# COVERED CALIFORNIA POLICY AND ACTION ITEMS

March 15, 2018 Board Meeting

# 2019 QUALIFIED HEALTH PLAN BENEFIT DESIGNS

James DeBenedetti, Director, Plan Management Division

Action

# CHANGES SINCE BOARD DISCUSSION (JANUARY)

- Milliman has certified the actuarial values of the 2019 plan designs.
- Revised endnote #5 to incorporate future change to HDHP limits:
  "For HDHPs, in other than self-only coverage, an individual's payment toward a deductible, if required, must be the higher of (1) the specified deductible amount for individual coverage or (2) the minimum deductible amount for family coverage specified by the IRS in its revenue procedure for the 2019 calendar year for inflation adjusted amounts for Health Savings Accounts (HSAs), issued pursuant to section 223 of the Internal Revenue Code~~$2,700 for Plan Year 2018~~. In coverage other than self-only coverage, an individual's out of pocket contribution is limited to the individual's annual out of pocket maximum."
- New endnote #29
  - Cost sharing for inpatient stays in most Silver plans is changing in 2019:

| | 2018 | 2019 |
|---|---|---|
| **Inpatient Facility Fee** | Deductible + Coinsurance | Deductible + Coinsurance |
| **Inpatient Physician Fee** | Deductible + Coinsurance | Coinsurance |

  - To accommodate carriers that have a single bill for inpatient services, the following endnote has been included to indicate the consumer cost share:
    - "For inpatient stays, if the facility does not bill the facility fee and physician/surgeon fee separately, an issuer may apply the cost-sharing requirements for the facility fee to the entire charge."

# CHANGES SINCE BOARD DISCUSSION (JANUARY)

## New plan design format

- Based on feedback at the January Board meeting, Plan Management worked with Communications to adjust the formatting of the plan designs.

~~2018~~2019 Patient-Centered Benefit Plan Designs
10.0 EHB
Date: ~~June 15, 2017~~January 18, 2018

**Summary of Benefits and Coverage**

Member Cost Share amounts describe the Enrollee's out of pocket costs.

| | Platinum Coinsurance Plan | Platinum Copay Plan |
|---|---|---|
| Actuarial Value - AV Calculator | ~~91.2%~~91.7% | ~~88.1%~~88.9% |
| Plan design includes a deductible? | No | No |
| Integrated Individual deductible | $0 | $0 |
| Integrated Family deductible | $0 | $0 |
| Individual deductible, NOT integrated: Medical / Pharmacy / Dental | $0 / $0 / $0 | $0 / $0 / $0 |
| Family deductible, NOT integrated: Medical / Pharmacy / Dental | $0 / $0 / $0 | $0 / $0 / $0 |
| Individual Out–of–pocket maximum | $3,350 | $3,350 |
| Family Out-of-pocket maximum | $6,700 | $6,700 |
| HSA plan: Self-only coverage deductible | N/A | N/A |
| HSA family plan: Individual deductible | N/A | N/A |

| Common Medical Event | Service Type | Member Cost Share | Deductible Applies | Member Cost Share | Deductible Applies |
|---|---|---|---|---|---|
| Health care provider's office or clinic visit | Primary care visit to treat an injury, illness, or condition | $15 | | $15 | |
| | Other practitioner office visit | $15 | | $15 | |
| | Specialist visit | $30 | | $30 | |
| | Preventive care/ screening/ immunization | No charge | | No charge | |
| Tests | Laboratory Tests | $15 | | $15 | |
| | X-rays and Diagnostic Imaging | $30 | | $30 | |
| | Imaging (CT/PET scans, MRIs) | 10% | | $75 | |
| Drugs to treat illness or condition | Tier 1 | $5 | | $5 | |
| | Tier 2 | $15 | | $15 | |
| | Tier 3 | $25 | | $25 | |

~~2018~~2019 Patient-Centered Benefit Plan Designs
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# CHANGES SINCE BOARD DISCUSSION (JANUARY)

**Changes to plan design format**

- New color palette
- Removal of some borders and lines
- Increased font size
- Due to space constraints on the bottom of the page, removed “See endnotes.”
- Consolidated rows for mental health/substance use and rehabilitation/habilitation services
- Removed extra inpatient stay rows for mental health, substance use, and pregnancy and added language to “Hospital stay”
  - Facility fee (e.g. hospital room) for inpatient stay (including labor and delivery, mental health, and substance use)

Note: For optimal readability, printed versions of this document should be on legal size paper (8.5”x14”)

# POTENTIAL DESIGNS FOR 2020 AND BEYOND

- Copay-only, no-deductible Silver plan
- Value-Based Insurance Design
- “High AV” Bronze plans
- Funded HSA accounts for Cost-Sharing Reduction (CSR)- eligible members who select Bronze plans

# PEDIATRIC DENTAL COINSURANCE AND COPAY DESIGNS

- Covered California will maintain an 85% AV (+/-2%) requirement for the pediatric dental coinsurance plan consistent with prior years.

