



**COVERED**  
**CALIFORNIA**

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

February 26, 2015

# AGENDA

## AGENDA

Plan Management and Delivery System Reform Advisory Group  
Meeting and Webinar

Thursday, February 26, 2015, 10:00 a.m. to 12:15 p.m.

Berryessa Conference Room  
Covered California  
1601 Exposition Boulevard, Sacramento, CA 95815

February Agenda Items	Suggested Time
I. Welcome and Agenda Review	10:00 – 10:05 (5 min.)
II. Advisory Group 2015 Membership	10:05 – 10:25 (20 min.)
III. Update to Certification Timeline	10:25 – 10:35 (10 min.)
IV. Special Enrollment Population	10:35 – 11:15 (40 min.)
V. Specialty Drug Work Group Update	11:15 – 11:45 (30 min)
VI. Consumer Education: Cost Sharing Reduction (CSR) Population	11:45 – 12:00 (15 min)
VII. Wrap-Up and Next Steps	12:00 – 12:15 (15 min.)

# ADVISORY GROUP MEMBERSHIP

RACHEL YOUNG

COVERED CALIFORNIA PLAN MANAGEMENT DIVISION

# Advisory Group Membership

*Many thanks to all who applied! We appreciate the contributions of all our members and participants. Your input is crucial to successful development of the Exchange.*

**Brent Barnhart - Chair**

Former Director  
Department of Managed Health Care

**Richard S. Baker, M.D.**

Department Chair and Professor  
Charles R. Drew University  
UCLA David Geffen School of Medicine

**Doreen Bradshaw**

Executive Director  
Health Alliance of Northern California

**Anne Donnelly**

President  
Project Inform

**Jerry Fleming**

Senior Vice President  
Kaiser Permanente

**Jen Flory**

Senior Health Attorney  
Western Center on Law & Poverty

**Kathleen Hamilton**

Director, Government Affairs  
The Children's Partnership

**Colin Havert**

Vice President and General Manager  
Anthem Blue Cross

**Amber Kemp**

Vice President, Health Care Coverage  
California Hospital Association

**Ian Lewis**

Research Director  
Unite Here, Local 2

**James Mullen**

Manager, Public & Government Affairs  
Delta Dental of California

**Timothy Nekuza**

Exchange Implementation Manager  
Dental Health Services

**Lynn Quincy**

Senior Policy Analyst  
Consumers Union

**Cary Sanders**

Director  
Policy Analysis & Having Our Say Coalition  
California Pan-Ethnic Health Network

**Valerie Yv. Woolsey**

Director, Health Care Reform Strategy  
BAART Programs

# 2016 CERTIFICATION AND RECERTIFICATION TIMELINE

TAYLOR PRIESTLEY  
COVERED CALIFORNIA PLAN MANAGEMENT DIVISION

# 2016 Certification and Recertification

Proposed Recertification/Certification Timeline for Plan Year 2016 – INDIVIDUAL & SHOP	
ACTIVITY	PLAN YEAR 2016 DATE
Stakeholder review of policy and draft certification and recertification applications and approach	DECEMBER 2014 – JANUARY 2015
<u>December Board meeting:</u> <ul style="list-style-type: none"> <li>Board reviews draft certification and recertification policies and applications</li> <li>Board reviews proposed 2016 Standard Benefit Plan Designs</li> </ul>	DECEMBER 15, 2014
<u>January Board meeting:</u> <ul style="list-style-type: none"> <li>Board adopts QHP certification and recertification regulations, including applications</li> <li>Board adopts 2016 Standard Benefit Plan Designs</li> </ul>	JANUARY 15, 2015
Post regulations and final QHP Recertification Application and final QHP New Entrant Application on Covered California website (following OAL approval)	FEBRUARY 2015
Release Notice of Intent instructions	FEBRUARY 2, 2015
Applicant Notices of Intent due to Covered California	FEBRUARY 16, 2015
Applicant Training for application submission	FEBRUARY 2015
<u>March Board Meeting:</u> <ul style="list-style-type: none"> <li>Board adopts QDP recertification regulations, including QDP Recertification Application</li> <li>Board adopts 2015-16 SHOP Plans regulations</li> <li>Board adopts modifications to 2016 Standard Benefit Plan Designs</li> </ul>	MARCH 5, 2015
Post regulations and final QDP Recertification Application on Covered California website (following OAL approval)	MARCH 2015
Applications due: New Entrant QHPs and Recertifying QHPs and QDPs <ul style="list-style-type: none"> <li>Proposed rates due (Individual QHP effective 1/1/2016 &amp; SHOP QHP effective 10/1/2015)</li> <li>Networks due</li> <li>SERFF Templates (5) &amp; Supporting documentation due</li> </ul>	MAY 1, 2015
Evaluation of New Entrant QHPs and Recertifying QHPs and QDP Applications and data (rates, networks, quality, contract compliance, reporting, analytics, enrollment )	MAY - JUNE 2015

