



Emergency Regulations to Adopt Standard Benefit Plan Designs for 2014

Andrea Rosen | August 22, 2013 Board Meeting

COVERED CALIFORNIA 2014 STANDARD BENEFIT PLAN DESIGNS

- Request Board to adopt new emergency regulations that finalize and incorporate the 2014 standard benefit plan designs today.
- Prior Board action approved regulations that included standard benefit plan designs as part of the Qualified Health Plan Solicitation which has now been completed with the final certification of plans and execution of contracts with Covered California plan issuers. These regulations expire on September 27, 2013.
- These standard benefit plan designs are currently part of every Covered California plan issuer's contract with us.
- If approved by Board today, regulation will be filed with OAL next week.
- Once approved and filed with the Secretary of State, regulations will be effective for 180 days with two optional 90 day extensions.
- Exchange will pursue the regular rulemaking process during this period.

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- Regulators need final formal adoption of standard benefit plan designs to enable their enforcement of Insurance Code Section 10112.3 (e) and Health and Safety Code Section 1366.6(e).
- These statutes require all California issuers who are NOT participating in the Exchange to offer one of the standard benefit plan designs at all metal levels for sale outside the Exchange. This is also required by the Government Code
- Regulators are tasked with enforcing these statutes which requires a final standard benefit plan design. Regulators are also tasked with interpreting state and federal laws applicable to all cost sharing.
- These standard benefit plan designs are materially the same as the benefit designs included in the QHP solicitation with one exception.
- The generic drug co-payment was lowered to \$19 for the Gold, Silver and Bronze plans to facilitate QHP compliance with a DMHC regulation. This change was worked out in cooperation with the state's regulators and had only a minor impact on the Silver plan's actuarial value.