



## **Plan Management Advisory**

September 9, 2021

# AGENDA

Time	Topic	Presenter
10:00am -10:05	♦ Welcome and introductions	Rob Spector
10:05- 10:20	♦ 2023 Patient-centered benefit designs update	James DeBenedetti
10:20- 10:35	♦ 2023–2025 QHP and QDP issuer contract update	James DeBenedetti
10:35- 10:50	♦ 2023-2025 Attachment 7 and Quality Transformation Initiative update	Margareta Brandt
10:50- 11:00am	♦ Open discussion ♦ Adjourn	Rob Spector

# 2023 PATIENT-CENTERED BENEFIT DESIGNS UPDATE

James DeBenedetti, Director of Plan Management

# 2023 VALUE-BASED INSURANCE DESIGN

- ❑ Covered California has re-initiated development of the Value-Based Insurance Design (VBID) project for potential implementation in 2023
- ❑ The focus is on addressing cost barriers for high-value diabetic medications and supplies
- ❑ Specifics of the design will be developed with inputs from QHP issuers, clinicians, researchers, consumer advocates, and other stakeholders

# PROGRAM AND POLICY CONTEXT

- ❑ AB 97 (Nazarian) – Assembly bill prohibiting a deductible from being applied to insulin prescriptions. Other cost sharing measures such as copayments and coinsurance are not addressed.
- ❑ SB 568 (Pan) – Senate bill requiring health plan contracts and health insurance policies to eliminate the deductible for outpatient prescription drugs and some covered benefits that are used to treat chronic conditions.
- ❑ IRS Notice 2019-45 (June 2019) expands the list of allowable preventive services without a deductible in High Deductible Health Plans (HDHPs) to include chronic diseases such as insulin and other glucose lowering agents.
- ❑ Massachusetts health exchange insulin VBID (PY2021) – Requires health plan issuers to offer at least one of each class of insulins in vial and pen injector formulations at the Tier 1 copay amount corresponding to each metal tier standard plan before deductible applies.
- ❑ Covered California's Quality Transformation Initiative includes focus on diabetes, with HbA1C <8% (NQF #0575) as a proposed measure

# AREAS OF EXPLORATION

Option	Proposal
1	<ul style="list-style-type: none"><li>• Require at least one of each class of insulin in vial and pen injector formulation<ul style="list-style-type: none"><li>• Tier 1 vs. no cost share</li></ul></li></ul>
2	<ul style="list-style-type: none"><li>• Require at least one glucometer and test strip<ul style="list-style-type: none"><li>• Tier 1 vs. no cost share</li></ul></li><li>• Require HbA1C testing at no cost share</li></ul>
3	<ul style="list-style-type: none"><li>• Minimize cost share for metformin and sulfonylureas<ul style="list-style-type: none"><li>• Tier 1 vs. no cost share</li></ul></li><li>• Note: there is no change to pharmacologic treatment guidelines</li></ul>

# NEXT STEPS

- ❑ The Benefit Design workgroup will meet to discuss the proposals, after which a more developed approach will be brought to the Plan Management Advisory workgroup for discussion
- ❑ Benefit Design workgroup meeting dates are to be determined; updates will follow
- ❑ To join the Benefit Design workgroup or for any questions and comments, please contact Wandy Mah at [Wandy.Mah@covered.ca.gov](mailto:Wandy.Mah@covered.ca.gov)

# 2023–2025 QHP AND QDP ISSUER CONTRACT UPDATE

James DeBenedetti, Director of Plan Management



# 2023–2025 QHP and QDP Issuer Contract Update

- ❑ The refreshed 2023-2025 Issuer Contracts will be issued for stakeholder comments soon:
  - The QHP and QDP model contracts for the Individual and Small Business markets, along with revisions to the current Attachment 7, are expected to be released by the end of this week.
  - Revisions to the current Attachment 14 are expected to be publicly posted by early October.
  - All documents will be available for reference on the HBEX website: <https://hbex.coveredca.com/stakeholders/plan-management/>
  
- ❑ An Appendix to this presentation summarizes changes to the model contract not related to the current Attachments 7 and 14.

