



PLAN MANAGEMENT ADVISORY GROUP

May 9, 2019

WELCOME AND AGENDA REVIEW

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP

AGENDA

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Plan Management and Delivery System Reform Advisory Group Meeting and Webinar

Thursday, May 9, 2019, 10:30 a.m. to 12:30 p.m.

Webinar link: <https://attendee.gotowebinar.com/rt/4171897155750816770>

May Agenda Items

Suggested Time

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|--|-------------------------|
| I. Welcome and Agenda Review | 10:30 - 10:35 (5 min.) |
| II. Combining of Advisory Groups | 10:35 – 10:55 (20 min.) |
| III. Market Entry Analysis | 10:55 - 11:25 (30 min.) |
| IV. 2020 Standard Benefit Plan Designs | 11:25 - 12:25 (60 min.) |
| V. Open Forum | 12:25 – 12:30 (5 min.) |

COMBINING OF ADVISORY GROUPS

EFRAÍN CORNEJO, MANAGER, STRATEGIC PARTNERSHIPS
OUTREACH & SALES

ORIGINAL DESIGN

- Resolution 2012-54 established three advisory groups to provide advice, recommendations, and serve as sounding boards to the Covered California Board and staff.
- The advisory groups were created to provide guidance on the following topics:
 - **Plan Management Advisory Group:** qualified health plan selection, monitoring, re-and decertification, quality rating, and ongoing benefit design issues.
 - **Marketing, Outreach and Enrollment Assistance Advisory Group:** marketing strategies by target population and media channel, effective community outreach strategies, and strategies for providing in-person assistance with enrollment in insurance affordability programs.
 - **Small Employer Health Options Program (SHOP) Advisory Group:** strategies to raise interest in the SHOP and ensure that it provides value for small employers.

CURRENT STATUS

- Board Resolution 2012-54 had required a minimum of quarterly meetings.
- Meeting quarterly was appropriate while Covered California was in a start-up phase, however each advisory group has since found a meeting cadence that best serves their stakeholders.
- On March 7th, 2019, The MOEA Advisory Group membership approved a new charter that would require convening a minimum of twice a year.
- The Plan Management Advisory Group continues to meet on a regular basis, one week prior to a meeting of the Board of Directors.
- The SHOP Advisory Group was essential in the establishment of the small group exchange, but these topics of discussion have most recently been best served within the Plan Management Advisory Group.

RECOMMENDATION TO THE BOARD

- To transfer the advisory group functions for Covered California for Small Business to the current Plan Management Advisory Group.
- To remove the quarterly meeting requirement for the Marketing, Outreach and Enrollment Assistance Advisory Group and consistent with its current charter, require meetings of this advisory group on a bi-annual basis or more often as deemed necessary by the Executive Director.
- Delegate any other changes to the scope, structure and process for managing the Advisory Groups to the Executive Director, following consultation, as needed, with program and executive leadership and stakeholders.

MARKET ENTRY ANALYSIS

ALLIE MANGIARACINO, SR. MARKET INSIGHTS ANALYST
PLAN MANAGEMENT DIVISION

MARKET ENTRY ANALYSIS

- Covered California has contracted with between 10 and 12 QHP Issuers since 2014, representing a variety in the types of plans contracted, including large national carriers, regional carriers, Medi-Cal Managed Care Plans (MCPs), and Local Health Plans (LHPs).
- Covered California has always specifically sought to have Medi-Cal Managed Care Plans as active participants and its policies have promoted their inclusion.
- In addition to seeking Medi-Cal plans to foster continuity and because of mission alignment, Covered California sees these plans as potential ways to assure consumers have robust plan choice.
- Covered California has contracted with Health Management Associates (HMA) to conduct a Market Entry Analysis to assess the feasibility (financial, administrative, strategic, etc.) of Medi-Cal plans entering the individual market.

2020 STANDARD BENEFIT PLAN DESIGNS

ALLIE MANGIARACINO, SR. MARKET INSIGHTS ANALYST
PLAN MANAGEMENT DIVISION

FINAL 2020 NOTICE OF BENEFIT AND PAYMENT PARAMETERS

- CMS finalized a change to the *premium adjustment percentage* using a new premium growth measure that includes individual market and employer-sponsored insurance.
- The premium adjustment percentage helps determine the required contribution percentage and the maximum annual limitation on cost sharing.
- The revised formula changes the 2020 annual limitation on cost-sharing from what was proposed in January:
 - Final 2020 annual limitation on cost sharing: **\$8,150*** (3.16% / \$250 increase from 2019) (Limit in Proposed NBPP was \$8,200)
 - Silver 94 and Silver 87: \$2,700 (\$100 increase)
 - Silver 73: **\$6,500** (\$250 increase) (Limit in Proposed NBPP was \$6,550)
 - Dental MOOP limit for stand-alone dental plans: \$350 (no change)
 - AVC claims data: 2015 individual and small-group market claims, trended to 2020
 - Medical costs: 6.1% increase (5.4% in 2019)
 - Drug costs: 9.8% increase (11.5% in 2019)

*Covered California limit: **\$7,800**

PROPOSED CHANGES TO MARCH 14TH BOARD-APPROVED 2020 PLAN DESIGNS

- Decrease MOOP by \$50 to meet final NBPP annual limitation on cost sharing in 10 of the 16 plan designs
- Increase the Specialist visit cost share from \$60 to \$65 in the Individual-only Gold Plans to allow all issuers to meet AV requirements
- Bronze HDHP:
 - Set deductible to \$6,900
 - MOOP display in the plan design: “See endnote”
 - New endnote #31: “The Bronze HDHP is contingent upon meeting the actuarial value requirements in state law. The out-of-pocket maximum in the Bronze HDHP shall be equal to the maximum out-of-pocket limit specified by the IRS in its revenue procedure for the 2020 calendar year for inflation adjusted amounts for HDHPs linked to Health Savings Accounts (HSAs), issued pursuant to section 26 U.S.C Section 223.”

NEW MOOP FOR THE 2020 STANDARD BENEFIT PLAN DESIGNS

- The following Board-approved (March 14th) plan designs have a maximum out-of-pocket (MOOP) amount set above the annual limits in the final NBPP:

	MOOP for 3/14 Final Approved Design	AV for 3/14 Final Approved Design	Adjusted MOOP to meet NBPP limit	New AV with Adjusted MOOP
Individual-only Gold Coinsurance	\$7,850	81.90%	\$7,800	81.84%*
Individual-only Gold Copay	\$7,850	78.29%	\$7,800	78.25%*
CCSB-only Gold Coinsurance	\$7,850	78.05%	\$7,800	78.10%
CCSB-only Gold Copay	\$7,850	79.65%	\$7,800	79.68%
Individual-only Silver	\$7,850	71.73%	\$7,800	71.79%
Silver 73	\$6,550	73.82%	\$6,500	73.88%
CCSB-only Silver Coinsurance	\$7,850	70.47%	\$7,800	70.52%
CCSB-only Silver Copay	\$7,850	70.15%	\$7,800	70.21%
Bronze	\$7,850	61.29%	\$7,800	61.36%
Catastrophic	\$8,200	N/A	\$8,150	N/A

*Additional change made to Specialist visit to arrive at final AV

2021 BENEFITS WORKGROUP: VBID PILOT

- Monthly meetings to begin in June/July to discuss potential VBID pilot, followed by biweekly meetings in October/November.
- Please notify Allie Mangiaracino at allie.mangiaracino@covered.ca.gov to participate in the monthly VBID meetings.

OPEN FORUM AND NEXT STEPS

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP