

Qualified Health Plan Solicitation: Update

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California Health Benefit Exchange Board Meeting

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Qualified Health Plan Solicitation: Getting there with our stakeholders

- Implements Qualified Health Plan policies adopted by Board last August.
- First release issued September 25, 2012.
- Second release issued October 23, 2012 following extensive stakeholder input.
- Received and incorporated many comments from consumers, plans, regulators into second release.
- Clarified alignment policy: bidding in individual exchange optional for SHOP bidders.
- Still fine-tuning. Refined selection criteria. Pared back eValue8 Section.
- Solicitation will be converted to electronic version and responses must be submitted electronically. Technical support will be provided to bidders.
- Many state and federal rule dependencies still outstanding: rating regions, actuarial value calculator, rating factors such as family tiers, age bands.
- No state law establishing rating regions for Individual market yet.

Qualified Health Plan Solicitation: Criteria for Selecting Plans

- Develop an overall value selection process that considers quality, service and price for the consumer.
- Offer a healthy mix of HMO and PPO products in each region.
- Assure statewide coverage and recognize different local/regional markets.
- Give preference to bidders who include more Essential Community Providers in their provider networks, giving greater weight to responders who demonstrate commitment to serving the cultural, linguistic and health care needs of the low-income, uninsured population, including by contracting with Federally Qualified Health Centers.
- Encourage innovations in health care delivery that emphasize quality initiatives, increase patient safety and promote care improvement through payment reforms.
- Encourage multi-year contract proposals.

Qualified Health Plan Solicitation: Content of Bid for Certification

Plan Network Design and Cost Information

- Affirm that bid includes one of the standard plan designs for each metal tier.
- Confirm actuarial value for each plan submitted.
- Confirm geographic service area and rating region.
- Complete matrix indicating zip codes of licensed service areas proposed by Qualified Health Plan bidder by plan/product.
- Submission of cost proposal by plan by rating region.
- Confirm that all family tiers and child only are included in plan bids.
- Bids must propose rates that include and exclude pediatric dental essential health benefit; potentially vision contingent on federal rules.
- Multi-year contract proposals preferred.
- Encourage delivery system reforms such as patient-centered medical homes, ACO, proven chronic disease management programs, effective quality and patient safety initiatives.

Qualified Health Plan Solicitation: Provider Network Adequacy and Essential Community Provider (ECP) Network Requirements

- Confirm that Qualified Health Plan provider network has been approved by regulator.
- Submission of ECP network maps demonstrating sufficient geographic distribution of contracted ECP to serve low income population.
- Submit lists of Hospital and Ambulatory Care Providers who are in-network ECPs by geographic service areas.
- Provide overlap analysis demonstrating geographic distribution of both ECP hospital and ambulatory care providers and demonstrate contracts with at least 15% of 340B providers within proposed service area.
- Solicitation library for Qualified Health Plan bidders will include links to: 340B provider list, Health and Safety Code 1204 and 1206 community and free clinics list; doctors on Medi-Cal Electronic Health Record Incentive list, DSH hospital list and maps showing distribution of low-income population by county.
- Bids that include more in-network Federally Qualified Health Centers will be given greater weight.

Qualified Health Plan Solicitation: “Getting to Yes” on Standardized Benefit Plan Designs

Standardized Benefit Plan Designs Have Undergone Thorough Review and Improvement

- Reconvened and Expanded Individual Exchange Stakeholder Workgroup which met on September 19, 2012 and October 9, 2012.
- Intensive and robust discussion among plans, providers and consumer representatives about the details.
- Created Co-Pay and Co-Insurance standard plans.
- Restructured deductible types to accommodate HMO-capitated, delegated model operations.
- Designs consistently prefer co-pays over co-insurance to simplify consumer comparison even in the Co-Insurance plan.
- Standard benefit plan designs are “platform neutral” which allows HMO bids for co-insurance if desired.
- Alternate benefit plan designs will be considered (one per issuer only), but closely scrutinized.

Qualified Health Plans: Plan Design Bidding Rules

- Bidders are required to submit either the Co-Pay or Co-Insurance for every metal tier but may choose to submit both standard plans.
- Issuers have the option of submitting an alternate plan design that is non-standard and are required to offer that plan, if accepted by the Exchange, at the silver coverage tier, at minimum.
- Two-Tier Networks plans can bid one of the Standard Plan Designs; must estimate utilization at each in-network tier to calculate actuarial value/ cost share.
- Developed standardized plan design for Health Savings Account-linked offerings but these plans are optional.
- Clarified that all Qualified Health Plan bidders will be required to bid all ten Essential Health Benefits in addition to a separate rate reflecting exclusion of pediatric dental Essential Health Benefit (with potential of revising bid to reflect exclusion of pediatric vision Essential Health Benefit).

