California Association of Health Plans

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December 11, 2012

Andrea Rosen
Covered California
Interim Health Plan Management Director
560 J Street, Suite 290
Sacramento, CA 95814

VIA ELECTRONIC MAIL
Andrea.Rosen@hbex.ca.gov

Re: Out-of-Network Standardization

Dear Ms. Rosen:

The California Association of Health Plans ("CAHP") represents 39 public and private health care service plans that collectively provide coverage to over 21 million Californians. CAHP and our member plans would appreciate the opportunity to discuss the current status of Covered California's policies related to the standardization of out-of-network reimbursement and cost sharing. As these policies were not finalized at the last Board Meeting we encourage Covered California to carefully evaluate the impact of any policies that would standardize out-of network reimbursement and/or cost sharing. These policies will impact how plans bid in the Exchange, the affordability of products, and what products will be available to consumers through Covered California.

CAHP member plans preparing to bid for the Exchange need a final decision on these policies in order to move forward with the solicitation responses and determine what products will be viable in this new marketplace. We strongly encourage the Exchange to not standardize out-of-network payments and/or cost sharing. These policies will have the unintended consequence of encouraging the use of out-of-network services, incentivizing providers not to contract with health plans, and adversely impact the affordability of products offered through the Exchange.

We understand that Covered California is trying to balance many priorities and we would appreciate the opportunity to work with Covered California to develop plan benefit designs that encourage enrollees to receive care in the most appropriate setting, promote provider contracting, control costs to help make coverage in the Exchange affordable, and meet federal actuarial value parameters.

We respectfully request that you consider the issue outlined in this letter and we are available to discuss them in more detail at your convenience. I want to thank you for your time and we look forward to continuing to work with Covered California.

Sincerely,

Athena Chapman
Director of Regulatory Affairs

cc: Peter Lee, Executive Director