



EXECUTIVE DIRECTOR'S REPORT

Peter V. Lee, Executive Director | August 20, 2015 Board Meeting

ANNOUNCEMENT OF CLOSED SESSION ACTIONS

OVERVIEW

Executive Director's Report

- 2016 Individual Plan Rates
- Quality Reporting
- Covered California for Small Business Update
- Sales Update
- Board Calendar

Covered California Policy and Action Items

- Vision Plan Policy
- Agent Responsibilities
- Individual Eligibility and Enrollment Regulations Readoption

Enhancing the Patient-Centeredness of State Health Insurance Markets State Progress Reports

National Health Council, July 2015

California Progress Report

STATE ACTIONS PROTECTING PATIENTS IN THE EXCHANGE

OVERVIEW

States vary in terms of the patient-centeredness of their health insurance markets. While federal rules set minimum requirements for consumer protections, some states have taken extra steps to make their markets more patient-focused. This Progress Report measures a state across five principles to assess how well its insurance market is designed to meet the needs of people with chronic diseases and disabilities.

FIVE PATIENT-FOCUSED PRINCIPLES

NON-DISCRIMINATION

To ensure cost sharing and other plan designs do not discriminate or impede access to care.

- California prohibits issuers from altering product benefit design from copayment to coinsurance or vice versa, or shifting product types (e.g., PPO, HMO).
- Sixteen unique platinum plans in the 2015 exchange.
- California enacted legislation increasing provider network adequacy and timely access to care, and prohibited plans from narrowing networks beyond normal network churn.
- The premium for the 2nd lowest cost silver plan is 1% higher in 2015 than it was in 2014.²

For non-discrimination metrics, relative to other states, California is a  High-Performing State

TRANSPARENCY

To promote better consumer access to information about covered services and costs in exchange plans.

- California's website offers a cost calculator to help consumers estimate their annual medical spending for each plan offering. The enrollment portal allows consumers to filter plan options and has links to plans' provider directories and formularies. However, the website lacks formulary and provider search tools.
- No state action regarding contracting requirements for plan information transparency.

For transparency metrics, relative to other states, California is an  Average-Performing State

CALIFORNIA HIGHLIGHTS

California established a state-based exchange, called [Covered California](#).

In the 2014 plan year, 1.2 million Californians selected an exchange plan through [Covered California](#). About 31% of California residents who are eligible for exchange coverage are enrolled in an exchange plan in 2014.³

California expanded Medicaid, effective January 1, 2014.

PROGRESS LEGEND

This report measures states using two methods of evaluation:
First, the report measures a state's performance on a series of metrics related to the five principles.

- Beneficial for Patients
- Neutral for Patients
- Negative for Patients


Second, the report compares a state's aggregate performance on all metrics within each principle to other states' performance on these same metrics.

- High-Performing
- Average-Performing
- Low-Performing

STATE OVERSIGHT

To ensure all health insurance exchange plans meet applicable requirements.


- Active purchasing—the state actively negotiates with plans to participate in the exchange.
- California requires multi-year contracts, limits the number of bids submitted by issuers, and requires plans to offer products in specific metals levels, including catastrophic plans.
- Its effective rate review program allows the state to manage premium increases.⁴
- Eleven carriers in the 2015 exchange.

For state-oversight metrics, relative to other states, California is a  High-Performing State

UNIFORMITY

To create standards to make it easier for patients to understand and compare exchange plans.


- California standardized benefit designs.
- California rates exchange plans using a four-star quality rating system, derived from consumer survey results.
- California requires issuers to provide formularies online and update the information monthly. The state is developing a standard formulary template that will be implemented by January 1, 2017.

For uniformity metrics, relative to other states, California is a  High-Performing State

CONTINUITY OF CARE

To broaden sources of coverage and protect patients transitioning between plans.

California is awaiting approval to implement Bridge Plans, which aim to reduce the effects of churn between Medicaid and the exchange. The state requires managed care plans to allow enrollees to continue seeing providers who have left their plan's network per the enrollee's request, for a specified time frame.⁵

For continuity-of-care metrics, relative to other states, California is a  High-Performing State

A MORE PATIENT-FOCUSED CALIFORNIA MARKETPLACE

California has achieved considerable success in fostering a patient-focused market, as they have taken numerous actions, beyond the minimum requirements, that benefit patients.

However, exercising regulatory power

Covered California: High Performance In Patient-Centeredness

2016 INDIVIDUAL PLAN RATES

Anne Price, Director Plan Management

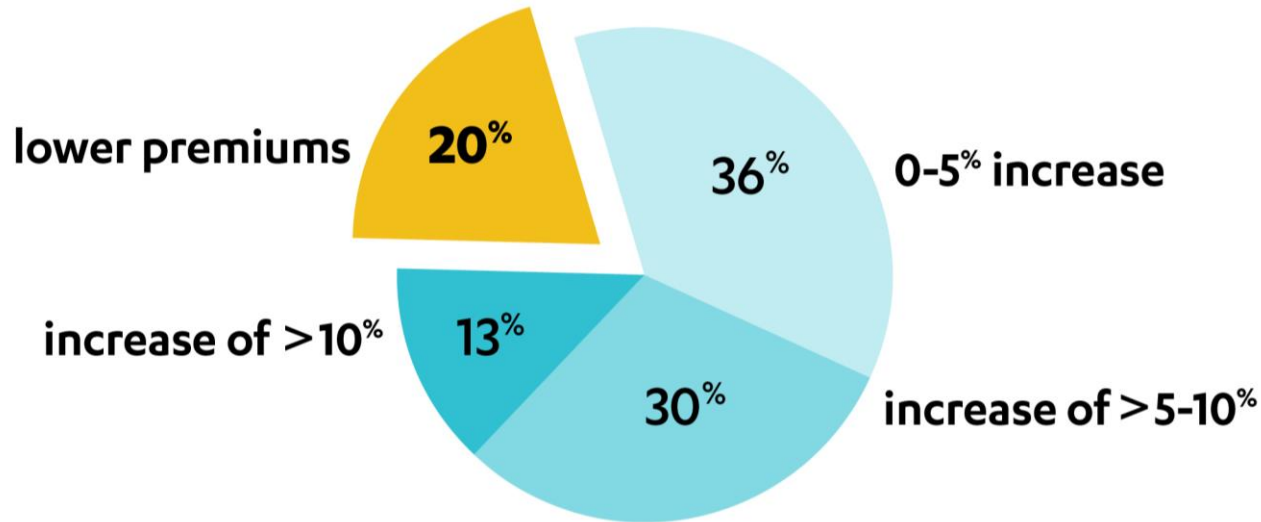
2016 INDIVIDUAL CERTIFICATION HIGHLIGHTS

- Statewide average increase of **4.0%** which is slightly less than the 2015 statewide average of 4.2%
- If consumers were to shop and switch to the lowest cost carrier in their same metal plan, the average rate decrease would be **-4.5%**
- California's historical average rate increase in the individual market for the prior three years to 2014 was 9.8%, so there has been **significant improvement** in the last two years
- Rate increases vary regionally. Consumers in the South will see lower increases (1.8%) compared to those who live in the North (7%)
- Two new carriers, **United** and **Oscar**, will be offered on the exchange in specific regions
- With the addition of the new carriers, and the expanded service area of Blue Shield, Health Net and Molina, over **99%** of our consumers will have at least three carrier options and **100%** will have two

