



COVERED
CALIFORNIA

COVERED CALIFORNIA POLICY AND ACTION ITEMS

November 19, 2015

2017 QHP: RECERTIFICATION, NEW ENTRANT

Anne Price, Director of Plan Management Division

2017 CERTIFICATION PROCESS

- Covered California is in the process of determining our 2017 certification policies that take into consideration a multi-year strategy.
- Subcommittees, comprised of stakeholders, regulators, and carriers have been meeting to review benefit design changes and new carrier quality requirements that could be included in the 2017 certification application and final contract for Individual, Small Business and Family dental lines of business.
- The majority of work is expected to be completed in early January with a staff recommendation to the board in the January board meeting and final approval by the board expected during the February board meeting.
- The 2017 application process is expected to run through May 1st, with negotiations occurring late May through mid June.

2017-2019 INDIVIDUAL CERTIFICATION GUIDING PRINCIPLES

Provide stability for consumers by having a stable portfolio with three-year contracts, of carriers, products, and networks that offer distinct choice and quality healthcare at a cost with annual changes that are at, or below, trend.

- May allow for the consideration of new carriers in 2018 and 2019 based on differentiation of product, network, operational capabilities, and quality innovations that will benefit Covered California consumers.
- Promote continued growth and implementation of integrated models of care such as Accountable Care Organizations (ACO), Medical Homes, and models that reimburse and support primary care.
- Implementation of new provider payment models that benefit consumers receiving the right care, at the right time and right place.
- Allows for annual changes to benefit designs that promote preventative care, increase management of chronic conditions and increase access to needed care.
- Revise contract to require continued improvement and hold carriers accountable for the delivery of quality care to consumers that focuses on the unique economic, demographic and regional variation that exists within our membership.
- Require efforts that increase new enrollment, effectuation, and improve retention.
- Identify opportunities to reduce administrative costs to favorably impact affordability.

PROPOSED APPROACH FOR 2017 INDIVIDUAL CARRIER CERTIFICATION

- For 2017, recommend one QHP Certification application that is open to all licensed health insurers with selection criteria that reflects consumer choice, value, quality and stability.
- The 2017 application is for a multi-year contract term (2017 – 2019) with annual plan re-certification that includes review and Covered California approval of the following:
 - Contract compliance and performance review
 - Rates
 - Benefits
 - Networks
 - New products
 - Updates to Performance Requirements
- May allow new entrants in 2018 and 2019 if the carrier is newly licensed or a Medi-Cal managed care plan and the addition brings value to what is already being offered in the region(s).
- Consider changing exchange participation fee amount or methodology that may include changing the structure of the fee to a percent of gross premium.

2017-2019 DENTAL CERTIFICATION GUIDING PRINCIPLES (INDIVIDUAL AND COVERED CALIFORNIA FOR SMALL BUSINESS)

With family dental being a new option for 2016 for the Individual market, the guiding principles for 2017 certification will be focused on stability in products offered and stability in future premium changes as we look to continue increasing enrollment in this line of business.

- Focus on strategies to retain members and increase new enrollment.
- Provide stability for consumers by having a portfolio of carriers, products, and networks that offer unique choice and quality dental care at a cost with annual changes that are at or below trend.
- Allows for annual changes to benefit designs that promote preventive care and value.
- Require continued improvement in the quality of care provided to consumers.

PROPOSED APPROACH FOR 2017 DENTAL PLAN CERTIFICATION (INDIVIDUAL AND CCSB)

- For 2017, recommend one QDP Certification application that is open to all licensed dental plans.
- The 2017 application is for a multi-year contract term (2017 – 2019) with annual plan re-certification that includes review and Covered California approval of the following:
 - Contract compliance and performance review
 - Rates
 - Benefits
 - Networks
 - New products
 - Updates to Performance Requirements
- No new dental insurer entrants through 2019 except newly licensed.
- Allowance for changing exchange participation fee that includes changing the structure of the fee to a percent of gross premium for HMO and PPO dental plans.

2017-2019 SMALL GROUP CERTIFICATION GUIDING PRINCIPLES

Guiding principles for 2017 certification are focused on increasing Covered California enrollment in the expanded small group market with a strategy that offers long term cost sustainability for consumers

- Consider how the individual carrier portfolio aligns and complements the small business portfolio.
- Provide a competitive portfolio of products that will offer employees of small groups the choice to enroll with a carrier that is focused on providing quality care at premiums that are at or below other options available in the small group market.
- Flexibility to adjust products, networks and premiums consistent with regulatory requirements.
- Certification and contract requirements that include expectations for quality improvement.
- Benefit designs that promote preventive care, increase management of chronic conditions and increase access to needed care.
- Opportunities to reduce administrative costs to favorably impact affordability.

