



COVERED
CALIFORNIA

PLAN MANAGEMENT ADVISORY GROUP MEETING

March 8, 2018

WELCOME AND AGENDA REVIEW

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP

AGENDA

AGENDA Plan Management and Delivery System Reform Advisory Group Meeting and Webinar Thursday, March 8, 2018, 10:00 a.m. to 12:00 p.m.

Webinar Information

Please note different platform

March Agenda Items

Suggested Time

Welcome and Agenda Review

10:00 - 10:05 (5 min.)

2019 Certification Update

10:05 - 10:35 (30 min.)

2019 Benefit Design (QHP and QDP)

10:35 - 11:05 (30 min.)

Short Term Insurance Overview

11:05 - 11:35 (30 min.)

Open Forum

11:35 – 12:00 (25 min.)

[Join Skype Meeting](#) - -

Trouble Joining? [Try Skype Web App](#)

Join by Phone

Toll-free number: +1 (866) 715-6499, access code: 756467

Toll number: +1 (719) 325-2776, access code: 756467

[Find a local number](#)

Conference ID: 756467 (same as access code above)

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2019 CERTIFICATION

TAYLOR PRIESTLEY, ISSUER ENGAGEMENT MANAGER
PLAN MANAGEMENT DIVISION

PROPOSED CERTIFICATION MILESTONES

Final AV Calculator Released	December 28, 2017
Release draft 2019 QHP & QDP Certification Applications	January 12, 2018
Draft application comment period	January 12-26, 2018
January Board Meeting: discussion of benefit design & certification policy recommendation	January 18, 2018
Letters of Intent Accepted	February 1 – 15, 2018
February Board Meeting: anticipated approval of 2019 Standard Benefit Plan Designs & Certification Policy	February 15, 2018
Applicant Trainings (electronic submission software, SERFF submission and templates)	February 20-28, 2018 February 26 – March 5, 2018
QHP & QDP Applications Open	March 1, 2018
March Board Meeting: approval of 2019 Standard Benefit Plan Designs & Certification Policy (if Feb meeting cancelled)	March 15, 2018
QHP Application Responses (Individual and CCSB) Due	May 1, 2018
Evaluation of QHP Responses & Negotiation Prep	May - June 2018
QHP Negotiations	June 25, 2018 June 18 – 22, 2018
QHP Preliminary Rates Announcement	July 2018
Regulatory Rate Review Begins (QHP Individual Marketplace)	TBD
QDP Application Responses (Individual and CCSB) Due	June 1, 2018
Evaluation of QDP Responses & Negotiation Prep	June – July 2018
QDP Negotiations	July 2018
CCSB QHP Rates Due	July 25, 2018
QDP Rates Announcement (no regulatory rate review)	August 2018
Public posting of proposed rates	TBD
Public posting of final rates (based on CCIIO proposed rate filing timeline)	November 1, 2018



2019 QHP & ADP CERTIFICATION APPLICATION UPDATES

Applications open as of March 1st reflect the following changes:

All Applications

- Added Attachment A Plan Type by Rating Region requirement to summarize proposed 2019 products by county
- Added Plan ID Crosswalk SERFF Template requirement
- Corrected removal of Agent Commission Schedule requirement for all applicants

Currently Contracted Applicants

- Added requirement to complete Network Stability section for existing Exchange networks
- Revised Quality Improvement Strategy (QIS) section for clarity and consolidation

QHP Individual Market New Entrant Applicants

- Removed minimum qualifications requirements

COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB) QUARTERLY APPLICATIONS FOR QHP CERTIFICATION

CCSB allows year-round small group enrollment and quarterly QHP and QDP portfolio additions. These activities align with current market practices that enable CCSB to remain competitive and flexible in response to market changes.

On a quarterly basis, CCSB considers:

- Issuers newly applying to CCSB
- Currently contracted CCSB issuers proposing new products
 - *Simplified application and timeline*
- Currently contracted CCSB issuers submitting quarterly rate changes
 - *does not require complete application, submitted according to contractual requirements*

Quarterly Application Process Requirements

- Submission of non-binding Letter of Intent (LOI) to gain access to electronic application system.
- Submission of application response by the respective quarter's due date and other key action dates as applicable.

