Plan Management Advisory Group

February 9, 2023

AGENDA

Time	Topic	Presenter
10:00 – 10:05	Welcome and Agenda Review	Rob Spector
10:05 – 10:35	PY2024 Standard Benefit Designs Update	Melanie Droboniku
10:35 – 10:55	Draft 2024-2026 QDP Attachment 2	EQT
10:55 – Noon	Open Forum	All

PY2024 STANDARD BENEFIT DESIGNS UPDATE

Plan Management Division

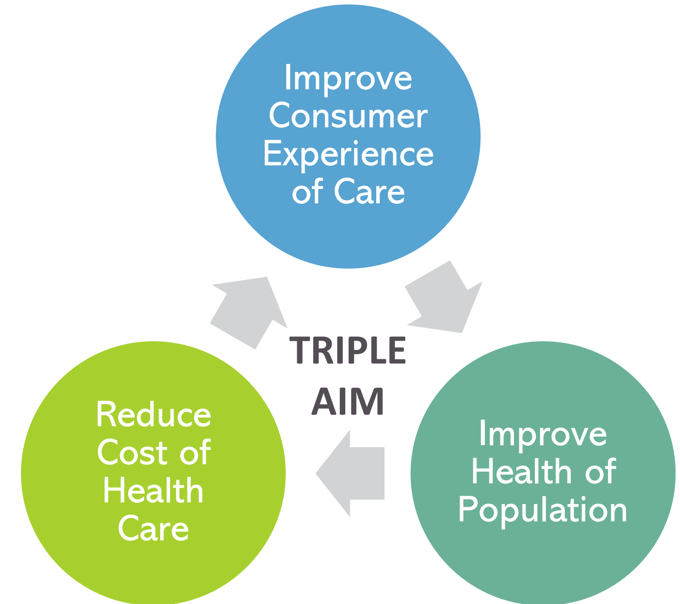
STRATEGY FOR PATIENT-CENTERED BENEFIT PLAN DESIGNS

Organizational Goal

Covered California should have benefit designs that are standardized, promote access to care, and are easy for consumers to understand, i.e., **PATIENT-CENTERED**

Principles

- Multi-year progressive strategy with consideration for market dynamics: changes in benefits should be considered annually based on consumer experience related to access and cost
- Adhere to principles of value-based insurance design by considering value and cost of clinical services
- Set fixed copays as much as possible and utilize coinsurance for services with wide price variation to encourage members to shop for services
- Apply a stair-step approach for setting member cost shares for a service across each metal level, e.g., for PY 2023, a primary care visit is $45 in the Silver tier, $35 in Gold, and $15 in Platinum



MENTAL HEALTH PARITY TEST IMPACTS ON PY2023

- For PY2023, Covered California approved Carrier-specific deviations to the Standard Benefit Designs due to Mental Health Parity and Equity Act (MHPAEA) calculation failure, including a higher MOOP in the Bronze Plan

- Moving forward, our goal is to create benefit designs that allow flexibility for plans to accommodate MHPAEA testing outcomes without significant deviations to our Standard Benefit Designs

- MHPAEA requires that group health plans and insurance issuers offering group or individual health insurance coverage ensure that the financial requirements (FR) and treatment limitations (TL) on MHSUD benefits they provide are no more restrictive than those on medical/surgical benefits

- California's regulators (DMHC and CDI) conduct review for MHPAEA compliance

MENTAL HEALTH PARITY TEST IMPACTS ON PY2023

- We have explored some approaches to minimizing the variability encountered by Carriers due to MHPAEA calculation outcomes

Approach	Outcome
Setting MHSUD at $0 in benefit designs	Determined not to be feasible due to large AV impact to plan designs
Conversion of coinsurance to copays	Determined to be undesirable due to difficulty balancing AV impact with consumer out of pocket costs; would not solve MHPAEA compliance for all carriers
Leaving an AV buffer to allow Carriers to set MHSUD to $0 if this is required by MHPAEA calculations, without requiring additional modifications to SBD	Determined to be undesirable based on PY2023 designs due to the magnitude of the AV buffer required, especially in the Bronze plan
Lowered cost-sharing for MHSUD in Bronze plan to minimize AV impact of MHPAEA test failure	Determined to be best approach; we removed the deductible requirement from MHSUD in Bronze and left a small buffer to accommodate MHPAEA outcomes without additional deviations

