

## **QDP Model Contract for Individual and Small Business Market First Round Comments**

The following is the Covered California response to “First Round” comments received for the 2024-2026 QDP Individual Issuer Model Contract.

All documents will be posted to the Plan Management HBEX webpage:  
<https://hbex.coveredca.com/stakeholders/plan-management/>.

Article-Section No.	Article-Section Title	Comment	Covered California Response
1 1.5 (d) iii.	General Duties of the Contractor	<p>Notify Covered California of .... Contractor's Dental Loss Ratio (DLR), as calculated and submitted to Contractor's State Regulator Annually</p> <p>Comments: The regulator submitted annual DLR reporting templates are reported by line of business and include Individual and Small Group plans not just the two Covered California exchange dental products.</p> <p>Recommended Change: remove requirement. Covered Ca DHMO/DPPO products weren't noted separately under the Individual / Small Group sections, and would require additional instructions or a new template since these templates do not separate those products from the overall products in those markets being reported.</p>	No contract change at this time.
1 1.10(c)	Nondiscrimination	Why is Covered California proposing to eliminate the requirement that QDPs comply with 45 C.F.R. Part 92, which is the rule promulgated pursuant to Section 1557 of the ACA. While we understand there may be arguments regarding the applicability of 1557 on QDPs, Covered California is free to impose any requirement the exchange believes necessary on QDPs, even if not explicitly required by federal or state law. We see no reason to stop imposing these important non-discrimination requirements.	<p>Covered CA recognizes the importance of ensuring compliance with nondiscrimination requirements QDPs are subject to, including Section 1557 and applicable state nondiscrimination requirements. Subdivision (c) is not included in the QHP contract and has been removed for consistency. Section 1.10, subdivision (a) continues to require Contractors to comply with Section 1557 and its implementing regulations.</p> <p>No change will be made.</p>
2.1.1	Covered California Responsibilities	We request Covered California split out CCSB Dental from Individual Dental Contract. As an example, Section 2.1.1 change is not appropriate pertaining to enrolling Qualified Employees into employer sponsored coverage for plans that do not participate in CCSB Dental.	Contract Change made to Section 2.1.1 "determine eligibility and enroll Qualified Employees and dependents for employer sponsored dental coverage."
2.1.1 (b)	Covered California Responsibilities	Covered California Qualified Dental Plan Issuer Contract for 2024-2026: " <i>Covered California shall also determine eligibility and enroll Qualified Employees and dependents for employer sponsored coverage.</i> " There are requirements under the Knox Keene Act (KKA) which discuss small group eligibility. See Section 1357.502. Please explain whether Covered CA will be responsible to ensure the eligibility is meeting the KKA.	Covered California will be responsible in ensuring that employers meet small group eligibility requirements under the Knox Keene Act. Covered California regulations require that employers seeking to participate in CCSB are "small employers" as defined in Section 1357.500(k)(3) of the Health and Safety Code. See 10 CCR Section 6522(a)(1). Additionally, Covered California regulations require participating employers meet a minimum 50 percent contribution requirement, fulfilling the requirement under Section 1357.502 of the Health and Safety Code. See 10 CCR Section 6522(a)(5).