# 2023-2025 ATTACHMENT 7 AND QUALITY TRANSFORMATION INITIATIVE UPDATE

Margareta Brandt, Quality Improvement Manager

# 2023-25 EQT REFRESH WORKSTREAMS

## Attachment 7 Implementation

- Establish implementation or activity requirements

## Attachment 7 Process Reporting

- Designate select areas for reporting with a focus on priority areas

## Quality Playbook

- Simplify Attachment 7 by transitioning some requirements to the Quality Playbook as best practices and resources

## Quality Transformation Initiative

- Select QTI measures and benchmarks
- Determine QTI methodology and premium at risk
- Determine how QTI funds will be invested

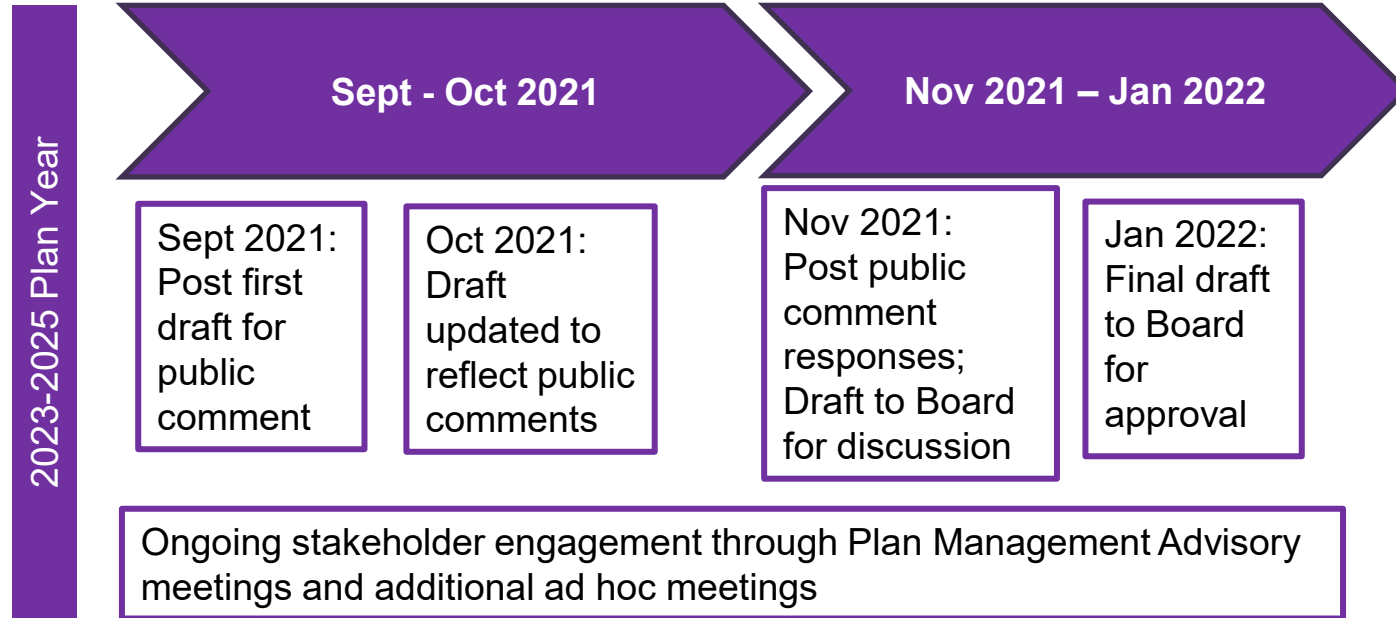
## Attachment 14

- Identify key areas for performance guarantees in addition to QTI

# 2023-2025 ATTACHMENT 7 STRUCTURE

Article	Section	Article	Section
1	<b>Equity and Disparities Reduction</b> 1.01 Demographic Data Collection 1.02 Identifying Disparities in Care 1.03 Disparities Reduction 1.04 Health Equity Capacity Building	4	<b>Delivery System and Payment Strategies to Drive Quality</b> 4.01 Effective Primary Care 4.02 Promotion of Integrated Delivery Systems and Accountable Care Organizations 4.03 Networks Based on Value 4.04 Telehealth 4.05 Participation in Quality Collaborative
2	<b>Behavioral Health</b> 2.01 Access to Behavioral Health Services 2.02 Quality of Behavioral Health Services 2.03 Appropriate Use of Opioids 2.04 Integration of Behavioral Health Services with Medical Service	5	<b>Measurement and Data Sharing</b> 5.01 Measurement and Analytics 5.02 Data Sharing and Exchange
3	<b>Population Health</b> 3.01 Population Health Management 3.02 Health Prevention and Promotion 3.03 Supporting At-Risk Enrollees Requiring Transition 3.04 Social Health	6	<b>Certification, Accreditation, and Regulation</b> 6.01 QHP Accreditation