PY2024 DRAFT NOTICE OF BENEFITS AND PAYMENTS PARAMETERS & AV CALCULATOR

2024 ANNUAL LIMITATION ON COST SHARING

	2019	2020	2021	2022	2023	Updated 2024
Maximum annual limitation on cost-sharing (Federal)	$7,900 / $15,800	$8,150 / $16,300	$8,550 / $17,100	$8,700 / $17,400	$9,100 / $18,200	$9,450 / $18,900
Less CA MOOP ($350) for dental	$7,550 / $15,100	$7,800 / $15,600	$8,200 / $16,400	$8,350 / $16,700	$8,750 / $17,500	$9,100 / $18,200
CSR 73 Maximum annual limitation	$6,300 / $12,600	$6,500 / $13,000	$6,800 / $13,600	$6,950 / $13,900	$7,250 / $14,500	$7,550 / $15,100
CSR 87 Maximum annual limitation	$2,600 / $5,200	$2,700 / $5,400	$2,850 / $5,700	$2,900 / $5,800	$3,000 / $6,000	$3,150 / $6,300
CSR 94 Maximum annual limitation	$2,600 / $5,200	$2,700 / $5,400	$2,850 / $5,700	$2,900 / $5,800	$3,000 / $6,000	$3,150 / $6,300

AV CALCULATOR TRENDING – PY2024

CLAIMS COST TRENDING		
	MEDICAL	DRUG
2018-2021	5.40%	8.70%
2021-2022	3.20%	4.55%
2022-2023	5.80%	8.70%
2023-2024	5.40%	8.20%

← Represents return to more normal trending

AV INCREASES FROM 2023 TO 2024

	Bronze		Silver				Gold		Platinum	
	HDHP	Standard	Silver	Silver 73	Silver 87	Silver 94	Copay	Coins	Copay	Coins
AV Target	60	60	70	73	87	94	80	80	90	90
Deviation Allowance	+5/-2%	+5/-2%	+2/0%	+1/0%	+1/0%	+1/0%	+/-2%	+/-2%	+/-2%	+/-2%
2023 AV	64.17	64.73	71.68	74.18	87.88	94.88	80.11	81.92	89.75	91.76
2023 Additive Adjustments		0.00	-0.11	-0.32	-0.02	0.00				
2023 Final AV	64.17	64.73	71.57	73.86	87.86	94.88	80.11	81.92	89.75	91.76
2024 AV*	**65.05**	**65.34**	**73.04**	**75.08**	**88.86**	**95.49**	**81.16**	**82.75**	**90.31**	**92.14**

CCSB ONLY	Silver			Gold		Platinum	
	Copay	Coins	HDHP	Copay	Coins	Copay	Coins
AV Target	70	70	70	80	80	90	90
Deviation Allowance	+/-2%	+/-2%	+/-2%	+/-2%	+/-2%	+/-2%	+/-2%
2023 AV	71.46	71.77	71.71	80.49	78.96	88.80	90.71
2023 Additive Adjustments	0.19	0.16		0.00	-0.03		
2023 Final AV	71.65	71.93	71.71	80.49	78.93	88.80	90.71
2024 AV*	**69.44**	**69.77**	**72.41**	**80.67**	**78.84**	**89.42**	**91.17**

*Draft AV does not include 2024 copay accumulation additive adjustment

Red text: AV is outside de minimis range

Green text: AV is within de minimis range

For illustrative purposes only.

PY2024 DRAFT PATIENT-CENTERED BENEFIT DESIGNS

INDIVIDUAL & FAMILY PLANS (IFP)

