



COVERED
CALIFORNIA

PLAN MANAGEMENT ADVISORY GROUP

October 10, 2019

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, October 10, 2019, 10:00 a.m. to 12:00 p.m.

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

October Agenda Items

Suggested Time

- | | |
|---|-------------------------|
| I. Welcome and Agenda Review | 10:00 – 10:05 (5 min.) |
| II. Benefit Design Update | 10:05 – 10:30 (25 min.) |
| III. Certification Process 2020 Update | 10:30 – 10:50 (20 min.) |
| IV. 2019 QRS Scores Update | 10:50 – 11:35 (45 min.) |
| V. Open Enrollment End Date Implementation Considerations Postponed | |
| VI. Open Forum | 11:35 – 12:00 (25 min.) |

2021 BENEFIT DESIGN UPDATE

ALLIE MANGIARACINO, SENIOR MARKET INSIGHTS ANALYST
PLAN MANAGEMENT DIVISION

VBID PILOT PROGRAM UPDATE

- Covered California has convened several internal meetings with VBID subject matter experts to develop a draft proposal for the 2021 Benefits Workgroup. Upfront work has included:
 - Initial Actuarial Value (AV) modeling
 - Claims analysis: chronic condition prevalence, utilization, and costs
 - Gathering preliminary input on regulatory, administrative, and operational issues
- Further detailed work on the regulatory impacts of VBID will need to be conducted as specific proposals are developed:
 - Plan designs in VBID pilot regions vs. other regions
 - Non-discrimination and MHPAEA
- Given the time necessary to design the program, Covered California will delay the program one year, to be implemented during the 2022 plan year.

2021 BENEFIT DESIGN WORKGROUP AGENDA

- Health benefits:
 - Cost-share changes to meet AV requirements
 - Standardize annual wellness exam benefit
 - New IRS rules for preventive services in HDHPs: Modeling and discuss potential for future implementation
- Dental benefits:
 - Update CDT codes (changes to D&P category and codes)
 - Update: Covered California will **not** consider low-AV pediatric dental plan proposals for 2021
- VBID 2022:
 - Continue Benefit Design Workgroup in spring on a monthly basis to develop VBID for 2022

2021 BENEFIT DESIGN WORKGROUP

Update to tentative meeting dates (Wednesdays, 10 a.m. to 12 noon):

- October 2nd and 16th meeting dates canceled (Draft 2021 AV Calculator not available)
- October 30 / November 13, 27 / December 11 / January 8, 22 / February 5, 19

Timing for starting the Benefits Workgroup:

- Due to last year's delay in the Draft 2020 AV Calculator release, Covered California began modeling using the old AVC in January
- What should be the “cut-off” for waiting for the Draft 2021 AV Calculator, after which we proceed with modeling using the old AVC?

Please email Allie Mangiaracino at allie.mangiaracino@covered.ca.gov to be added to the benefits workgroup and/or suggest additional discussion topics.

2021 QUALIFIED HEALTH PLAN (QHP) CERTIFICATION AND CCSB UPDATE

MEILING HUNTER, CERTIFICATION TEAM LEAD
TARA DI PONTI, CERTIFICATION SPECIALIST
PLAN MANAGEMENT DIVISION

CERTIFICATION UPDATES

Qualified Dental Plans Applications Due Date

The dental applications' due date will now align with the Qualified Health Plans Applications due date on May 1, 2020. The four applications will go live on March 1, 2020.

Contract Extension

Because the 2017 – 2020 QHP Contract period will be extended by one year, health and dental plan issuers contracted in 2017 will continue to be contracted through 2021, if certified.

Plan Year 2021 Certification Applications will be open to:

Individual Marketplace

- Issuers offering QHPs/QDPs
- Medi-Cal Managed Care Plans

Covered California for Small Business

- Issuers offering QHPs/QDPs

PROPOSED 2021 QHP *CERTIFICATION* MILESTONES

Release draft 2021 QHP & QDP Certification Applications	December 2019
Draft application comment periods end	December 2019
Plan Management Advisory: Benefit Design & Certification Policy recommendation	January 2020
January Board Meeting: Discussion of Benefit Design & Certification Policy recommendation	January 2020
Letters of Intent Accepted	February 2020
Final AV Calculator Released*	February 2020
Applicant Trainings (electronic submission software, SERFF submission and templates*)	February 2020
March Board Meeting: Anticipated approval of 2020 Patient-Centered Benefit Plan Designs & Certification Policy	March 2020
QHP & QDP Applications Open	March 2, 2020
QHP & QDP Application Responses (Individual and CCSB) Due	May 1, 2020
Evaluation of QHP Responses & Negotiation Prep	May - June 2020
QHP Negotiations	June 2020
QHP Preliminary Rates Announcement	July 2020
Regulatory Rate Review Begins (QHP Individual Marketplace)	July 2020
Evaluation of QDP Responses & Negotiation Prep	June – July 2020
QDP Negotiations	July 2020
CCSB QHP Rates Due	July 2020
QDP Rates Announcement (no regulatory rate review)	August 2020
Public posting of proposed rates	July 2020
Public posting of final rates	September – October 2020

*Final AV Calculator and final SERFF Templates availability dependent on CMS release
 TBD = dependent on CCIIO rate filing timeline requirements

FINAL QUALITY RATING SYSTEM SCORES FOR FALL 2019

WHITNEY LI, SENIOR EVALUATION SPECIALIST
PLAN MANAGEMENT DIVISION

BACKGROUND

- Each year QRS star ratings are calculated based on that year's participating QHPs across the nation with no reference to prior years.
- The factors affecting the star ratings include:
 - The QHP's performance on HEDIS and CAHPS quality measures
 - Which QHPs are participating nationwide
 - The statistical methods used to standardize the scores and “cluster” results into distinct performance groupings. For the last two years, CMS has used clustering statistics that re-categorizes the QHPs' star rankings based on the differences in scores for clusters of QHPs with similar performance.