IF STAYING WITH THEIR CURRENT PLAN, 56% OF CONSUMERS WILL HAVE A PREMIUM CHANGE OF 5% OR LESS

- 20% would have premiums that are less in 2016

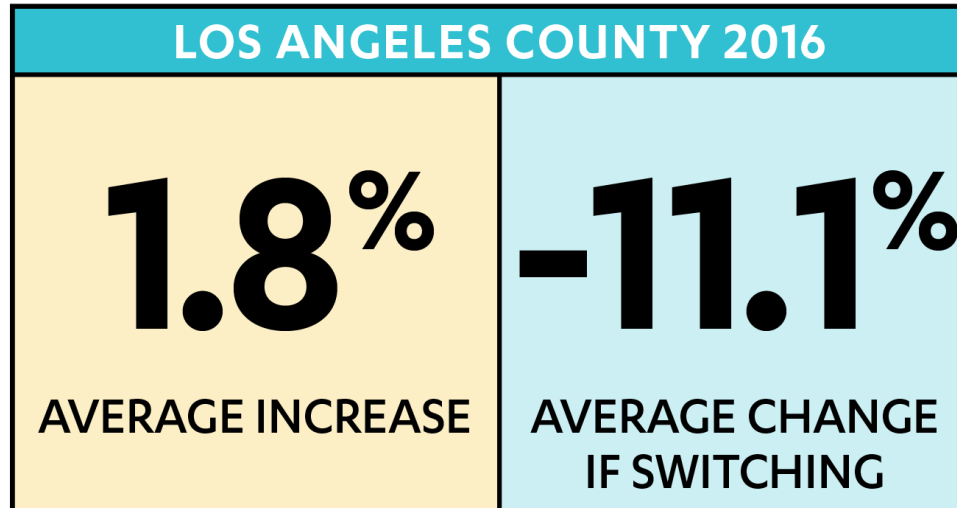
Changes To 2016 Premiums
If Consumers Stay with Current Plan



EXAMPLE IF A CONSUMER WERE TO SWITCH CARRIERS TO THE LOWEST PRICED CARRIER IN THEIR SAME METAL TIER

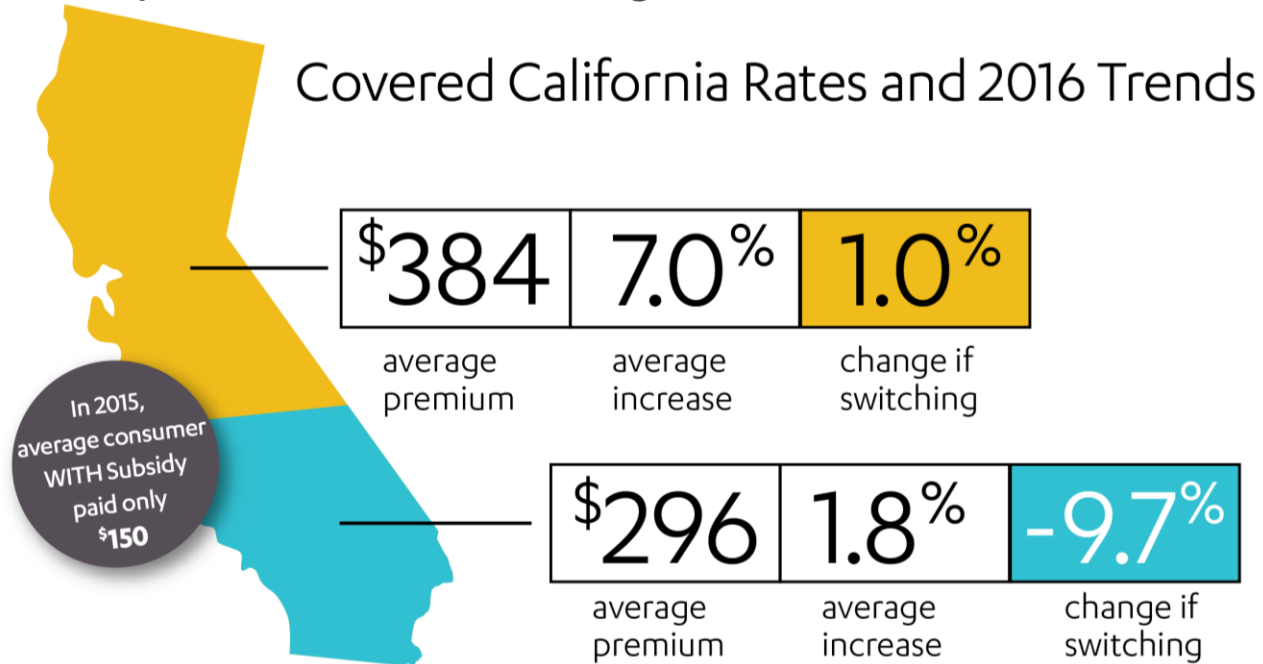
- With the addition of new carrier options, consumers should check to see if there is a more affordable option that works for them

