

## SUPPLEMENTAL BENEFITS: ADULT VISION

### SUMMARY

Last year, the California Health Benefit Exchange Board endorsed the objective of providing Covered California consumers the opportunity to access supplemental vision benefits. This brief reviews three options for Covered California to provide access to supplemental vision: a state-hosted educational and enrollment referral site, a state-hosted vision care exchange, and a privately-hosted vision marketplace. Staff recommends that the Board direct staff to collaborate with the Office of the Patient Advocate (or another appropriate state entity) to explore the potential of providing Covered California consumers with information about the importance of vision health, and an unbiased list of vision care plan licensed in the state of California, which could be implemented in 2014.

### ISSUE

Under the Affordable Care Act, pediatric vision care is defined as one of the ten essential health benefits, while adult vision care is considered a supplemental, or ancillary, benefit. Because Covered California consumers who enroll their children in vision benefits through a qualified health plan may desire to access similar benefits for themselves, the California Health Benefit Exchange Board has endorsed the objective of providing access to supplemental vision benefits. This brief reviews the options for Covered California to provide access to supplemental vision and recommends a strategy that can be implemented in 2014, in a manner consistent with federal guidelines.

### *Covered California Background on Supplemental Vision*

On October 25, 2012, the Board adopted a [policy](#) to offer supplemental dental and vision benefits in the individual and Small Business Health Options Program (SHOP) Exchanges. Covered California advised the Centers for Medicaid and Medicare Services, Center for Consumer Information and Insurance Oversight (CCIIO) of its intention to offer stand-alone vision and supplemental adult vision in a [November 9, 2012 letter](#), requesting clarification about the federal rules that govern these benefits. Following guidance from CCIIO (discussed below), Covered California has worked with its Plan Management and Delivery System Reform Advisory Group and stakeholders in the vision care industry, consumer advocates, and regulators to identify feasible options (including an assessment of what other states are doing) for implementing the Board's objective to make adult vision available to Covered California consumers.

### *Federal Guidance Governing Implementation*

Subsequent to the Board's October 2012 decision, [March 29, 2013 guidance from CCIIO](#) clarified that an Exchange may only offer qualified health plans, including stand-alone dental plans, to qualified individuals and qualified employers. However, ancillary insurance products, which are not qualified health plans, may be offered by separate state programs that share resources and infrastructure with a state-based exchange provided the following conditions are met:

- The Exchange neither provides services nor makes non-qualified health plans available in a manner that is prohibited or inconsistent with the Affordable Care Act;
- The agency or program facilitating the coverage must be **legally and publicly distinct** from the Exchange;
- **Federal funds must not be used** to support these "non-Exchange activities" and Exchange **user fees and assessments may not be used** to support these non-Exchange activities; and
- To the extent that an Exchange resource is used for non-Exchange purposes, the cost of using the resource must be paid by the other, non-Exchange state program.

The supplemental vision recommendation approved by the Board in October 2012 envisioned that Covered California would solicit bids for supplemental adult vision plans for both the individual market and the Small Business Health Options Program, to offer these products in a consumer-friendly fashion and position Covered California as a comprehensive channel for a variety of health insurance options. The subsequent federal guidance, however, dictates that implementation of such a state-based marketplace can only be by a separate, state-based program. This entity can only share information technology resources with the exchange to the extent that this entity is legally and publicly distinct from Covered California, and no federal funds or Covered California user fees are used.

### *Policy Considerations*

The following criteria are being considered in evaluating the options for implementing a mechanism to make supplemental adult vision available to Covered California consumers:

- **Access to Education and Information About Vision Care:**  
Consideration of the need for consumers to understand their options for vision care, given that health plans for children will include vision coverage as an essential health benefit, but health plans for adults will not.
- **Active Purchasing and Standard Benefit Designs for Quality and Affordability:**  
Consideration of whether the entity offering the supplemental adult vision options should provide access to all vision plans in the marketplace as they exist today, or

should follow a solicitation process, and employ criteria for which plans would qualify (such as implementing standard benefit designs or an actuarial value requirement).