- The Pediatric Dental Copay Plan had no changes from 2018. The 2019 AV has been updated.

- To maintain this actuarial value, the pediatric dental coinsurance deductible will be increased from $65 to $75 for individuals, and from $130 to $150 for families.

# OTHER DENTAL BENEFIT CHANGES

**No changes to the Adult Dental Coinsurance and Copay Plans except for clarity and consistency**

- Diagnostic & Preventive procedure category for In-Network Member Cost Share
  - "If covered" was removed as these are always covered adult services.
- Diagnostic & Preventive procedure category for Out-of-Network Member Cost Share
  - "If covered" was added after 10% as not all Diagnostic & Preventative procedures are covered out of network.

**Delete Pediatric and Adult Dental Group Plan**

- Covered California will not offer the Employer Sponsored Group Dental Plan through Covered California for Small Business (CCSB) due to a lack of interest in the product offering by dental plans.

**Endnotes**

- Deleting the Employer Sponsored Group Plan required the deletion of Endnote 7 and 11.
- Listing codes for Adult Dental Benefits services that are not covered in Endnote 10.

# 2019 QUALIFIED HEALTH PLAN CERTIFICATION POLICY

James DeBenedetti, Director, Plan Management Division

Action

# 2017-2019 QUALIFIED HEALTH PLAN AND QUALIFIED DENTAL PLAN CERTIFICATION

Plan Year 2019 Qualified Health Plan (QHP) and Qualified Dental Plan (QDP)

- Certification Applications open to:
- Issuers offering QHPs certified for 2018
- Issuers offering QDPs certified for 2018
- Medi-Cal Managed Care Plans
- Issuers newly licensed since May 2, 2017
- Covered California for Small Business (CCSB) QHP applications are open to all currently licensed health plan issuers

- Currently Contracted Applicants
- QHP and QDP Issuers contracted for Plan Year 2018 will complete a simplified certification application since their three year contract with the Exchange covering 2017-2019 plan years imposes ongoing requirements included in the certification application and this contract performance is considered in the evaluation process.

# 2019 QHP & QDP CERTIFICATION APPLICATION UPDATES

Applications open as of March 1st reflect the following changes:

**All Applications**
- Will include Attachment A Plan Type by Rating Region requirement to summarize proposed 2019 products by county.
- Required crosswalk for all Plan IDs to identify changes from plan year to plan year and to ensure accurate member autorenewal.
- Will continue to include Agent Commission Schedule requirement for all applicants.

**Currently Contracted Applicants**
- Will continue to include Network Stability section for existing Exchange networks.
- Revised Quality Improvement Strategy (QIS) section for clarity and consolidation.

**QHP Individual Market New Entrant Applicants**
- Removed minimum qualifications requirements.

# COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB) QUARTERLY APPLICATIONS FOR QHP CERTIFICATION

CCSB allows year-round small group enrollment and quarterly QHP and QDP portfolio additions. These activities align with current market practices that enable CCSB to remain competitive and flexible in response to market changes.

On a quarterly basis, CCSB considers:

- New issuers
- Currently contracted CCSB issuers proposing new products
  - *Simplified application and timeline*
- Currently contracted CCSB issuers submitting quarterly rate changes
  - *does not require complete application, submitted according to contractual requirements*

Quarterly Application Process Requirements

- Submission of non-binding Letter of Intent (LOI) to gain access to electronic application system.
- Submission of application response by the respective quarter's due date and other key action dates as applicable.

All issuers must complete annual certification application for January 1 effective dates.