# 2016 Certification and Recertification

Proposed Recertification/Certification Timeline for Plan Year 2016 – INDIVIDUAL & SHOP	
ACTIVITY	PLAN YEAR 2016 DATE
Regulatory Review (non-rate)	Anticipated MAY - SEPTEMBER 2015
Recertifying QHP Optional 4 <sup>th</sup> Quarter SHOP Rate Updates Due	JUNE 1, 2015
QHP/QDP Negotiations	JUNE 2015
Evaluation of SHOP QHP Alternate Benefit Designs	MAY-JUNE 2015
Contingent QHP & QDP Recertification and New Entrant Certification complete (subject to regulatory review) & Public Announcement	JULY 2015
SHOP QHP Rates effective 1/1/2016 due	AUGUST 3, 2015
CalHEERS Load and Test QHP/QDP Plan Data	JUNE - SEPTEMBER 2015
Regulatory Rate Review – Individual QHP	AUGUST & SEPTEMBER 2015
Final QHP/QDP Certification	SEPTEMBER 2015
QHP/QDP Contract Execution	SEPTEMBER 2015
Open Enrollment Period for 2016 Plan Year begins	OCTOBER 1, 2015
SHOP QHP Rates filed with Regulators	TBD

# SPECIAL ENROLLMENT POPULATION

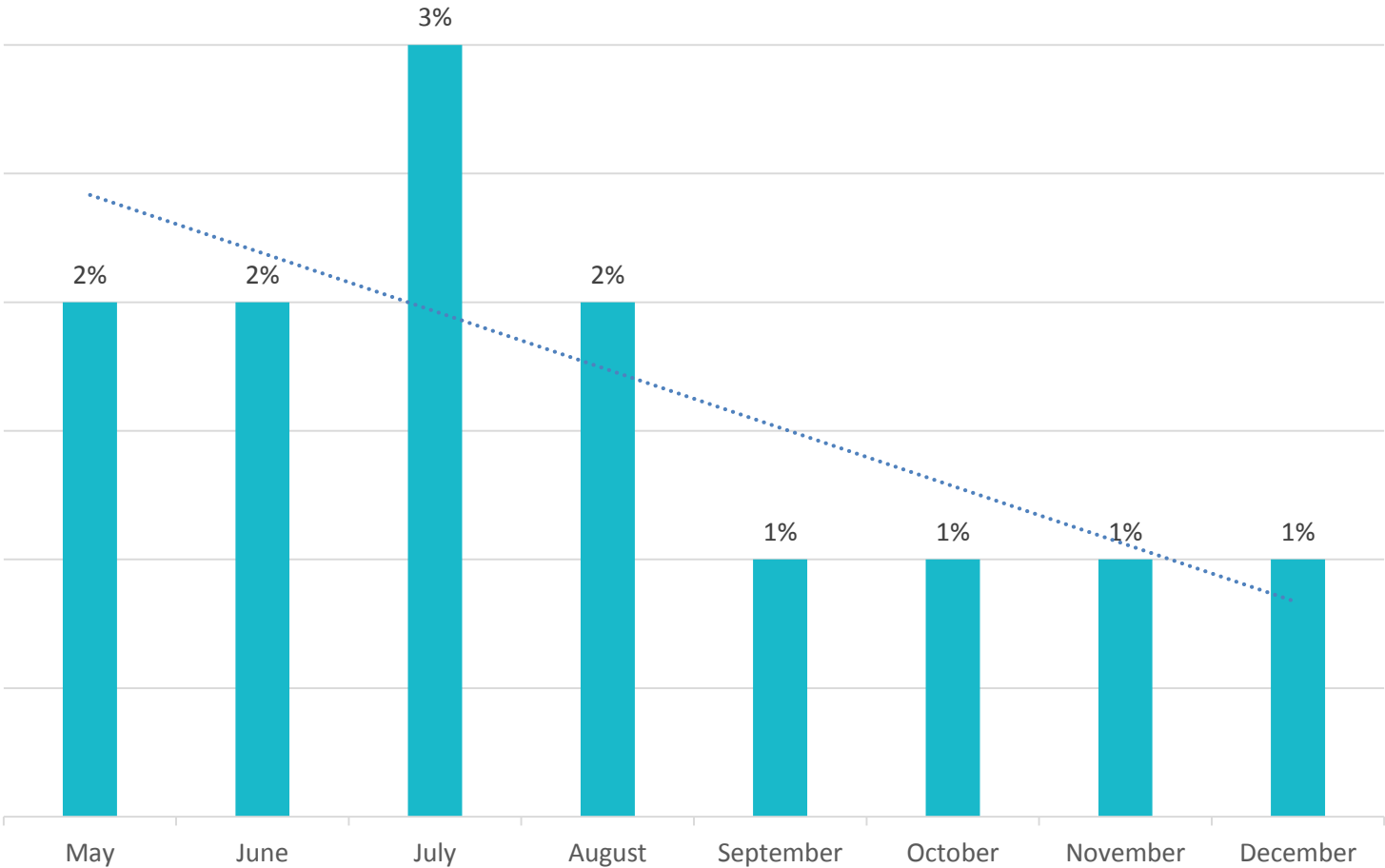
JAMES DEBENEDETTI, DEPUTY DIRECTOR,  
COVERED CALIFORNIA PLAN MANAGEMENT DIVISION



