



**COVERED**  
**CALIFORNIA**

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

December 9, 2014

# AGENDA

Plan Management and Delivery System Reform Advisory Group  
Meeting and Webinar  
Tuesday, December 9, 2014, 10:00 a.m. to 12:30 p.m.

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

Webinar Link: <https://attendee.gotowebinar.com/register/639557688540116482>

December Agenda Items	Suggested Time
I. Welcome and Agenda Review (Valerie Woolsey)	10:00 – 10:05 (5 min.)
II. Provider Partnerships	10:05 – 10:15 (10 min.)
III. Operations Update A. Consumer Education B. Renewal Update	10:15 – 10:30 (15 min.)
IV. 2016 Standard Benefit Designs	10:30 – 11:15 (45 min.)
V. Certification and Recertification	11:15 – 11:45 (30 min.)
VI. 2015 QRS Recommendations	11:45 – 12:15 (30 min.)
VII. Wrap-Up and Next Steps	12:15 – 12:30 (15 min.)



# PROVIDER PARTNERSHIPS

- Together, Covered California worked with many provider groups to co-brand a letter that explained the importance of provider involvement and asked providers to promote health coverage offered during open enrollment
- Letters were sent to more than 150,000 members
- A press event was held at UCLA to kick off the partnership initiative on December 2<sup>nd</sup>
- We want to say THANK YOU to all groups involved!

# THANK YOU FOR THE COLLABORATION!



California Association of Physician Groups



# UCLA Event



# PROVIDER PARTNERSHIP COLLATERAL



because...

I want all of my patients, their families and everyone in California to get health insurance during open enrollment.

Go to [CoveredCA.com](http://CoveredCA.com) for more information.



## GET COVERED Open Enrollment 2015

NOV. 15, 2014 – FEB. 15, 2015

Open Enrollment is the **ONE TIME** during the year when most Californians who need insurance cannot be denied by a health plan and when millions can get subsidized health insurance for the upcoming year.

(Individuals who have limited income may enroll in Medi-Cal year-round.)

### Key Dates



Open Enrollment **starts Nov. 15** and continues through **Feb. 15** and offers all individuals — sick or healthy — the opportunity to get the health coverage and care they need. In California, coverage is offered through Covered California at [CoveredCA.com](http://CoveredCA.com), the state marketplace. If you do not want a subsidy, buy directly from a health plan.

### Shop Smart



The new Covered California website offers **interactive shopping tools** that allow individuals to pick a plan that's right for them. Consumers can shop and compare their options based on their age, where they live, their household income and number of people in their household. These factors determine their premium and amount of any subsidy they may receive.

### Find Help



Health insurance can be complicated. Consumers can seek **free, confidential assistance** from more than 28,000 individuals in California who stand ready to help them enroll or by visiting [CoveredCA.com](http://CoveredCA.com). Click on **"Find Local Help"** to search for a Certified Insurance Agent, Certified Enrollment Counselor or county eligibility worker.

### Consumer Choice



Covered California offers a **range of choices** of private health insurance plans. Consumers can choose the health plan and level of coverage that best meets their needs and budget. At Covered California and in the individual market, consumers can compare based on standard benefit designs and know that all essential health benefits are covered.

[CoveredCA.com](http://CoveredCA.com)

November 2014 V10

# OPERATIONS UPDATE

# Consumer Education

- Consumer education will be a standing agenda item for 2015 meetings.
- Materials will be provided beforehand to allow for robust discussion.
- Please provide topics you would like to discuss to [rachel.young@covered.ca.gov](mailto:rachel.young@covered.ca.gov) and [lindsay.petersen@covered.ca.gov](mailto:lindsay.petersen@covered.ca.gov).

# 2016 BENEFIT DESIGN BOARD RECOMMENDATIONS

ANNE PRICE, DIRECTOR, PLAN MANAGEMENT DIVISION  
DAVE GREENE, SENIOR CONSULTANT

# AGENDA

Guiding Principles

Calendar Review

Review Workgroup Plan Designs

Overview of Next Steps

Future Topics (beyond benefit designs):

- Actions to help further consumer education (plan decision making and use of plan benefits)
- Provider education: CovererdCA coverage acceptance and benefit design understanding

# Scope and Goals

## Organizational Goal:

Covered California should have benefit designs that are standardized, promote access to care, and are easy for consumers to understand.



## Work Group Goal:

Provide input to Covered California staff as we develop recommendations for benefit re-design that includes consideration for a multi year strategy

### Covered California Principles

1. Maintain philosophy of having standardized benefit designs to enable informed consumer choice between products, metal tiers and carriers
2. Multi year progressive strategy with consideration to market dynamics: Changes in benefits should be considered annually based on consumers' experience related to access and cost
3. Data driven approach to inform recommendations
4. Any changes to benefit designs should promote improvement for consumers' understanding of their benefits and their ability to obtain care at the right place, right cost and right time
5. Simplify training for all enrollment channels

# Ad-Hoc Team Meeting Milestones and Public Review

DATE	Event	Description
24-Sep	Project Start	Kick Off Communication
3-Oct	AH meeting	Kick Off Meeting
17-Oct	AH meeting	Workgroup meeting
26-Oct	Plan Actuarial Meeting	Covered California Staff to Meet and Update QHP Actuaries
31-Oct	AH meeting	Workgroup meeting
<b>6-Nov</b>	<b>Plan Advisory Meeting</b>	Workgroup Status Provided to Advisory for Feedback (note Weds for board meeting flexibility)
14-Nov	Plan Actuarial Meeting	Covered California Staff to Meet and Update QHP Actuaries
<b>20-Nov</b>	<b>Board Meeting</b>	Workgroup Update to Board (date subject to change)
25-Nov	AH meeting	Workgroup meeting
5-Dec	AH meeting	Workgroup meeting
<b>9-Dec</b>	<b>Plan Advisory Meeting</b>	Workgroup Status Provided to Advisory for Feedback
<b>15-Dec</b>	<b>Board - Recommendation</b>	Workgroup Recommendation to Board
9-Jan	AH meeting	Workgroup meeting
<b>16-Jan</b>	<b>Plan Advisory Meeting</b>	Workgroup Recommendation Provided to Advisory for Feedback
<b>22-Jan</b>	<b>Board - Approval</b>	Workgroup Present Recommendation and ask for approval by Board
30-Jan	AH meeting	Wrap Up (as needed)

