Mr. David Panush
Covered California Via: Email

January 13, 2013

RE: COMMENTS ON BOARD OPTIONS BRIEF "ALTERNATIVE STRATEGIES TO PROMOTE AFFORDABILITY AND SAFETY NET CONTINUITY THROUGH CONTRACTING WITH MEDI-CAL MANAGED CARE PLANS"

Dear David:

Thank you for the opportunity to work with Covered California on the development of an option in Covered California to make coverage more affordable for low income Californians. As we have said, efforts to achieve greater affordability for Exchange subscribers are welcome and critical to the success of greater coverage in California. Local Health Plans of California (LHPC) is an association of 13 locally based non-profit health plans that are governed by Boards appointed by local government in the 16 counties in which these health plans operate. LHPC members operate in all of the 3 models of Medi-Cal managed care in California – the two plan model, the county organized health systems, and geographic managed care. LHPC health plans have broad experience in covering low income Californians and with contracting with safety net providers that provide the bulk of the medical care to uninsured and low-income individuals and families.

LHPC has some comments that we suggest should guide Covered California deliberations and implementation of a program such as you have described:

1. Make the population that this affordable care option is accessible to as broad as it can be to include parents and family members of current Medi-Cal eligibles with the necessary federal approvals, etc. The broader its application the more efficacious it will be in assisting safety net providers in accomplishing their objectives of being able to continue to serve uninsured persons in our state. LHPC endorses the concept of offering this option to all Medi-Cal managed care health plans in the geographic areas that they have current direct contracts with the state Medi-Cal program for the provision of Medi-Cal managed care services because there will be subscribers churning out of all the Medi-Cal plans, not just the public plans.

2. LHPC is concerned as to how the rate paid to the health plans qualifying for this 'bridge concept" will be stabilized. LHPC recognizes that your latest draft allows the health plans to set that rate themselves, but the limiting factors of being the lowest Silver product offered in a geographic area leaves the rate somewhat at the whim of the health insurance premium marketplace within Covered California. We know that Covered California will be exercising its selective contracting powers to monitor and stabilize rate setting within Covered California. However, it will still be up to the Medi-Cal managed care plans and their safety net providers to make a more affordable rate a reality. LHPC understands that there will be no prescriptive target set by Covered California defining affordability. LHPC asks that Covered California take reasonable precautions that the Silver product rates received by Covered California are reasonable and appropriate for the geographic area and the medical providers within that area.

3. We appreciate the limited time frame that Covered California has to make this bridge concept a reality. LHPC looks forward to working with Covered California to make the necessary changes in state law and obtaining federal approval for the program.

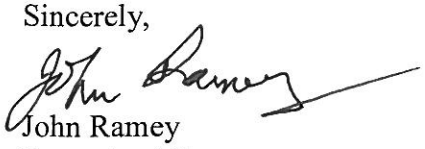
4. The simpler the requirements are for the program the better the chances are for its success. LHPC urges Covered California to adopt as much of the extensive criteria utilized by DHCS in qualifying health plans to contract in Medi-Cal as possible. It would be desirable, but perhaps not possible, under provisions of the ACA, for the certification process for qualifying health plans to participate in the bridge to be same as those qualifications to participate in Medi-Cal managed care. A longer period of time to obtain NCQA certification as long as a good faith effort is being made to obtain the certification would be a minimum consideration. Covered California should support an exemption from the need to obtain a material modification from the Department of Managed Health Care for participation in the bridge program because the program will serve those churning out of Medi-Cal and the family members of persons who are part of Medi-Cal.. All the Medi-Cal managed care plans participating will be required to maintain their good standing under Knox-Keene licensure requirements to continue as Medi-Cal managed care plans and to participate in the bridge program.

5. Medi-Cal quality reporting and enhancement features, such as HEDIS measures selected by Medi-Cal, could be continued and reported to Covered California for the bridge participants.

In summary, LHPC supports Recommendation 1, Recommendation 2, and Recommendation 3 in the Board Recommendation Brief. LHPC asks that the refinements and the enhancements that we describe in this letter be considered and adopted as the program and concept are developed.

David, as always, it is a pleasure to work with you and Covered California to improve coverage and affordability for low income Californians. Please let us know what we can be doing to help move this proposal along to completion.

Sincerely,



John Ramey
Executive Director