



EXECUTIVE DIRECTOR'S REPORT

Peter V. Lee, Executive Director | March 14, 2017 Board Meeting

ANNOUNCEMENT OF CLOSED SESSION

OVERVIEW

- Executive Director's Report
- Covered California Policy and Action Items

Action

- Proposed Standard Benefit Design
- 2018 Qualified Health Plan Certification Policy
- SHOP Eligibility and Enrollment Emergency Regulations Readoption

Discussion

- Plan Based Enrollment Permanent Regulations Amendment
- Certified Application Counselor Program Emergency Regulations Readoption
- Enrollment Assistance Permanent Regulations Amendment
- Medi-Cal Managed Care Enrollment Assistance Program Emergency Regulations Readoption

UPDATED BOARD CALENDAR

- April 13, 2017 (possibly no meeting this month)
- May 18, 2017
- June 15, 2017
- July 20, 2017 (possibly no meeting this month)
- August 17, 2017
- September, 2017 (no meeting this month)
- October 5, 2017
- November 16, 2017
- December 21, 2017 (possibly no meeting this month)

SUMMARY OF OPEN ENROLLMENT FOR 2017

OPEN ENROLLMENT 4 FINISHED STRONG

412,000
New consumers

1.3 million
individuals went
through the renewal
process

OPEN ENROLLMENT 4 SIGNIFICANT ACCOMPLISHMENTS

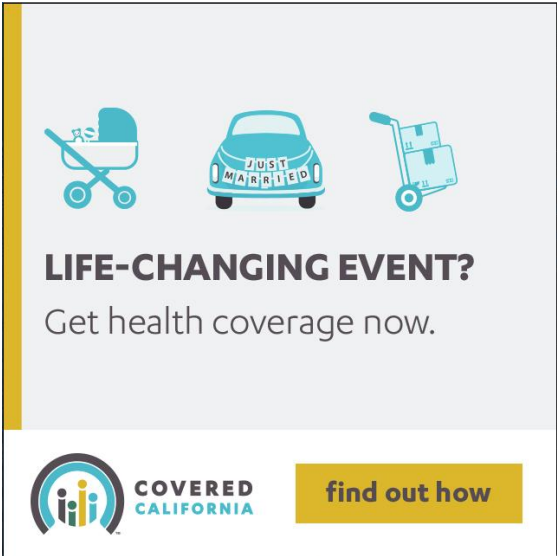
- Produced or updated 296 advertisements used for TV, radio, print, billboards and digital media which generated nearly **2 billion impressions statewide**.
- Our Service Center answered nearly 1 million calls from consumers, more than 33,000 calls from agents and handled more than 150,000 chats.
- Engaged in more than 200 interviews with newspapers, radio, television and online news sources, generating nearly 90 million impressions with an ad value of nearly \$2.4 million.
- Held more than 2,700 open enrollment events.
- Responded to 30,457 social media posts and published responses to 10,026 inquiries.
- Created a new Help On-Demand referral program that resulted in more than 3,500 consumers enrolling in a plan.
- Grew the storefront program from 500 to more than 800 storefronts.
- Updated our patient-centered benefit designs to make emergency room visits not subject to a deductible, as well as reduce primary and urgent care copays.
- [Click here](#) to view a complete list of open enrollment 4 accomplishments.

MARKETING AND MEMBER COMMUNICATION UPDATE

SPECIAL ENROLLMENT ADVERTISING CAMPAIGN


	SE 2017
Campaign Objective	<ul style="list-style-type: none">• Motivate consumers who are experiencing a life changing event to compare and choose a health insurance plan through Covered California.
Strategy	<ul style="list-style-type: none">• “Continuity”- Leveraging what worked best in 2016 and making tactical adjustments for continued improvement.
Tactical Adjustments	<ul style="list-style-type: none">• Adjusted campaign timing.• Leveraged digital radio.• Adjusted messaging based on previous performance.• We animated digital banner ads based on performance.• Adjusted investment levels within our digital channels.

DIGITAL BANNER ADS




Icons: Stroller, Car with 'JUST MARRIED' license plate, Shopping cart.

LIFE-CHANGING EVENT?
Get health coverage now.


 **COVERED CALIFORNIA** [find out how](#)

LIFE-CHANGING EVENT?
Get health coverage now.

 **COVERED CALIFORNIA**

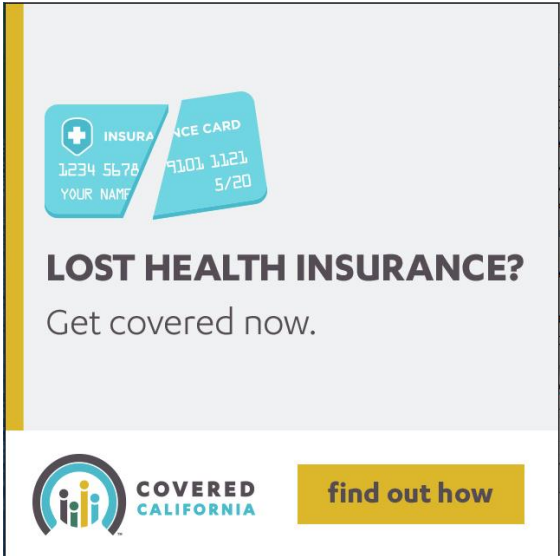


¿TUVISTE ALGÚN CAMBIO DE VIDA?
Ciertos cambios te permiten obtener un seguro médico.

 **COVERED CALIFORNIA** [entérate aquí](#)


¿TUVISTE ALGÚN CAMBIO DE VIDA?
Obtén seguro médico hoy.

 **COVERED CALIFORNIA**




Icon: Insurance card with fields: 1234 5678 YOUR NAME, 9101 1121 5/20.

LOST HEALTH INSURANCE?
Get covered now.

 **COVERED CALIFORNIA** [find out how](#)

LOST HEALTH INSURANCE?
Get covered now.

 **COVERED CALIFORNIA**

¿PERDISTE TU SEGURO MÉDICO?
Obtén cobertura médica hoy.

 **COVERED CALIFORNIA**



¿NUEVO RESIDENTE LEGAL?
Obtén seguro médico ahora.