- **Consumer-friendliness and Smooth Enrollment:**  
Consideration of the consumer shopping experience for accessing optional supplemental adult vision benefits through a link to a separate webpage to enroll in existing individual plan offerings, after a consumer completes check-out for Covered California plans.
- **Feasibility:**  
Consideration of operational and technological feasibility as well as compliance with federal guidance.

## OPTIONS FOR CONSIDERATION

In light of the federal guidance governing implementation of these benefits, there are three ways Covered California could realize the objective of connecting consumers to supplemental adult vision benefits as described below:

- Option 1 – State-hosted Educational and Enrollment Referral Site
- Option 2 – State-hosted Vision Care Exchange
- Option 3 – Privately-hosted Vision Marketplace

### *Option 1 – State-hosted Educational and Enrollment Referral Site*

To fulfill the need to educate consumers about the importance and availability of vision care, federal guidance permits Covered California to provide a link to information about vision insurance. Under this option, Covered California staff would work with a partner state entity to establish an informative webpage providing information about vision benefits. The Office of the Patient Advocate (OPA) may be a potential sponsor of such a site. The Office of the Patient Advocate has indicated that providing information and enabling consumers to act to purchase coverage is consistent with its mission and statutory authority. This option would thus lead consumers from the Covered California website to an Office of the Patient Advocate informational webpage, from which consumers could explore basic information about vision health and benefits, and a simple, unbiased list of each vision insurance plan licensed in the state of California, potentially with corresponding links to their respective homepages. When providing information about available vision plans, the Office of the Patient Advocate cannot apply any selective criteria other than legal operation in the state, nor could it direct consumers to any specific products from licensed plans. As a result, this option would not enable active purchasing, standard benefit designs, or a mechanism to encourage smooth enrollment.

This option is technologically straight-forward to implement and, provided an agreement can be reached swiftly with the Office of the Patient Advocate or another entity, is feasible for 2014.

### *Option 2 – State-hosted Vision Care Exchange*

The option of a separate, state-managed marketplace would allow for a more selective approach in providing consumers with vision coverage options. Creating such a new marketplace would likely require the establishment of a new statutorily created state entity. With specific authority and governance, this new entity could establish its own criteria and process for determining which vision plans offer the best value for consumers. This option would go further to ensure consumers are well-informed, can make “apples-to-apples” comparisons, and can smoothly enroll into supplemental vision care. Under this option, a Covered California consumer could transition smoothly from the Covered California shopping experience to a similar marketplace to select vision products. This option would likely require legislation and could not be implemented in the 2014 plan year.

### *Option 3 – Privately-hosted Vision Marketplace*

Under a third option, as proposed by VSP Global, Covered California could link to a vision marketplace managed by a private, outside not-for-profit entity in order to better satisfy the goals of a consumer-friendly experience that leads to informed shopping and possible enrollment by consumers. Under this option, Covered California could set the criteria for which plans would be allowed to compete for consumers, but the actual marketplace would be managed by a separate and legally distinct entity. The National Association of Vision Care Plans indicated its willingness to host such a site ([letter of August 19, 2013](#)). However, assessment of this option by staff raises concerns about its legal feasibility for both the exchange and the private entity, including concerns about state endorsement of a private marketplace, and possible anti-trust issues that may arise from having an industry trade association act as a gatekeeper to a marketplace. Additionally, because the existing federal guidance only addresses the use of separate, state-based programs to offer access to supplemental benefits, clarification from CCIIO would be needed to understand whether the use of a private marketplace would be permitted. For these reasons, this option is not being submitted to the Board as an implementable alternative at this time.

*Summary of Options and Analysis*

Table 1 below presents a summary of the options available to Covered California to provide access to supplemental adult vision benefits. In light of the legal uncertainties under Option 3 discussed above, it is not included at this time.