All issuers must complete annual certification application for January 1 effective dates.

2019 QUALIFIED HEALTH PLAN BENEFIT DESIGN

ALLIE MANGIARACINO, SENIOR QUALITY ANALYST
PLAN MANAGEMENT DIVISION

CHANGES SINCE BOARD DISCUSSION (JANUARY)

- Milliman has certified the 2019 plan designs.
- New endnote #29
 - Cost sharing for inpatient stays in most Silver plans is changing in 2019:

	2018	2019
Inpatient Facility Fee	Deductible + Coinsurance	Deductible + Coinsurance
Inpatient Physician Fee	Deductible + Coinsurance	Coinsurance

- To accommodate carriers that have a single bill for inpatient services, the following endnote has been included to indicate the consumer cost share:
 - “For inpatient stays, if an issuer does not bill the facility fee and physician/surgeon fee separately, the issuer may combine the physician/surgeon fee with the facility fee and bill it as one charge utilizing the cost sharing requirements for the facility fee.”

CHANGES SINCE BOARD DISCUSSION (JANUARY)

New plan design format

- Based on feedback at the January Board meeting, Plan Management worked with Communications to adjust the formatting of the plan designs.

20482019 Patient-Centered Benefit Plan Designs

10.0 EHB

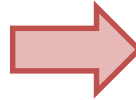
Date: June 15, 2017 January 18, 2018



Summary of Benefits and Coverage

Member Cost Share amounts describe the Enrollee's out of pocket costs.

Actuarial Value - AV Calculator		Platinum Coinsurance Plan 61-2% / 1.7%		Platinum Copay Plan 66-14% / 0.9%	
Plan design includes a deductible?		No	No	No	No
Integrated Individual deductible		\$0	\$0	\$0	\$0
Integrated Family deductible		\$0	\$0	\$0	\$0
Individual deductible, NOT integrated: Medical / Pharmacy / Dental		\$0 / \$0 / \$0	\$0 / \$0 / \$0	\$0 / \$0 / \$0	\$0 / \$0 / \$0
Family deductible, NOT integrated: Medical / Pharmacy / Dental		\$0 / \$0 / \$0	\$0 / \$0 / \$0	\$0 / \$0 / \$0	\$0 / \$0 / \$0
Individual Out-of-pocket maximum		\$3,350	\$3,350	\$3,350	\$3,350
Family Out-of-pocket maximum		\$6,700	\$6,700	\$6,700	\$6,700
HSA plan: Self-only coverage deductible		N/A	N/A	N/A	N/A
HSA family plan: Individual deductible		N/A	N/A	N/A	N/A
Common Medical Event	Service Type	Member Cost Share	Deductible Applies	Member Cost Share	Deductible Applies
Health care provider's office or clinic visit	Primary care visit to treat an injury, illness, or condition	\$15		\$15	
	Other practitioner office visit	\$15		\$15	
	Specialist visit	\$30		\$30	
Tests	Preventive care/ screening/ immunization	No charge		No charge	
	Laboratory Tests	\$15		\$15	
	X-rays and Diagnostic Imaging	\$30		\$30	
Drugs to treat illness or condition	Imaging (CT/PET scans, MRIs)	10%		\$75	
	Tier 1	\$5		\$5	
	Tier 2	\$15		\$15	
	Tier 3	\$25		\$25	



20482019 Patient-Centered Benefit Plan Designs

10.0 EHB

Date: June 15, 2017 March 15, 2018



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Drugs to	Imaging (CT/PET scans, MRIs)	10%		\$75	
	Tier 1	\$5		\$5	
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CHANGES SINCE BOARD DISCUSSION (JANUARY)

