



**COVERED**  
**CALIFORNIA**

**Dental Technical Work Group**

January 7, 2016

# AGENDA

**Dental Technical Work Group  
Meeting and Webinar  
Thursday January 7, 10:00 a.m. - 12:00 p.m.**

<b>Agenda Items</b>	<b>Suggested Time</b>
<b>I. Welcome and Introductions</b>	<b>10:00 - 10:10 (10 min)</b>
<b>II. Program Updates</b>	<b>10:10 – 10:30 (20 min)</b>
<b>III. Copay Plan Designs (Children’s &amp; Adult Benefits)</b>	<b>10:30 – 10:50 (20 min)</b>
<b>III. Adult Dental Benefits Discussion</b>	<b>10:50 - 11:20 (30 min)</b>
<b>IV. Covered California for Small Business Dental Benefit Plan Design</b>	<b>11:20 – 11:40 (20 min)</b>
<b>V. Next Steps</b>	<b>11:40 - 12:00 (20 min)</b>

Send public comments to [QHP@covered.ca.gov](mailto:QHP@covered.ca.gov)

# PROGRAM UPDATES

# 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
- May allow new dental issuer entrants in 2018 and 2019 if the carrier is newly licensed or the addition brings value to what is already being offered in the region(s).
- 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 15 <sup>th</sup> & November 12 <sup>th</sup>
Continued Subcommittee Meetings	December 2015 –January 2016
Plan Management Advisory Meetings	January & 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
<b>2017 Application Open to Health and Dental Plans</b>	March 1, 2016
2017 Application Due to Covered California	May 2, 2016 <b>Proposed QDP 6/1/16</b>
<b>Covered California Application Evaluation and Carrier Negotiations</b>	June 6 –June 17 <b>Proposed QDP 7/11-7/15</b>
<b>Public Announcement of Preliminary Rates</b>	Week of July 4 <b>Proposed QDP Aug 1</b>
<b>Regulatory Review of Rates Begins</b>	Week of July 4 <b>not applicable to dental rates</b>

# 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
<b>12-Nov</b>	<b>Plan Management Advisory Group Meeting</b>	Progress Update Provided to Advisory
Mid-Nov	Draft AV Calculator Release	Draft CMS rules and AV Calculator expected
<b>19-Nov</b>	<b>Board Meeting</b>	
<b>Dec 8</b>	Dental Technical Work Group (2017 Benefit Design)	Formulate Proposal for presentation to Plan Management Advisory
 <b>Jan 7</b>	Dental Technical Work Group (2017 Benefit Design)	Finalize recommendation for presentation to Plan Advisory
<b>Jan 14</b>	<b>Plan Management Advisory Group Meeting</b>	Recommendation Provided to Plan Management Advisory for Feedback
<b>Jan 21</b>	<b>Board Meeting</b>	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)
<b>Feb 18</b>	<b>Board Meeting - Decision</b>	<b>Approval by Board of final adjustments to 2017 Dental SBPD</b>



# COVERED CALIFORNIA DENTAL PLAN DESIGN

## Federal Pediatric Essential Health Benefit Design Requirements

- Must meet actuarial value (AV) of 70% or 85%
- Must adhere to benchmark plan
  - Effective 1/1/2017, benchmark plan is the 2014 Medi-Cal pediatric dental benefits

## Covered California Guiding Principles & 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

# COVERED CALIFORNIA STRATEGIC PILLARS

## KEY INITIATIVES FOR FY 2015-2016

### Affordable Plans

- Continue to moderate trend for 2016 & 2017 plan years
- Leverage data for future benefit designs
- Increase consumer plan choice across the state
- Plan for 2017 changes

### Needed Care

- Develop path to promote triple aim
  - Improving patient experience of care (including quality and satisfaction)
  - Improving the health of populations
  - Reducing costs of health care
- Use clinical analytics to assess “right care at the right time”
- Assess and continue to address disparities and health equity

# COPAY PLAN DESIGN STANDARDIZATION

# COPAY PLAN DESIGN

## Option 1: Standardize Copays for Larger Set of Procedure Codes

- Two plans support standardizing copays for a set of procedure codes covering most but not all utilization
- Two plans express concern about ability to meet AV compliance under this approach

## Option 2: Standardized Full Copay Schedule

- Two plans support setting standard copays for **all** covered procedure codes
- Two plans express concern regarding reduced consumer choice and product differentiation under this approach

No operational or network contracting potential impacts identified by dental plans resulting from either approach.