 **COVERED CALIFORNIA** [entérate cómo](#)

RADIO ADVERTISING TARGETING SPECIFIC COMMUNITIES

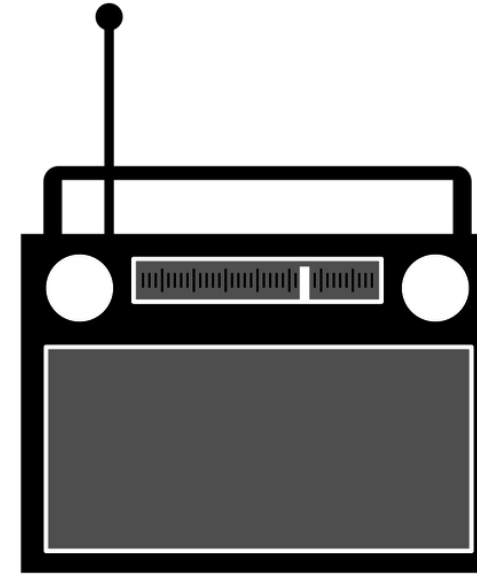
- [Multi Segment Radio Ad](#)



- [Hispanic Radio Ad](#)




- [African American Radio Ad](#)



MEMBER COMMUNICATIONS UPDATE

- 1095 Information
- Payment Reminder
- Special Enrollment prospecting

Recent messages sent to Covered California members.



Helpful Information

Hello **First_Name_default_Friend_1**,

By now you should have received your Form 1095-A. Below are some helpful instructions on what to do if you have not yet received your Form 1095-A or the information on the Form is incorrect.

IMPORTANT: You will need your Form 1095-A to file your taxes if you or anyone in your family was enrolled for **ANY PART OF 2016**. Even if you were automatically renewed in late 2015 and cancelled your coverage in January 2016, you would have been considered enrolled for all of January 2016.

Haven't received your Form 1095-A?

How to find your 1095-A online (only for current members):


1. Log-in to your [CoveredCA.com](#) account.
2. Select Secure Mailbox from the upper right corner.
3. Select Summary.
4. Select "Documents and Correspondence" from the menu on the left.
5. If your Form 1095-A is ready, you can download it. You may need to download more than one for your household.
6. If you can't find Form 1095-A in your account, contact the Covered CA Service Center at **800-989-2199**.

What if my Form 1095-A is incorrect?

Please contact the Covered California Service Center at (800) 989-2199 to provide the right information and receive a corrected form if the information below is incorrect on your Form 1095-A:

- Your name
- Your date of birth
- Your Social Security number
- Your address

Complete the [dispute form](#) if the following information is incorrect on your Form 1095-A:



Make Your Payment

Dear **First_Name_default_Friend_1**,



Congratulations on signing up for a health insurance plan through Covered California! Now all you need to do is make your first payment in order for your health coverage to take effect.

IMPORTANT

- If you have already made your first payment, you can disregard this note.
- If you do not make your first payment by the due date stated on your bill, you may have a lapse in your health coverage.
- Payment for all plans must be submitted to the health plan.

How to Pay:
Visit [CoveredCA.com](#) for more information on how to make a payment to your health plan or:

- If you received a bill from your health plan, please follow the instructions on the invoice for submitting payment.
- If you haven't received a bill, you should [contact your health plan](#) or make your payment using the specific information listed on our [website](#) for each health plan.
- [Log in](#) to your Covered California account and look for the **PAY NOW** button, located in the Household Enrollment Summary section, as shown below.
Please note that this option is not available for all health plans.





You May Qualify for Special Enrollment


Hello **First_Name_default_Friend_1**,

Did you know?

Open Enrollment is over, **BUT** you may still qualify for 2017 coverage! Covered California offers special enrollment periods for big life changes like loss of health insurance, having a baby, getting married and leaving the military.



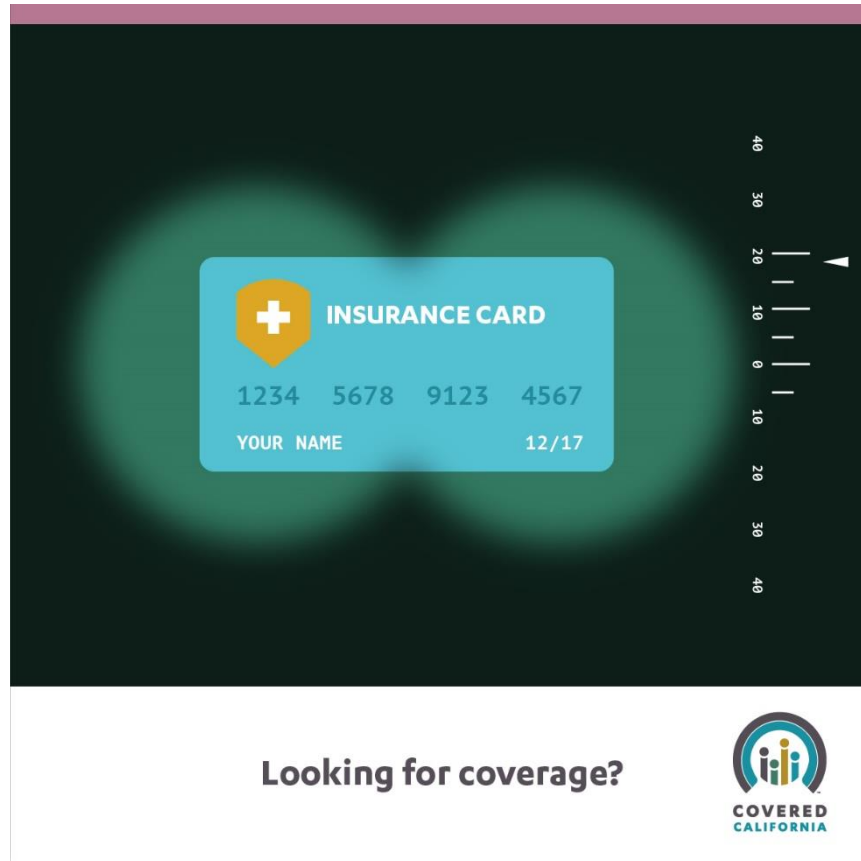
You can still choose from a variety of health plans from brand-name companies such as Kaiser, Blue Shield, Anthem and Health Net. You might even qualify to [get help paying for it!](#) Click [HERE](#) to see a full list of qualifying life events or watch the video below to learn more.