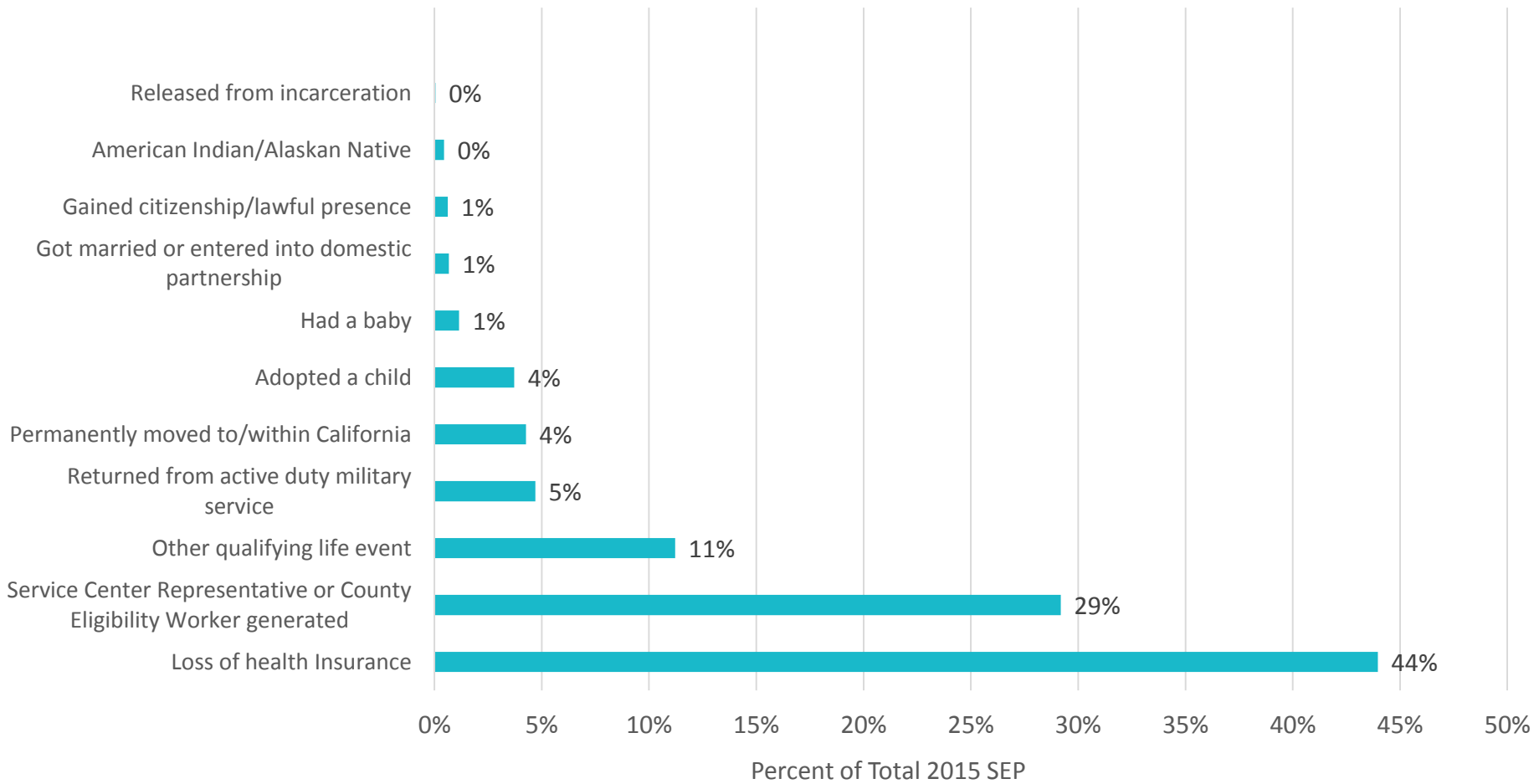
# Special Enrollment: Comparison with Other States

Comparison of SEP Policy among the Federal and State-Based Exchanges		
FBE & SBEs	SEP Requirements	SEP as % of Total Enrollment
California	Attestation	2%
Colorado	Attestation	10%
Washington	Documentation	10.73%
Federal	Attestation	Not Available
Connecticut	Attestation	Not Available
District of Columbia	Attestation	Not Available
Hawaii	Attestation & Documentation (birth only)	Not Available
Kentucky	Attestation	Not Available
Maryland	Attestation	Not Available
Massachusetts	Attestation	Not Available
Minnesota	Documentation	Not Available
New York	Attestation	Not Available
Rhode Island	Attestation	Not Available

# Special Enrollment Population by Month as a Percentage of Total Enrollment



# Percent of Total Special Enrollment Population by Reason Category



# Special Enrollment: Survey of QHP PMPM Data

- Covered California surveyed our plan partners for average member costs for the Special Enrollment Population, and asked for a comparison against average member costs for their open enrollment population.
- For data that was available and appeared credible, there was less than a 5% difference in cost and/or utilization between the SEP and non-SEP populations.
- As a result, Covered California plans to continue with the attestation process from last year.

# SPECIALTY DRUG WORK GROUP UPDATE

ANNE PRICE, DIRECTOR,  
COVERED CALIFORNIA PLAN MANAGEMENT DIVISION

# Specialty Drug Work Group

## Purpose, Goal and Background

**Work Group Purpose:** Assure that Covered California’s contracted health plan formularies meet consumer needs with regards to their approach, transparency, access and cost-sharing

**Work Group Goal:** Provide input for potential changes to the 2016 pharmacy benefit that could be recommended to the board at the March 2015 board meeting. Changes to be considered would seek to promote stability, reasonable cost (premium and services), ease of administration and consumer understanding for Covered California members