# COPAY PLAN DESIGN

## Staff Recommendation

Option 2: Standardized Full Copay Schedule

## Rationale

Option 2 is consistent with Exchange principles of providing consumers with apples-to-apples comparisons of plans based on value, quality and network.

# ADULT DENTAL BENEFITS

# ADULT COINSURANCE DESIGN

## Current Adult 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

Covered California priority for 2017 adult coinsurance plans is maintaining affordable premiums while ensuring access to comprehensive dental care.

As a result of this priority, staff recommends not making major benefit enhancements without more enrollment experience to inform future changes.

# ADULT COINSURANCE DESIGN: WAITING PERIODS

## Staff Recommendation

Option 3: No change to waiting period for 2017; clarify application of waiting period to Major Services only.

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

## Staff Recommendation

Option 3: No change to annual benefit limit for 2017.

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%

# ADULT COINSURANCE: EXEMPT DIAGNOSTIC & PREVENTIVE SERVICES FROM BENEFIT LIMIT

## Staff Recommendation

No change to application of annual benefit limit in 2017. Consider exemption of diagnostic and preventive services from annual benefit limit when more enrollment experience data is available.

## Rationale

Plans estimate premium increases ranging from 2-6% if diagnostic and preventive services are exempted from the annual benefit limit.

# ADULT COINSURANCE: OUT-OF-NETWORK BENEFITS

## Staff Recommendation

Increase member cost share for services provided out-of-network, including assessing member cost share for diagnostic and preventive services, to encourage use of in-network providers and keep premiums affordable.

Service Category	Plan Pays 2016	Plan Pays Proposed for 2017
Diagnostic & Preventive	100%	90%
Basic Services	80%	70%
Major Services	50%	50%

## Rationale

Recommendation is consistent with Exchange principles of encouraging use of network providers.

# ADULT COINSURANCE: PERIODONTAL SERVICES COVERAGE

## Staff Recommendation

Move non-surgical periodontal maintenance benefits to Basic Services to reduce member cost share for these widely used services with benefits to oral and overall health.

## Rationale

The CDC estimates that 47.2% of all adults over 30 years have mild, moderate or severe periodontitis. This leads to significant adult utilization of periodontal benefits. Given the high member cost share of the Major Services category, members will experience significant out-of-pocket savings even taking into account potential small increases in premium.

1. P.I. Eke, B.A. Dye, L. Wei, G.O. Thornton-Evans, and R.J. Genco. Prevalence of Periodontitis in Adults in the United States: 2009 and 2010. J DENT RES 0022034512457373, first published on August 30, 2012 as doi:10.1177/0022034512457373

# ADULT COINSURANCE: STANDARDIZE EXCLUSIONS & LIMITATIONS

## Staff Recommendation

Standardize some exclusions to keep premiums affordable for consumers. Pursue additional standardization of exclusions and limitations when more data is available.

Benefit	Recommend Exclusion in 2017
Tooth Whitening	✓
Adult Orthodontia	✓
Implants	✓

## Rationale

Recommendation is consistent with Exchange principle of maintaining affordable premiums while providing comprehensive dental health benefits for adults.

# PLAN PROPOSAL: TWO LEVELS OF ADULT DENTAL BENEFITS

## Staff Recommendation

Maintain plan options with one level of coverage in 2017.  
Consider additional levels of coverage when more enrollment experience data is available.

### 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

# CHILDREN'S DENTAL BENEFITS

# MEDICALLY NECESSARY ORTHODONTIA

## Staff Recommendation

Option 1: Medically Necessary Orthodontia member cost share applies to a course of treatment.

## 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



# CHILDREN'S OUT-OF-POCKET MAXIMUM

## Staff Recommendation

Option 1: Assume child dental out-of-pocket maximum of \$350 for 2017 dental benefit designs.

Background:

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

The proposed 2017 Benefit and Payment Parameters rule includes a formula for calculating future years children's dental out-of-pocket maximum:  
(Previous year MOOP=\$350)\*(dental CPI 2015/dental CPI 2016)

# 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.

# NEW PLAN DESIGN: EMPLOYER-SPONSORED DENTAL COVERAGE

Option 1	Option 2
No waiting period	No waiting period
Periodontal Services included in Basic Services	Periodontal Services included in Basic Services
Endodontic Services included in <b>Basic</b> Services	Endodontic Services included in <b>Major</b> Services
<b>\$1,500</b> annual benefit limit	<b>\$2,000</b> annual benefit limit
Employer-sponsored benefit design plans only available to employers meeting minimum contribution and minimum participation requirements.	

Need to finalize recommendation regarding Endodontic Services and annual benefit limit.

# NEXT STEPS

## THANK YOU!