California Medical Association
Physicians dedicated to the health of Californians

August 6, 2012

Peter Lee, Director
California Health Benefit Exchange Board
2535 Capitol Oaks Drive, Suite 120
Sacramento, California 95833

Submitted electronically to *info@hbex.ca.gov*.

RE: CMA's Stakeholder Input Form – Qualified Health Plan (QHP) Policies

Dear Mr. Lee and Members of the Board:

On behalf of the California Medical Association (CMA), we want to thank you for considering stakeholder input on the many recommendations to the Board made regarding the QHP Policies and Strategies Board Recommendation Brief. We believe this is the most monumental policy development step taken by the Exchange to date and look forward to working through the issues with the Exchange and its stakeholders in the months and years ahead.

While we are optimistic about the Exchange's focus on eliminating risk selection by plans and reducing unnecessary administrative complexity in the delivery system, we are concerned about the Exchange's intent to rely on California's already overburdened regulators in the face of dozens of new products and millions of new lives entering the Exchange without changes to those regulator practices and staffing.

Notwithstanding the cost pressures, population demographics, and narrowing and tiering of networks within the Exchange, the sheer influx of plans and patients will necessitate a bolstering of current regulator capabilities and resources. Furthermore, during this initial public trust-building phase, the Exchange should be particularly sensitive to ensuring QHPs meet enrollees' expectations, of which the provider network is a critical part. For these reasons, the Exchange must arrange for sufficient network monitoring and enforcement standards, staff, and other resources now.

Adding to this, a number of burdensome provider provisions, if permitted by the Exchange Board, will endanger patient access and consequently call for heightened network adequacy monitoring and enforcement. The Exchange grace period puts providers at risk of footing the bill for up to 60 days worth of patient claims. A cap on providers' charges to enrollees of every QHP with which they are not contracted will increase significantly the potential liabilities built into a QHP contract. An ambiguous prohibition on provider "anti-transparency" clauses, without any concomitant provider protections, will substantially reduce the prospects for successful provider-plan contract negotiations.

For these and other reasons outlined in the attached Stakeholder Input Form, greater engagement of the provider community is imperative to the Exchange's success. The convening of a topic-specific advisory group focused on the delivery system could serve as a key mechanism for such engagement and assist the Exchange in its pursuit of more challenging delivery system reforms, such as an effective provider performance measurement and reporting system.

Thank you again for the opportunity to provide input on this critical component leading us into October of 2013's pre-enrollment efforts and beyond. We are happy to serve as a partner in ensuring physician participation and input in the process. If we can be helpful in facilitating stakeholder meetings in any way, please do not hesitate to contact us.

Respectfully Submitted,

Brett Johnson, Associate Director, Medical & Regulatory Policy, CMA

Cc: Lisa Folberg, VP of Medical & Regulatory Policy, California Medical Association
David Panush, Director of Government Relations, California Health Benefit Exchange