# 2023-2025 ATTACHMENT 7 DEVELOPMENT TIMELINE



# ATTACHMENT 7 PUBLIC COMMENT PROCESS

- ❑ 2023-2025 Attachment 7 draft will be released for public comment this week
- ❑ One supplemental document will also be released that includes
  - Summary of changes from 2022 to 2023-2025 Attachment 7
  - Crosswalk of articles from 2022 to 2023-2025 Attachment 7
- ❑ QHP Issuers, Attachment 7 Refresh workgroup participants, Plan Management Advisory Group members, and regulatory liaisons will receive the draft via email
- ❑ There will be a three-week or four-week public comment period following the release of the contract; exact dates will be provided via email
- ❑ All 2023-2025 Attachment 7 documents will be available on the Plan Management website: <https://hbex.coveredca.com/stakeholders/plan-management/>
- ❑ Submit questions and comments to Thai at [thai.lee@covered.ca.gov](mailto:thai.lee@covered.ca.gov)

# QUALITY TRANSFORMATION INITIATIVE FEEDBACK

- ❑ Covered California will be releasing a detailed slide deck with the QTI design and candidate measures this week for feedback
  - The slide deck will include the details reviewed during the September 2nd Attachment 7 refresh workgroup presentation along with specific requests for feedback
- ❑ QHP Issuers, Attachment 7 Refresh workgroup participants, Plan Management Advisory Group members, and regulatory liaisons will receive the slide deck via email
- ❑ There will be a three-week or four-week public comment period; exact dates will be provided via email
- ❑ All 2023-2025 QTI documents will be available on the Plan Management website: <https://hbex.coveredca.com/stakeholders/plan-management/>
- ❑ Submit questions and comments to Margareta at [margareta.brandt@covered.ca.gov](mailto:margareta.brandt@covered.ca.gov)

# OPEN DISCUSSION

Rob Spector, Chair of Plan Management Advisory Workgroup



# APPENDIX

2022 Current vs 2023-25 Contract Requirements  
(excluding current attachments 7 and 14)

# 2022 CURRENT VS 2023-25 PROPOSED REQUIREMENTS - APPENDIX

## Article 1 – General Provisions

2022 Current Requirements	2023-25 Proposed Requirements
<p><b>Section 1.3 Relationship of the Parties</b></p> <p>Defines CovCA and Contractor’s relationship as independent contractors.</p> <p>Contractor to require all subcontractors, assignees, or delegates to comply with applicable requirements of agreement, and to monitor for compliance.</p>	<p><b>New notification requirement item addition:</b></p> <p>c) Requires prior notification to Covered California of any assignment or delegation of rights or duties under this Agreement to any person or delegate.</p>
<p><b>Section 1.5 General Duties of the Contractor</b></p> <p>Subsection b) states a dedicated liaison is the primary contact for Covered California and is working with Covered California to implement the agreement.</p> <p>The dedicated liaison, along with other personnel, is available as needed to fulfill Contractor’s duties under this Agreement.</p>	<p><b>New notification requirement item addition:</b></p> <p>i. Refers to the Contractor’s organizational chart of “Key Personnel” provided during the annual Certification Application identifying key individual(s) with primary responsibility for servicing the Covered California account and requires Contractor to notify Covered California of any change in dedicated liaison or Key Personnel within a defined timeframe.</p>