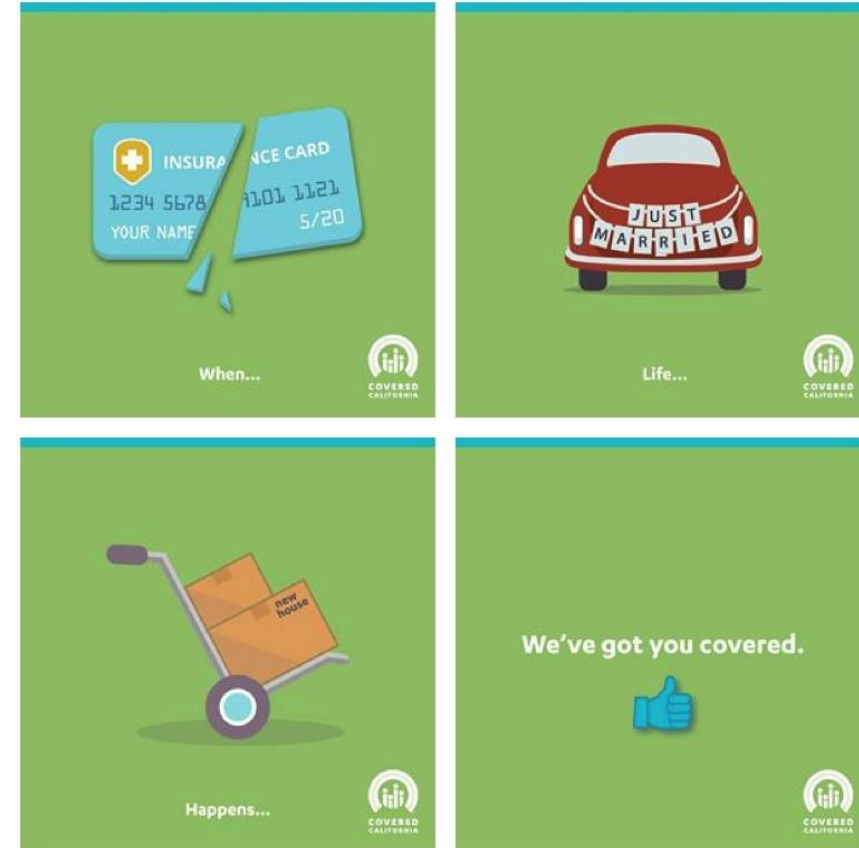

Visit [CoveredCA.com](#) for tips on how to enroll online or call one of our experts to see if you qualify.

[Apply now](#)

SOCIAL MEDIA UPDATE



Looking for coverage?







When...

Life...

Happens...

We've got you covered.



FEDERAL UPDATE

COVERED CALIFORNIA COMMENTS ON MARKET STABILIZATION REGULATIONS

- The Department on Health and Human Services (HHS) released proposed [Market Stabilization regulations](#) on February 17, 2017
- **Open Enrollment (OE) Period:** HHS proposes to shorten the OE period to 45 days (Nov. 1 – Dec. 15) beginning plan year 2018.
 - Covered California has requested state flexibility
 - Also requested to retain the existing OE period at least for plan year 2018 (should HHS require states to use the shorter OE period). This will allow states at least a year to prepare for this requirement.
- **Special Enrollment Period:** HHS proposes to make several changes to the special enrollment process.
 - Covered California notified HHS of existing SEP pre-enrollment verification efforts to leverage electronic verifications.
 - Also asked HHS to allow states the flexibility. Should HHS require states to adopt these federal regulations, they give states at least a year to implement.
- **Changes to Actuarial Value Ranges:** HHS Proposes to allow plans to have +/- 4% instead of current 2%.
 - Covered California noted that given our patient-centered designs in California, this would not impact our consumers.
 - Covered California modeled impacts to designs if the State law and patient-centered standards were not in place.
- [Click here](#) to review Covered California's comment letter.

AMERICAN HEALTH CARE ACT

AMERICAN HEALTH CARE ACT: BACKGROUND

The American Health Care Act is the budget reconciliation bill introduced in the House of Representatives, aiming to “Repeal and Replace” the Affordable Care Act (ACA).

TIMELINE

- **Jan. 12:** Senate, House approved budget resolution to repeal the ACA
- **March 8-9:** House Energy and Commerce and Ways and Means Committee mark up the two budget bills
- **Week of March 13:** House Budget Committee to combine and consider the bill
- **Late March:** Full House vote on bill
- **TBD:** Senate to take up the House bill
- **April:** Target for Senate to pass the bill

AMERICAN HEALTH CARE ACT: KEY ELEMENTS

ELEMENTS FROM ACA PROPOSED TO BE REPEALED

- Means-tested Advanced Premium Tax Credits (effective 2020)
- Cost-Sharing Reduction subsidies (effective 2020)
- Individual and Employer penalty set to \$0 (retroactive to Dec. 31, 2015)
- Actuarial Value and Metal Tier standards (effective 2020)
- Taxes / Pay-For provisions (e.g.: Medical Device Tax, Prescription Drug Tax, Insurers Tax, effective 2018)

ELEMENTS NOT ADDRESSED IN BILL

- Pre-existing condition protections
- Guaranteed availability and renewability of coverage
- Coverage of adult children up to age 26
- Cap out-of-pocket expenditures
- Prohibition on health status underwriting
- Prohibition on lifetime and annual limits

AMERICAN HEALTH CARE ACT: REPLACING THE INDIVIDUAL AND EMPLOYER PENALTY

- **Under AHCA, penalty reduced to zero dollars.** This provision would apply for months beginning after December 31, 2015, nullifying or removing the penalty for 2016 and plan years thereafter.
- **“Continuous coverage” incentive in lieu of penalty:** premium surcharge of up to 30 percent for one year unless continuous coverage is maintained.