*Note: bold blue font indicates public meeting*

# Work Group Roster

Name	Representation	E-Mail	office phone
<b><u>Work group Members</u></b>			
Beth Capell	Health Access California	<a href="mailto:bcapell@jps.net">bcapell@jps.net</a>	916-497-0760
Betsy Imholz	Consumers Union	<a href="mailto:bimholz@consumer.org">bimholz@consumer.org</a>	415-431-6747x125
Marge Ginsburg	Center for Healthcare Decisions	<a href="mailto:ginsburg@chcd.org">ginsburg@chcd.org</a>	916-333-5046
Jerry Fleming	Kaiser	<a href="mailto:jerry.fleming@kp.org">jerry.fleming@kp.org</a>	510-268-5480
Athena Chapman	CAHP	<a href="mailto:achapman@calhealthplans.org">achapman@calhealthplans.org</a>	916-558-1546
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<b><u>Covered California Staff</u></b>			
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Anne Price *	Covered California	<a href="mailto:anne.price@covered.ca.gov">anne.price@covered.ca.gov</a>	916-228-8660
Allison Mangiaracino	Covered California	<a href="mailto:allison.mangiaracino@covered.ca.gov">allison.mangiaracino@covered.ca.gov</a>	916 228 8688
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* <i>co-facilitators</i>			
<b><u>Additional Resources</u></b>			
Andrea Rosen	Covered California	<a href="mailto:andrea.rosen@covered.ca.gov">andrea.rosen@covered.ca.gov</a>	916-228-8343
Jeff Rideout, MD	Covered California	<a href="mailto:jeff.rideout@covered.ca.gov">jeff.rideout@covered.ca.gov</a>	916-228-8573

# Key Benefit Design Callouts

Updated AV calculator for 2016 had a significant impact on the bronze plan, with lesser impact to other metal tiers

- Comment period on the regulations ends December 8<sup>th</sup> with final rule expected late January

## Bronze:

- Benefit plan has both Deductible and Max Out of Pocket (MOOP) at \$6,500
  - Implication: With exception of next two bullets, all other services are paid by enrollee until MOOP is hit (no coinsurance or copays will apply).
    - Added Specialist Visit to services where first three visits do not apply to the deductible (in addition to PCP, Mental Health Outpatient, and Urgent Care)
    - Removed deductible application to Lab and OP Rehab/Speech/OP Occ

## Standard Silver and Cost Share Reduction (CSR) Silver plans:

- Combined the Copay and Coinsurance plan designs into a single Silver offering
  - Prior to this change, between Copay and Coinsurance, there are only five service categories with different cost sharing.
  - Reduces Standard Silver plans from two to one. Reduces CSR Silver plans from six to three.
- Moderate increases in Deductible, Max Out of Pocket, PCP, Specialists, and other fields as needed to meet AV calculations.
- Inpatient and Maternity Services: Facility and Physician/Surgeon fees are now each Deductible + Coinsurance.
- Imaging: Utilizing \$250 copay in place of coinsurance for CT, MRI, and PET Scans.

# Key Benefit Design Callouts (cont.)

## Gold

- Reduction in Max Out of Pocket
- Small increases in PCP and Specialist visits.

## Platinum

- No plan changes recommended
  - 2016 AV calculations remain under 89.0

## Changes in AV are outlined below:

	Bronze	Silver 70 Copay	Silver 70 Coinsurance	Gold Copay	Gold Coinsurance	Platinum Copay <sup>2</sup>	Platinum Coinsurance <sup>2</sup>
Target +/- 2.0%	60.0	70.0	70.0	80.0	80.0	90.0	90.0
Current 2015 AV	60.6	69.9	70.3	78.6	78.8	88.0	88.1
2016 AV	63.7	71.0	71.3	81.4	81.2	88.9	88.6
With Recommended Benefit Changes	61.2	Combined Silver <sup>1</sup> 70.5		80.0	79.9	88.9	88.6

1 Recommendation is to combine Silver plans into one Silver plan in 2016

2 No Change is being recommended for the Platinum plans

# Difference of Opinions

## Specialty Drugs

- Alternative proposal is to apply known cap amount to maximum coinsurance (For example: Coinsurance paid up to a maximum cap of \$500.)
- Additional discussions with regulators being scheduled to determine discrimination rules and compliance.
- Plan management intention is to make Specialty Drugs a focus topic in 2016 in getting a group together to better define this category of drugs before potential 2017 benefit changes are made.

## Combining of Silver Plans

- Not all health plans agree with combining the Silver plans.
- Concerns cited include:
  - Limiting consumer choice
  - Copay in place of coinsurance for Imaging (CT, MRI, and PET Scans) where there is wide variance in costs

## Improved Standard Benefit Table

There are service lines needed within the standard benefit table that has allowed for plans to have inconsistent cost sharing for underlying benefits. We are looking to add this clarity at DMHC and CDI's request – There should be no AV impact, but we will need to confirm.