# 2022 CURRENT VS 2023-25 PROPOSED REQUIREMENTS - APPENDIX

## Article 2 – Eligibility and Enrollment

2022 Current Requirements	2023-25 Proposed Requirements
<p><b>Section 2.1.2 Contractor Responsibilities</b></p> <p>Subsection c) requires Contractor to participate in the Reconciliation Process comparison of Covered California enrollment against the Contractor’s membership enrollment and financial databases, and to implement identified changes within 10 business days.</p>	<p><b>New text and paragraph added to 2.1.2c):</b></p> <p>New language requires Contractor to notify Covered California by the 10<sup>th</sup> business day if they can’t implement changes within the given timeline, provide information explaining why they can’t be implemented by the due date, and to identify another date in which the changes will be implemented.</p> <p>The Contractor will be required to conduct root cause analysis, develop a corrective action plan to resolve the issues, and provide an implementation for resolution if Covered California identifies ongoing and persistent data issues with the Contractor through the Reconciliation Process.</p>
<p><b>Section 2.2.6 Agents in Covered California for the Individual Market</b></p> <p>Subsection f) <u>Agent of Record</u> explains an Agent delegation might occur at initial enrollment and Covered California will send notice to the Contractor via the 834 enrollment file.</p> <p>The process requires Contractor’s approval, with the exception of unlicensed or unappointed Agents, upon receipt of the 834 file and allows 5 days for system update.</p> <p>Language is included recognizing the different organizational structures delegated Agents may be working within.</p> <p>The requirement for what an Agent of Record Exception Report contains is defined and only required upon request.</p>	<p><b>New text inserted:</b></p> <p>Addition of a weekly reconciliation file as a possible method Covered California may deploy for notices to Contractor of an Agent delegation. The format of the reconciliation file is defined by Covered California.</p> <p>Addition of exceptions to the required Contractor approval process for a delegation that would conflict with Contractor’s vesting provisions of its Agent agreements.</p> <p>Additional organizational structure language added as to who may be delegated Agents: “the Agency, or primary Agent at the Agency, instead of the specific Agent who enrolled a consumer. As such, an Agent delegation may consist of an Agent, Agency, or primary Agent with an Agency.”</p> <p>A monthly deadline added to the Agent of Record Exception Report requirements.</p>

# 2022 CURRENT VS 2023-25 PROPOSED REQUIREMENTS - APPENDIX

## Article 2 – Eligibility and Enrollment

2022 Current Requirements	2023-25 Proposed Requirements
<p><b>Section 2.2.6 Agents in Covered California for the Individual Market</b></p>	<p><b>New subsection i) Agent Communication and Sales Strategy inserted:</b></p> <p>Annual requirement added and defined for Contractor to supply an “agent communication and sales strategy” for the individual market. Also allows Covered California to request updates if individual market conditions change due to legislative action or economic fluctuations.</p>
<p><b>Section 2.3 Enrollment and Marketing Coordination and Cooperation</b></p> <p>Subsection o) lists marketing plan submittals are due at least thirty (30) days prior to Open Enrollment, and within thirty (30) days after Open Enrollment begins for Retention and Renewal effort marketing plans.</p>	<p><b>New text added:</b></p> <p>All deadlines were made a consistent “at least” deadline, and a SEP reporting requirement was added: at least thirty (30) days prior to Open Enrollment and Special Enrollment Period, and at least thirty (30) days after Open Enrollment begins for Retention and Renewal efforts.</p>
<p><b>Section 2.3 Enrollment and Marketing Coordination and Cooperation</b></p> <p>Subsection p) lists actualized spend amount submittals are due within thirty (30) days after OEP closes, thirty (30) days after calendar year end for SEP, and thirty (30) days after OEP begins for retention and renewal.</p> <p>OEP actualized spend submissions requirements of spend by media channel to include :</p> <ul style="list-style-type: none"> <li>• distribution by Designated Market Area (DMA)</li> <li>• brand versus direct response spend allocation</li> <li>• categorization of messaging and indication of co-branding efforts.</li> </ul>	<p><b>New text added:</b></p> <p>Request made for “annual” actualized spend amounts and deadlines made consistent “at least” requirements: at least thirty (30) days after OEP closes, at least thirty (30) days after calendar year end for SEP, and at least thirty (30) days after OE begins for retention and renewal.</p> <p>OEP actualized spend submissions requirements of spend by media channel revised :</p> <ul style="list-style-type: none"> <li>• Designated Market Area (DMA)</li> <li>• brand versus direct response</li> <li>• as well as note if messaging was co-branded with Covered California.</li> </ul>

