

QHP Certification Criteria

California Health Benefits Exchange Board of Directors

Jon Kingsdale, Ph.D.

Managing Partner, Wakely Consulting Group

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Defining “Selectivity”

- Number & type of selection criteria
 - Minimum set for ACA & state licensure
 - Additional criteria
- Discretionary application of criteria
 - E.g., how much savings justifies a select-network product?
- Threshold cost & quality levels, e.g.:
 - No more than \$100/month above 2nd lowest Silver plan
 - Not less than 2 stars on NCQA rating
- Limiting the number of QHPs, e.g.:
 - No more than 5 issuers & 3 designs per actuarial tier (=75)

MA Connector's plan certification process has been dynamic

- Subsidized CommCare for low income eligibles:
 - Open initially only to existing MMCOs and all 4 of the eligible MMCOs were certified
 - Opened to all licensed carriers, as of 7/1/2009, and we worked hard to recruit a 5th plan
 - Today: 5 plans which must bid within actuarially sound rate range, and a lower target to be available for certain new enrollees

MA Connector's plan certification process has been dynamic

- Unsubsidized CommChoice for individuals and small groups:
 - All licensed carriers >5,000 enrollees required to bid
 - All 6 that really wanted to participate were certified (2007)
 - 2 more issuers certified since 2009
 - 3 largest commercial plans dropped out of the Connector's small-group offering in 2010, due to contract disagreement
 - 3 largest issuers re-entered Connector's small-group offering in February 2012

Potential QHP certification criteria

- Minimum regulatory requirements alone
- Specific product type (HMO, PPO)
- Overall price/quality/access ranking
- Breadth of service area or intent to grow
- Access for special populations
- Use of FQHCs & safety-net hospitals
- Willingness to participate in Medi-Cal & CHIP

Potential QHP certification criteria

- Willingness to participate in SHOP & Individual CHBE
- Multi-year commitment to CHBE
- Commitment to market CHBE and support navigators
- Supportive of delivery system reform
- Standards of inter-operability w/ CHBE
- Availability of plan data on quality/service

Not wise to limit # of participating issuers, at least initially

- MA Connector customers prefer 3-5 options by tier, design & region, BUT:
- Decision-support tools can cut “clutter”
- Some plans may be “Must-Have’s”
- In some regions, too few issuers?
- Easier to reduce than increase # of plans
- OPM’s Multi-State Health Plans could disrupt limit on number of issuers

Benefits standardization?

Advantages

- Ease comparison shopping
- Solicit most popular plan designs
- Can solicit desired benefit features
- Transparency in trend over time

Disadvantages

- Can inhibit innovation, esp. in non-group
- Administrative burden on carriers/providers to develop/replace new plans

Evolution of Connector plan designs

- Heavily subsidized CommCare benefits/design standardized from start (`06)
- Unsubsidized CommChoice began (`07) with a variety of HMO benefit features on each actuarial tier, except Gold (90%)
- Standardized cost-sharing in `09 around 3 most “popular” Bronze & Silver plans, in response to consumer feedback
- In 2011, reduced Silver to 2 plans

Benefits standardization?

- Broad choice especially important for SHOP and unsubsidized households
- Standardization should be based on customer preferences
- Considerable value in early experimentation & evolution of policy
- Flexibility is crucial, especially in any effort to standardize designs

CONSIDER: Mix of standard/unique designs