PROPOSED APPROACH FOR 2017 SMALL GROUP CERTIFICATION

- Covered California for Small Business QHP certification application, open to all licensed health insurers and not limited to carriers who are QHPs for Individual
- Multi-year contract term (2017 – 2019) with annual carrier certification that includes review of premium competitiveness and stability, performance, and compliance with QHP contract requirements
- Allowance of new carrier entrant off annual certification cycle if the carrier is a Qualified Health Plan for the Individual product*
- Allowance for quarterly change in rates, products, plans and networks (subject to Covered California approval)*

*staff is recommending that the last two items be changed in the 2016 regulations to allow for these changes in the 2016 calendar year

2017 BENEFITS AND CONTRACT UPDATE

Anne Price, Director of Plan Management Division

OBJECTIVES OF COVERED CALIFORNIA'S 2017 BENEFIT DESIGN AGENDA

Organizational Goal

Covered California should have benefit designs that are standardized, promote access to care, and are easy for consumers to understand.



Benefit Design Goal

Provide input to Covered California staff as we develop recommendations for the 2017 benefit plan designs that consider a progressive strategy of potential benefit changes through 2019

Subcommittee Objectives

1. Address benefit design priority areas that will reduce barriers and improve consumers' access to needed care
2. Consider benefit changes that align value with improved health outcome
3. Identify and recommend benefits changes that may be necessary to meet Actuarial Value (AV) requirements
4. Identify benefit design areas that should be improved for consumer understanding of coverage and ease of plan comparison

OBJECTIVES OF COVERED CALIFORNIA'S 2017 QUALITY AND VALUE AGENDA

Organizational Goal

Covered California will be a catalyst for change in California's health care system, using its market role to stimulate new strategies for providing high-quality, affordable health care, promoting prevention and wellness, and reducing health disparities



Quality Subcommittee Goal

Provide input to Covered California staff as we develop recommendations for 2017 contract requirements that will target further improvements for the quality and delivery of care to consumers and align efforts for participation with other State and Federal initiatives

Provide feedback on goal-setting with an eye for targeted improvements by 2020

2017 CERTIFICATION PRELIMINARY TIMELINE

ACTIVITY	DATE
Medical, Dental Benefits and Quality Subcommittee Meetings with Carriers, Stakeholders and Regulators	September – Nov 2015
Plan Management Advisory Updates of Subcommittee Meetings	October 15 th and November 12 th
Continued Subcommittee Meetings	December 2015 – January 2016
Plan Advisory Meetings	January and February 2016
Board Recommendation for 2017 Certification, Benefits Designs and Contract Quality Requirements	January 2016 (Date TBD)
Board Approval of 2017 Certification, Benefits Designs and Contract Requirements	February 2016 (Date TBD)
2017 Application Open to Health and Dental Plans	March 1, 2016
2017 Application Due to Covered California	May 2, 2016
Covered California Application Evaluation and Carrier Negotiations	June 6 – June 17
Public Announcement of Preliminary Rates	Week of July 4
Regulatory Review of Rates Begins	Week of July 4

INDIVIDUAL ELIGIBILITY & ENROLLMENT REGULATIONS READOPTION (Action)

Katie Ravel, Director of Policy, Evaluation, and Research

KEY CHANGES TO ELIGIBILITY & ENROLLMENT REGULATIONS

- Covered California staff is seeking action this month to readopt with changes
- Staff continues to work with stakeholders to refine the appeals regulations to reflect process improvements
 - Clarifies the language regarding expedited appeals and appeal decisions
 - Clarifies the language regarding the implementation of the appeal decisions
 - Adopted timeframes for implementing appeals decisions
- Non-Tax Filer attestations

Resolution 2015-68

CERTIFIED INSURANCE AGENTS (Repeal)

Kirk Whelan, Director of Outreach and Sales

AGENT REGULATIONS

- Agent regulations were developed to incorporate the terms of the Agent Agreement
- Recent legislation clarifies that Covered California agreements do not need to be promulgated in regulations.
- Due to our amending the Agent Agreement, the current regulations will be out-of-date.
- Since there is no longer a need to put the Agent Agreement in regulations, staff is recommending the repeal of the agent regulations and is seeking Board approval to do so.

Resolution 2015-69