### Timeline:

QHP formulary overview, group goals and input	Transparency Discussion	Regulatory Discussion	Discussion of Policy Options- Part 1	Discussion of Policy Options- Part II <i>and</i> Wrap Up	Board Meeting
1/30/2015	2/6/2015	2/13/2015	2/20/2015	2/27/2015	3/5/2015

# Covered California's Principles for Action

As part of its consideration of how to meet consumers' needs regarding specialty drug coverage and access, Covered California has solicited suggestions and proposals from health plans, advocates and others on how to best address specialty drug issues in 2016 and future years. The issue is multifaceted, involving many future unpredictable variables. Covered California believes that its decisions need to reflect the balancing of core principles:

- As with all benefits, specialty drug benefit designs should foster consumers getting the right care at the right time. Benefits should steer patients to the most appropriate and cost effective drugs and not result in undue financial barriers for a particular category of members.
- Policies for drugs treating those facing ongoing maintenance of chronic illnesses raise different issues from and need to reflect different strategies than for drugs that are episodic.
- Part of assuring overall affordability of premiums requires that health plans be able to maximize savings and control drug costs through preferred formulary tier placement and cost-sharing as part of their negotiations with manufacturers.
- Given the complexity and importance of this area, Covered California should take measured, incremental steps informed by data, regulatory and other factors as we learn about potential impacts on consumers and the near and long-term impact to premiums.

# CONSUMER EDUCATION: COST SHARING REDUCTION (CSR) POPULATION

NGAN TRAN & LINDSAY PETERSEN  
COVERED CALIFORNIA PLAN MANAGEMENT DIVISION



# CSR Population Choice in 2014 and 2015

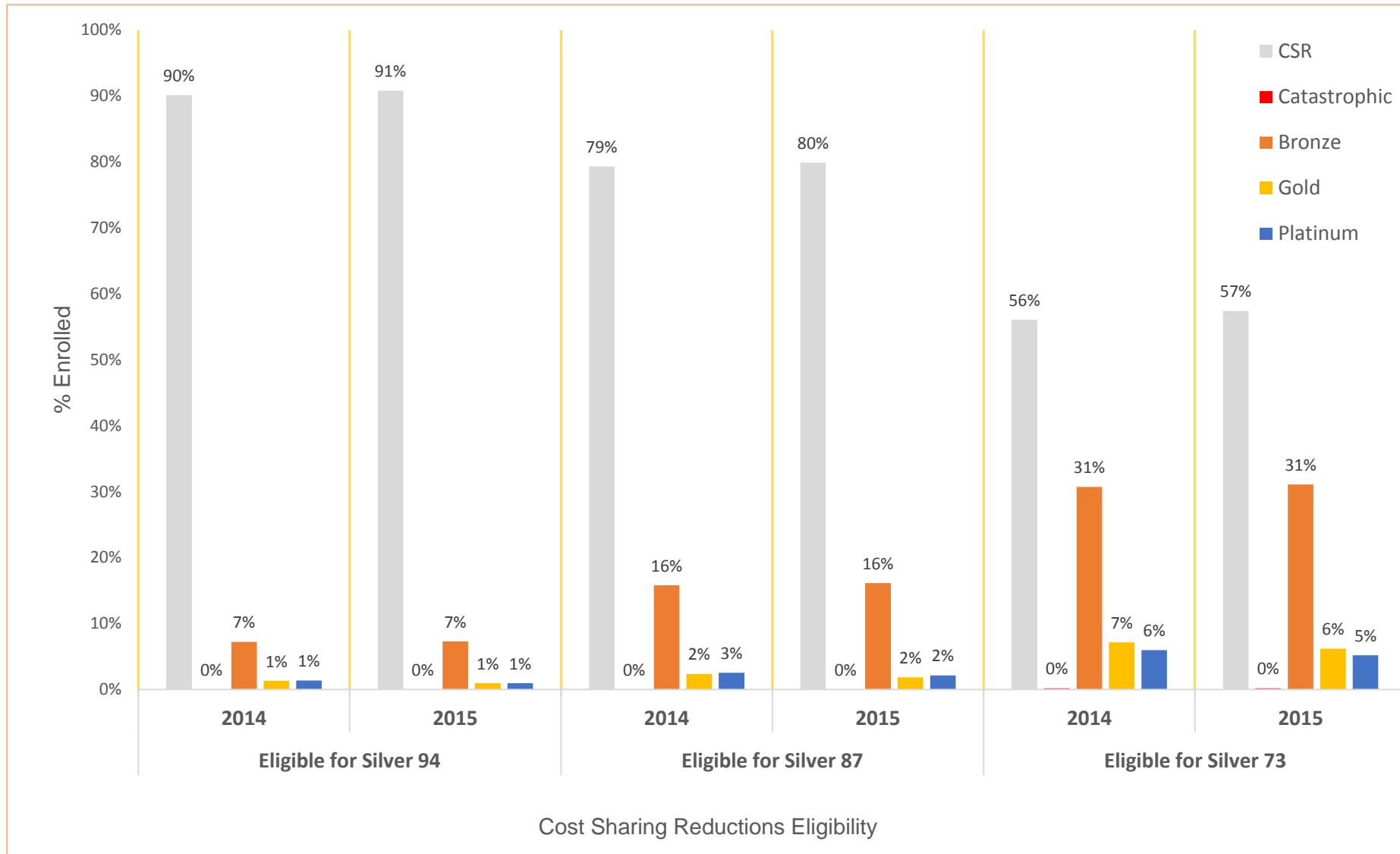
## Percent of 2014 Plan Selection by Cost Sharing Reduction Eligibility