AMERICAN HEALTH CARE ACT: NEW TAX CREDIT SYSTEM

- **Age-based**, ranging from \$2,000 (ages 30 and under) to \$4,000 (ages 60 and above) per individual, and capped at \$14,000 for family. Fixed amounts do not vary with actual cost of insurance or geography.
- **Advanceable and Refundable**, paid monthly throughout the year, similar to current ACA.
- **Partially means-tested**, credit phasing out after \$75,000 income level for individuals. The credit phases out by \$100 for every \$1,000 in income above \$75,000.
- **Two-year phase out of ACA subsidies:** Current tax credit system would be in place through 2020. Starting 2020, ACA premium subsidies and CSR would be repealed, and the new age-based tax credit system begins.

AMERICAN HEALTH CARE ACT: OTHER ELEMENTS

- **Expansion of HSAs**, including increasing the contribution limits and allowing both spouses to make catch-up contributions to the same HSA
- **New federal fund totaling \$100b through 2026**, acting as a vehicle for high-risk pools and premium stabilization programs. States must apply to receive funding, and must provide a state-match that increases over time.
- **Significant changes to Medicaid**, including per-capita funding and phase-out of Medicaid expansion.

AMERICAN HEALTH CARE ACT: CBO SCORE

Congressional Budget Office (CBO) released Score and Findings:

- **Increase in uninsured population: 14 million uninsured by 2018, increasing to 24 million by 2026.** The largest jump in uninsured is attributed to the Medicaid changes.
- **Reduces average subsidy.** CBO and JTC estimate that in 2020 the average subsidy under the legislation would be about 60 percent of the average subsidy under current law.
- **Reduces the federal deficit.** Along with the Joint Committee on Taxes, CBO estimates a reduction in the federal deficit by \$337 billion over the next 10 years.
- **Individual market premium increases in 2018 and 2019, before falling for 2020.** CBO and JCT project a 15 percent to 20 percent increase for 2018 and 2019. Funding for premium stabilization programs, the elimination of AV requirements, and other factors projected to lower premium for 2020.

AMERICAN HEALTH CARE ACT: ADDITIONAL RESOURCES

- **Congressional Budget Office: American Health Care Act Analysis: Increase in uninsured population:** <https://www.cbo.gov/publication/52486>
- **Kaiser Family Foundation: Tax Credits under the ACA vs. the AHCA: an Interactive Map:** <http://kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/>

BRINGING HEALTH CARE COVERAGE WITHIN REACH

BRINGING HEALTH CARE COVERAGE WITHIN REACH

- New analysis of 2016 enrollment released today:
 - Comprehensive analysis documenting the impact of the Affordable Care Act policies to help make coverage affordable for consumers;
 - Companion data release showing impacts of Advanced Premium Tax Credits and Cost Share Reductions by geography and demographics.

Both available at: hbex.coveredca.com/data-research

BRINGING HEALTH CARE COVERAGE WITHIN REACH

- Highlights of financial support received through Covered California in 2016 include:

- **Advance Premium Tax Credits** to reduce the cost of coverage:

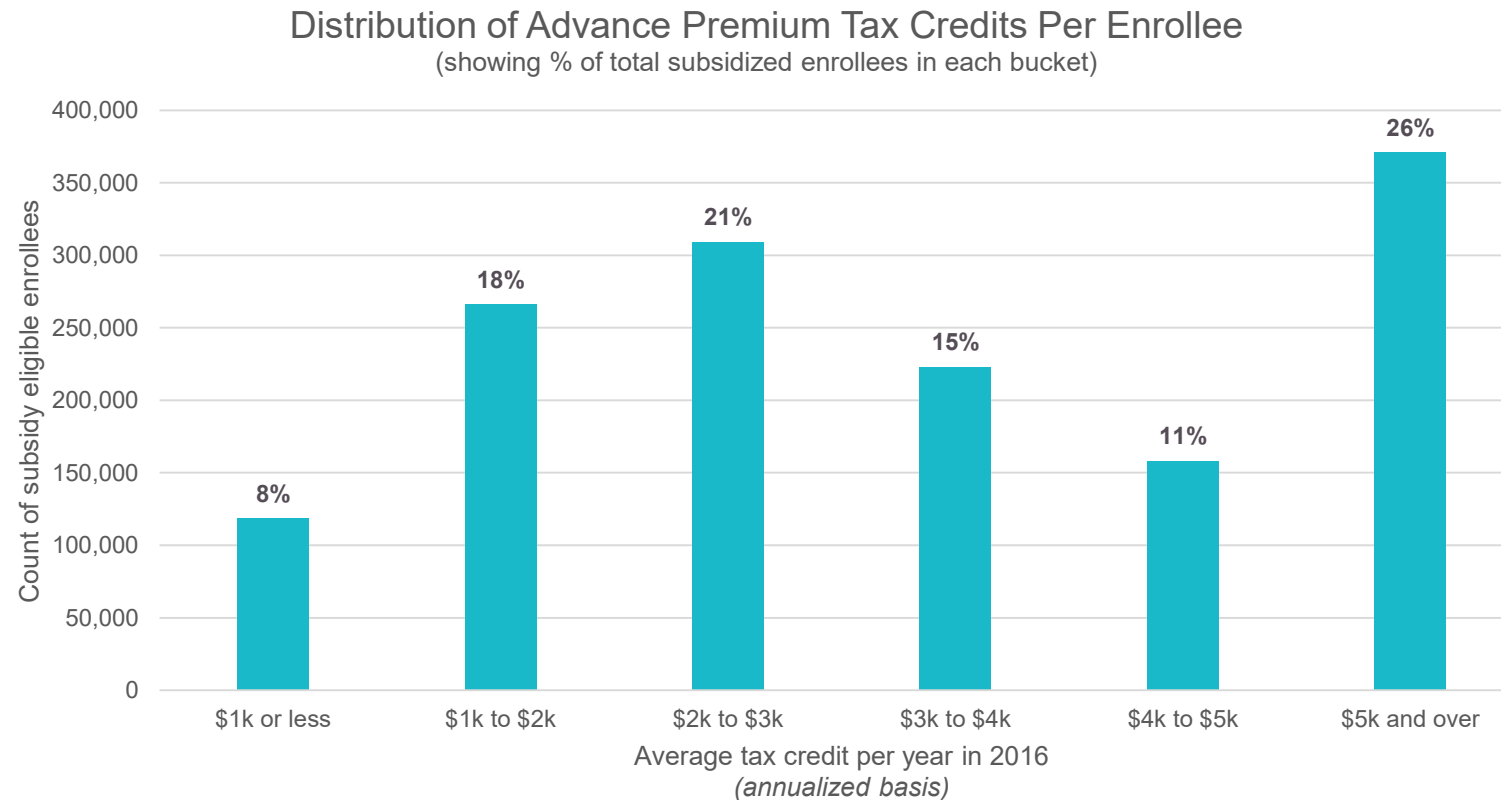
Consumer Impacts	Household Impacts	California Impacts
\$3,500 per individual	\$5,300 per household	\$4.2 billion