# Key Considerations in Designs Offered for Final Comment

The plan designs on the following pages represent an aggregation of Workgroup, Plan, and Committee input. Central considerations to the attached are:

1. Design meets Target AV as computed with 2016 Proposed AV Calculator
  - Ideally, be at middle or below AV range for each metal tier to allow for future year flexibility.
2. Generally increases transparency in cost and allows for easier comparison by benefit line across Bronze and Silver metal tiers
3. Lessen barriers to primary care needs
4. Has Maximum Out Of Pocket (MOOP) level that is likely to meet regulatory interpretation of adding together medical and standalone pediatric dental MOOP amounts in meeting ACA MOOP requirement.
5. Maintains aligned incentives (between members, provider, plans) on quality and costs for benefits that generally have wide range of costs.
6. Are operationally feasible for both Covered California and QHP's to implement.
7. As medical treatments, services, and cost/quality tools evolve over the coming years, we have the ability to change benefit offerings

# Proposed 2016 Portfolio: Bronze/Silver/CSRs Side-by-Side

		<b>Bronze 60</b>	<b>Silver 70</b>	<b>Silver 73</b>	<b>Silver 87</b>	<b>Silver 94</b>
	Coinsurance (what Enrollee pays)	30%	20%	20%	20%	10%
	Deductible	\$6,500 (Integrated)	\$2,250	\$1,900	\$1,900	\$75
	Brand Drug Deductible	N/A	\$250	\$250	\$250	\$0
	Max Out of Pocket (MOOP)	\$6,500	\$6,250	\$5,450	\$5,450	\$2,250
Not Subject to Deductible unless noted otherwise.	Primary Care Visit	\$70 Ded waived for 1 <sup>st</sup> 3 visits *	\$45	\$40	\$40	\$5
	Specialist Visit	\$90 Ded waived for 1 <sup>st</sup> 3 visits *	\$70	\$55	\$55	\$8
	Imaging (CT/PET Scans, MRIs)	\$0 after Ded	\$250	\$250	\$250	\$50
	Laboratory Tests	\$40 (DNA)	\$35	\$35	\$35	\$8
	MH: Outpatient	\$70 Ded waived for 1 <sup>st</sup> 3 visits *	\$45	\$40	\$40	\$5
	Home Health Care	\$0 after Ded	\$45	\$40	\$40	\$3
	OP Rehab/Speech and OP Occ	\$70 (DNA)	\$45	\$40	\$40	\$5
	Outpatient and OP Professional Serv	\$0 after Ded	Coinsurance	Coinsurance	Coinsurance	Coinsurance
	Durable Medical Equipment	\$0 after Ded	Coinsurance	Coinsurance	Coinsurance	Coinsurance
	Urgent Care	\$120 Ded waived for 1 <sup>st</sup> 3 visits *	\$90	\$80	\$80	\$6
	X-rays and Diagnostic Imaging	\$0 after Ded	\$65	\$50	\$50	\$8
	Generics	\$0 after Ded	\$15	\$15	\$15	\$3
Subject to Deductible unless noted otherwise.	ER Services	\$0 after Ded	Ded + \$250	Ded + \$250	Ded + \$250	Ded + \$30
	Inpatient Services: Facility	\$0 after Ded	Ded + Coins	Ded + Coins	Ded + Coins	Ded + Coins
	Inpatient Services: Physician/Surgeon	\$0 after Ded	Ded + Coins	Ded + Coins	Ded + Coins	Ded + Coins
	MH: Inpatient	\$0 after Ded	Ded + Coins	Ded + Coins	Ded + Coins	Ded + Coins
	Skilled Nursing Facility	\$0 after Ded	Ded + Coins	Ded + Coins	Ded + Coins	Ded + Coins
	Preferred Brand Drugs	\$0 after Ded	Ded + \$50	Ded + \$45	Ded + \$45	Ded + \$10
	Non-preferred Brand Drugs	\$0 after Ded	Ded + \$70	Ded + \$70	Ded + \$70	Ded + \$15
	Specialty Drugs	\$0 after Ded	Ded + Coins	Ded + Coins	Ded + Coins	Ded + Coins
	<b>2016 Actuarial Value</b>	<b>61.19</b>	<b>70.53</b>	<b>72.91</b>	<b>72.91</b>	<b>93.93</b>

DNA = Deductible does not apply.

# Proposed 2016 Portfolio: All Standard Plans Side-by-Side

		Bronze 60	Silver 70	Gold Copay	Gold Coins	Platinum Copay	Platinum Coins
	Coinsurance (what Enrollee pays)	30%	20%	20%	20%	10%	10%
	Deductible	\$6,500 (Integrated)	\$2,250	\$0	\$0	\$0	\$0
	Brand Drug Deductible	N/A	\$250	\$0	\$0	\$0	\$0
	Max Out of Pocket (MOOP)	\$6,500	\$6,250	\$5,750	\$5,750	\$4,000	\$4,000
Not Subject to Deductible unless noted otherwise.	Primary Care Visit	\$70 Ded waived for 1 <sup>st</sup> 3 visits *	\$45	\$40	\$40	\$20	\$20
	Specialist Visit	\$90 Ded waived for 1 <sup>st</sup> 3 visits *	\$70	\$60	\$60	\$40	\$40
	Imaging (CT/PET Scans, MRIs)	\$0 after Ded	\$250	\$250	Coinsurance	\$150	Coinsurance
	Laboratory Tests	\$40 (DNA)	\$35	\$30	\$30	\$20	\$20
	MH: Outpatient	\$70 Ded waived for 1 <sup>st</sup> 3 visits *	\$45	\$40	\$40	\$20	\$20
	Home Health Care	\$0 after Ded	\$45	\$30	Coinsurance	\$20	Coinsurance
	OP Rehab/Speech and OP Occ	\$70 (DNA)	\$45	\$40	\$40	\$20	\$20
	Outpatient and OP Professional Serv	\$0 after Ded	Coinsurance	\$600	Coinsurance	\$250	Coinsurance
	Durable Medical Equipment	\$0 after Ded	Coinsurance	Coinsurance	Coinsurance	Coinsurance	Coinsurance
	Urgent Care	\$120 Ded waived for 1 <sup>st</sup> 3 visits *	\$90	\$60	\$60	\$40	\$40
	X-rays and Diagnostic Imaging	\$0 after Ded	\$65	\$55	\$55	\$40	\$40
	Generics	\$0 after Ded	\$15	\$15	\$15	\$5	\$5
Subject to Deductible unless noted otherwise.	ER Services	\$0 after Ded	Ded + \$250	\$250	\$250	\$150	\$150
	Inpatient Services: Facility	\$0 after Ded	Ded + Coins	\$600/day up to 5 days	Coinsurance	\$250/day up to 5 days	Coinsurance
	Inpatient Services: Physician/Surgeon	\$0 after Ded	Ded + Coins		Coinsurance		Coinsurance
	MH: Inpatient	\$0 after Ded	Ded + Coins	\$600/day up to 5 days	Coinsurance	\$250/day up to 5 days	Coinsurance
	Skilled Nursing Facility	\$0 after Ded	Ded + Coins	\$300/day up to 5 days	Coinsurance	\$150/day up to 5 days	Coinsurance
	Preferred Brand Drugs	\$0 after Ded	Ded + \$50	\$55	\$55	\$15	\$15
	Non-preferred Brand Drugs	\$0 after Ded	Ded + \$70	\$75	\$75	\$25	\$25
	Specialty Drugs	\$0 after Ded	Ded + Coins	Coinsurance	Coinsurance	Coinsurance	Coinsurance
	<b>2016 Actuarial Value</b>	<b>61.19</b>	<b>70.53</b>	<b>80.05</b>	<b>79.95</b>	<b>88.85</b>	<b>88.59</b>