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2 2.2.4	Terminations of Coverage	<p>Covered California and Contractor must send a termination transaction to the other party within ten (10) business days of any individual Covered California Enrollee termination</p> <p><b>Comments:</b> This is not a redline change and is in both the QDP and QHP contract indicating both CovCa and Contractor must send term transactions to each other within 10 business days - however the Contractor can only send terminations for Non Payment of premium, and those are required to be sent with ten (10) Days (defined in the definition section as calendar days) of grace period expiration (which is also what is in the Performance Measure Standard).</p> <p><b>Recommended Change:</b> Covered California must send a termination transaction to Contractor within ten (10) business days of any individual Covered California Enrollee termination. Contractor must send a termination transaction to Covered California within ten (10) Days of grace period expiration.</p>	Covered California agrees to this contract change.
3 3.1	Transitions of Coverage	Due to complexities with certain programs and the outreach that may be permitted by rules, laws, regulations, and/or all plan letters, we respectfully request the following change to the end of the first paragraph "... as applicable and permitted by such programs."	Covered CA accepts this addition and contract change has been made.
3 3.1	Transitions of Coverage	Please state what "ESI" is.	ESI means Employer Sponsored Insurance. Contract change has been made.
3 3.2	Marketing	On paper Attachment 1 Section 1.03.1 of Attachment 1 this looks good, however, not all QDP members have their medical coverage with the same QHP. As a result, if a consumer is covered with carrier A for QDP, carrier A may not be able to appropriately communicate programs that are appropriate for the consumer since the consumer's QHP coverage is through carrier B. Please consider adding as a Covered California responsibility in Article 3 of the Model Contract that Covered California will educate applicants for QDP coverage of the benefits of addressing health disparities by having their medical and dental coverage with the same carrier.	Covered California will not appoint dental enrollees to their QHP. No contract change will be made.
3.2.1 (f)	Enrollment and Marketing Coordination and Cooperation	Covered California Qualified Dental Plan Issuer Contract for 2024-2026: In discussing that Contractor will file with Covered California all marketing materials and advertisements, this section indicates Covered California will treat some materials as confidential. All KKA licensees are required to file advertisements with the DMHC pursuant to Section 1395. Submitting advertisements to Covered California does not relieve a Contractor who is a KKA licensee of its obligations under the Knox-Keene Act of 1985, as amended. If a KKA licensee seeks confidentiality for an advertisement, it is required to file a request for confidentiality pursuant to Title 28 of the California Code of Regulations, section 1007.	Covered CA clarifies that this section is not intended to relieve a Contractor of any state regulatory approval requirements applicable to advertising materials. No contract change will be made.
3 3.2.1.1	Covered California Activities to Promote Enrollment	Should (b) be clarified that premium payments for both Individual coverage or CCSB? (Note: We prefer CCSB be completely separated into a different Model Contract to prevent confusion)	<p>This is not a new addition to the QDP Contract and has not previously been an issue.</p> <p>No change will be made</p>

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3 3.2.1.2	Contractors Activities to Promote Enrollment	If contractor does not participate in CCSB we are concerned with potentially needing to educate agents in (a) since we will not know all the details of the small group marketplace. We respectfully request that education be limited only to carriers that participate in CCSB.	This is not a new addition to the QDP Contract and has not previously been an issue as agent are in the Individual and Small Group Markets.  No change will be made
3 3.2.1.2 (d)	Contractors Activities to Promote Enrollment	How will Contractor compliance for this activity be monitored? What is the course of action if the Contractor doesn't submit marketing plans by the deadline?	Reminders are sent to Contractors to submit the required materials 1-2 weeks before the deadline. Follow up reminders are sent to Contractors who have not fulfilled this requirement by the deadline. Contractor(s) that have not complied within a week of missed deadline reminder are escalated to the PMD (Plan Management Division).
3 3.2.2.2	Marketing Materials that Must Be Submitted to Covered California	Please add a requirement that all outreach and markeing plans and materials should meet cultural and linguistic relevancy standards. Marketing plans should also include an ample amount of images, when possible, to improve comprehension among Enrollees who speak a language that is not written/read.	Covered California appreciates the suggestions and resources to help ensure the relevance and accessibility of plan marketing materials and will evaluate future opportunities to develop potential requirements in this area, recognizing any changes would need to be proposed for both the QDP and QHP issuer contractual requirements. No contract change will be made.
3 3.2.2.2	Marketing Materials that Must Be Submitted to Covered California	Please add a requirement that all translated outreach and marketing materials should be produced on the same timeline and standards as the English materials.	Covered California agrees plans should be held accountable for ensuring translated materials are available and produced to meet the same standards on the same timeline.  Contract change made.
3 3.2.2.2	Marketing Materials that Must Be Submitted to Covered California	If contractor does not participate in CCSB we are concerned with potentially needing to educate consumers in (c) since we will not know all the details of the small group marketplace. We respectfully request that education be limited only to carriers that participate in CCSB.	This is not a new addition to the QDP Contract and has not previously been an issue.  No change will be made
3 3.2.2.2.c	Marketing Materials that Must Be Submitted to Covered California	Marketing Plans - Strike "commercial products in the individual and small group product markets." This appears to be an overreach to ask for our marketing materials outside of our Covered CA business.	Covered California accepts this change and has removed "commercial products". Contract change has been made.
3 3.2.2.4	Mailing Addresses; Other Enrollment Information	To improve member experience rates we respectfully request Covered California allow carriers to update residential information and other enrollment information directly then pass this information to Covered California.	This section does not prohibit a Contractor from updating its records based on information received directly from a consumer.  No change will be made.
3 3.2.2.6	Distribution of Enrollment Materials	Please consider clarifying this to be printed and/or electronic material.	Covered California agrees with this change and contract change has been made.