Plan Selection	Eligible for Silver 94	Eligible for Silver 87	Eligible for Silver 73
Enhanced Silver	90%	79%	56%
Catastrophic	0%	0%	0%
Bronze	7%	16%	31%
Gold	1%	2%	7%
Platinum	1%	3%	6%

## Percent of 2015 Plan Selection by Cost-Sharing Reduction Eligibility

Plan Selection	Eligible for Silver 94	Eligible for Silver 87	Eligible for Silver 73
Enhanced Silver	91%	80%	57%
Catastrophic	0%	0%	0%
Bronze	7%	16%	31%
Gold	1%	2%	6%
Platinum	1%	2%	5%

# Plan Selection by CSR Eligibility Level



# CSR Population Choice Conclusions

- A slightly higher percentage of CSR eligible members selected CSR plans in 2015.
- Bronze plan selection stays the same for all CSR eligibility levels.
- For Silver 73 plan eligible members, the percentage of members selecting a Gold and Platinum plan dropped by 1%
- For Silver 87 plan eligible members, the percentage of members selecting a Platinum plan dropped from 3% to 2%.
- Though changes are small, the direction is positive and we intend to build on this with more targeted efforts.

# Notices to CSR Eligibles in other Metal Tiers

*During 2015 open enrollment, Covered California sent notices to our CSR eligible members who selected a non-CSR plan in 2014 to inform them that based on their income, they qualified for cost-sharing reductions. Below is sample language from the notice to the CSR-eligible Gold members:*

“You are receiving this notice because you are paying more each month towards your premium than you should be. You qualify for cost-sharing reductions and are not currently receiving them. To receive cost-sharing reductions you need to enroll in a Silver plan. It is very important for you to understand the cost-sharing reductions that are available to you. Cost-sharing reductions lower the bill you pay when you visit a doctor or hospital or fill your prescriptions. They also lower your deductible. (The deductible is the money you have to pay for health services each year before your insurance begins paying.)

Below is a chart that shows the Silver Plan with cost-sharing reductions you qualify for based on your income. The chart also shows the out-of-pocket costs the Gold plan you enrolled in. As you can see, the out-of-pocket costs for the silver plan you qualify for are much less than the out-of-pocket costs you’re receiving with your Gold plan. Also, generally a silver plan has less expensive monthly premiums than a Gold plan. Covered California wants to ensure you choose the health plan and level of coverage that best meets your health needs and budget. During the renewal period which begins in October, we’d like to encourage you to take advantage of the cost-sharing reductions you qualify for and switch to a Silver plan. You can look at your options by logging into your CoveredCA.com account.