Covered California 2016 Rate Changes in Los Angeles



HEALTHCARE IS LOCAL AND WHERE YOU LIVE DRIVES PREMIUM DIFFERENCES

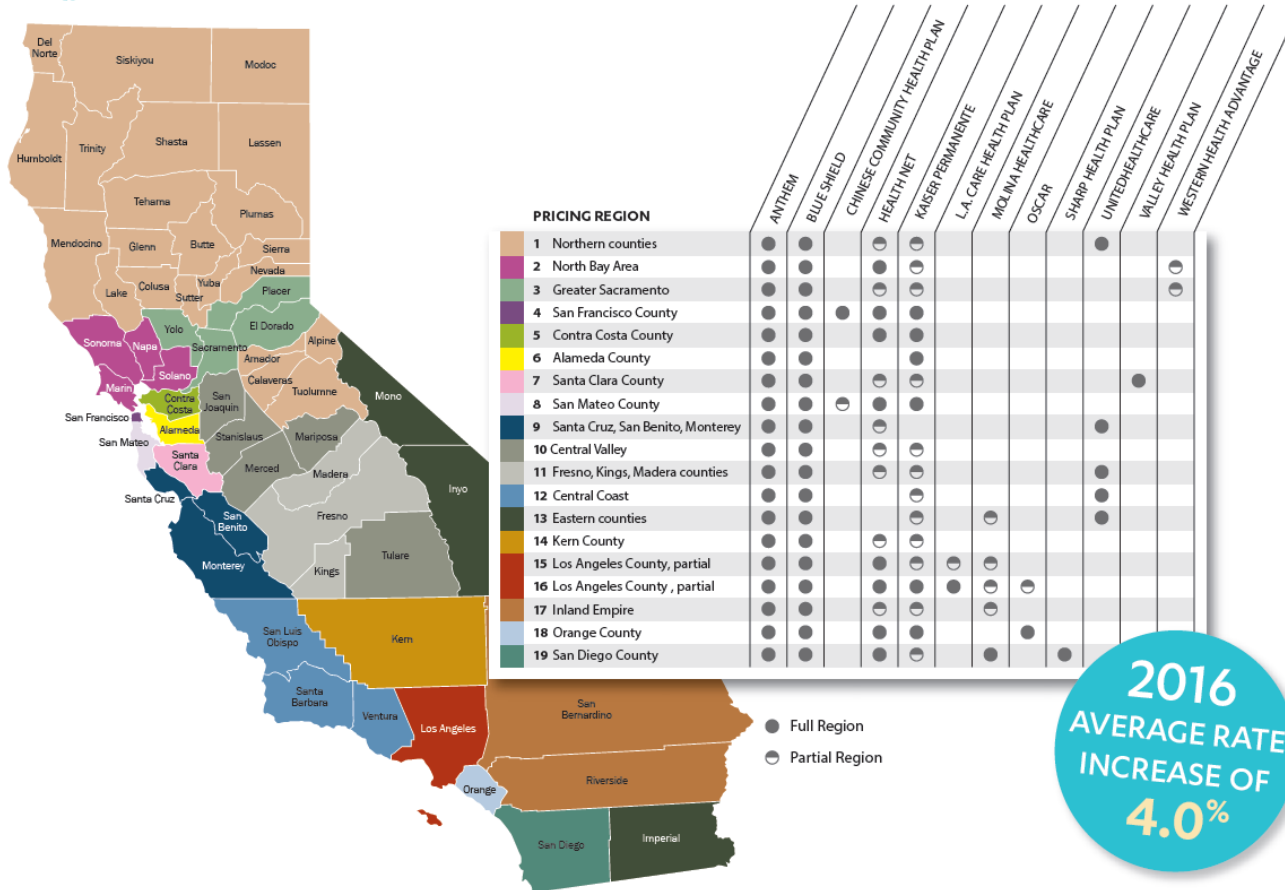
- Premiums and 2016 rate changes are higher in the North regions of the state compared to Southern regions