DNA = Deductible does not apply.

# Next Steps

Topic	Next Step / Deliverable	Responsible	Delivery Date
Benefit Display	Discussion on making display and understanding of benefits as clear as possible for consumers.	Plan Advisory Meeting	January 16th
AV Calculations	Detailed Actuarial Review with Milliman. (Concurrent with Board review)	CovCA	January
Regulatory Discussion: Specialty Drugs	Plan design considerations: Make certain specialty drug cost sharing is consistent with change related to possible discrimination.	CovCA	January
Regulatory Discussion: Mental Health parity	<ul style="list-style-type: none"> <li>• Meeting MH Parity rules.</li> <li>• Potential/Implication of MH/SUB Outpatient sub-classification (Office visits and Other Outpatient)</li> </ul>	CovCA	Final regulatory review is not expected to be complete until Mid/Late Jan.

# Appendix

# Bronze Plan Design

## Objectives:

1. Achieve 2016 AV of at or near 60.0. (rationale is to create room for options come 2017 benefits definition).
2. Maximize highly utilized benefits as DNA (accomplished for PCP/Specialist visits and Labs. Not accomplished for Generics, or x-rays).
3. With Ded and MOOP being equal, copays are only applicable where waived or the deductible does not apply (in the case of lab)
4. Note on Catastrophic/Bronze Differentiation: Subsidies can not be applied to Catastrophic plans but can be applied to Bronze plans.

		Current Bronze	2016 Proposal: Bronze	
	Deductible	5,000 (integrated)	\$6,500 (Integrated)	
	Brand Drug Deductible	N/A	N/A	
	Max Out of Pocket (MOOP)	6,250	\$6,500	
Silver: Not Subject to Deductible	Primary Care Visit (Bronze: Ded waived for 1 <sup>st</sup> 3 visits)	Ded + 60	\$70 Ded waived for 1 <sup>st</sup> 3 visits *	
	Specialist Visit	Ded + 70	\$90 Ded waived for 1 <sup>st</sup> 3 visits *	
	Imaging (CT/PET Scans, MRIs)	Ded + Coins	\$0 after Ded	
	Laboratory Tests (per visit)	Ded + Coins	\$40 (DNA)	
	MH: Outpatient (Bronze: Ded waived for 1 <sup>st</sup> 3 visits)	60	\$70 Ded waived for 1 <sup>st</sup> 3 visits *	
	Home Health Care	Ded + Coins	\$0 after Ded	
	OP Rehab/Speech and OP Occ	Ded + 60	\$70 (DNA)	
	Outpatient and OP Professional Serv	Ded + Coins	\$0 after Ded	
	Durable Medical Equipment	Ded + Coins	\$0 after Ded	
	Urgent Care (Bronze: Ded waived for 1 <sup>st</sup> 3 visits)	120	\$120 Ded waived for 1 <sup>st</sup> 3 visits *	
	X-rays and Diagnostic Imaging	Ded + Coins	\$0 after Ded	
	Generics	Ded + 15	\$0 after Ded	
	Silver: Subject to Ded.	ER Services	Ded+ 300	\$0 after Ded
		Inpatient Services: Facility	Ded + Coins	\$0 after Ded
Inpatient Services: Physician/Surgeon		Ded + Coins	\$0 after Ded	
MH: Inpatient		Ded + Coins	\$0 after Ded	
Skilled Nursing Facility		Ded + Coins	\$0 after Ded	
Preferred Brand Drugs		Ded+50	\$0 after Ded	
Non-preferred Brand Drugs		Ded+75	\$0 after Ded	
Specialty Drugs		Ded + Coins	\$0 after Ded	
	<b>2016 AVC: Actuarial Value</b>	<b>63.72</b>	<b>61.19</b>	

\* Total of four visits cumulative across benefits lines with deductible waived for initial visits.

DNA = Deductible does not apply. Coinsurance = 30% (enrollee share)

Shaded cells are those changed from 2015 plan design

# Silver 70

## Objectives:

1. 2015 Copay and Coinsurance offerings combined into a single offering for 2016.
  2. Achieve 2016 AV of at or near 70.0. (rationale is to create room for options come 2017 benefits definition).
  3. Note: If Combined Plan Design approved, would need to consider language to make it clear to enrollee if PCP is required or not dependent on carrier network offering (HMO/PPO/EPO... ACO?).
- Open Consideration: Utilizing Coinsurance in place of copay for Imaging (for Standard and CSR Silver plans).

