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Peter V. Lee

March 11, 2013

Mr. Gary Cohen
Deputy Administrator & Director
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

Re: Request for Approval of Bridge Program

Dear Mr.  Cohen:

I am writing to request approval of Covered California's proposal to establish a Bridge Program. This proposal provides a strategy that builds on federal guidance and promotes the twin goals of affordability and continuity of care.

Our proposal has been endorsed by the Covered California Board, and has the support of Governor Brown and his Administration. The state legislation that is needed for implementation has been introduced by Senator Ed Hernandez, the Chair of the Senate Health Committee.

In developing our Bridge proposal, our underlying objective has been to develop an approach that encourages greater enrollment among those with the lowest income who are eligible for subsidies. Bridge plans that offer greater affordability and continuity of care will give consumers an important choice they will value, while still allowing them to choose from among all plans and product offered by Covered California.

The resolution adopted by the Covered California Board envisions a two-pronged strategy:

- **Begin Implementation in 2014.** Covered California would, contingent on federal approval, begin the administrative process in 2013 to allow low cost "Bridge" plan options to be offered as soon as possible in 2014. Covered California would negotiate contracts with qualified Medi-Cal Managed Care plans that serve as a "bridge" plan between Medicaid/CHIP coverage and private insurance. Consistent with federal guidance, this proposal would allow individuals transitioning from Medi-Cal or Medi-Cal/CHIP coverage to Covered California to stay with the same issuer and provider network. It would also allow family members to be covered by a single issuer with the same provider network. These Bridge plans could offer very low out of pocket premiums for their transitioning enrollees through contracts with Covered

California. An April 1, 2014 implementation date is assumed due to timing challenges related to the development of information technology functionality issues. Based on this date, the UC Berkeley Center for Labor Research and Education estimates first year enrollment to be between 670,000 and 840,000.

To foster maximum participation of Medi-Cal Managed Care plans and their Bridge plans, the Qualified Health Plan certification process would be streamlined.


- **Conduct Further Discussions with the Federal Government and Research on Potential of Expanding Eligibility for Bridge Plans.** Covered California would continue working with our federal partners to develop a potential proposal that would broaden the eligibility for Bridge plans and would allow participation of Californians up to 200% of FPL. This eligibility expansion would require additional research and assessment of potential marketplace implications and implementation challenges.

Our proposal, which is described in the attached policy brief, addresses the specific issues that were outlined in CMS guidance on Bridge Programs. In addition, we are attaching the proposed statutory language that would establish the Bridge Program, and our enrollment projections from the U.C. Berkeley Center for Labor Research and Education.

We are ready to move forward and look forward to working with you and your staff to fully address any policy or implementation concerns. We are, of course, mindful of the aggressive timeline that is required for launching the Bridge program in 2014 and we hope to begin work as soon as possible.

Thank you for considering our proposal and we welcome the opportunity to work together with you and your staff.

Sincerely,



Peter V. Lee
Executive Director

Attachments