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3 3.2.2.6	Distribution of Enrollment Materials	We request Off-Exchange be removed since Off Exchange does not apply to this QDP Agreement.	Covered California agrees with this suggestion and contract change has been made.
3 3.3	Agents in the Covered California for the Individual Market	Since this is a multi year agreement consider modifying the first sentence as follows "Covered California recognizes that Certified Agents provide an indispensable service to the Exchange and its QDPs, enrolling and renewing approximately 40% of Covered California's Enrollees annually." By making this statement it's something that doesn't need to be updated based on changes in mix.	Covered California agrees with this suggestion and contract change has been made.
3 3.3.b	Agents in the Covered California for the Individual Market	Agent Compensation - Please define "outside of Covered California".	Covered CA has edited this section to remove language related to the sale of mirror products that is applicable only to QHPs. Contract change has been made.
3.3 (c)	Agents in the Covered California for the Individual Market	Covered California Qualified Dental Plan Issuer Contract for 2024-2026: The Incentive Compensation Program discusses enhancing consistency in sales efforts for products offered inside and outside of California. While full service plans are required to offer outside of California mirror products of what is offered through Covered California, dental plans are not so required. That is, there are no mirror dental products approved for off-Exchange. Thus, looking at dental products offered outside of Covered California, when the dental plan is not allowed to offer a mirror product, may be based upon an inaccurate assumption to determine incentive compensation.	Covered CA has edited this section to remove language related to the sale of mirror products. Contract change made.
4.1.2 (a)(i) - (vi)	Certification	Concerns were raised that statutory and regulatory requirements listed within 2.1.1 do not apply to QDPs	As this Section acknowledges, some protections under the Affordable Care Act and conforming state laws, including the Knox-Keene Act, do not apply to QDPs. However, Covered California believes protections listed in this Section are particularly important and has extended them to QDPs by contract since 2017. Covered California has amended the beginning paragraph of this Section to clarify that although the cited provisions in federal and state law do not apply, Contractor agrees to provide equivalent protections to enrollees in their QDPs.
4.1.4 (a)	Operational Requirements and Liquidated Damages	Covered California Qualified Dental Plan Issuer Contract for 2024-2026: The reference to the Contractor submitting SERFF templates starting for Plan Year "2017" may be a typographical error.	"Covered California beginning with submissions for the 2017 Plan Year, and each year thereafter." Refers to the beginning of SERFF Templates and each year going forward.  No change will be made.

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4 4.3.3	Network Stability	<p>Per the Covered CA Draft Contract- "Network disruptions. If Contractor experiences provider network disruptions or similar circumstances that make it necessary for 10% of Enrollees residing within any county of an affected region to change Participating Providers, as detailed in the QDP Network Disruption Reporting Template, Contractor agrees to provide prior notice to Covered California as defined in 4.3.3 (b) i., in accordance with advance notice, meeting, and other requirements set forth in applicable laws, rules, and regulations, including Insurance Code § 10199.1 and Health and Safety Code §§ 1367.23 and 1366.1."</p> <p>The SADP is required to document and report to the DMHC when the provider network changes reach a 10% threshold. The SADP has documented policies and procedures for identifying, tracking, reporting, and responding to those changes. There is no requirement or functionality that would provide for identifying the percent of enrollees effected by changes, and this would be a significant administrative burden to the SADP to achieve, resulting in higher costs and ultimately higher premiums.</p>	Covered California agrees with change made to the higher of either 100 Enrollees or 10% of Enrollees residing within any county of an affected region to change.
4 4.4.4	Covered California Provider Directory	Contractor should conduct outreach to providers on an ongoing basis to identify needed updates (e.g. language access/availability, accessibility for individuals with disabilities, acceptance of health insurance, etc.). This information should then be updated in all provider directories to ensure Enrollees have the most up-to-date information when searching for a provider.	Covered California supports efforts to improve the collection and use of robust provider and facility information to support Enrollee location and selection of accessible and concordant providers. However, we are limited by current provider directory data submission specifications. The current provider data submission extract format includes languages spoken at a facility and individual level, but does not currently accommodate collecting data for accessibility for individuals with disabilities or acceptance of health insurance, and therefore this information is not currently published in our online directory/search tool. No contract change will be made at this time.
4 4.4.4 a	Covered California Provider Directory	Please provide clarification on the Symphony Provider Directory. Currently QDPs send our provider data through Extranet based on Covered CA requests. Dental does not participate with Covered CA's provider error reports since the Plans perform according to CA SB 137 Provider Directory requirements and reach every six months.	It is expected that QDPs will participate with Symphony once dental providers are incorporated into the Symphony data model. Symphony will be considered "fully operational" for QDPs at that time, and Covered CA will then work with QDPs and Symphony to determine an appropriate timeline for onboarding our QDPs with Symphony. Until then we will continue to collect monthly data submissions through Extranet.
4 4.6.4	Customer Service Call Center	Please add that Customer Service Call Center staff must know how to refer callers to language assistance/interpretation services, and must know the process of filing Enrollee grievances and appeals.	No contract update will be made.
4 4.6.6	Customer Care	Please edit "and other laws, rules, and regulations" to "and other <i>federal and state</i> laws, rules, and regulations." In addition, we have the same question as box 4 above: why is Covered California eliminating requirements around Section 1557 of the ACA?	Covered California does not believe this suggested addition is necessary, as the requirement already encompasses federal and state laws, rules, and regulations. Covered CA recognizes the importance of ensuring compliance with nondiscrimination requirements QDPs are subject to, including Section 1557 and applicable state nondiscrimination requirements. The reference to 45 C.F.R. Part 92 is not included in the QDP contract and has been removed for consistency. Section 1.10, subdivision (a) continues to require Contractors to comply with Section 1557 and its implementing regulations. No change will be made.