INCREASED CONSUMER CHOICE

- The majority of consumers will have at least three carriers to choose from and in some cases as many as seven
 - Blue Shield expanding to all zip codes within the state
 - Health Net expanding to cover partial areas of regions 1,3 and 11
 - Molina expanding to cover partial areas of regions 13 and 17
- 99.6% of consumers can choose from three or more carriers
- Consumers will have access to more hospitals with more carrier options

COVERED CALIFORNIA HEALTH PLAN OFFERINGS FOR 2016: BROADER CHOICE, MORE LOCAL OPTIONS AND BETTER TREND



2016
AVERAGE RATE
INCREASE OF
4.0%

HOW WE GOT HERE: AFFORDABLE CARE ACT NEW RULES

- Requirement that 80% of each premium dollar is spent on healthcare for consumers
- Risk adjusting the individual marketplace so carriers are not avoiding enrollment of unhealthier individuals
- Protection to carriers through reinsurance and risk corridors in the first years to provide a level of security for unknown enrollment mix

HOW WE GOT HERE: CALIFORNIA TAKING ADDITIONAL STEPS AS AN ACTIVE PURCHASER FOR CONSUMERS

- Requirement that all individual plans be converted to comply with ACA requirements in 2014 resulting in a healthy population mix
- Standard benefit designs – creates apples-to-apples comparison and assures out-of-pocket expense does not limit access
- Selection and oversight of health insurance carriers
- Data driven negotiations

2016 negotiations saved California consumers over \$200 million in premium savings!

HOW WE WILL CONTINUE TO PROMOTE VALUE

Promoting Quality Care



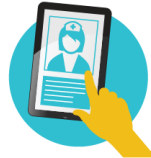
**Integrated and
coordinated care**



**Addressing
health disparities**



**Innovations
in customer
service**



**Telehealth to
expand access**



**Empowering
consumers
with tools**



**Prevention and
wellness programs**



**Managing
chronic disease**

COVERED CALIFORNIA HEALTH PLAN QUALITY REPORTING FALL 2015: REPORTING UPDATE

Dr. Lance Lang, Chief Medical Officer

WHERE WE HAVE BEEN: COVERED CALIFORNIA HEALTH PLAN QUALITY REPORTING

- Covered California has produced quality ratings based on the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey for open enrollment 2013 and 2014 that was based on **commercial, non-exchange** health plan surveys because individual product-only surveys were not available
- 4 star scale: 75th percentile and above earns top rating
- Regional PPO benchmark applied to all products to determine star ratings

Publicly reported 2013, 2014

Qualified Health Plan (QHP) Global Rating	Domains	Composites/Measures	# of Questions
Global Rating of Plan (Star Rating)	Access to Care	Getting Needed Care	2
		Getting Care Quickly	2
	Doctors & Care	Rating of All Health Care	1
		Rating of Personal Doctor	1
		Rating of Specialist	1
	Plan Service	Customer Service	2
		Rating of Health Plan	1

WHAT COVERED CALIFORNIA HEALTH PLAN QUALITY REPORTING LOOKS LIKE TODAY

- Current sample quality reporting fact sheet for Region 15 & 16

REGIONS 15 & 16 — Los Angeles County	Quality Rating
Anthem Blue Cross of California EPO, HMO	★ ★ ★
Blue Shield of California PPO	★ ★ ★
Health Net HMO, HCSP	★ ★ ★
Kaiser Permanente HMO	★ ★ ★ ★
L.A. Care Health Plan HMO	★ ★
Molina Healthcare HMO	★ ★