- **Cost Sharing Reductions** that reduce out-of-pocket expenses:

Consumer Impacts	Household Impacts	California Impacts
\$1,090 per individual	\$1,500 per household	Over \$700 million

BRINGING HEALTH CARE COVERAGE WITHIN REACH

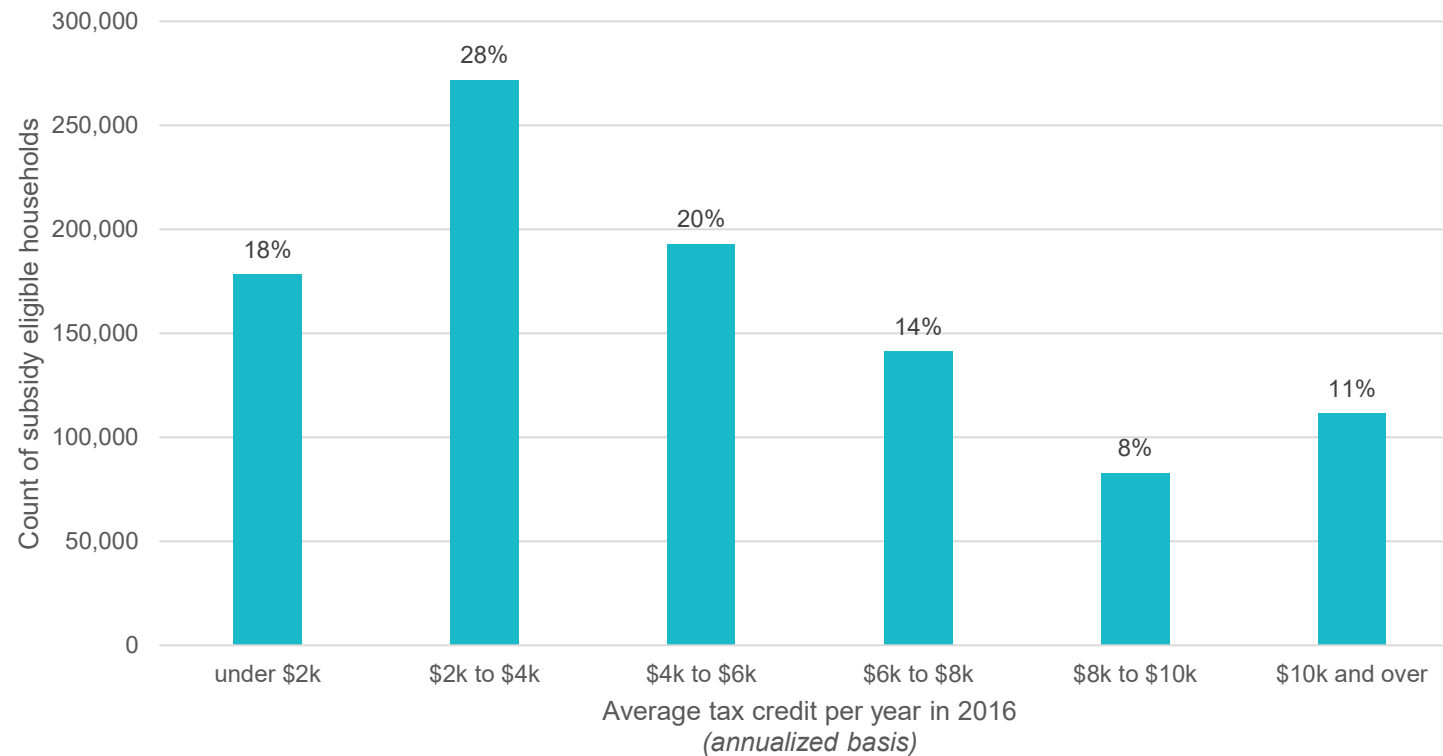
- Over one third of enrollees (37%) receive more than \$4,000 per year in tax credits.
- 16% of enrollees receive more than \$6,000 per year in tax credits (not pictured).



BRINGING HEALTH CARE COVERAGE WITHIN REACH

- Roughly one third of households (33%) receive more than \$6,000 per year in tax credits.
- 11% of households receive more than \$10,000 per year in tax credits.

Distribution of Advance Premium Tax Credits Per Household
(showing % of total subsidized households in each bucket)