# PROPOSED CERTIFICATION MILESTONES

| | |
|---|---|
| Final AV Calculator Released | December 28, 2017 |
| Release draft 2019 QHP & QDP Certification Applications | January 12. 2018 |
| Draft application comment period | January 12-26, 2018 |
| January Board Meeting: discussion of benefit design & certification policy recommendation | January 18, 2018 |
| Letters of Intent Accepted | February 1 – 15, 2018 |
| ~~February Board Meeting: anticipated approval of 2019 Standard Benefit Plan Designs & Certification Policy~~ | ~~February 15, 2018~~ |
| Applicant Trainings (electronic submission software, SERFF submission and templates) | ~~February 20-28, 2018~~<br>February 26 – March 5, 2018 |
| QHP & QDP Applications Open | March 1, 2018 |
| March Board Meeting: approval of 2019 Patient Centered Benefit Plan Designs & Certification Policy (if Feb meeting cancelled) | March 15, 2018 |
| QHP Application Responses (Individual and CCSB) Due | May 1, 2018 |
| Evaluation of QHP Responses & Negotiation Prep | May - June 2018 |
| QHP Negotiations | June 18 – 22, 2018 |
| QHP Preliminary Rates Announcement | July 2018 |
| Regulatory Rate Review Begins (QHP Individual Marketplace) | July 2018 |
| Public posting of proposed rates | July 2018 |
| QDP Application Responses (Individual and CCSB) Due | June 1, 2018 |
| Evaluation of QDP Responses & Negotiation Prep | June – July 2018 |
| QDP Negotiations | July 2018 |
| CCSB QHP Rates Due | July 25, 2018 |
| QDP Rates Announcement (no regulatory rate review) | August 2018 |
| First day to enroll for 2019 | October 15, 2018 |
| CCIIO Required Public Posting Date | November 1, 2018 |

# COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB) ELIGIBILITY AND ENROLLMENT EMERGENCY REGULATIONS READOPTION AND PERMANENT RULEMAKING AUTHORIZATION

Linda Anderson, Senior Manager, Covered California For Small Business (CCSB)

Action

# HIGHLIGHTS TO PRIMARY PROPOSED CHANGES

| Section and Title | Proposed Changes |
|---|---|
| **Section 6528 (f)**<br>Initial and Annual Enrollment Periods for Qualified Employers | • Clarify effective dates for plan changes received during the first thirty days of coverage effective date<br>  • Plan change received between 1st and 15th of month will be effective retroactively to 1st of the month, unless the employer requests an effective date of the first of the following month<br>  • Plan change received between 16th and 30th of the month will be effective 1st of the following month; earlier requested effective determined on case-by-case basis |
| **Section 6522 (4)(A)**<br>Eligibility Requirements for Enrollment in the SHOP | • A lesser minimum participation percentage may be determined by prevailing market practice through a CCSB survey of market practices<br>  • CCSB to notify issuers at least 210 days prior to proposed effective date and changes will be published on CCSB website<br>• Remove 100% participation requirement for employers with 1 to 3 employees<br>• Valid waivers are not required to enroll when employer is contributing 100% of employee only premium |

# HIGHLIGHTS TO PRIMARY PROPOSED CHANGES

| Section and Title | Proposed Changes |
|---|---|
| **Section 6520 (a)(13) & (f)** Employer and Employee Application Requirements | • New qualified employer application submissions are due five days prior to the requested effective date<br>  • Application received after this date will carry an effective date no earlier than the first of the following month unless the qualified employer submits a signed CCSB New Business Late Submission Acknowledgement Form<br>  • Exceptions for exceptional circumstances will be considered on a case-by-case basis<br>• If a qualified employee declines coverage, the employee must sign the declination of coverage and state other sources of coverage, if any |
| **Section 6522 (4)(B)** Eligibility Requirements for Enrollment in the SHOP | • Valid waivers to include special federal or state programs – excluding Qualified Health Plan coverages that are sold in the Individual Exchange |
| **Section 6526 (f)(1)(2)** Qualified Employer Election of Coverage Periods | • If the employer's reference plan is no longer available at renewal and the employer does not select a new reference plan during the employer's annual election period, a default plan will be auto selected on behalf of the employer.<br>  • Auto-selected reference plan shall be the lowest cost plan in employers current selected tier<br>  • Employer's contribution will remain the same as previously elected |

# HIGHLIGHTS TO PRIMARY PROPOSED CHANGES

| Section and Title | Proposed Changes |
|---|---|
| **Section 6528 (i)**<br>Initial and Annual Enrollment Periods for Qualified Employees | • During renewal if an employee's plan is discontinued, the employee's plan may be passively renewed to the lowest cost plan within the same carrier and same metal tier.<br>• If same carrier is not available with CCSB, employee's plan may be passively renewed to the lowest cost plan with a different carrier within same metal tier. |
| **Section 6532 (f) – (h)**<br>Employer Payment of Premiums | • Reinstatements:<br>• Qualified employer requesting to reinstate within 30 days after the effective date of termination must pay past due premiums to be reinstated without lapse in coverage<br>• A Qualified employer may not reinstate coverage 31 or more days following the effective date of termination<br>  • may only reinstate once during the 12-month period |
| **Section 6532 (j)**<br>Employer Payment of Premiums | • Collections for delinquent accounts payable will be performed as per State Accounting Manual (SAM) section 8776.6 |
| | • Typographical edits made throughout for clarity and consistency<br>• Revised cross-references to State Laws |