Released for open enrollment 2014 for 2015 plan year

WHERE WE ARE GOING

- **For 2015 Open Enrollment, Covered California will report QHP CAHPS Survey results from the CMS-mandated beta test of the Quality Rating System (QRS)**
- Covered California is sharing available results from the **first survey of Exchange enrollees** in advance of the federal program to report quality starting next year.
- Only satisfaction scores are available at this time.
- CMS set a target survey sample of 1,000 enrollees for each QHP product; samples included individual and small group and on-Exchange and off-Exchange enrollees.
- Beginning in 2016, the federal and state-based Marketplaces will be required to report standardized measures including both satisfaction and clinical metrics calculated by CMS

2015 QHP ENROLLEE SURVEY RESPONDENTS

The QHP Enrollee Survey used CAHPS-based measures to assess member experience for the July-December 2014 measurement period

- **The majority of results are based on individual exchange enrollees**
 - 13% of respondents are from Covered California Small Business (CCSB)
 - 17% of respondents are individual off-exchange
 - 70% of respondents are individual exchange
- **There were similar results among members whether On-Exchange, Off-Exchange or Small Business**
- **Overall 21% survey response rate (2,957 completes)**
 - Average 211 surveys completed per carrier reporting unit
 - Low response rate impacted the ability to rely on some measures.
- **All QHP products have reportable results**
 - Twelve products will be reported (11 individual and 1 CCSB-only)

RECOMMENDED CHANGES TO PRELIMINARY APPROACH FOR 2015 REPORTING

Preliminary Approach Discussed April Board Mtg.	Preliminary Direction
Report the same 10 measures used in last 2 years	Use fewer measures per limits of smaller survey sample sizes
Expand from a 4-star rating to a 5-star rating system-use 25 th , 50 th , 75 th , & 90 th percentiles to create the 5 performance categories	Due to CalHEERS limitations, continue with 4-star system
Report ratings at the product type level (HMO, PPO, EPO)	Yes
Report the global rating in the health plan compare summary online and in print	Yes
Report the 3 domain ratings (Access, Plan Service, Doctors & Care) publicly	Domain ratings not doable given fewer measures per limits of smaller survey sample sizes

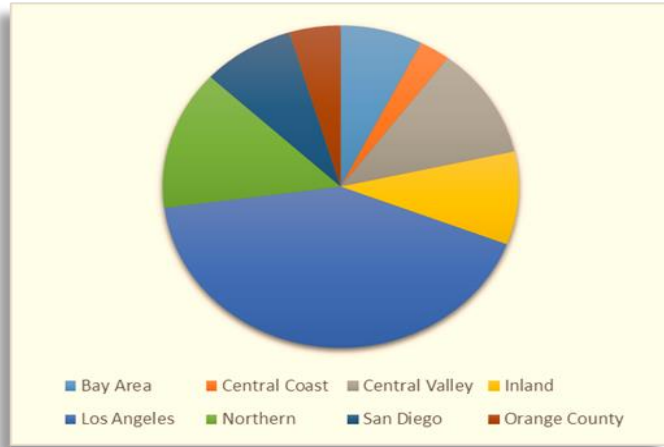
COVERED CALIFORNIA FOR SMALL BUSINESS

COVERED CALIFORNIA FOR SMALL BUSINESS

- **Current Enrollment through July 2015**
 - Groups: 2,763
 - Members: 18,476
 - Average Group Size: 6.6
- **Automation Update**
 - Carriers Payments are now automated
 - Automation of General Agent payments is in final testing
 - Automation of Agent payments is underway
- **Agent Commissions**
 - May Commissions Paid
 - June Commissions have been sent to the SCO
 - July Commissions are in process