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8.3.2 (c)(1)(d)(1)	Non-Recertification Election	Covered California Qualified Dental Plan Issuer Contract for 2024-2026: "If a plan elects not to recertify for the following year, it must continue to provide coverage until the expiration of coverage for Employers and Employees of the previous plan certification. Contractor shall provide coverage to Employers and Employees." What happens if Plan not able to continue to provide services, will there be an option for the Plan to be removed from the enrollment and eligibility assignment process after the Plan provides notice to Covered CA?	This section addresses only non-recertification elections. If a QDP is unable to continue providing services, such as for insolvency pursuant to section 8.2.5, the QDP would be decertified.  No change will be made.
9 9.1.1	Contractor Insurance	Required Coverage - Comprehensive business automobile liability insurance, Crime coverage and Professional liability or error and omissions.  <b>Comments:</b> The Dental contract for 2024 should be making the same changes that the QHP contract is making to this section of the contract so that they align the requirements for Insurance and Indemnification.  <b>Recommended Change:</b> QHP contract is removing 9.1.1 a) (ii) Comprehensive business automobile liability insurance, 9.1.1 a) (v) Crime coverage and 9.1.1 a) (vi) Professional liability or error and omissions. Additionally the QHP contract added Cyber liability insurance, which was not included in the dental contract.	Additional Cyber Liability Insurance requirement - Covered California disagrees with this comment. Section 9.1.1 contains the only cyber liability insurance requirement in the QDP Agreement. It would be redundant if we required cyber liability coverage in another provision, however, that does not appear to be the case.  No contract update will be made.
9 9.1.1	Contractor Insurance	Required Coverage - Comprehensive business automobile liability insurance, Crime coverage and Professional liability or error and omissions.  <b>Comments:</b> The Dental contract for 2024 should be making the same changes that the QHP contract is making to this section of the contract so that they align the requirements for Insurance and Indemnification.  <b>Recommended Change:</b> QHP contract is removing 9.1.1 a) (ii) Comprehensive business automobile liability insurance, 9.1.1 a) (v) Crime coverage and 9.1.1 a) (vi) Professional liability or error and omissions. Additionally the QHP contract added Cyber liability insurance, which was not included in the dental contract.	We reviewed the insurance requirements to determine whether some can be removed or modified if they do not sufficiently relate to the services rendered. As a result of our review, we removed the auto, crime, and professional liability requirements and added a cyber liability provision. We believe the current insurance requirements most closely relate to the services rendered under the QDP Agreement and provide sufficient protection to both Covered California and the Issuer.
Definitions	Definitions	We respectfully request that the definition for PCP Dentist is corrected or removed.	The Primary Care Provider (PCP) definition refers to the term PCP in Attachment 1. No contract change will be made.