



COVERED
CALIFORNIA

Dental Technical Work Group

November 5, 2015

AGENDA

**Dental Technical Work Group
Meeting and Webinar
Thursday November 5, 10:00 a.m. - 12:00 p.m.**

Agenda Items	Suggested Time
I. Welcome and Introductions	10:00-10:10 (10 min.)
II. Copay Plan Designs (Children’s & Adult Benefits) - Degree of Standardization	10:10 – 10:35 (25 min)
III. Adult Dental Benefits Discussion - Waiting Period for Major Services - Annual Limit	10:35-11:00 (25 min.)
IV. Children’s Dental Benefit Discussion - Medically Necessary Orthodontia - Potential maximum out-of-pocket change & SB 639 Impacts	11:00 – 11:20 (20 min)
V. Covered California for Small Business Dental Benefit Plan Design - New Employer-sponsored Plan Design	11:20-11:45 (25 min)
VI. Next Steps	11:45 - 12:00 (15 min)

Send public comments to QHP@covered.ca.gov

STRATEGY FOR 2017 DENTAL BENEFIT DESIGN

Organizational Goal

Covered California should have dental benefit designs that are standardized, promote access to care, and are easy for consumers to understand.



Goal

Provide input to Covered California staff as we develop recommendations for the 2017 dental benefit plan designs.

Objectives

1. Address benefit design priority areas that will reduce barriers and improve consumers' access to needed oral health care
2. Develop designs with increased clarity and standardization of definitions and cost sharing
3. Identify and recommend benefits changes that may be necessary to meet Actuarial Value (AV) requirements
4. Identify benefit design areas that should be improved for consumer understanding of coverage and ease of plan comparison

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	
Mid-Late November	Dental Technical Work Group (2017 Benefit Design)	Finalize Proposal for presentation at Plan Advisory
10-Dec	Plan Management Advisory Group Meeting	Recommendation Provided to Advisory for Feedback
Mid December	Dental Technical Workshop (2017 Benefit Design)	Placeholder for additional meeting if needed based on Plan Advisory feedback
Jan TBD	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 TBD	Board Meeting - Decision	Approval by Board of final adjustments to 2017 Dental SBPD

DENTAL BENEFIT DESIGN BACKGROUND

COVERED CALIFORNIA DENTAL STANDARD BENEFIT DESIGNS

Federal Requirements

- AV of either 70% or 85%
- Pediatric dental benefits subject to \$350 maximum out-of-pocket
- Must include pediatric dental EHB
- Adult dental benefits not essential health benefits

State Requirements

- Benchmark plan/EHB requirements (SB 43)
- Out-of-pocket accumulation (SB 639)

COVERED CALIFORNIA DENTAL STANDARD BENEFIT DESIGNS

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: MOOP, 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 BACKGROUND

2014 Copay Plan Design

- Average copay set for each procedure category
- No individual procedure code copays standardized

2015 Copay Plan Design

- No average copay set for each procedure category
- Individual procedure code copays standardized for select subset of procedure codes

Each approach allows for potential consumer confusion regarding what they can expect to pay for services. Each approach allows for significant variation between plans in order to meet actuarial value requirements

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: PEDIATRIC PROCEDURE CODES

30 procedure codes cover approximately 91% of claim costs and 97% of pediatric utilization

Please refer to the handout entitled “Common ADA Dental Codes_Adult and Pediatric_10-5-2015” for discussion

Questions: Are any dental codes missing? Should Covered California standardize cost shares for all of these codes?

COPAY PLAN DESIGN: ADULT PROCEDURE CODES

40 procedure codes cover approximately 90% of claim costs and 95% of adult utilization

Please refer to the handout entitled “Common ADA Dental Codes_Adult and Pediatric_10-5-2015” for discussion”

Questions: Are any dental codes missing? Should Covered California standardize cost shares for all of these codes?

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

Option 1

Remove six month waiting period for major adult services.

- Plans estimate premium **increase of 4 - 6%**

Option 2

Shorten waiting period for major adult services.

- Plans estimate premium **increase of 2 – 3%**

Option 3

No change; retain six month waiting period for major services.

ADULT COINSURANCE DESIGN

BENEFIT LIMIT

Option 1

Remove \$1500 annual benefit limit

- One dental plan estimates premium **increase of 25%**

Option 2

Increase annual benefit limit.

- \$1,750 limit: plans estimate premium **increase of 3-5%**
- \$2,000 limit: plans estimate premium **increase of 5-7%**

Option 3

No change; retain \$1500 annual benefit limit.

Dental plans report less than 1% of adult members reached the annual benefit limit in 2014

CHILDREN'S DENTAL BENEFITS

CHILDREN'S DENTAL BENEFITS

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

Medically Necessary Orthodontia will remain part of the pediatric dental EHB in California.

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.

MEDICALLY NECESSARY ORTHODONTIA

\$350 cost share in standalone plans (Children's and Family Dental Plans)

\$1,000 cost share in health plans

Covered California's intention was for the cost share to apply to the course of treatment rather than each benefit year of a multi-year treatment.

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

Health and Dental Plan Survey Results:

- Majority of dental plans responded that member cost share should be applied to each benefit year
- Several health plan actuaries responded that the av impact would be minimal or immaterial regardless of application of the cost share
- Some health plans responded that applying the cost share to the course of treatment would increase rates
- Some dental plans warned of potential changes to treatment plan over the course of treatment, as well as impacts of member behavior including discontinuing treatment or changing plans after one benefit year

MEDICALLY NECESSARY ORTHODONTIA

Suggested Next Steps:

Plan Data Requests

- What percentage of pediatric members qualified for medically necessary orthodontia 2013 through 2015?

Actuarial Requests

- Model AV impacts of applying MNO cost share to course of treatment or each benefit year, for both standalone dental plans and QHPs that embed pediatric dental benefits

CHILDREN'S OUT-OF-POCKET MAXIMUM

- \$350 set by Federal Benefit and Payment Parameters rule for 2015, not changed for 2016
- Previously, states could set a “reasonable” pediatric dental out-of-pocket maximum
- Due to SB 639, changes to the child MOOP could have significant impacts to health and dental plan designs

CHILDREN'S OUT-OF-POCKET MAXIMUM

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
\$400	-.4%	-.4%	-1% to -.4%	-1% to -.4%
\$500	-1%	-.8%	-2% to -1%	-2% to -.8%

EMPLOYER-SPONSORED DENTAL

EMPLOYER-SPONSORED DENTAL COVERAGE

Covered California for Small Business is implementing employer-sponsored dental coverage, meaning employers would cover the full cost of dental coverage for all employees so all employees would be enrolled. 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

Covered California is seeking workgroup feedback on proposed key features of the new plan design:

- No waiting period.
- Periodontal services are included in the Basic Services category rather than Major Services.
- Endodontic services are included in the Basic Services category rather than Major Services.

NEXT STEPS

THANK YOU!