NAVIGATOR PROGRAM

NAVIGATOR PROGRAM – APPLICATIONS RECEIVED



Region	Applications Submitted	Amount Requested
Bay Area	8	\$1,325,000
Central Coast	3	\$475,000
Central Valley	12	\$2,314,500
Inland	10	\$2,685,000
LA	45	\$7,779,359
North	15	\$3,295,528
Orange	5	\$750,000
San Diego	9	\$1,643,750
Total	107	20,268,137

Purpose	Engage entities or collaboratives to reach, enroll, and renew consumers in each of the established regions across the state that share common characteristics such as language, ethnicity or employment sector.
Grant Award Sizes	\$50,000 - \$500,000

NAVIGATOR PROGRAM – APPLICATIONS AWARDED

- Projected number of Certified Enrollment Counselors (CECs) that will be supporting the 69 Navigator Grantees = 1,755

Region	Applications Awarded	Amount
Bay Area	4	\$650,000
Central Coast	1	\$100,000
Central Valley	9	\$1,400,000
Inland	6	\$900,000
LA	25	\$3,550,000
North	12	\$1,700,000
Orange	6	\$400,000
San Diego	6	\$1,600,000
Total	69	\$10,300,000

Target Population	# Grantees Supporting Target Population	Navigator Dollars Awarded	% of Total
Latino	68	\$5,821,200	56.37%
Caucasian	64	\$1,939,900	18.83%
Asian	40	\$1,134,050	11.00%
African/African American	61	\$896,225	8.70%
American Indian	2	\$24,000	0.23%
Other	23	\$460,625	4.47%
Grand Total		\$10,300,000	100%

Total Award	Number of Awards
\$500,000	5
\$300,000 - \$400,000	5
\$200,000 - \$300,000	8
\$100,000 - \$200,000	22
\$50,000 - \$100,000	29
\$500,000	5
Total	69

ENROLLMENT ASSISTANCE PROGRAMS

ENROLLMENT ASSISTANCE PROGRAMS

Uncompensated partners positioned to support enrollment assistance efforts Open Enrollment for 2016 include:

ENROLLMENT PROGRAM NAME	PROJECTED NUMBER OF ENTITIES	PROJECTED NUMBER OF COUNSELORS
Certified Application Counselor	446	2,627
Plan-Based Enrollers and Medi-Cal Managed Care Plans	15	1,323

2015 PROPOSED BOARD CALENDAR

2015 BOARD MEETING DATES / UPCOMING ADVISORY COMMITTEES

- Thursday, January 15, 2015
- No meeting in February
- Thursday, March 5, 2015
- Thursday, April 16, 2015
- Thursday, May 21, 2015
- Thursday, June 18, 2015
- No meeting in July
- Thursday, August 20, 2015
- No meeting in September
- **Thursday, October 8, 2015 (New Date)**
- Thursday, November 19, 2015
- **Tentatively no meeting in December**

Marketing/Outreach Advisory

- Tuesday, September 15, 2015
- Tuesday, December 15, 2015

Plan Management Advisory

- Thursday, September 10, 2015
- Thursday, October 15, 2015
- Tuesday, November 10, 2015
- Thursday, December 10, 2015

Small Business (SHOP) Advisory

- TBD

APPENDIX

SERVICE CHANNEL UPDATE

SALES ENROLLMENT SUPPORT: KEY METRICS

Data as of July 27, 2015

➤ **12,676 Certified Insurance Agents**

- 17% Spanish;
- 8% Korean;
- 7% Vietnamese
- 7% Mandarin;
- 5% Cantonese

➤ **4,353 Certified Enrollment Counselors**

- 60% Spanish;
- 4% Cantonese;
- 3% Mandarin;
- 3% Vietnamese;
- 1% Korean



ENROLLMENT SUPPORT: COMPENSATION

Total CEE Payments through July 31, 2015

	# Certified Enrollment Entities Paid	Total Paid
Covered CA Plans	600	\$3,562,081
Medi-Cal Payments	879	\$10,551,563
Total Payments made to CEEs		\$14,113,644