KEEPING COVERAGE AFFORDABLE

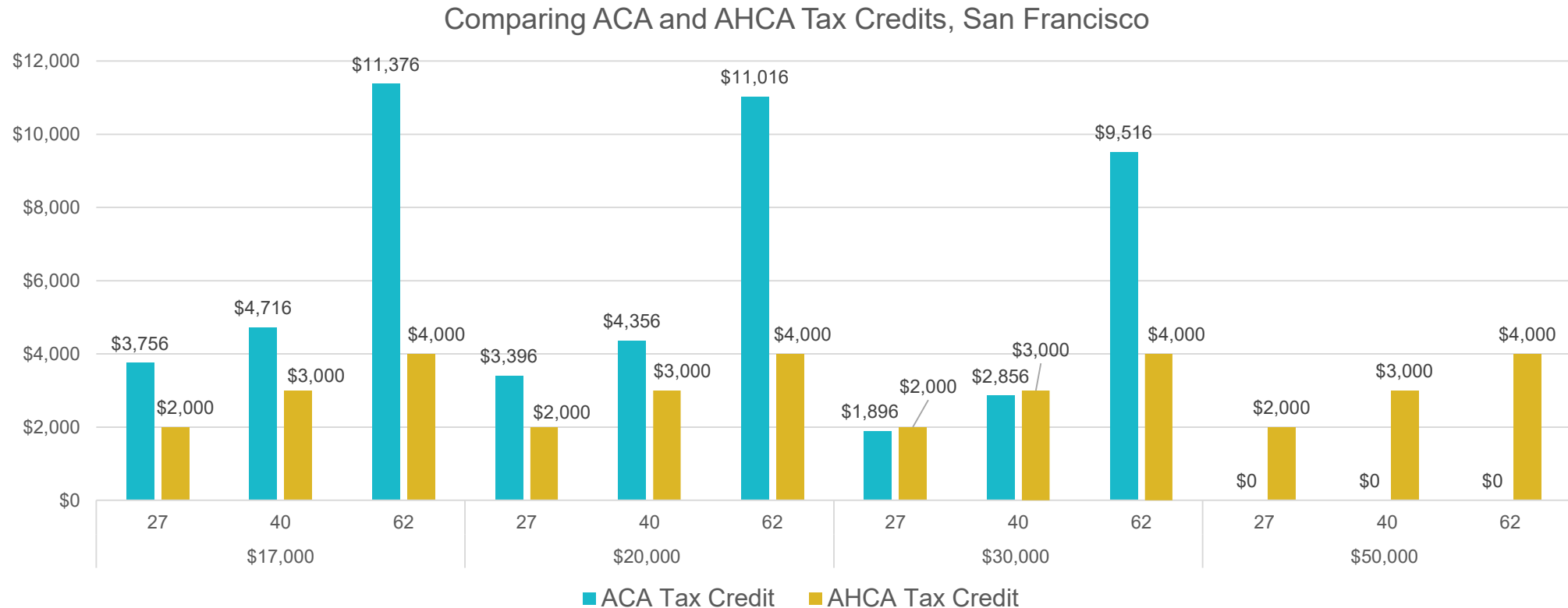
- With the introduction of the proposed American Health Care Act (AHCA), Covered California is assessing potential impacts on affordability for all consumers.
- Preliminary analysis suggests that the proposed tax credits would provide lower overall assistance to our current enrollees.
- Evaluating the full impact to consumers for cost of coverage *and care* will require more in-depth analysis, including assessments of how the proposed legislation could alter take-up and risk mix, which in turn would drive premium and affordability.

PRELIMINARY ASSESSMENT OF AMERICAN HEALTH CARE ACT (AHCA)

- To provide illustrative examples of the impact, Covered California has compared proposed financial support that would be available under the AHCA with assistance currently available.
- The analysis uses the 2017 Covered California population/premiums – true experience under AHCA would surely change these factors (including that credit amounts begin in 2020, not 2017). The following tables are meant to illustrate directional impacts, and are not a precise forecast of premiums.

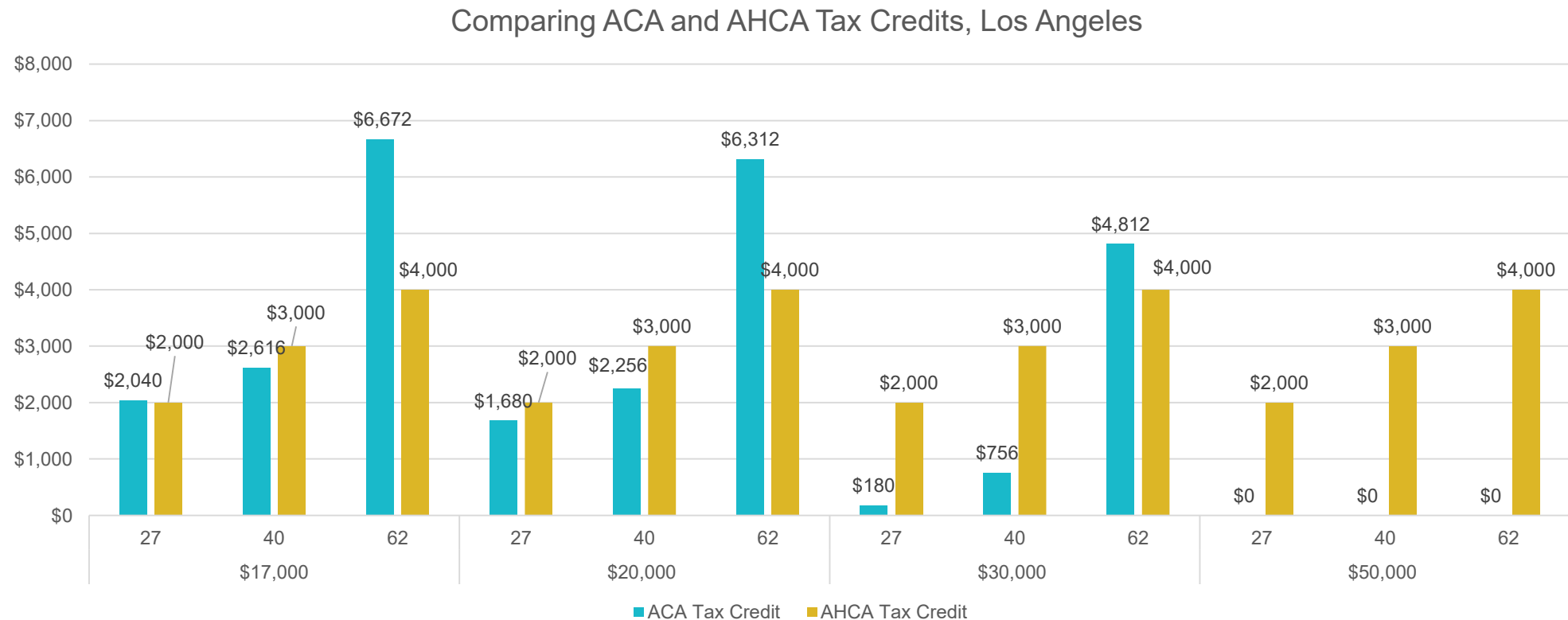
PRELIMINARY ASSESSMENT: COMPARISON OF FINANCIAL ASSISTANCE UNDER AMERICAN HEALTH CARE ACT (AHCA)

- Changes for consumers will depend greatly on a consumer's age, and where they live – two key determinants in health plan premium rates.



