN: ANNUAL BENEFIT LIMIT

Benefit Limit Options	Plan-reported Estimated Premium Impact	Plan-reported % of Adult Members Who Reached Annual Benefit Limit (Marketplace and Commercial Plans)
Option 1: No benefit limit	**increase of 22-29%**	
Option 2: Increase Benefit Limit		
$1,750	**increase of 3-5%**	4%
$2,000	**increase of 3-9% (Milliman estimate 8%)**	3%
$2,500	**increase of 5-16% (Milliman estimate 12%)**	1.5%
Option 3: Retain $1,500 Benefit Limit	**no change**	5%

PLAN PROPOSAL: TWO LEVELS OF ADULT DENTAL BENEFITS

Option 1:

Current Adult Coinsurance Plan become “Low” plan option, create new “High” plan option

Option 2:

Current Adult Coinsurance Plan becomes “High” plan option, create new “Low” plan option

Possible Considerations:

- Adjustment to out-of-network benefits
- Standardize exclusions and limitations

CHILDREN'S DENTAL BENEFITS

CHILDREN'S DENTAL BENEFITS: BENCHMARK PLAN

Background:

SB 43 selects the 2014 Medi-Cal children's dental benefits as the new benchmark plan effective 1/1/2017

Preliminary analysis:

- No change to covered services
- Some reduction in frequency of services
- Possible AV impacts unknown

MEDICALLY NECESSARY ORTHODONTIA

Background:

Current Designs

- $350 cost share in standalone plans (Children's and Family Dental Plans)
- $1,000 copay or 50% coinsurance cost share in health plans

Option 1: MNO member cost share applies to a course of treatment

Option 2: MNO member cost share applies per benefit year of a multi-year course of treatment

MEDICALLY NECESSARY ORTHODONTIA

Plan Data Request: What percentage of pediatric members qualified for medically necessary orthodontia 2013 through 2015?

Plan-reported % Pediatric Members who Received MNO Treatment (2014-2015)	Average MNO Claim Cost	Range of MNO Claim Costs
0.1 - 1.5% (DPPO responses)	$6,478 (DPPO response)	$5,600 - $8,560 (DPPO response)
0 (DHMO response)		$1,200 - $3,000 (DHMO response)

*Based on discussion and comments received, recommend adoption of **Option 1: MNO member cost share applies to a course of treatment***

CHILDREN'S OUT-OF-POCKET MAXIMUM

Background:

$350 set by Federal Benefit and Payment Parameters rule for 2015, not changed for 2016

• From proposed Benefit and Payment Parameters rule:

(Previous year MOOP=$350)*(dental CPI 2015/dental CPI 2016)

• SB 639 limits members' out-of-pocket costs for essential health benefits to the maximum allowable amount; this has been interpreted to apply to situations in which pediatric members are enrolled in both health plans with "embedded" pediatric dental essential health benefits as well as standalone dental plans also providing the pediatric dental essential health benefits.

• Due to SB 639, changes to the child MOOP impact health plan designs

CHILDREN'S OUT-OF-POCKET MAXIMUM

Plan Data Request: What percentage of pediatric members reach annual MOOP?

Child Out-of-Pocket Maximum	Estimated Copay Plan Premium Impact	Estimated Copay Plan AV Impact	Estimated Coinsurance Plan Premium Impact	Estimated Coinsurance Plan AV Impact
$250	1-2% increase	1-2% increase	1-2% increase	Exceeds 87%
$400	-.4%	-.4%	-1% to -.4%	-1% to -.4%
$500	-1%	-.8%	-2% to -1%	-2% to -.8%

Actuarial services vendor cautions it will be very difficult to reach actuarial value compliance with a $250 maximum out-of-pocket, without assessing member cost share to diagnostic and preventive services or increasing member cost shares in other ways.

EMPLOYER-SPONSORED DENTAL

EMPLOYER-SPONSORED DENTAL COVERAGE

Covered California for Small Business is implementing employer-sponsored dental coverage, meaning employers would contribute at least 50% of employee's dental premium. If at least 70% of the employees in the group select dental, the group would have access to the employer-sponsored dental plans. This reduces selection risk inherent in voluntary dental coverage.

This new dental benefit design would be available only to employers participating in employer-sponsored dental.

EMPLOYER-SPONSORED DENTAL COVERAGE

Benefit Change	Plan-reported Estimated Premium Impact	Comments
No waiting period	4-6%	Keep waiting period for major services
Periodontal Services included in Basic Services	3-5%	Recommend since use of periodontal services can support members' health
Endodontic Services included in Basic Services	3-5%	Recommend keeping endodontics in Major Services to keep premiums low
No waiting period + Periodontal and Endodontic Services included in Basic Services	10-15%	Do not offer due to premium increases
No waiting period + Periodontal and Endodontic Services included in Basic Services + $2,000 annual limit	16-22%	Do not offer due to premium increases

NEXT STEPS

THANK YOU!