PROPOSED PY2024 PLAN DESIGNS – IFP

Benefit	Individual-only Platinum Coinsurance		Individual-only Platinum Copay		Individual-only Gold Coinsurance		Individual-only Gold Copay		Individual-only Silver		Silver 73		Silver 87		Silver 94		Bronze		Bronze HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible																				$7,050
Medical Deductible										$4,750		$4,750		$800		$75		$6,300		
Drug Deductible										$150		$140		$50		$0		$500		
Coinsurance (Member)		10%		10%		20%		20%		30%		30%		20%		10%		40%		0%
MOOP		$4,500		$4,500		$8,700		$8,700		$9,100		$7,620		$3,150		$1,150		$9,100		$7,050
ED Facility Fee		$150		$150		$350		$350		$400		$400		$150		$50	X	40%	X	0%
Inpatient Facility Fee		10%		$225		30%		$330	X	30%	X	30%	X	20%	X	10%	X	40%	X	0%
Inpatient Physician Fee		10%		---		30%		---		30%		30%		20%		10%	X	40%	X	0%
Primary Care Visit		$15		$15		$35		$35		$50		$50		$15		$5	X	$60	X	0%
Specialist Visit		$30		$30		$65		$65		$90		$90		$25		$8	X	$95	X	0%
MH/SU Outpatient Services		$15		$15		$35		$35		$50		$50		$15		$5		$60	X	0%
Imaging (CT/PET Scans, MRIs)		10%		$75		25%		$75		$325		$325		$100		$50	X	40%	X	0%
Speech Therapy		$15		$15		$35		$35		$50		$50		$15		$5		$60	X	0%
Occupational and Physical Therapy		$15		$15		$35		$35		$50		$50		$15		$5		$60	X	0%
Laboratory Services		$15		$15		$40		$40		$50		$50		$20		$8		$40	X	0%
X-rays and Diagnostic Imaging		$30		$30		$75		$75		$95		$95		$40		$8	X	40%	X	0%
Skilled Nursing Facility		10%		$125		30%		$150	X	30%	X	30%	X	20%	X	10%	X	40%	X	0%
Outpatient Facility Fee		10%		$75		30%		$130		30%		30%		20%		10%	X	40%	X	0%
Outpatient Physician Fee		10%		$20		30%		$40		30%		30%		20%		10%	X	40%	X	0%
Tier 1 (Generics)		$7		$7		$15		$15		$19		$19		$6		$3	X	$17	X	0%
Tier 2 (Preferred Brand)		$16		$16		$60		$60	X	$60	X	$55	X	$25		$10	X	40%	X	0%
Tier 3 (Nonpreferred Brand)		$25		$25		$85		$85	X	$90	X	$85	X	$45		$15	X	40%	X	0%
Tier 4 (Specialty)		10%		10%		20%		20%	X	20%	X	20%	X	15%		10%	X	40%	X	0%
Tier 4 Maximum Coinsurance	$250		$250		$250		$250		$250		$250		$150		$150		$500*			
Maximum Days for charging IP copay			5				5		-		-	-								
Begin PCP deductible after # of copays											-	-					3 visits			
Actuarial Value											-	-								
2024 AV (Draft 2024 AVC)	**91.88**		**90.74**		**81.92**		**81.54**		**71.92†**		**73.95†**		**87.86†**		**94.93**		**64.39†**		**64.94**	
2024 Additive Adjustment									**0.15**		**0.14**		**0.04**		**0.00**		**0.10**			
2023 AV (Final 2023 AVC)	**91.76**		**89.75**		**81.92**		**80.11**		**71.57†**		**73.86†**		**87.86†**		**94.88**		**64.73**		**64.17**	
Enrollment as of June 2022	76,108				171,183				285,897		141,322		333,668		223,646		345,044		98,811	
Percent of Total enrollment	5%				10%				17%		8%		20%		13%		21%		6%	
Enrollment as of June 2022	21,755		54,353		90,229		80,954													
Percent of Total enrollment	29%		71%		53%		47%													

KEY

Symbol / colour	Meaning
X	Subject to deductible
*	Drug cap applies to all drug tiers
†	Additive adjustment (included in AV)
(orange shading)	Increased member cost from 2023
(light green shading)	Decreased member cost from 2023
(red shading)	Does not meet AV
(yellow shading)	Within .5 of upper de minimis
(green shading)	Securely within AV

Revision to the 2024 Endnotes

Minor revision to the 2024 endnotes:

- **Endnote #18** - The Other Practitioner category may include Nurse Practitioners, Certified Nurse Midwives, Physical Therapists, Occupational Therapists, Respiratory Therapists, Clinical Psychologists, Speech and Language Therapists, Licensed Clinical Social Worker, Marriage and Family Therapists, Applied Behavior Analysis Therapists, Podiatrists, acupuncture practitioners, Registered Dieticians and other nutrition advisors. Nothing in this note precludes a plan from using another comparable benefit category other than the specialist visit category for a service provided by one of these practitioners. Services provided by other practitioners for the treatment of mental health or substance use disorder conditions shall be categorized as Mental/Behavioral health or Substance Use disorder outpatient services

COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB)