		Current Silver 70 Copay	Current Silver 70 Coinsurance	2016 Proposal: Silver 70 (Combined)	
	Coinsurance (what Enrollee pays)	20%	20%	20%	
	Deductible	2,000	2,000	2,250	
	Brand Drug Deductible	250	250	250	
	Max Out of Pocket (MOOP)	6,250	6,250	6,250	
Silver: Not Subject to Deductible	Primary Care Visit	45	45	45	
	Specialist Visit	65	65	70	
	Imaging (CT/PET Scans, MRIs)	250	Coinsurance	250	
	Laboratory Tests (per visit)	45	45	35	
	MH: Outpatient	45	45	45	
	Home Health Care	45	Coinsurance	45	
	OP Rehab/Speech and OP Occ	45	45	45	
	Outpatient and OP Professional Serv	Coinsurance	Coinsurance	Coinsurance	
	Durable Medical Equipment	Coinsurance	Coinsurance	Coinsurance	
	Urgent Care	90	90	90	
	X-rays and Diagnostic Imaging	65	65	65	
	Generics	15	15	15	
	Silver: Subject to Ded.	ER Services	Ded+250	Ded+250	Ded+250
		Inpatient Services: Hospital Fee	Ded + Coins	Ded + Coins	Ded + Coins
Inpatient Services: Physician/Surgeon Fee		Coins (DNA)		Ded + Coins	
MH: Inpatient		Ded + Coins	Ded + Coins	Ded + Coins	
Skilled Nursing Facility		Ded + Coins	Ded + Coins	Ded + Coins	
Preferred Brand Drugs		Ded+50	Ded+50	Ded+50	
Non-preferred Brand Drugs		Ded+70	Ded+70	Ded+70	
Specialty Drugs		Ded + Coins	Ded + Coins	Ded + Coins	
<b>2016 Actuarial Value</b>		<b>71.01</b>	<b>71.25</b>	<b>70.53</b>	

DNA = Deductible does not apply.

Shaded cells are those changed from one or both 2015 Silver 70 plan designs

# Guidelines for CovCA Cost Sharing Silver Plans

1. All must be based on the Standard Silver Plan
2. All CSRs must have monotonically decreasing (i.e. progressively decreasing) cost-sharing amounts.
  - This requirement is true for ALL cost-sharing features that change. Example: If Standard Silver has a \$2,000 deductible, Silver 73 needs to be less (\$1,600), and so forth for Silver 87 (\$500) and Silver 94 (\$0).
  - Not all benefit levels are required to change. For example, a \$250 ER copay can exist for all CSR levels. However, NO cost-sharing feature could increase, even though others went further down to get to the appropriate AV.
3. The plan design needs to meet the appropriate AV.
  - Note, the de minimus for CSR plans is 1%.

# Enhanced Silver 73 (200-250 FPL, Single max income of \$29,175)

## Objectives:

1. 2015 Copay and Coinsurance offerings combined into a single offering for 2016.
2. Achieve 2016 AV of at or near 73.0. (rationale is to create room for options come 2017 benefits definition).

		Current Silver 73 Copay	Current Silver 73 Coinsurance	Proposed Silver 73
	Coinsurance (what Enrollee pays)	20%	20%	20%
	Deductible	1,600	1,600	1,900
	Brand Drug Deductible	250	250	250
	Max Out of Pocket (MOOP)	5,200	5,200	5,450
Not Subject to Deductible	Primary Care Visit	40	40	40
	Specialist Visit	50	50	55
	Imaging (CT/PET Scans, MRIs)	250	Coinsurance	250
	Laboratory Tests (per visit)	40	40	35
	MH: Outpatient	40	40	40
	Home Health Care	40	Coinsurance	40
	OP Rehab/Speech and OP Occ	40	40	40
	Outpatient and OP Professional Serv	Coinsurance	Coinsurance	Coinsurance
	Durable Medical Equipment	Coinsurance	Coinsurance	Coinsurance
	Urgent Care	80	80	80
	X-rays and Diagnostic Imaging	50	50	50
	Generics	15	15	15
Subject to Deductible unless noted otherwise.	ER Services	Ded + 250	Ded + 250	Ded + 250
	Inpatient Services: Facility	Ded + 20%	Ded + 20%	Ded + Coins
	Inpatient Services: Physician/Surgeon		20% (DNA)	Ded + Coins
	MH: Inpatient	Ded + Coins	Ded + Coins	Ded + Coins
	Skilled Nursing Facility	Ded + Coins	Ded + Coins	Ded + Coins
	Preferred Brand Drugs	Ded + 35	Ded + 35	Ded + 45
	Non-preferred Brand Drugs	Ded + 60	Ded + 60	Ded + 70
	Specialty Drugs	Ded + Coins	Ded + Coins	Ded + Coins
	<b>2016 Actuarial Value</b>	<b>74.38</b>	<b>74.70</b>	<b>72.91</b>

DNA = Deductible does not apply.

Shaded cells are those changed from one or both 2015 Silver 73 CSR plan designs

# Enhanced Silver 87 (150-200 FPL, Single income max of \$23,340)

## Objectives:

1. 2015 Copay and Coinsurance offerings combined into a single offering for 2016.
2. Achieve 2016 AV of at or near 87.0. (rationale is to create room for options come 2017 benefits definition).

		Current Silver 87 Copay	Current Silver 87 Coinsurance	Proposal Silver 87	
	Coinsurance (what Enrollee pays)	15%	15%	20%	
	Deductible	500	500	1,900	
	Brand Drug Deductible	50	50	250	
	Max Out of Pocket (MOOP)	2,250	2,250	5,450	
Not Subject to Deductible	Primary Care Visit	15	15	40	
	Specialist Visit	20	20	55	
	Imaging (CT/PET Scans, MRIs)	100	Coinsurance	250	
	Laboratory Tests (per visit)	15	15	35	
	MH: Outpatient	15	15	40	
	Home Health Care	15	Coinsurance	40	
	OP Rehab/Speech and OP Occ	15	15	40	
	Outpatient and OP Professional Serv	Coinsurance	Coinsurance	Coinsurance	
	Durable Medical Equipment	Coinsurance	Coinsurance	Coinsurance	
	Urgent Care	30	30	80	
	X-rays and Diagnostic Imaging	20	20	50	
	Generics	5	5	15	
	Subject to Deductible unless noted otherwise:	ER Services	Ded + 75	Ded + 75	Ded + 250
		Inpatient Services: Facility	Ded + Coins	Ded + Coins	Ded + Coins
Inpatient Services: Physician/Surgeon		Coins (DNA)		Ded + Coins	
MH: Inpatient		Ded + Coins	Ded + Coins	Ded + Coins	
Skilled Nursing Facility		Ded + Coins	Ded + Coins	Ded + Coins	
Preferred Brand Drugs		Ded + 15	Ded + 15	Ded + 45	
Non-preferred Brand Drugs		Ded + 25	Ded + 25	Ded + 70	
Specialty Drugs		Ded + Coins	Ded + Coins	Ded + Coins	
	<b>2016 Actuarial Value</b>	<b>87.75</b>	<b>87.76</b>	<b>72.91</b>	

DNA = Deductible does not apply.