<b>Table 1</b>		
<b>Supplemental Adult Vision Implementation Options</b>		
	<b>Option 1</b>	<b>Option 2</b>
	<b>State-hosted Educational and Enrollment Referral Site</b>	<b>State-hosted Vision Care Exchange</b>
<b>ENTITY</b>	<ul style="list-style-type: none"> <li>▪ State entity (potentially OPA)</li> </ul>	<ul style="list-style-type: none"> <li>▪ State entity (undetermined)</li> </ul>
<b>PROS</b>	<ul style="list-style-type: none"> <li>▪ Provides access to information about importance of vision care to consumers, with link to visit plan page in order to purchase.</li> <li>▪ Technologically feasible in 2014.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensures that supplemental vision offerings conform to Covered California mission and active purchaser standards.</li> <li>▪ “Apples-to-apples” comparisons.</li> </ul>
<b>CONS</b>	<ul style="list-style-type: none"> <li>▪ No active purchaser to conduct selective contracting.</li> <li>▪ No standard benefit designs.</li> <li>▪ No “apples-to-apples” comparisons.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not feasible in 2014.</li> <li>▪ Would require legislation.</li> </ul>
<b>SUMMARY</b>	<b>Option 1</b>	<b>Option 2</b>
Education	✓	✓
Active Purchase	✗	✓
Smooth Enrollment	✗	✓
Feasibility	✓	✗

**RECOMMENDED APPROACH**

Staff recommends that the Board direct staff to work towards Option 1, and collaborate with the Office of the Patient Advocate (or another appropriate state entity) to provide Covered California consumers information about the importance of vision health, and an unbiased list of vision care plans licensed in the state of California. This option does enable consumers to get immediate access to unbiased education about vision care and where they may shop for such coverage. However, staff acknowledges that this approach does not fully capture the consumer experience originally envisioned when the Board adopted the policy to pursue supplemental vision in October 2012.

## REFERENCE MATERIAL

Center for Consumer Information and Insurance Oversight (CCIIO), “Frequently Asked Questions on Reuse of Exchange for Ancillary Products,” (March 29, 2013):  
<http://www.cms.gov/CCIIO/Resources/Files/Downloads/ancillary-product-faq-03-29-2013.pdf>.

Covered California, “Board Recommendation Brief; Qualified Health Plan Policy Revision: Supplemental and Pediatric Essential Health Benefits: Dental and Vision,” (October 25, 2012):  
[http://www.healthexchange.ca.gov/BoardMeetings/Documents/October30\\_2012/VII-B\\_HBEX-SupplementalBenefits\\_BRB\\_102512.pdf](http://www.healthexchange.ca.gov/BoardMeetings/Documents/October30_2012/VII-B_HBEX-SupplementalBenefits_BRB_102512.pdf).

Covered California, Letter from Peter V. Lee to Gary Cohen, Director, Center for Consumer Information and Insurance Oversight regarding Stand-Alone Vision Plans (November 9, 2012):  
[http://www.healthexchange.ca.gov/BoardMeetings/Documents/November%2014\\_2012/V\\_HBEX\\_LettertoCCIIOreSupplementalBenefits\\_11-7-12.pdf](http://www.healthexchange.ca.gov/BoardMeetings/Documents/November%2014_2012/V_HBEX_LettertoCCIIOreSupplementalBenefits_11-7-12.pdf).

National Association of Vision Care Plans, Letter to Peter V. Lee, (August 19, 2013):  
[http://www.healthexchange.ca.gov/BoardMeetings/Documents/August%2022,%202013/MASTER%20-%20Comments%20to%20the%20Board\\_August%2022nd.pdf](http://www.healthexchange.ca.gov/BoardMeetings/Documents/August%2022,%202013/MASTER%20-%20Comments%20to%20the%20Board_August%2022nd.pdf).

VSP Global, “Revised California Supplemental Vision Coverage Proposal,” as transmitted via e-mail to David Panush (June 12, 2013):  
[http://www.healthexchange.ca.gov/BoardMeetings/Documents/June%2020,%202013/Comments%20to%20the%20Board%20-%20Table%20of%20Contents\\_June\\_MASTER.pdf](http://www.healthexchange.ca.gov/BoardMeetings/Documents/June%2020,%202013/Comments%20to%20the%20Board%20-%20Table%20of%20Contents_June_MASTER.pdf).