Total Agent Commissions Paid through July 31, 2015

	# Certified Insurance Agents Paid	Total Paid
Medi-Cal Payments	~10,208	\$9,165,943
Total Medi-Cal Commissions paid to CIAs		\$9,165,943

APPENDIX

24 MONTH COVEREDCA.COM ROADMAP

24 MONTH COVEREDCA.COM ROADMAP UPDATES

- A major release was implemented on July 27 including:
 - Long Term Negative Action- Added system capabilities to execute and communicate denials and discontinuances for Medi-Cal consumers, including mixed households
 - Additional improvements for notices including remaining changes to further reduce duplicate or repetitive notices
- Next major release is scheduled for October 12 and address a number of changes required for Open Enrollment and to enhance Medi-Cal case processing including:
 - Renewal Enhancements
 - Adding new carriers for 2016 plan year
 - Adding option for purchase of Family Dental Plans
 - Adding Cantonese language flows to IVR
 - Referrals for Former Foster Youth for Non-MAGI Medi-Cal
 - MAGI Eligibility Determination for C-CHIP

APPENDIX

SERVICE CENTER UPDATE

SERVICE CENTER UPDATE

Improving Customer Service

- Launched SCR Refresher Training
- Established CalHEERs helpdesk ticket workgroup
- Began rollout of SCR capability to unblock consumer's CalHEER's accounts

Enhancing Technology Solutions

- Completed JAD sessions for IVR Enhancements for OE 15/16
- Completed CRM workspace re-design for all service center departments

Staffing Updates

- Surge Vendors (Maximus and Faneuil) were released 6/30/15
- Continued transition activities to move Command Center and Work Force Management team from Eventus to Covered California state staff

SERVICE CENTER PERFORMANCE UPDATE*

July 2015 Call Statistics

	Calls Offered	Calls Handled	Calls Abandoned	Abandoned %	Service Level %	AHT
Totals	148,636	139,662	8,558	5.72%	64.97%	15:29

Does not include outbound, SHOP, or internal consults

Top 5 Call Dispositions

1. Enrollment Inquiry/Assistance
2. 1095-A Inquiries
3. Income Change
4. Provided County Contact/Number Information
5. Medi-Cal/Enrollment Inquiries

**Performance metrics are measured monthly.*

JULY INDICATORS

- July's contact volume was 148,636 calls, which is a 1% decrease from June.
- Service Level decreased in July to 64.97% from June's level of 91.38%
- The percentage of Abandoned calls was 5.72%, which is a 3.72% increase from June.
- Average Handle Time for July was 15:29, which increased from 14:49 in June.

QUICK SORT VOLUMES

July Weekly Quick Sort Transfers

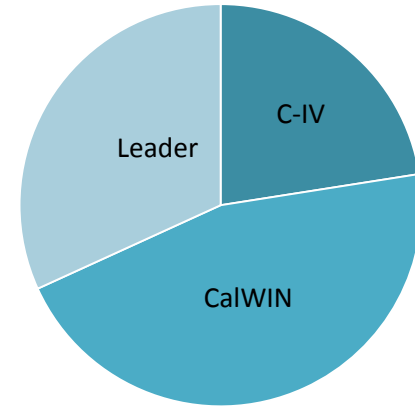
Week 1*	Week 2	Week 3	Week 4	Week 5*	Total
344	730	821	753	734	3382

* Partial Week

July Consortia Statistics

	ASA	Service Level	Calls Abandoned	Busy Signals Presented
C-IV	0:00:04	97.39%	0.00%	0.00%
CalWIN	0:00:19	92.16%	1.02%	0.00%
Leader	0:00:07	99.80%	0.10%	0.00%

Quick Sort Transfers July 2015



Performance metrics are measured monthly. Voice queues normal days of operation for consumers are Monday through Saturday.