Shaded cells are those changed from one or both 2015 Silver 87 CSR plan designs

# Enhanced Silver 94 (138-150 FPL, Single max of \$17,505)

## Objectives:

- 2015 Copay and Coinsurance offerings combined into a single offering for 2016.
- Achieve 2016 AV of at or near 94.0. (rationale is to create room for options come 2017 benefits definition).

		Current Silver 94 Copay	Current Silver 94 Coinsurance	Proposal Silver 94	
	Coinsurance	10%	10%	10%	
	Deductible	0	0	75	
	Brand Drug Deductible	0	0	0	
	Max Out of Pocket (MOOP)	2,250	2,250	2,250	
Not Subject to Deductible	Primary Care Visit	3	3	5	
	Specialist Visit	5	5	8	
	Imaging (CT/PET Scans, MRIs)	50	Coinsurance	50	
	Laboratory Tests (per visit)	3	3	8	
	MH: Outpatient	3	3	5	
	Home Health Care	3	Coinsurance	3	
	OP Rehab/Speech and OP Occ	3	3	5	
	Outpatient and OP Professional Serv	Coinsurance	Coinsurance	Coinsurance	
	Durable Medical Equipment	Coinsurance	Coinsurance	Coinsurance	
	Urgent Care	6	6	6	
	X-rays and Diagnostic Imaging	3	3	8	
	Generics	3	3	3	
	Subject to Deductible unless noted otherwise.	ER Services	25	25	30
		Inpatient Services: Facility	Ded + Coins	Ded + Coins	Ded + Coins
Inpatient Services: Physician/Surgeon		Ded + Coins		Ded + Coins	
MH: Inpatient		Ded + Coins	Ded + Coins	Ded + Coins	
Skilled Nursing Facility		Ded + Coins	Ded + Coins	Ded + Coins	
Preferred Brand Drugs		Ded + 5	Ded + 5	Ded + 10	
Non-preferred Brand Drugs		Ded + 10	Ded + 10	Ded + 15	
Specialty Drugs		Ded + Coins	Ded + Coins	Ded + Coins	
	<b>2016 Actuarial Value</b>	<b>96.02</b>	<b>96.00</b>	<b>93.93</b>	

DNA = Deductible does not apply.

Shaded cells are those changed from one or both 2015 Silver 94 CSR plan designs

# Gold Plan Designs

	Current Gold Copay	Proposal Gold Copay	Current Gold Coins	Proposal Gold Coins
Coinsurance (what Enrollee pays)	20%	20%	20%	20%
Deductible	0	0	0	0
Brand Drug Deductible	0	0	0	0
Max Out of Pocket (MOOP)	6,250	5,750	6,250	5,750
Primary Care Visit	30	40	30	40
Specialist Visit	50	60	50	60
Imaging (CT/PET Scans, MRIs)	250	250	Coinsurance	Coinsurance
Laboratory Tests	30	30	30	30
MH: Outpatient	30	40	30	40
Home Health Care	30	30	Coinsurance	Coinsurance
OP Rehab/Speech and OP Occ	30	40	30	40
Outpatient and OP Professional Serv	600	600	Coinsurance	Coinsurance
Durable Medical Equipment	Coinsurance	Coinsurance	Coinsurance	Coinsurance
Urgent Care	60	60	60	60
X-rays and Diagnostic Imaging	50	55	50	55
Generics	15	15	15	15
ER Services	250	250	250	250
Inpatient Services: Facility	600/day up to 5 days	600/day up to 5 days	Coinsurance	Coinsurance
Inpatient Services: Physician/Surgeon			Coinsurance	Coinsurance
MH: Inpatient	600/day up to 5 days	600/day up to 5 days	Coinsurance	Coinsurance
Skilled Nursing Facility	300/day up to 5 days	300/day up to 5 days	Coinsurance	Coinsurance
Preferred Brand Drugs	50	55	50	55
Non-preferred Brand Drugs	70	75	70	75
Specialty Drugs	Coinsurance	Coinsurance	Coinsurance	Coinsurance
<b>2016 Actuarial Value</b>	<b>81.35</b>	<b>80.05</b>	<b>81.15</b>	<b>79.95</b>

Shaded cells are those changed from 2015 plan design

Cells shaded blue indicate where Current Copay and Coins plans differ

# Platinum Plan Designs

## Propose keeping current plan designs

	Current Platinum Copay	Proposal Platinum Copay	Current Platinum Coins	Proposal Platinum Coins
Coinsurance (what Enrollee pays)	10%		10%	
Deductible	0		0	
Brand Drug Deductible	0		0	
Max Out of Pocket (MOOP)	4,000	For each \$100 increase, drop in AV is 0.03.	4,000	
Primary Care Visit	20		20	
Specialist Visit	40		40	
Imaging (CT/PET Scans, MRIs)	150		Coinsurance	
Laboratory Tests	20		20	
MH: Outpatient	20		20	
Home Health Care	20		Coinsurance	
OP Rehab/Speech and OP Occ	20		20	
Outpatient and OP Professional Serv	250		Coinsurance	
Durable Medical Equipment	Coinsurance		Coinsurance	
Urgent Care	40		40	
X-rays and Diagnostic Imaging	40		40	
Generics	5	If \$10 = 0.50 drop in AV	5	
ER Services	150		150	
Inpatient Services: Facility	250/day up to 5 days		Coinsurance	
Inpatient Services: Physician/Surgeon			Coinsurance	
MH: Inpatient	250/day up to 5 days		Coinsurance	
Skilled Nursing Facility	150/day up to 5 days		Coinsurance	
Preferred Brand Drugs	15		15	
Non-preferred Brand Drugs	25		25	
Specialty Drugs	Coinsurance		Coinsurance	
<b>2016 Actuarial Value</b>	<b>88.85</b>		<b>88.59</b>	