2024 Proposed Plan Designs Side-by-Side View for CCSB

Benefit	CCSB-only Platinum Coinsurance		CCSB-only Platinum Copay		CCSB-only Gold Coinsurance		CCSB-only Gold Copay		CCSB-only Silver Coinsurance		CCSB-only Silver Copay		CCSB-only Silver HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible														$2,850
Medical Deductible						$350		$250		$2,500		$2,500		
Drug Deductible						$0		$0		$300		$300		
Coinsurance (Member)		10%		10%		20%		20%		35%		35%		25%
MOOP		$4,500		$4,500		$7,800		$7,800		$8,600		$8,750		$7,500
ED Facility Fee		$200		$150	X	20%	X	$250	X	35%	X	35%	X	25%
Inpatient Facility Fee		10%		$250	X	20%	X	$600	X	35%	X	35%	X	25%
Inpatient Physician Fee		10%		---	X	20%		--	X	35%		35%	X	25%
Primary Care Visit		$15		$20		$25		$35		$55		$55	X	25%
Specialist Visit		$30		$30		$50		$55		$90		$90	X	25%
MH/SU Outpatient Services		$15		$20		$25		$35		$55		$55	X	25%
Imaging (CT/PET Scans, MRIs)		10%		$100		20%	X	$250	X	35%	X	$300	X	25%
Speech Therapy		$15		$20		$25		$35		$55		$55	X	25%
Occupational and Physical Therapy		$15		$20		$25		$35		$55		$55	X	25%
Laboratory Services		$15		$20		$25		$35		$55		$55	X	25%
X-rays and Diagnostic Imaging		$30		$30		$65		$55		$90		$90	X	25%
Skilled Nursing Facility		10%		$150	X	20%	X	$300	X	35%	X	35%	X	25%
Outpatient Facility Fee		10%		$100		20%	X	$300	X	35%	X	35%	X	25%
Outpatient Physician Fee		10%		$25		20%		$35		35%		35%	X	25%
Tier 1 (Generics)		$10		$5		$15		$15		$20		$19	X	25%
Tier 2 (Preferred Brand)		$25		$20		$50		$40	X	$75	X	$85	X	25%
Tier 3 (Nonpreferred Brand)		$40		$30		$80		$70	X	$105	X	$110	X	25%
Tier 4 (Specialty)		10%		10%		20%		20%	X	30%	X	30%	X	25%
Tier 4 Maximum Coinsurance		$250		$250		$250		$250		$250		$250		$250*
Maximum Days for charging IP copay				5				5						
Begin PCP deductible after # of copays														
Actuarial Value														
2024 AV (Draft 2024 AVC)		**91.17**		**89.42**		**78.84**		**80.67**		**70.02†**		**69.71†**		**71.73**
2024 Additive Adjustment										**0.25**		**0.27**		
2023 AV (Final 2023 AVC)		**90.71**		**88.80**		**78.93†**		**80.49**		**71.93†**		**71.65†**		**71.71**
Enrollment as of December 2022		19,243				30,607				20,805				1,691
Percent of Total enrollment		27%				42%				29%				2%

KEY

Symbol / Color	Meaning
X	Subject to deductible
*	Drug cap applies to all drug tiers
†	Additive adjustment (included in AV)
(peach)	Increased member cost from 2023
(light green)	Decreased member cost from 2023
(red)	Does not meet AV
(orange)	Within .5 of upper de minimis
(green)	Securely within AV

COVERED CALIFORNIA

DENTAL UPDATES

DENTAL UPDATE

We have performed a thorough review of the CDT Code List in consultation with an Actuarial Firm

- List reviewed for completeness, accuracy, and alignment with the DentiCal Pediatric Benchmark Plan and with QDP Issuer input
  - 23 Minor modifications to existing codes for nomenclature but no significant change to overall benefit design
  - 10 New CDT Codes – these codes are new codes added to the 2023 CDT Book
  - 2 Deleted CDT Codes – these codes were retired and replaced
  - 9 Added CDT Codes – these codes were added based on QDP Issuer feedback and in consultation with an Actuarial Firm
  - 1 Updated Cost Share – D3348 (ped/adult), changed from $365 to $350

DENTAL UPDATE – CONTINUE

Changes to CDT Codes

- Teledentistry CDT Codes – D9995 and D9996, changed from “Not Covered” to “No Charge” for Ped
- A new Endnote will be added to 2024 Dental SBD for both Pediatric and Adult Dental Benefit Notes: “To the extent the dental plans can offer Teledentistry, it would be offered at no charge.”