Changes to plan design format

- New color palette
- Removal of some borders and lines
- Increased font size
- Due to space constraints on the bottom of the page, removed “See endnotes.”
- Removed extra inpatient stay rows for mental health, substance use, and pregnancy and added language to “Hospital stay”
 - Facility fee (e.g. hospital room) **for inpatient stay (including labor and delivery, mental health, and substance use)**

Note: For optimal readability, printed versions of this document should be on legal size paper (8.5”x14”)

FUTURE ADJUSTMENT

The IRS will announce the 2019 HDHP Minimum deductibles in May. The following items will be updated accordingly:

- CCSB Silver HDHP Plan: Individual deductible in a family plan: \$2,700 (2018 limit)
- Endnote #5

2019 QUALIFIED DENTAL PLAN BENEFIT DESIGN

DIANNE EHRKE, SENIOR DENTAL SPECIALIST
PLAN MANAGEMENT DIVISION

PEDIATRIC DENTAL COINSURANCE AND COPAY PLAN

- Covered California will maintain an 85% AV (+/-2%) requirement for the pediatric coinsurance dental EHB consistent with prior years.
- The Pediatric Copay Plan had no changes from 2018. The 2019 AV has been updated.
- To maintain this actuarial value, Covered California increased the pediatric coinsurance deductible from \$65 to \$75.
- The coinsurance family deductible increased from \$130 to \$150 due to the change in the pediatric individual deductible.

OTHER DENTAL BENEFIT CHANGES

- **No changes made to the Adult Coinsurance and Copay Plans except clean up for clarity and consistency**
 - Diagnostic & Preventive procedure category for In-Network Member Cost Share
 - “If covered” was removed as these are always covered adult services.
 - Diagnostic & Preventive procedure category for Out-of-Network Member Cost Share
 - “If covered” was added after 10% as all Out-of-Network Diagnostic & Preventative procedures are covered at 10% if covered.
- **Delete Pediatric and Adult Group Plan**
 - Covered California will not offer the Employer Sponsored Group Plan through Covered California for Small Business (CCSB) due to a lack of interest in the product offering by dental plans.
- **Endnotes**
 - Deleting the Employer Sponsored Group Plan required the deletion of Endnote 7 and 11.
 - Reiterating which Adult Dental Benefits services are not covered in Endnote 10.

SHORT TERM INSURANCE OVERVIEW

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP

Important ACA consumer protections are typically not included in these plans

	Does the ACA consumer protection usually apply to these plans?	
ACA Consumer Protection	ACA-Compliant Plans (QHPs)	STLDI Plans
Prohibition on underwriting (evaluation of whether to cover an individual based on health profile, how much coverage to provide, and how much to charge for the plan)	Yes	No*
Prohibition on declining coverage for preexisting conditions	Yes	No
Subject to ACA Essential Health Benefits (EHB) requirements	Yes	No
Annual limits prohibited	Yes	No
Limits on a consumer's out-of-pocket costs for medical/drug benefits (e.g. copays, coinsurance, deductible, etc.)	Yes	No
Coverage exclusions prohibited	Yes	No
Qualifies as "minimum essential coverage" for avoiding tax penalty**		
Requirement of health plan to spend at least 80 cents of every premium dollar on medical costs	Yes	No
Federal premium assistance available	Yes	No
Age-based premium rating ratio of 3:1	Yes	No

*STLDI plans typically conduct reviews of claims to determine if they are due to a pre-existing condition, known as post-claim underwriting

** The Tax Cuts and Jobs Act of 2017 zeroes out the penalty dollar amount and percentage of income penalties imposed by the mandate starting in 2019.