\* Facility and Professional Fee separated for Coins plan

Shaded cells are those changed from 2015 plan design

Cells shaded blue indicate where Current Copay and Coins plans differ

# PROPOSED 2016 QHP RECERTIFICATION AND NEW ENTRANT POLICIES

ANNE PRICE, DIRECTOR, PLAN MANAGEMENT DIVISION

# 2016 QHP INDIVIDUAL APPLICATION CRITERIA

## DISCUSSION

### Background

Covered California's policy agreed to by the board in the Fall of 2012 was to not allow new entrants for 2015 and 2016 with the exception of Medi-Cal managed care plans.

- Eligible bidders would likely be limited to QHPS selected in 2014.
- Service area expansions may be allowed for QHPS selected for offer in 2014.

For the 2015 plan year, Covered California updated policy to allow for new entrant consideration limited to Medi-Cal managed care plans and newly licensed plans since August 2012.

### Discussion

For 2016, Covered California could consider allowing new carrier entrants under specific circumstances such as only in pre-specified counties/regions where there are less than 3 carriers as an option for consumers.

- Preference will be given to plans who apply to provide coverage in the whole region versus partial.
- With review of applications, Covered California will give first consideration to 2015 contracted QHPs who propose to expand coverage to the same counties/regions where there are less than three carriers before accepting new entrants.

Alternatively, Covered California could have a policy consistent with 2015 where there is no new carrier entry allowed unless the new entrant is a Medi-Cal managed care plan or newly licensed plan since August 2012.

# AREAS OF LIMITED PLAN CHOICE

- Seven regions have zip codes in counties where 10% of Covered California consumers have only one or two carriers to choose from
- Focus of new carrier entrants would be at the county level where we are interested in increasing carrier choice

Region	Name	Plan Count	# counties 1 plan*	# counties 2 plans*	counties	Members (Nov -14)	% of total members	# members in 1-2 plan zips	% of total in 1 - 2 plan zips
1	N. Cal	3	22	21	many	42,492	4%	42,492	4%
3	El Dorado Placer Yolo, Sac	5		2	El Dorado, Placer	57,110	5%	3,202	0%
6	Alameda	3		1	Alameda	52,330	5%	14,039	1%
9	Monterey San Benito Santa Cruz	3	2	2	Monterey, San Benito, Santa Cruz	27,726	2%	15,075	1%
11	Madera Kings Fresno	3		3	Fresno, Kings, Madera	22,249	2%	2,324	0%
12	SLO Santa Barbara Ventura	3		3	SLO, Santa Barbara, Ventura	50,374	4%	26,445	2%
13	Imperial Inyo Mono	3		3	Imperial, Inyo, Mono	5,107	0%	5,107	0%
<b>Total for Regions 1,3,6,9,11,12,13</b>						<b>257,388</b>	<b>23%</b>	<b>108,684</b>	<b>10%</b>
<b>Total for Regions 1-19</b>						<b>1,123,857</b>			

\* partial counties (certain zip codes)

# 2016 QHP INDIVIDUAL APPLICATION CRITERIA DISCUSSION

Area		Option 1	Option 2
1.	New Entrant Application	Medi-Cal managed care plans and newly licensed plans since August 2012	In addition to Option 1, new carriers will be considered for entry in regions/counties where only one or two plans are offered
2.	Recertification Application	QHPS certified for 2015 plan year	QHPS certified for 2015 plan year
2a.	Benefit Changes/Alternate Benefit Designs (ABDs)	Standard benefit changes likely/no ABDs introduced	Standard benefit changes likely/no ABDs introduced
2b.	Product Changes ( <i>HMO, PPO, EPO, HCSP</i> )	Product changes will be considered	Product changes will be considered
2c.	Service Area Changes	Service area <u>expansion</u> will be considered (including new region expansion)	Service area <u>expansion</u> will be considered (including new region expansion)
2d.	Network Changes	Network changes will be considered	Network changes will be considered

# 2016 QHP SHOP APPLICATION CRITERIA DISCUSSION

	Area	SHOP
1.	New Entrant Application	Issuers not currently offered on SHOP Exchange
2.	Recertification Application	SHOP QHPs certified for 2015 plan year
2a.	Benefit Changes/Alternate Benefit Designs (ABDs)	Standard benefit changes likely/no new additional ABDs
2b.	Product Changes ( <i>HMO, PPO, EPO, HCSP</i> )	Product changes will be considered
2c.	Service Area Changes	Service area expansion will be considered (including new region expansion)
2d.	Network Changes	Network changes will be considered

# Plan Year 2016 - Proposed Qualified Dental Plan Application Criteria

Area		Individual	SHOP
1.	New Entrant Application	Closed to new entrants	Closed to new entrants
2.	Recertification Application	QDP: Dental plans certified for the 2015 plan year	QDP: Dental plans certified for the 2015 plan year
2a.	Benefit Changes/Alternate Benefit Designs	Standard benefit changes unlikely/no alternate designs introduced	Standard benefit changes unlikely/no alternate designs introduced
2b.	Product Changes ( <i>DHMO, DPPO</i> )	Product changes will be considered	Product changes will be considered
2c.	Service Area Changes	Service area <u>expansion</u> will be considered (including new region expansion)	Service area <u>expansion</u> will be considered (including new region expansion)
2d.	Network Changes	Network changes will be considered	Network changes will be considered

# New Entrant Certification Applications

Criteria for new QHP entrant acceptance will be evaluated based on impact of increasing consumer choice relative to other plans in region in addition to:

- Product differences
- Network differences
- Price competitiveness
- Enrollment projections

# Recertification Applications

Application will be based on the 2015 application and is being updated with questions that allow Covered California to better evaluate 2016 product offerings. Areas of more focused attention include:

- A. Operational readiness
- B. Network changes
- C. Product change proposal and consumer impact (if applicable)
- D. Adherence to standard benefit designs

# Applications for New and Renewing Issuers

## A. Operational Readiness

- Clarifying expectations in enrollment and payment data exchange
- Tightening documentation requirements for per member/per month assessments
- Calling out specifics about how the unbanked are to be accommodated
- Adding web-based payment options as expectation
- Tightening SERFF completion and revision deadlines
- Noting Pinnacle HCMS as well as CalHEERS as interface

# Applications for New and Renewing Issuers

## B. Network Changes

- Requiring provider counts by product and region for CCA networks
- Clarifying provider data submission timeframes and definitions
- Requiring that enrollment projections be tied to network capacity and development, plan's own enrollment trends, and Covered CA enrollment projections

# Applications for New and Renewing Issuers

## C. Product Change Proposal and Consumer Impact (If Applicable)

- Allowing product changes within standard designs
- Clarifying and streamlining quality reporting requirements
- Requesting expanded “access to care” claims data for PY 2014 lookback
- Requiring detail on “transition of care” provisions
- Requiring continuous updates to CCA on regulatory filings after application to CCA
- Tightening naming convention adherence

# Applications for New and Renewing Issuers

## D. Adherence to Standard Benefit Designs

- Requiring draft coverage documents at time of application
- Tightening formulary definitions, including crosswalk between CCA and issuer formularies
- Requiring additional documentation at application on compliance with standard benefit designs

# Applications for New and Renewing Issuers

## E. Price Competitiveness and Enrollment Projections

- Internal rate, product and network review
- Enrollment projections analyzed for
  - Network capacity
  - Congruence with CCA experience and projections
  - Issuer enrollment trend data for CCA consumers

# 2015 QUALITY RATING SYSTEM (QRS) RECOMMENDATIONS

JEFF RIDEOUT, SENIOR MEDICAL ADVISOR, QUALITY AND NETWORK MANAGEMENT  
TED VON GLAHN, QUALITY CONSULTANT

# RECAP AND CONTEXT

- Covered California has produced a QRS using CAHPS measures for both the 2013 and 2014 Open Enrollments
  - 10 measures from 3 Domains (Access, Plan Service, Doctors & Care) rolled up to a single star rating
  - Measures were taken from historical commercial & Medi-Cal CAHPS performance- no Exchange enrollee information available
- 4 star scale- 75<sup>th</sup> percentile and above earns top score
- Regional (Region IX CMS) PPO benchmark applied to all products to determine the 1-4 star categories
- Federal QRS, including a broader set of CAHPS and HEDIS measures, will be available for 2016 Open Enrollment
- For 2015, Covered California will use exchange enrollee CAHPS information available through the CMS sponsored “beta test” of all Marketplaces

# CMS 2015 BETA TEST CONTEXT

- Federally mandated participation by all QHPs- CMS/QHP direct expectation; Covered California as facilitator
  - ~10-15 CAHPS measures and 19 HEDIS measures in 2015; will change/expand for 2016 Federal QRS based on beta test
  - Survey in Q1 2015 for member experiences July-Dec 2014; CMS analysis in Q2-Q3
- Sampling dictated by CMS- required to include both individual and SHOP enrollees through the SBM's (Exchanges) and all Off Exchange enrollees as well. Note: Covered California has express disagreement with this decision
- California is likely the only state using the beta test information for public reporting in 2015
- Scores and benchmarks from CMS will come after July 2015; this will make things challenging for Covered CA to produce a 2015 QRS for OE
- Covered California 2 of 19 national advisors to the Federal QRS Technical Advisory Group (led by Booz Allen)

# RECOMMENDATIONS FOR 2015 QRS

- Report the same 10 CAHPS measures being reported in the existing Covered California QRS using the QHP Enrollee Survey (“Beta Test”) results
- Expand from a 4-star rating to a 5-star rating system-use 25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup>, & 90<sup>th</sup> percentiles to create the 5 performance categories
- Report ratings at the product type level (HMO, PPO, EPO)
- Use a single set of CMS benchmarks for all product types constructed by combining HMO, PPO, EPO, results
- Blend the national and HHS western region results, 50/50, to create the benchmark
- Report the global rating in the health plan compare summary information as is done currently.
- Consider reporting the 3 domain ratings (Access, Plan Service, Doctors & Care) as supplemental information
- Do not report clinical effectiveness measures (HEDIS) for 2015 but plan for use in 2016

# MEASURE SUMMARY FOR 2015

Covered California QRS Fall 2015 (draft)			
QHP Global Rating	Domains	Composites/Measures	# of Questions
Global Rating of Plan (Star Rating)	Access to Care*	Getting Needed Care	2
		Getting Care Quickly	2
	Doctors & Care*	Rating of All Health Care	1
		Rating of Personal Doctor	1
		Rating of Specialist	1
	Plan Service*	Customer Service	2
		Rating of Health Plan	1

\*TBD if domain-level scores (numeric) and/or star ratings to be reported

# SOME KEY NOTES

- Covered California will align with CMS QRS on a number of methods, but the 2016 Federal QRS will be materially different than the 2015 Covered California QRS
- The 2015 QRS performance accounts for 15% of the overall Performance Guarantees in the QHP contract (attachment 14)
  - 5% for each domain- access, doctors & care, plan service
  - penalty for <50<sup>th</sup> percentile; credit for >75<sup>th</sup> percentile

# SOME CMS STEPS/HURDLES AHEAD RELATED

- CMS data not available before August 2015- Open Enrollment starts in October
- CMS will supply the measure scores and benchmarks; Covered California will need to do the analytic work to aggregate the scores into the global ratings (stars)
  - CMS will provide national aggregated all-product benchmarks
  - CMS likely to provide Region IX benchmark information for Covered CA as a special analysis
- CalHEERs will need to be prepared to support product type ratings and possibly 3 domain scores for each plan/product

# QUESTIONS

# WRAP-UP AND NEXT STEPS