## **Questions?**

Visit us online at CoveredCA.com and click “renew”. If you enrolled with a Certified Insurance Agent or Enrollment Counselor, you may contact them for assistance. You may also call the Service Center Monday – Friday 8 a.m. – 6 p.m. and Saturdays 8 a.m. – 5 p.m. at (800) 300-1506 or (888) 889-4500 (888TTY-4500).”

# Notices to CSR Eligibles in other Metal Tiers

During 2015 open enrollment, Covered California sent notices to our CSR eligible members who selected a non-CSR plan in 2014 to inform them that based on their income, they qualified for cost-sharing reductions. Below is a sample table from these notices to the Bronze population:

MINIMUM COVERAGE / BRONZE vs. ENHANCED SILVER					
Coverage Category	Minimum Coverage	Bronze	Enhanced Silver 73	Enhanced Silver 87	Enhanced Silver 94
Percent of cost coverage	Covers 0% until deductible is met	Covers 60% average annual cost	Covers 73% average annual cost	Covers 87% average annual cost	Covers 94% average annual cost
Cost-sharing Reduction Single Income Range	N/A	N/A	\$22,981 to \$28,725 (>200% to ≤250% FPL)	\$17,236 to \$22,980 (>150% to ≤200% FPL)	up to \$17,235 (≤150% FPL)
Annual Wellness Exam	\$0	\$0	\$0	\$0	\$0
Primary Care Visit	after first 3 non-preventive visits, pay negotiated carrier rate per instance until deductible is met	\$60 for first 3 non-preventive visits	\$40	\$15	\$3
Specialist Visit	pay negotiated carrier rate per service until deductible is met	\$70	\$50	\$20	\$5
Laboratory Tests		30%	\$40	\$15	\$3
X-Rays and Diagnostics		30%	\$50	\$20	\$5
Imaging		30%	20%	15%	10%
Generic Drugs		\$15 or less	\$15 or less	\$5	\$3
Annual Out-of-Pocket Maximum Individual and Family	\$6,600 individual only	\$6,250 individual \$12,500 family	\$5,200 individual \$10,400 family	\$2,250 individual \$4,500 family	\$2,250 individual \$4,500 family

# Notices to CSR Eligibles in other Metal Tiers

During 2015 open enrollment, Covered California sent notices to our CSR eligible members who selected a non-CSR plan in 2014 to inform them that based on their income, they qualified for cost-sharing reductions. Below is a sample table from a notice to the Gold and Platinum populations:

GOLD/PLATINUM vs. ENHANCED SILVER					
Coverage Category	Enhanced Silver 73	Enhanced Silver 87	Enhanced Silver 94	Gold	Platinum
Percent of cost coverage	Covers 73% average annual cost	Covers 87% average annual cost	Covers 94% average annual cost	Covers 80% average annual cost	Covers 90% average annual cost
Cost-sharing Reduction Single Income Range	\$22,981 to \$28,725 (>200% to ≤250% FPL)	\$17,236 to \$22,980 (>150% to ≤200% FPL)	up to \$17,235 (≤150% FPL)	N/A	N/A
Annual Wellness Exam	\$0	\$0	\$0	\$0	\$0
Primary Care Visit	\$40	\$15	\$3	\$30	\$20
Specialist Visit	\$50	\$20	\$5	\$50	\$40
Laboratory Tests	\$40	\$15	\$3	\$30	\$20
X-Rays and Diagnostics	\$50	\$20	\$5	\$50	\$40
Imaging	20*	15*	10*	20*	10*
Generic Drugs	\$15 or less	\$5	\$3	\$15 or less	\$5 or less
Annual Out-of-Pocket Maximum Individual and Family	\$5,200 individual \$10,400 family	\$2,250 individual \$4,500 family	\$2,250 individual \$4,500 family	\$6,250 individual \$12,500 family	\$4,000 individual \$8,000 family

# QUESTIONS, WRAP-UP, AND NEXT STEPS

BRENT BARNHART, CHAIR

PLAN MANAGEMENT AND DELIVERY SYSTEM REFORM ADVISORY GROUP