Qualified Health Plans: Notice of Intent to Bid from Prospective Bidders

- October 5, 2012: Notice of Intent to Bid Issued.
- October 17, 2012: Responses Received.
- Not all responding plans may bid for 2014.

Summary:

- 33 distinct health issuers submitted Notice of Intent to provide coverage for both SHOP and Individual Exchanges
- Substantial interest in high population areas will increase competition.
- Five bidders proposing statewide coverage.
- No fewer than six bidders in each area of California

Qualified Health Plans: Response to Notice of Intent to Bid from Prospective Bidders

STATE POPULATION AREAS	% OF PROJECTED UNINSURED 2014 BY AREA	% OF UN-INSURED IN AREA	COMPANIES / PLANS	RATING REGIONS INCLUDED IN POPULATION AREAS	COUNTIES IN RATING REGIONS
NORTHERN CALIFORNIA & COASTAL REGIONS	365,391	6%	No fewer than 6 plans Up to 8	Region 1,2,9	Alpine, Del Norte, Siskiyou, Modoc, Lassen, Shasta, Trinity, Humboldt, Tehama, Plumas, Nevada, Sierra, Mendocino, Lake, Butte, Glenn, Sutter, Yuba, Colusa, Amador, Calaveras, and Tuolumne, Napa, Sonoma, Solano, Marin, , Santa Cruz, Monterey, and San Benito
SAN FRANCISCO BAY AREA	602,739	11%	No fewer than 10 plans Up to 13	Regions 4, 5, 6, 7, 8	San Francisco, Contra Costa, Alameda, San Mateo, Santa Clara
CENTRAL VALLEY	823,431	15%	No fewer than 10 plans Up to 11	Regions 3, 10, 11, 14	Madera, Fresno, and Kings, San Joaquin, Stanislaus, Merced, Mariposa, and Tulare, Kern. Sacramento, Placer, El Dorado, and Yolo
LOS ANGELES AREA	1,780,110	32%	No fewer than 11 plans Up to 12	Regions 15, 16	Los Angeles County ZIP Codes starting with 906 to 912, inclusive, 915, 917, 918, and 935. Los Angeles County ZIP Codes in other than those identified in clause (xv).
SOUTHERN COASTAL AREA	695,388	13%	No Fewer than 11 plans Up to 12	Regions 12, 18	San Luis Obispo, Santa Barbara, Ventura, Orange
INLAND EMPIRE	851,538	16%	No fewer than 7 plans Up to 14	Regions 13, 17	Mono, Inyo, Imperial San Bernardino, Riverside
SAN DIEGO	396,621	7%	No fewer than 15 plans	Region 19	San Diego

Qualified Health Plan Solicitation: What's Next

- Regulations: Solicitation rules will be incorporated into regulations upon Board approval of filing with Office of Administrative Law early next month.
- Addenda will be issued in November:
 - Standardized Benefit Plan Designs (detailed)
 - Qualified Health Plan Model Contract
 - Instructions on submitting electronically
 - Invitations to Technical Assistance Sessions on eValue8 RFI tool
 - Contingent upon federal rules and Board direction, Vision Essential Health Benefit bid separately
- Issue Web login IDs for e-solicitation for responders to the Notice of Intent to Submit Qualified Health Plan Bids issued October 5, 2012. Technical sessions for bidders on both eValue8 tool and use of e-solicitation held throughout November.
- Bidders webinar to allow interactive question and answer in November.
- Continuing coordination and discussion re: timing and process of plan/policy filings with regulator partners; finalize Interagency Agreements based on ongoing meetings and collaboration.

Qualified Health Plans: Current Timeline

Date	Activity
October 30, 2012	Board asked to approve filing of Qualified Health Plan solicitation regulations.
November 7, 2012	Exchange issues Notice of Proposed Emergency Rulemaking (All regulations proposed by Exchange until 2016 are deemed to have emergency status.)
November 15, 2012	File regulations package with Office of Administrative Law.
November 15-21, 2012	Public Comment Period on Proposed Regulations.
November 26, 2012	Last day for approval by Office of Administrative Law.
November 27, 2012	Regulations Effective for 180 days. May be re-adopted as emergency regulations for two sequential 90-day periods. To make permanent, Exchange must follow regular rule-making process.
January 4, 2013	Phase 1 of Qualified Health Plan response to solicitation due.
February 28, 2013	Phase 2 – Provider networks due to regulators
March 31, 2013	Phase 3 – Premium rates due to Exchange