PRELIMINARY ASSESSMENT: COMPARISON OF FINANCIAL ASSISTANCE UNDER AMERICAN HEALTH CARE ACT (AHCA)

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APPENDICES

APPENDICES: TABLE OF CONTENTS

- Covered California for Small Business Update
- Service Channel Update
- Website Update
- Service Center Update

COVERED CALIFORNIA FOR SMALL BUSINESS

Current Group & Membership Update (1/31/17)

- Groups: 4,315
- Members: 32,684
- Average Group Size: 7.6 members

Information Technology Update:

- Renewal Portal Launch: March 2017
- Employer Portal Launch: Qtr. 2 2017

Operations Update (1/31/17)

- 99% of New Groups set up in 3 days or less
- 100% of New Groups sent initial invoice in 3 days or less
- 93% of Account Maintenance issues resolved in 3 days or less



ENROLLMENT ASSISTANCE PROGRAMS

Uncompensated partners supporting enrollment assistance efforts.

ENROLLMENT ASSISTANCE PROGRAM	ENTITIES	COUNSELORS
Certified Application Counselor	386	1,972 Certified
Plan-Based Enroller	11 Plans	1,100 Certified
Medi-Cal Managed Care Plan	2 Plans	37 Certified

OUTREACH & SALES ENROLLMENT SUPPORT: KEY METRICS

Data as of March 6, 2017

15,075 Certified Insurance Agents

- 17% Spanish
- 7% Cantonese
- 7% Mandarin
- 4% Korean
- 4% Vietnamese

1,297 Navigator: Certified Enrollment Counselors

- 63% Spanish
- 4% Cantonese
- 3% Mandarin
- 3% Vietnamese
- 2% Korean

1,972 Certified Application Counselors

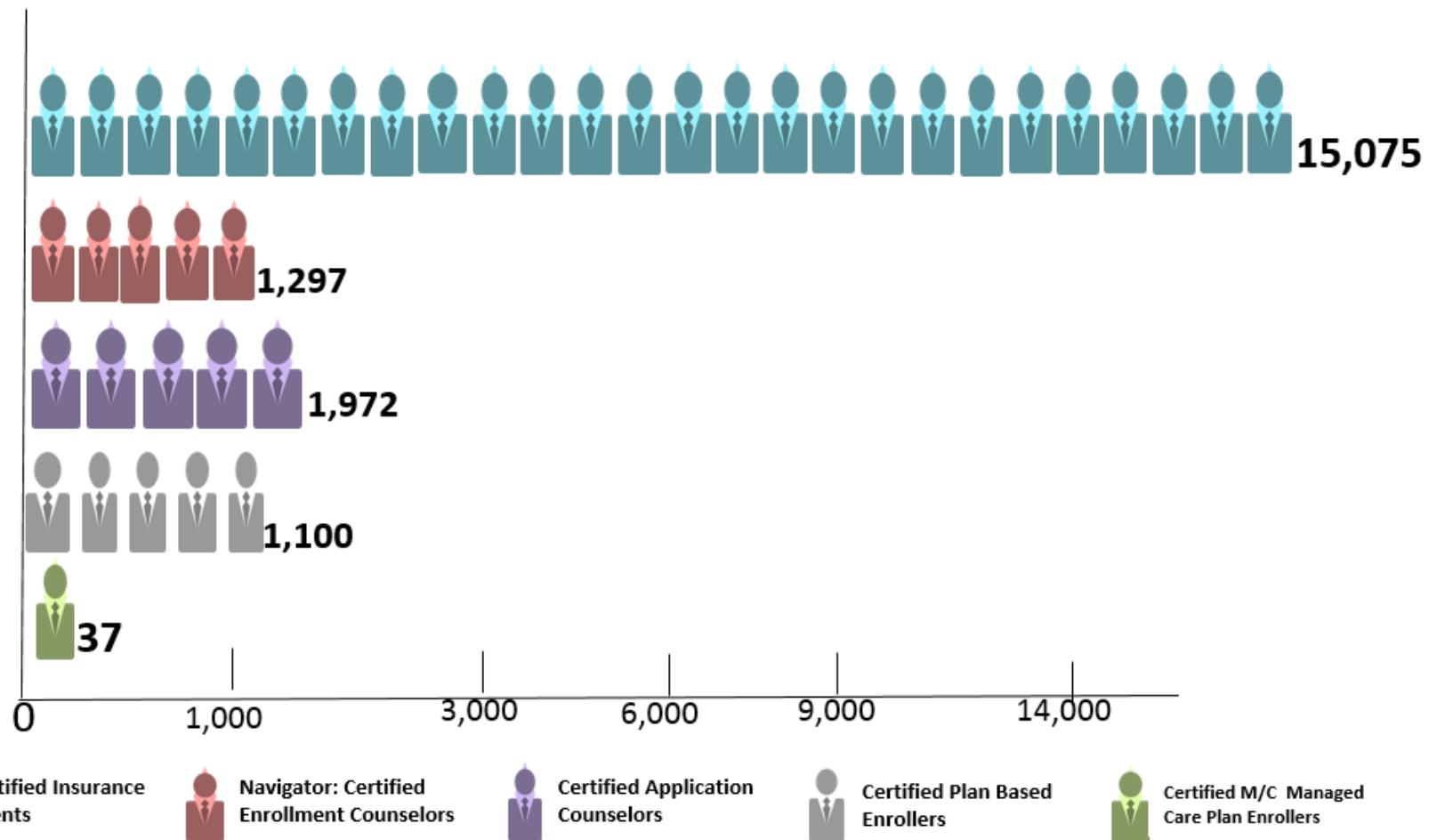
- 59% Spanish
- 5% Cantonese
- 4% Mandarin
- 1% Vietnamese
- 1% Korean

