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California Pan-Ethnic Health Network

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January 14, 2013

Peter Lee, Director
Covered California Board
560 J St., Suite 290
Sacramento, CA 95814
Submitted electronically to info@hbex.ca.gov.

Re: Continuity of Care & Affordability Board Recommendation Brief

Dear Peter Lee and Members of the Board:

On behalf of the California Pan-Ethnic Health Network (CPEHN), we thank you for the opportunity to comment on ***Covered California's – Continuity of Care & Affordability Board Recommendation Brief.***

We appreciate the Exchange's commitment to providing affordable coverage options for low-income Californians, who are expected to move back and forth between Medi-Cal and Exchange coverage. A new fact sheet released by the California Pan-Ethnic Health Network (CPEHN) has found that over two-thirds (67%) of those newly eligible for coverage in Medi-Cal would be from communities of color and more than one-third (35%) will speak English less than very well.[1] Keeping premiums lower for those with incomes below 200% of the Federal Poverty Level (FPL) will have a significant impact on the ability and willingness of these consumers, a majority from communities of color to purchase coverage in the Exchange. While we support Covered California's approach, CPEHN will continue to advocate for enactment of a Basic Health Program (BHP) in California as we believe a BHP could provide better affordability for those below 200% FPL through the combination of lower premiums *and* cost-sharing.

Discussion of Recommendations 1-3:

Recommendation #1:
CPEHN supports the recommendation for Covered California to negotiate contracts with qualified Medi-Cal Managed Care plans that serve as a "bridge" plan between

[1] Medi-Cal Expansion: What's At Stake for Communities of Color, January 2013: http://www.cpehn.org/pdfs/Medi-CalExpansionFactSheet.pdf

MAIN OFFICE • 1221 Preservation Park Way, Suite 200 • Oakland, CA 94612 • (510) 832-1160 • (510) 832-1175 FAX
SACRAMENTO OFFICE • 1225 8th Street, Suite 470 • Sacramento, CA 95814 • (916) 447-1299 • (916) 447-1292 FAX
www.cpehn.org • info@cpehn.org

Medicaid/CHIP coverage and private insurance as this will allow individuals transitioning between Medicaid/CHIP and the Exchange to stay with the same issuer and provider network. While we support this provision, we have several questions and concerns which we outline below:

- Under this proposal, greater affordability for low-income consumers is achieved only if there is at least a modest differential between the cost of the second lowest and the cost of the lowest Silver Level Benefit Plans. Since an individual's federal subsidy is based on both their income and the cost of the second lowest plan, individuals who purchase the lowest cost plan will benefit from a lower premium and lower out of pocket costs. How will Covered California ensure that their proposed 5%-15% premium differential between the second lowest cost silver plan and the lowest cost silver plan remains intact over time?

- CPEHN remains concerned about affordability under this option as the cost-sharing requirements of $20 for an office visit, $100 for imaging and $600 per day for hospital inpatient care for those with incomes between 150% and 200% FPL may still be prohibitive.

- If, as we understand, Covered California's goal is to offer greater continuity of care, we urge the Exchange to require Medi-Cal Managed Care plans to provide at least the same provider network that they offer Medi-Cal beneficiaries. The ability to maintain access to an enrollee's existing primary and specialty care providers will be a critical feature for those individuals transitioning between Medi-Cal and the Exchange.

- We support the recommendation that individuals be allowed to make an informed choice in choosing whether or not to enroll in the lowest cost plan.

Recommendation #2:
CPEHN supports expanding the eligibility of Bridge plans to include the broader population of Californians between 139-200% FPL. We urge Covered California to vigorously pursue this recommendation at the state and federal levels. Additionally, we urge Covered California to seek federal approval to expand eligibility up to 250% FPL in order to align this Bridge Plan option, with the CHIP eligibility level of 250% FPL. This is especially important as Healthy Families children are expected to all be enrolled in Medi-Cal managed care plans by 2014 and providing the more affordable Exchange coverage up to 250% FPL will allow families to enroll in the same health plan.

Recommendation #3:
CPEHN appreciates the steps Covered California has already taken to encourage participation by Medi-Cal plans in the Exchange and to support additional efforts to streamline the process for Medi-Cal plan participation. However we are concerned that efforts to reduce administrative barriers to participation in

the Exchange not weaken required standards and consumer protections related to quality measures, sufficiency of payment rates to providers, cultural competency and language access. We have several specific questions and concerns which we outline below:

- With respect to Covered California's recommendation to allow Medi-Cal Managed Care plans to waive their completion of eValue8 elements in 2014, does this mean the Exchange is considering waiving *all* eValue8 elements including the elements that deal with health disparities reduction and language access? If that is the case, we would need to see the cultural and linguistic quality elements still required by Medi-Cal Managed Care plans before we support this recommendation. We are similarly concerned by the recommendation that Covered California accept state Medi-Cal quality and performance requirements as satisfying Exchange quality requirements for year-one certification as a QHP. Medi-Cal quality performance measures do not require race, ethnicity and primary language analysis. Given the demographics of Exchange members who will be in the Bridge Plan along with the requirement that Exchanges provide quality reports on the race, ethnicity and primary language of their enrollees, Covered California must continue to require an analysis of race, ethnicity and primary language based on eValue8 or as an additional requirement with respect to Medi-Cal quality and performance measures in 2014.

- CPEHN opposes the recommendation that Medi-Cal Managed Care plans be deemed to have satisfied the Essential Community Provider (ECP) network requirements by virtue of the composition of their typical networks. Many providers (e.g. Family PACT and Ryan White Aids/HIV providers) may not currently be a part existing ECP networks. Any plan that is designated as an affordable plan must meet a stronger definition for Essential Community Providers by for example, contracting with traditional safety net providers that have a history of serving the uninsured and culturally and linguistically diverse populations in California.

Thank you for the opportunity to provide input on the Health Benefit Exchange's ***Continuity of Care & Affordability Board Recommendation Brief.*** We look forward to continuing to work with the Exchange Board and staff to realize its mission of reducing health disparities and improving the health of all Californians.

Sincerely,

Caroline B. Sanders, MPP
Director Policy Analysis/CPEHN