# 2022 CURRENT VS 2023-25 PROPOSED REQUIREMENTS - APPENDIX

## Article 2 – Eligibility and Enrollment

2022 Current Requirements	2023-25 Proposed Requirements
<p><b>Section 2.4.2 Marketing Materials that Must Be Submitted to Covered California</b></p> <p>Subsection b) defines marketing materials and related collateral to be submitted to Covered California as reasonably requested by Covered California.</p>	<p><b>New deadline text added:</b></p> <p>Subsection b) changes the submittal of marketing materials and related collateral to Covered California to at least 30 days prior to OEP, and at least thirty (30) days prior to SEP.</p>

## Article 3 - QHP Issuer Program Requirements

<p><b>Section 3.1.3 Plan Naming Conventions</b></p> <p>Requires Contractor to adhere to Covered California's Plan Naming Conventions on all State Regulators plan filings, marketing material, Enrollee material, and SERFF submissions.</p>	<p><b>New text added:</b></p> <p>Expands the plan naming requirement to off-Exchange mirrored products.</p>
<p><b>Section 3.1.4 Operational Requirements and Liquidated Damages</b></p> <p><b>Communication with Plan Manager and Covered California</b> Requires Contractor to notify Covered California of changes with operational impacts to Covered California, Enrollees or CalHEERS. The example given is of a change to the Contractor's vendor that interface with CalHEERS.</p> <p>Contractors are to attempt to avoid making any operational changes impacting CalHEERS 30 days prior to and during each Renewal and Open Enrollment Period.</p>	<p><b>New text added to Communication with Plan Manager and Covered California:</b></p> <p>Adds a new notification requirement for any "system", as well as operational change, and adds 60-day advance notification timelines for planned system activities or modifications affecting electronic transmissions, any transition or migration to a different platform, or new vendors supporting electronic integration and interfacing with CalHEERS.</p> <p>Adds 30-day advance notification for unplanned activities or system changes and listed operational changes at call centers.</p> <p>Adds provision of listed technical documentation upon request.</p>

# 2022 CURRENT VS 2023-25 PROPOSED REQUIREMENTS - APPENDIX

## Article 3 - QHP Issuer Program Requirements

2022 Current Requirements	2023-25 Proposed Requirements
<p><b>Section 3.3.2 Network Adequacy</b></p> <p>Subsection c) Notice of material network changes, requires Contractor to notify Covered California of pending material change in its provider network , or its participating provider contracts, at least 60 days prior to any change or immediately upon Contractor’s knowledge.</p>	<p><b>Changes to Notice of material changes:</b></p> <p>“Material” struck, section moved to fall within renumbered section 3.3.3 Network Stability, subsection c) Network Disruptions</p>
<p><b>Section 3.3.5 Network Stability</b></p> <p>Subsection c) Network Disruptions, requires Contractor to provide prior notice to Covered California and State Regulators if there are disruptions making it necessary for Enrollees to change QHPs or Participating Providers.</p>	<p><b>Renumbered 3.3.3 Network Stability and new text added:</b></p> <p>Subsection c) Network Disruptions, requires Contractor to provide 60 days prior notice, or immediately upon Contractor’s knowledge of any contract termination or gap in network hospital contracts.</p> <p>Requires Contractor to provide 60 days prior notice, or immediately upon Contractor’s knowledge of any provider network disruption causing 10% of Enrollees within any county of an affected region to change participating providers or QHPs.</p>
<p><b>Section 3.3.3 Essential Community Providers</b></p>	<p><b>Renumbered 3.3.4 Essential Community Providers, d) Notice of changes to ECP network:</b></p> <p>Refers back to 3.3.3c) for same Network Disruption requirements, deletes the work “material.”</p>

# 2022 CURRENT VS 2023-25 PROPOSED REQUIREMENTS - APPENDIX

## Article 3 - QHP Issuer Program Requirements

2022 Current Requirements	2023-25 Proposed Requirements
<p><b>Section 3.6.16 Required Reports</b></p> <p>Requirement to submit standard reports as mutually agreed upon and defined as: customer service reports, use of plan website, enrollment reports, and premiums collected.</p>	<p><b>Change to reporting requirement:</b></p> <p>From “mutually agreed upon” to “as specified by Covered California.”</p>