COVERED CALIFORNIA OBJECTIVES FOR QRS STAR RATINGS

- Ensure that each QHP's relative quality ranking is consistent with its performance scores to provide the best possible support to consumers.
- Even though scores are determined based only on current year performance, changes in star ratings from prior year should be based on unequivocal performance change or material change in its relative performance.
- Star ratings at the extreme ends (1-star and 5-star) are validated to confirm significantly different performance to reduce misclassification possibility.
- Covered California's assessment is that the statistical tool CMS used this year and last does not achieve these objectives and will exercise its ability to vary from their methodology.

QUALITY RATINGS DISPLAY: FALL 2019

Covered California Quality Rating System (QRS) is comprised of the following elements:

1. Report four ratings: a global quality rating and three summary component ratings
2. The global quality rating is a roll-up of three summary components per following differential weighting:

Summary Components	Weights
Getting Right Care (HEDIS)	66%
Members' Care Experience (CAHPS)	17%
Plan Services for Members (HEDIS and CAHPS)	17%

3. 1 to 5-star performance classification based on the distribution of results
4. The 2019 scores are displayed in CalHEERS Shop and Compare and on CoveredCA.com starting October 2019

QRS RATING FORMULA

- As a State Based Exchange, Covered California has the option to vary from the CMS methodology based on regional benchmarks. We believe that the approach that provides the best information for consumers in plan selection would not use the CMS clustering technique. Instead, we used a two-part test:
 - How each Covered California QHP's quality measure scores compare to the QRS nationwide 25th, 50th, 75th, and 90th percentiles
 - A statistical test of meaningful difference (i.e. test if a plan is meaningfully different than the relevant QRS nationwide percentile score) (e.g. a 5-star plan performs at or above the 90th percentile)
- Covered California is planning to work with CMS to align statistical methods for future QRS scoring

FALL 2019 QRS RATINGS: DISTRIBUTION OF FINAL SCORES

Distribution of Global Quality Ratings by Reportable Products for Individual & CCSB Markets

	# Products with No Global Rating	1 Star ★	2 Star ★★	3 Star ★★★	4 Star ★★★★	5 Star ★★★★★
2019 QRS**	4*	0	5	5	1	1
2018 QRS	3*	0	0	6	4	2
2017 QRS	4*	0	3	6	1	1

*No global rating if a newer product and not eligible for reporting or insufficient sample sizes to report results for at least 2 of the 3 summary indicator categories. **Based on Covered CA Alternative Methodology & CMS Final Data.

- Three QHPs maintained their star rating from the previous year
- Eight QHPs declined in stars; five QHPs received a 2-star rating
- The quality variation between regions for a plan is not reflected in the scores and the scores may not represent the patient experience or quality of care in a particular service area

PERFORMANCE CHANGES FROM 2018 TO 2019

- Overall in California and nationwide
 - HEDIS scores were about the same
 - CAHPS scores were slightly lower
 - Large downward shift in QRS star ratings
- Most California QHPs had small score changes from the previous year
 - Three QHPs maintained their global star rating
 - Eight QHP ratings declined
 - No plans gained stars

FINAL GLOBAL & SUMMARY INDICATOR RATINGS

Issuer	Product Type	Global Rating	Getting the Right Care	Members' Care Experiences	Plan Services for Members
Anthem	EPO	★★	★★	★★	★★★
Blue Shield	PPO	★★★	★★	★★★	★★★
Blue Shield	HMO	★★★	★★	★★★	★★★
CCHP	HMO	★★★	★★★	★★	★★★★★
Health Net	HMO	★★	★★★	★	★★★
Health Net	EPO	One Quality Rating Available	★★	NR	NR
Health Net	PPO	Quality Rating in Future	Quality Rating in Future	Quality Rating in Future	Quality Rating in Future
Kaiser	HMO	★★★★★	★★★★★	★★★	★★★★★
LA Care	HMO	★★★	★★★	★★	★★★
Molina	HMO	★★	★★	★★	★★★
Oscar	EPO	★★	★★	★★★	★★★★★
Sharp	HMO	★★★★	★★★★	★★★	★★★★
Valley	HMO	★★★	★★★★	★	★★★
WHA	HMO	★★	★★	★★★	★★★★
Blue Shield	HMO/SHOP	★★★	★★	★★★	★★★
Health Net	PPO/SHOP*	Quality Rating in the Future*	Quality Rating in the Future*	Quality Rating in the Future*	Quality Rating in the Future*

*Health Net PPO, with expansion into individual market, is a first-year plan and will not be reportable until PY2021.

QUESTIONS & COMMENTS

OPEN FORUM AND NEXT STEPS

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP