SEIU California

SEIU California
Stronger Together

1007 7th Street
4th Floor
Sacramento, CA 95814
916.442.3838
Fax: 916.442.0976

3055 Wilshire Blvd.
Suite 1050
Los Angeles, CA 90010
213.368.7400
Fax: 213.381.7348

7677 Oakport Street
Suite 725
Oakland, CA 94621
510.568.2500
Fax: 510.568.3652

www.seiuca.org

August 6, 2012

Members of the California Health Benefits Exchange Board:
Kimberly Belshé, Sec. Diana Dooley, Paul Fearer, Susan Kennedy, Dr. Robert Ross
California Health Benefits Exchange

Re: Qualified Health Plan Policies & Affordability in the Exchange

As a major supporter of the Affordable Care Act (ACA), SEIU continues to seek opportunities to support the implementation of the California Health Benefits Exchange (HBEX). The successful implementation of the HBEX is a top priority for SEIU.

We are writing today in response to your request for comments around Qualified Health Plan (QHP) policies and strategies. While we found the Exchange's approach to QHPs to be thoughtful, there are several items that SEIU would like to address.

Affordability. Plans sold in the Exchange marketplace must be viewed by enrollees as providing value. While we understand there is a tradeoff between affordability and choice, affordability continues to be the key factor for whether an individual or small business will purchase health insurance or choose to go without. SEIU believes that HBEX has a responsibility to ensure affordability in its products and thus should use its active purchaser authority to negotiate prices with QHPs to ensure that Californians have access to coverage at the best possible rates. Given the Board's active purchaser authority, SEIU urges you to determine if it is possible to negotiate a plan option in which thepremium range after subsidies is comparable to the premium range currently estimated for the Basic Health Plan.
SEIU appreciates that the report addresses the financial implications of premium subsidies and cost-sharing reductions for the population between 100-250% FPL compared to those above 250% FPL (Section 5D, Questions 1 & 2). For those above 250% FPL, we agree that a choice of plans from any of the tiers provides the greatest amount of financial flexibility (Option C). For those who are below 250%, we agree "buying up" to gold or platinum coverage for this population would always be financial unwise.

However, by allowing the selection of bronze coverage, it presupposes that individuals can fully anticipate their healthcare needs and make informed choices. If not, as the report points out, these individuals may be exposed to high, if not unaffordable, out-of-pocket costs. While SEIU supports the opportunity to provide the most affordable option to individuals, this option would require significant ability on the part of the navigator or website to explain to the individual the type of risk they may be taking on if choosing the bronze plan. Planning will be needed around how this consumer education process will take place.

To the extent that some of these options increase the number of products proposed by carriers and greater competition between plans, SEIU supports requiring carriers to propose a QHP product for all metal tiers in each region in which it bids (5A/Question 1, Option A), allowing carriers to submit a small number of QHP

products per region (5A/Question 2, Option B), and requiring carriers to provide coverage regionally but allow for regional plans to offer sub-regional products (5B/Question 3, Option C).

Wellness Incentives and Affordability
The report recommends allowing plans to use financial wellness incentives. We urge HBEX to convene stakeholders to develop evidence-based recommendations on how to best encourage QHPs to provide mandated wellness incentives that meet affordability goals, separate and distinct from the enrollment process. HBEX should exercise flexibility in incorporating recommendations from the Governor's newly formed "Let's Get Healthy California Task Force once they are presented.

1. **Inclusion of Essential Community Providers.** The proposed definition of "Essential Community Provider" (ECP) is overly broad and is a significant departure to the ACA, which defines ECPs to be "providers that serve predominately low-income, medically underserved individuals, including…providers defined in section 340B(a)(4) of the Public Health Service Act; and 1927(c)(1)(D)(i)(IV) of the Social Security Act". Contrary to this, the HBEX report recommends that the ECP designation include providers with a patient mix of 30% Medi-Cal for primary care providers and 20% Medi-Cal for specialists. This standard is used in the Medicare and Medicaid Electronic Health Records (EHR) Incentive program, which was designed to be as broad and inclusive of the provider population as possible to ensure the greatest number of providers could qualify for the incentive. As such, it is inappropriate for the ECP designation. SEIU strongly recommends that the Exchange define ECP for physicians more narrowly by increasing the percentages and including a factor for self-pay.

   To be a true ECP, one must serve all members of a community, regardless of their ability to pay. Public and private disproportionate share hospitals and community clinics have for decades consistently served the greatest number of patients who are "predominately" low-income and medically underserved. Community clinics in particular have served over 60% of California's Medi-Cal populations, in addition to their long-standing commitment to serve the uninsured that other providers have turned away.

   We support requiring QHPs to contract with FQHCs (Option A). PPS reimbursement provides for comprehensive, bundled, patient-centered services, which include dental, mental health, pharmacy, primary care, immunizations, chronic care management, care-coordination, interpreters, and much more, thereby keeping patients out of the emergency room and preventing hospitalization. We also support assigning greater weight to QHP networks that include in-network FQHCs (Option D).

   The Exchange should impose transparent standards to evaluate the "sufficient participation" of ECPs in health plan networks in every service area by utilizing the Department of Managed Health Care standards regarding ratio of primary care providers to population, timely access, adequate language access, and cultural competence (Option A). Without meaningful metrics by which to measure "sufficient participation," low income, medically underserved populations are at risk to continue being underserved; and, true ECPs may not have the opportunity to meaningfully participate in the Exchange.

2. **Standardize and simplify.** Health care coverage is complicated and there is already enough confusion today around the basics of health insurance. The experience of Medicare Part D shows that effective education materials are needed to help consumers to evaluate plan attributes efficiently and effectively; this is especially true when there are many choices to be evaluated. To the extent that standardization can be achieved to simplify coverage decisions and choices, SEIU supports HBEX staff recommendations to standardize family tier structures and tier ratios (5B/Question 1, Option C), age factors (5B/Question 2, Option B), minimum out-of-network benefits (5C/Question 5, Option B), and standardized requirements for wellness programs (6C/Question 2, Option C), etc. We plan to submit supplementary recommendations regarding what SEIU judges to be the best way to drive the market towards better coordination of care.

3. **Accessibility.** SEIU recognizes that coverage is only part of the value equation--consumers must have access to care. Given the anticipated numbers of individuals becoming insured, network adequacy and provider availability will be critical to the ongoing success of the exchange. For each QHP service area, there must be providers with capacity to take on new patients, including providers who are culturally and linguistically competent, as well those who can provide care to special needs populations. To this end, we urge the Exchange to consider the value of requiring reporting and collection of such information as part of its efforts to track consumer experiences.

SEIU strongly supports the Exchange's vision of playing an active role in the transformation of California's health care delivery system. We believe that successful implementation of the ACA means transforming how we deliver health care for both the newly-insured and the remaining uninsured, and that public and private safety net hospitals and clinics are a necessary component of a primary care provider network capable of serving all Californians, regardless of insurance status. We appreciate the thoroughness of the Exchange Board.

If you have any questions, please contact Sara S. Nichols at 916 288 1457.

Sincerely,

Sara S. Nichols
Government Relations Advocate