1,100 Certified Plan Based Enrollers

- 45% Spanish
- 10% Cantonese
- 2% Mandarin
- 7.5% Vietnamese
- 7.3% Korean

37 Certified Medi-Cal Managed Care Plan Enrollers

- 44% Spanish
- 36% Cantonese
- 31% Mandarin
- 1% Russian



24 MONTH COVEREDCA.COM ROADMAP UPDATES

The last major release for CalHEERS was deployed February 13, 2017 and included:

- Translations of Eligibility Notices into Additional Threshold Languages
- Enhancements to information shared with the SAWS (“Business Rules Exposure”)
- A revamp of the income section of the on-line application to be more understandable and consumer friendly.
- A change to delegations to allow all Certified Enrollers to continue to assist consumers after plan selections are complete.
- Enhancements for the Service Center to allow improved assistance to consumers (deferred from the September 2016 release)
 - Automated workflow
 - Ability to correct consumer or other errors independently (without reliance on submitting “tickets” and waiting in queue)
 - Ability to upload and re-print documents and verifications at any point in the application process.

24 MONTH COVEREDCA.COM ROADMAP UPDATES

- The next major CalHEERS release is planned for March 27, 2017 and will include enhancements to improve the Consumer Experience:
 - Reduce data entry for consumers by pre-populating application fields where possible (if consent is provided)
 - Allow consumers to update their consent for verification via telephone self-service in the Integrated Voice Recognition (IVR) solution
 - Implement Spanish translations on Service Center Representative (SCR) admin pages to allow SCR's to better assist Spanish language consumers
- CalHEERS also has a release planned for May 22, 2017 to include:
 - Allow county administrators to unblock and reset their own user accounts and passwords
 - Implementation of updates to the CalHEERS system to ensure it remains compliant with recently published regulations.

24 MONTH COVEREDCA.COM ROADMAP UPDATES

- On the CoveredCA.com main website, several enhancements are planned before the next Open Enrollment:
 - “Events Portal 2.0” - A revamp to the look and feel of the “Find an Event Near You” portal to allow the feature to work on mobile devices and to add enhanced search features for consumers
 - CoveredCA.com Responsive Web Design, or mobile design that will allow consumers to access the website and use all features on a mobile device

SERVICE CENTER UPDATE

- Improving Customer Service
 - Partnered with Covered California University and developed training/development road map for all areas of Service Center and classifications that will span 2017-2018 and beyond
 - Held partnership meeting with Health Plan and tour of the Service Center
 - Completed the 1095 process, the volume of disputes filed thus far compared to 2016 reduced by 50%
 - Attended the Southern California Appeals Committee Meeting for collaboration
- Enhancing Technology Solutions
 - Implemented Interactive Voice Response (IVR) messaging for 1095 Reprints, to inform the consumers they have access to print the form online
 - Expanded Disclaimer Boxes for pre-recording of disclaimers to the Surge Vendor and Appeals teams
- Staffing Updates
 - Recruitment positions
 - Deputy Director position filed
 - Anjonette Dillard, Deputy Director, Support Services Operations
 - SSM III position filled
 - Renee Durham, Branch Chief, Internal Compliance & Support Branch
 - SSM II positions filled
 - Chenell Cummings, Service Center Operations
 - Laura "Ann" Hutchinson, Customer Relations and Resolution
 - Service Center continues ongoing recruitment efforts for various classifications

SERVICE CENTER PERFORMANCE UPDATE*

- February 2017 Call Statistics

	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
Totals	540,996	313,699	10.07%	281,451	0:05:32	0:16:19	38.94%

Does not include outbound, SHOP, or internal consults

Top 5 Call Dispositions

1. Individual · Current Customer · Application/Case Status · Inquiry/Assistance
2. Individual · Current Customer · 1095-A · 1095-A Inquiry/Assistance
3. Individual · Current Customer · Consumers Online Account · Password Reset/Unlock
4. Individual · Current Customer · Disenrollment/Termination · Requesting to be Terminated
5. Individual · New Enrollment · Inquiry/Assistance – New Enrollment

**Performance metrics are measured monthly.*

FEBRUARY 2017 SERVICE VOLUMES DURING OPEN ENROLLMENT

- Total calls offered to the IVR: 540,996 (Compared to 616,455 for February 2016; a decrease of 12.24%)
- Callers handled by automated system responding to specific inquiries with recorded messages: 227,297 (Compared to 257,599 for February 2016; a decrease of 11.76%)
- Calls handled by Covered California Service Center Staff: 281,451 (Compared to 332,743 for February 2016, a 19.91% decrease)
- Service Level decreased in February to 38.94% of calls answered within 30 seconds (compared to 71.58% for February 2016)
- The percentage of Abandoned calls was 10.07% (compared to 4.93% of February 2016)
- Average Handle Time for February was 16 minutes and 19 seconds (compared to 14 minutes and 36 seconds for February 2016; a 8.75% increase)

QUICK SORT VOLUMES

Quick Sort refers to the calculator tool used to determine if a consumer is eligible for CoveredCA or should be referred to Medi-Cal. The tool also determines which consortia the consumer should be referred. This volume represents the total of those transfers.

February Weekly Quick Sort Transfers

Week 1*	Week 2	Week 3	Week 4*	Week 5*	Total
353	314	374	283	85	1,409

* Partial Week – 2/20/17 President's Day

February Consortia Statistics

SAWS Consortia	Calls Offered	Service Level	Calls Abandoned %	ASA
C-IV	422	97.18%	0.00%	0:00:07
CalWIN	938	86.25%	0.64%	0:00:26
LRS	619	93.70%	1.10%	0:00:06

SAWS = Statewide Automated Welfare System (consortia). California has three SAWS consortia's to provide service to the counties.

C-IV = SAWS Consortium C-IV (pronounced C 4)

CalWIN = California Welfare Information Network

LRS = formally LEADER = Los Angeles Eligibility Automated Determination, Evaluation and Reporting Systems

QuickSort Transfers
February 2016