			Pediatric Dental EHB	*Adult Dental
			Up to Age 19	19 and Older
Procedure Category	**CDT Code**	**Updated CDT-24~~23~~ Nomenclature**	**In-Network Member Cost Share**	**In-Network Member Cost Share**
Adjunctive General Services	D9995	Teledentistry - synchronous; real-time encounter	No Charge ~~Not Covered~~	No Charge
	D9996	Teledentistry - asynchronous; information stored and forwarded to dentist for subsequent review	No Charge ~~Not Covered~~	No Charge

- Actuarial Value (AV) for 2024 Dental Standard Benefit Plan Designs

Coinsurance Plan AV	Copay Plan AV
85.5%	84.4%

TIMELINE AND NEXT STEPS

TIMELINE AND NEXT STEPS

- March 16, 2023 Board Meeting: submit Proposed PY2024 Benefit Plan Designs to Board for discussion

- April 20, 2023 Board Meeting: final review and Board action item

DRAFT 2024-2026 QDP ATTACHMENT 2

Health Equity and Quality Transformation Division (EQT)

PROPOSED QDP ATTACHMENT 2 OVERVIEW

Performance Area	Performance Standards with Penalties	% of At-Risk 2024	% of At-Risk 2025	% of At-Risk 2026
Data Submission 50%	1.1 HEI; Incomplete, irregular, late or non-useable submission	15%	15%	15%
	1.2 HEI; Allowed amount total varies by more than plus or minus 2%	10%	10%	10%
	1.3 HEI; Rendering provider taxonomy and type missing/invalid	10%	10%	10%
	1.4 HEI; Rendering NPI and TIN missing/invalid	10%	10%	10%
	2. Provider Directory	5%	5%	5%
Oral Health 50%	3. Oral Evaluation, Dental Services for Children	5% ~~10%~~	5% ~~10%~~	5% ~~10%~~
	4. Topical Fluoride for Children	5% ~~10%~~	5% ~~10%~~	5% ~~10%~~
	5. Sealant Receipt on Permanent First Molars for Children	5% ~~10%~~	5% ~~10%~~	5% ~~10%~~
	6. Preventive Services Utilization for Adults	35% ~~20%~~	35% ~~20%~~	35% ~~20%~~
Total		100%	100%	100%

The total amount at risk for Contractor's failure to meet the Performance Standards is equal to 1.0% of the total Gross Premium for the applicable Plan Year (At-Risk Amount).

PROPOSED ATTACHMENT 2 ORAL HEALTH MEASURES PERFORMANCE STANDARDS

Measurement Year 2024	Measurement Year 2025	Measurement Year 2026
Contractor establishes a baseline rate for this measure using HEI data. Contractor does not establish baseline rate: 10% penalty Contractor establishes baseline rate: no penalty	Contractor demonstrates an increase of less than 10% over the baseline rate: 10% penalty Contractor demonstrates an increase of 10% or more over the baseline rate: no penalty	Contractor demonstrates an improvement of less than 10%: 10% penalty Contractor demonstrates an improvement of 10% or more: no penalty

The proposed 10% improvement performance level may be revised if appropriate once HEI data are analyzed and baseline rates are established.

ADULT PREVENTIVE SERVICES UTILIZATION MEASURE

- Definition: The percentage of adult members who received any preventive dental service during the measurement period
  - Covered California's measure specification would apply to individual on-exchange adult (19 years and older) members. Members that are continuously enrolled at least 90 days or more in the same QDP in the measurement period comprise the eligible population.
  - The rate is calculated by dividing the number of members who receive any preventive dental service by the eligible population.
  - There is no NQF endorsement for this measure. The preventive services are defined by CDT codes (D1000-D1999).
- Covered California’s proposed approach adopts the Medi-Cal Dental "Use of Preventive Dental Services" measure specification, with some necessary adaptation.
- Covered California will stratify measure results by race and ethnicity.

ADULT PREVENTIVE SERVICES UTILIZATION MEASURE

- Covered California proposes adopting the Medi-Cal Dental Program specifications with minimal adjustments.
- Specifically, Covered California requests feedback on the following items:
  - Should both professional and facility claims be included in the specification? This element is consistent with QHP measure specifications but is not specified in the Medi-Cal measure.
  - How should member age be calculated? Per the proposed measure, age is calculated at the time of service: member's birth date on the date of service.
  - Should the measure specification exclude "child only" CDT codes within the CDT preventive services code range (D1000-D1999) within the numerator specification?
  - Should dental encounters at Safety Net Clinics (SNC), defined by select ICD-10 codes, be included within the numerator of Covered California specification?
  - At this time, the proposed measure specification is not risk adjusted.

FEEDBACK REQUESTED

- Feedback on proposed changes to QDP Attachment 2 and the draft Adult Preventive Services utilization measure would be appreciated by Thursday February 23, 2023.

- Please send questions and comments to Dianne Ehrke at PMDContractsUnit@covered.ca.gov

OPEN FORUM