Benefits vary widely among the plans - primarily indemnity plans with no coverage for pre-existing conditions

			Plan 750	Plan 1000	Plan 1500	Plan 2000
In Hospital Indemnity (No Elimination)			\$750	\$1,000	\$1,500	\$2,000
Max Days per Confinement			10	10	30	90
Max Benefit Amount per Plan Year			\$22,500	\$30,000	\$50,000	\$50,000
ICU					\$1,500	\$2,000
Max Days per Confinement			N/A	N/A	30	30
Max Benefit Amount per Plan Year					\$50,000	\$50,000
ER Visit					\$75	\$250
Max Visits per Plan Year			N/A	N/A	1	1
Physician Office Visit			\$75	\$75	\$100	\$100
Max Visits per Plan Year			3	6	6	6
Ground Ambulance					\$100	\$100
Max Trips per Plan Year			N/A	N/A	1	1
Air Ambulance					\$1,000	\$1,000
Max Trips per Plan Year			N/A	N/A	1	1

Office Visit for Primary Doctor	50% Coinsurance after deductible. Plan pays additional \$25 per visit, up to 4 visits (PCP and Specialist combined) per coverage period. See plan brochure for detailed limitations. Find Doctors	20% Coinsurance after deductible Find Doctors
Office Visit for Specialist	50% Coinsurance after deductible. Plan pays additional \$25 per visit, up to 4 visits (PCP and Specialist combined) per coverage period. See plan brochure for detailed limitations.	20% Coinsurance after deductible
Periodic Health Exam	Not Covered	Not Covered
Periodic OB-GYN Exam	Not Covered	Not Covered
Well Baby Care	Not Covered	Not Covered
Prescription Drug Coverage		
Generic Prescription Drugs	Not Covered	Covered after plan deductible when prescribed on an inpatient basis for a covered Injury or Sickness. Outpatient not covered; discount only
Emergency Room	50% Coinsurance after deductible, up to \$500 per day includes the emergency room physician charge, 24 hour surveillance and all miscellaneous charges.	20% after deductible

HOSPITAL FIXED INDEMNITY INSURANCE*

eBasic

eAdvantage

Physician Office Visits - This benefit is payable for visits to a Physician's office, which are Medically Necessary due to a covered Injury or Sickness. Benefits are limited to a single Physician visit per day per Covered Person. There is a 30 day Waiting Period for Sickness.

Physician Office Visit - Indemnity Benefit:	\$65	\$70
Maximum number of days per Covered Person, per Plan Year:	10	10

Some examples of market positioning for short term plans

- Packages of programs bundling
 - Indemnity plan
 - RX discount card
 - Telemedicine
 - Bill negotiator
 - Health navigators
- Producer commissions can be 6-8x higher than traditional commercial ACA compliant plans

Get Quotes For Affordable Health Insurance Plans In Seconds

Join the 5 million+ satisfied customers who have found the right plan

Shop Obamacare Plans	Shop Alternative Products
Average Cost: \$390/mo*	Average Cost: \$109/mo*

The advertisement features a background image of a group of people in winter clothing. It is divided into two columns by a vertical line. The left column is titled 'Shop Obamacare Plans' and shows an average cost of \$390/mo*. The right column is titled 'Shop Alternative Products' and shows an average cost of \$109/mo*.

offers short-term medical coverage with an affordable premium, achieved through carefully selected benefit limitations. Coverage is available in California for 30 to 90 days.

Short-term medical insurance is not a substitute for a major medical plan that meets the minimum essential coverage levels defined by the Patient Protection and Affordable Care Act, also known as ACA. It can, however, offer financial protection in the event of an unexpected injury or illness while you are waiting for coverage to begin under an ACA-compliant plan.

When to consider a short-term medical plan:

- **Missed open enrollment**

If you have missed the opportunity to secure coverage during the open enrollment period, you may be ineligible to buy a major medical policy until the next open enrollment period unless you have a qualifying event.

- **Newly hired**

Often, an employer-sponsored plan includes a waiting period before health insurance benefits begin.

- **Waiting for an ACA plan**

Many plans on the Health Insurance Exchange offer only one effective date, the first of the month. Depending on when you submit your application, you may have to wait up to 45 days for your coverage to begin.

Coverage can begin as early as the day following your online application, if approved, and last up to 90 days.

Discussion topics:

- What are you observing with these types of products?
 - consumer interest / demand
 - marketing
 - plan administration / provider relations
- What changes and/or impacts do you foresee to these products or the market?

OPEN FORUM AND NEXT STEPS

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP