
# COVERED CALIFORNIA POLICY AND ACTION ITEMS

March 14, 2017 Board Meeting

# 2018 PROPOSED STANDARD BENEFIT DESIGN

James DeBenedetti, Interim Director, Plan Management Division

Action

# 2018 HEALTH PLAN BENEFIT DESIGNS
# KEY CONSIDERATIONS FOR 2018

The proposed plan designs are informed by input from the 2018 Benefit Design Workgroup and national best practices. The recommendations for 2018 are guided by the following key considerations:

- Maintain consistency year over year in benefit designs by making relatively few changes to consumer cost-shares in order to meet AV requirements
- Changes in benefits should be considered annually based on consumer experience related to access and cost
- Adhere to principles of value-based insurance design by setting cost shares that consider cost and value while prioritizing primary care and frequently needed care
- Set fixed copays as much as possible; limit coinsurance to less frequently used benefits or services with high variability in cost as necessary to meet required actuarial values
- Apply a stair-step approach for setting member cost shares for a service across each metal level
- All plans are based on currently existing federal guidance, subsidies and policies. To the extent these change, Covered California and the plans it contracts with may need to make adjustments

# REVIEW SUMMARY OF BENEFIT DESIGN CHANGES FROM 2017

## Plan Designs

- Lowered copays in the Platinum and Gold Copay plans to meet AV requirements (and made parallel changes in the Coinsurance plans)
- Removed the inpatient physician fee in the Platinum and Gold Copay plans to ease administration of benefits in HMO plans
- Raised the Changed cost shares in the following plans to meeting AV requirements:
  - Silver and Silver 73: Lowered the pharmacy deductible from $250 to $130 and applied it to Tier 1 (generic) drugs; increased specialist and X-ray copays by $5 to $10.
  - CCSB Silver Copay and Coinsurance Plans: Lowered the pharmacy deductible from $250 to $125 and applied it to Tier 1 (generic) drugs; increased the MOOP to $7,000
- Maximum Out-of-Pocket (MOOP) to $7,000 in Silver and Bronze

## Endnotes

- Added clarifying language to endnotes related to oral anti-cancer drugs, mental health services, and drug tier definitions
- Added new endnotes:
  - Cost-sharing for hospice services applies regardless of the place of service
  - Tobacco cessation medications: no limits on the number of days for the course of treatment

Please see the benefit design handouts and endnotes for all changes.

# MINOR CHANGES TO DESIGNS PRESENTED IN JANUARY

- Need to slightly increase some cost-sharing to bring plans within the AV de minimis range after applying an actuarial adjustment factor to the proposed designs
  - Silver and Silver 73: Increased specialist visit and x-ray copays by $5 to $10; adjusted proposed pharmacy deductible from $100 to $130
  - Covered California for Small Business Silver: Increased MOOP; adjusted proposed pharmacy deductible from $100 to $125.
- Correction made to urgent care cost share in the Gold plan (changed from $30 to $25)

Please see the benefit design handouts and endnotes for all changes.

# REVIEW OF 2018 PROPOSED 2018 DENTAL BENEFIT DESIGNS

**Copay Plan Design**

- Pediatric Copay Schedule and Adult Copay Schedule updated to CDT-17

**Adult Coinsurance Design**

- Continue 2017 standard exclusions in 2018 and add exclusion of veneers:
  - Tooth Whitening
  - Adult Orthodontia
  - Implants
  - Veneers
- Six Month Waiting Period for Major Services
  - Any prior coverage must be accepted: Group/Individual/Medi-Cal, On/Off-Exchange, Any Dental Plan Issuer
  - Dental plan issuers must reduce the six month waiting period for each month of prior coverage, no required minimum duration of prior coverage allowed
  - Dental plan issuers may set the maximum allowed lapse in coverage
  - Dental plan issuers may determine which documents are acceptable to provide proof of prior coverage

# EMPLOYER-SPONSORED DENTAL BENEFIT DESIGN

**Review of Changes announced in January**

- No waiting period for any service category
- Subject to minimum 50% employer contribution and 70% employee eligibility requirements
- Employees retain plan choice

**Additional Clarifications:**

- **Dental Copay Schedule**
  - Some Diagnostic and Preventive procedure codes changed from ³Not Covered´ to ³No Charge´ to allow coverage of these services if dental plans choose

- **Employer-Sponsored Dental Benefit Design**
  - Benefit Design
    - No waiting period for any service category.
    - Periodontal Services included in Basic Services.
  - Enrollment
    - Employer choice to offer employer-sponsored Group Dental Plan only.
    - Employer required to contribute 50% of the premium for the Group Dental Plan **and** meet 70% participation of eligible employees for enrollment in the Group Dental Plan.
    - No other dental plans are offered to employees.
    - If the participation rate isn't met then all employees are notified, CCSB invalidates selections, and all employees are offered the regular array of Children's and Family Dental Plans.

# 2018 QUALIFIED HEALTH PLAN CERTIFICATION POLICY RECOMMENDATION

James DeBenedetti, Interim Director, Plan Management Division

Action

# PROPOSED 2018 CERTIFICATION MILESTONES

| | |
|---|---|
| Release draft 2018 QHP & QDP Certification Applications | December 22, 2016 |
| Draft application comment periods end | January 13, 2017 |
| Plan Management Advisory: Benefit Design & Certification Policy recommendation | January 19, 2017 |
| January Board Meeting: discussion of benefit design & certification policy recommendation | January 26, 2017 |
| Letters of Intent Accepted | February 1 – 15, 2017 |
| Final AV Calculator Released* | February 2017 |
| Applicant Trainings (electronic submission software, SERFF submission and templates*) | February 22-24, 2017 |
| March Board Meeting: anticipated approval of 2018 Standard Benefit Plan Designs & Certification Policy | March 14, 2017 |
| QHP & QDP Applications Open | March 3, 2017 |
| QDP Application Responses (Individual and CCSB) Due | May 1, 2017 |
| Evaluation of QDP Responses & Negotiation Prep | May - June 2017 |
| QDP Negotiations | June 2017 |
| QHP Application Responses (Individual and CCSB) Due | May 1, 2017 |
| Evaluation of QHP Responses & Negotiation Prep | May - June 2017 |
| QHP Negotiations | June 2017 |
| QHP Preliminary Rates Announcement | July 2017 |
| Regulatory Rate Review Begins (QHP Individual Marketplace) | July 2017 |
| CCSB QHP Rates Due | July 17, 2017 |
| QDP Rates Announcement (no regulatory rate review) | August 2017 |
| Public posting of proposed rates | July 2017 |
| Public posting of final rates | October 2017 |

*Final AV Calculator and final SERFF Templates availability dependent on CMS release
TBD = dependent on CCIIO rate filing timeline requirements

*Note: Updated 3/2/2017, red represents changes from January timeline*

# 2018 QHP/QDP CERTIFICATION APPLICATION REVISIONS

Applications opening March 3rd reflect the following changes:

**Currently Contracted Applicants**
QHP Issuers contracted for Plan Year 2017 will complete a simplified certification application since their three year contract with the Exchange imposes ongoing requirements included in the certification application and this contract performance is considered in the evaluation process.

- Updates to 2017 application responses accepted for Customer Service and Financial Requirements
- Fraud, Waste, and Abuse responses limited to new questions
- QHP delayed submission deadline of July 10, 2017 for Quality and Quality Improvement Strategy (QIS) submissions

**Simplified CCSB Applications**
Applicants completing the Individual Marketplace applications may refer to those responses, if applicable, for the following sections:

- Fraud, Waste, and Abuse; Healthcare Evidence Initiative; Privacy and Security; Provider Network; Quality; QIS

**Document Clean-up**

- Corrected response options
- Updated System for Electronic Rate and Form Filing (SERFF) Template links

# COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB) ALTERNATE BENEFIT DESIGNS

- CCSB encourages the proposal of Alternate Benefit Designs (ABDs) by CCSB Applicants.

- ABD Proposal Details:
  - Up to two ABDs per metal tier may be proposed for applicant's geographic licensed service area.
  - ABD proposals must comply with state statutory and regulation requirements.
  - ABD proposals are voluntary and are not required

- Plan Year 2018 ABD proposals must include the following components:
  - Description of rationale and benefit to members of proposed ABD offer.
  - Description of the population that the ABDs are meant to benefit.
  - Description of differences in coverage that are incorporated into the proposed ABD vs. standard plan.
  - Indication of any additional or enhanced benefits relative to the Essential Health Benefits (EHBs) with confirmation of no actuarial value impact
  - Confirm if plans include pediatric dental EHB.

# COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB) ALTERNATE BENEFIT DESIGNS

For Plan Year 2018, CCSB will include consideration of proposed premium rates in the evaluation of proposed Alternate Benefit Designs (ABDs). To accommodate this change and minimize administrative burdens on CCSB applicants, staff proposes the following adjusted timeline:

**May 1, 2017:** QHP Certification Application for Covered California for Small Business Due

**Friday June 30, 2017:** ABD proposals due in Proposal Tech

- Attachment G benefit design and alternative cost-sharing proposal (*existing*)
- Attachment H Preliminary Premium Rates (*new*)
  - 40 year old rates for all standard and alternate plans proposed, all regions proposed

**Friday July 7, 2017:** ABD Proposals Decisions communicated to Applicants

**Monday July 17, 2017:** Only approved ABDs included in SERFF submissions and rate filings

*If ABD evaluations are not completed before the July 17 rates submission, CCSB Applicants will need to remove any potential rejected ABDs from SERFF templates at a later date*

# COVERED CALIFORNIA FOR SMALL BUSINESS (CCSB) ELIGIBILITY AND ENROLLMENT EMERGENCY REGULATIONS READOPTION

Gabriela Ventura Gonzales, Legal

Action

# HIGHLIGHTS TO PRIMARY PROPOSED CHANGES

| Section and Title | Proposed Changes |
|---|---|
| **Section 6520 (b) & 6528 (i)**<br><br>Employer and Employee Application Requirements.<br><br>Initial and Annual Open Enrollment Periods for Qualified Employees. | ¨ That any waiting period established by the qualified employer complies with 42 U.S.C Section 300gg-7, 45 CFR Section 155.725 (December 22, 2016) and all qualified employees have complied with the qualified employer's waiting period.<br>¨ Waiting periods in the SHOP are calculated beginning on the date the employee becomes a qualified employee who is otherwise eligible for coverage, regardless of when a qualified employer notifies the SHOP about a newly qualified employee. |
| **Section 6522 (h) & 6520 (a)(10)**<br><br>Eligibility Requirements for Enrollment in the SHOP | ¨ The eligibility standards specified in this subdivision shall only apply to the eligibility determination for enrollment in a dental plan through the SHOP:<br>1. Qualified employees may choose to enroll only in a dental plan even if the qualified employee does not choose to enroll in a QHP.<br>2. To enroll one child in a family dental plan, all children in the family under 19 years of age shall enroll in the same dental plan.<br>3. Employer choice to offer employer-sponsored Group Dental Plan only. Employer required to contribute 50% of the premium for the Group Dental Plan **and** meet 70% participation of eligible employees for enrollment in the Group Dental Plan. |

# PLAN BASED ENROLLMENT PERMANENT REGULATIONS AMENDMENT

Drew Kyler, Deputy Director, Outreach and Sales Division

Discussion

# PLAN BASED ENROLLER PROGRAM

- Program proposes amendments to the Plan Based Enroller Program to:
  - Streamline the Entity Application for alignment with new Program Portal efficiencies
  - Prohibit Plan Based Enrollment Entities and affiliated Plan Based Enrollers from affiliating with, receiving any compensation from, or entering into a partnership with a certified Agent, Navigator Grantee, or a Certified Application Entity or Counselor; and
  - Clarify that a Plan Based Enroller can refer consumers to a Certified Enroller if the individual wishes to enroll in another affordable health insurance plan.

# PLAN BASED ENROLLER PROGRAM

Proposed Amendments to the PBE Regulations:

§6704 (b) A Plan Based Enroller Entity (PBEE) application shall contain the following information:
~~(7) Fax number;~~
(~~8~~ 7) Federal Employment Identification Number;
(~~9~~ 8) State Tax Identification Number;
~~(10) Identification of the counties served;~~
(~~11~~ 9) For the primary site and each sub-site, the following information:

~~(H) An indication of whether the entity wants to receive referrals for individuals seeking assistance at this site;~~

(~~I~~ H) ~~An indication of~~ Whether the entity provides in-person assistance at this site; and

(~~J~~ I) Hours of operation;

~~(K) Spoken languages; and~~

~~(L) Written languages;~~

(~~12~~ 10) Name, e-mail address, primary and secondary phone number for the Authorized Contact;
(~~13~~ 11) A certification by the Authorized Contact, or his or her designee, that the PBEE has presented information in the application that is true and correct to the best of his or her knowledge; and
(~~14~~ 12) For each Certified PBE to be affiliated with the applicant entity, a completed application for each individual as required in subdivision (d) below must be included in the entity's application.

# PLAN BASED ENROLLER PROGRAM

Proposed Amendments to the PBE Regulations, cont.:

§6704 (d) An individual's application to become a PBE shall contain the following information:

(8) Languages in which the applicant can communicate with consumers ~~An indication of the languages that the applicant can speak;~~

~~(9) An indication of the languages that the applicant can write;~~

(~~10~~ 9) For Issuer Application Assisters, as defined in 45 CFR § 155.20: Disclosure of all criminal convictions and administrative actions taken against the applicant, and any arrests for which the applicant is currently out on bail or his or her own recognizance;

(~~11~~ 10) A certification by the applicant that:

(A) The applicant shall comply with the PBE Program requirements of this Article and Section 6500(f) of Article 5 of this chapter;

(B) The applicant is a natural person of not less than 18 years of age;

(C) The statements made in the application are true, correct and complete to the best of his or her knowledge and belief; and

(D) The applicant will adhere to any applicable State and federal laws and regulations;

(~~12~~ 11) The signature of the applicant applying to become a PBE and date signed;

(~~13~~ 12) The name and signature of the Authorized Contact, or that of his or her designee, and date signed;

(~~14~~ 13) An indication of whether the applicant is licensed in good standing as an agent with the California Department of Insurance, and if so, the applicant's license number; and

(~~15~~ 14) An indication of whether the applicant is certified by the Exchange as a Certified Insurance Agent, Certified Enrollment Counselor, Certified Application Counselor, or serves in any other enrollment function of the Exchange including Service Center Representative and County Eligibility Worker, and, if applicable, the certification number.

# PLAN BASED ENROLLER PROGRAM

Proposed Amendment to the PBE Regulations, cont.:

§6710 (a) A PBE shall perform the following functions:
(7) Inform all applicants of the availability of other QHP products or stand-alone dental plans offered through the Exchange through an HHS-approved universal disclaimer and display the Web link to access the Exchange Web Site on the PBEE's Web Site, and describe how to access the Exchange Web Site or the Service Center of the Exchange. The PBE can refer an applicant to any individual or entity certified through Articles 8, 11, 12 of this chapter, or to any Agents certified by the Exchange.

# PLAN BASED ENROLLER PROGRAM

Proposed Amendment to the PBE Regulations, cont.:

§6710(i) Prohibited Activities for PBEEs and PBEs.
(1) (R) Employ, be employed by, be in partnership with, or receive any remuneration arising out of the functions performed under this Article, from any individual or entity certified through Article 8 or Article 11 of this chapter.

# CERTIFIED APPLICATION COUNSELOR PROGRAM EMERGENCY REGULATIONS READOPTION

Drew Kyler, Deputy Director, Outreach and Sales Division

Discussion

# CERTIFIED APPLICATION COUNSELOR PROGRAM

- Program proposes amendments to the Certified Application Counselor Program to:
- Streamline the Entity Application for alignment with new Program Portal efficiencies; and
- To define the value of gifts provided to applicants and potential enrollees for purposes other than as an inducement for enrollment so that they do not exceed nominal value, either individually or in the aggregate, when provided to that individual during a single encounter.

# CERTIFIED APPLICATION COUNSELOR PROGRAM

Proposed Amendment to the CAC Regulations:

§6854 (b) A Certified Application Entity application shall contain:
~~(6) Fax number;~~
~~(7) Whether the entity prefers to communicate via e-mail, phone, fax, or mail;~~
(~~8~~ 6) Website address;
(~~9~~ 7) Applicant's status as a non-profit, for profit, or governmental organization, and a copy of supporting documentation;
(~~10~~ 8) The type of organization and, if applicable, a copy of the license or other certification;
~~(11) The counties served;~~
(~~12~~ 9) A certification that the applicant complies with section 6866;
~~(13) Whether the entity serves families of mixed immigration status;~~
~~(14) Whether the entity serves individuals with disabilities and, if so, the disability(ies) served;~~
~~(15) The year the entity was established;~~
(~~16~~ 10) Whether applicant receives any federal or state grant funding;
(~~17~~ 11) For the primary site and each sub-site, the following information:
~~(J) Languages spoken by staff to provide enrollment assistance under this Article;~~
~~(K) Written languages;~~
~~(L) Whether the entity offers services in sign language;~~
~~(M) Ethnicities served;~~
~~(N) Estimated number of individuals served by age; and~~
~~(O) Types of industries served;~~
(~~18~~ 12) Name, e-mail address, primary and secondary phone numbers~~, and the preferred method of communication for the Authorized Contact~~;

# ENROLLMENT ASSISTANCE PERMANENT REGULATIONS

Drew Kyler, Deputy Director, Outreach and Sales Division

Discussion

# ENROLLMENT ASSISTANCE PROGRAM

- Program proposes one amendment to the Enrollment Assistance Program to:
- Streamline the Entity Application for alignment with new Program Portal efficiencies

# ENROLLMENT ASSISTANCE PROGRAM

The Proposed Amendment to the EAP Regulations:

§6656 (b) The Navigator Program Grant Application shall contain the following information:
(~~G) Fax number;~~
(~~H~~ G) E-mail address; and
(~~I~~ H) Website address.
(2) Primary contact information:
(A) Primary contact name ~~person~~;
~~(D) Fax number; and~~
(~~D~~ E) E-mail address.
(4) Previous experience ~~involving~~ performing the Navigator Program activities.
(7) Subcontractor('s) information:
~~(G) Fax number;~~
(~~H~~ G) E-mail address; and
(~~I~~ H) Website address.
(8) Subcontractor('s) primary contact information:
~~(D) Fax number~~; and
(~~E~~ D) E-mail address.
(14) Letter(s) of reference from organizations that have previously collaborated with the applicant ~~with~~.

# ENROLLMENT ASSISTANCE PROGRAM

The Proposed Amendment to the EAP Regulations:

§6657 (b) An individual's application to become a Certified Enrollment Counselor shall contain the following information:
(1) Name, e-mail address, primary and secondary phone number~~, and preferred method of communication~~;
(7) ~~An indication of the languages that the Certified Enrollment Counselor can speak;~~
~~(8) An indication of the languages that the Certified Enrollment Counselor can write;~~ Languages in which the applicant can communicate with consumers

# ENROLLMENT ASSISTANCE PROGRAM

The Proposed Amendment to the EAP Regulations:

§6657 (b) An individual's application to become a Certified Enrollment Counselor shall contain the following information:
(9)~~(10)~~ A certification by the individual that:

(A) The individual complies with the Certified Enrollment Counselor Agreement as well as all requirements set forth in this Article, including but not limited to Section 6666;

(B) The individual is a natural person of not less than 18 years of age;

(C) The statements made in the application are true, correct, and complete to the best of his or her knowledge and belief;

(D) The individual will abide by all applicable privacy and security standards, including but not limited to those set forth in the agreement between the Certified Enrollment Entity and the Exchange; and

(E) The individual will adhere to all applicable State and Federal laws and regulations.

# MEDI-CAL MANAGED CARE ENROLLMENT ASSISTANCE PROGRAM EMERGENCY REGULATIONS READOPTION

Drew Kyler, Deputy Director, Outreach and Sales Division

Discussion

# MEDI-CAL MANAGED CARE ENROLLMENT ASSISTANCE PROGRAM

- Program proposes amendments to the Medi-Cal Managed Care Plan Program to:
- Streamline the Entity Application for alignment with new Program Portal efficiencies

# MEDI-CAL MANAGED CARE ENROLLMENT ASSISTANCE PROGRAM

Proposed Amendments to Regulations:

§6902 (b) A Certified Medi-Cal Managed Care Plan application shall contain the following information:

~~(6) Fax number;~~

~~(7) An indication of whether the entity prefers to communicate via e-mail, phone, fax, or mail;~~

~~(8) Website address;~~

(~~9~~ 6) Federal Employment Identification Number;

(~~10~~ 7) State Tax Identification Number;

(~~11~~ 8) Identification of applicant's status as a Medi-Cal Managed Care Plan and a copy of supporting documentation;

(~~12~~ 9) Identification of the type of organization and, if applicable, a copy of the license or other certification;

~~(13 ) Identification of the counties served;~~

(~~14~~ 10) A certification that the applicant and all of its employees who will be acting pursuant to this Article comply with section 6907;

~~(15) Indication whether the entity serves families of mixed immigration status;~~

~~(16) An indication of whether the entity serves individuals with disabilities and, if so, the disability(ies) served;~~

# MEDI-CAL MANAGED CARE ENROLLMENT ASSISTANCE PROGRAM

Proposed Amendments to Regulations cont.:

§6902 (b) A Certified Medi-Cal Managed Care Plan application shall contain the following information:

(1~~7~~ 11) For the primary site and each sub-site, the following information:

(A) Site Location Address;
(B) Mailing Address;
(C) County;
(D) Primary Contact name;
(E) Primary e-mail address;
(F) Primary phone number;
(G) Secondary phone number;
(H) Hours of operation
~~(I) Estimated number of individuals served annually;~~
~~(J) Spoken languages;~~
~~(K) Written languages;~~
~~(L) An indication of whether the entity or individual offers services in sign language;~~
~~(M) Ethnicities served;~~
~~(N) Estimated number of individuals served by age~~

(~~18~~ 12) A certification by the Authorized Contact that the information presented is true and correct to the best of the signer's knowledge;

(~~19~~ 13) For each Enroller to be affiliated with the applicant,

# MEDI-CAL MANAGED CARE ENROLLMENT ASSISTANCE PROGRAM

Proposed Amendments to the MMCP Regulations, cont.:

§6903 (b) An individual's  application to become a Certified Medi-Cal Managed Care Plan Enroller shall contain:

(1) Name, e-mail address, primary and secondary phone number~~, and preferred method of communication~~;
(7~~)~~ ~~An indication of the l~~ Languages ~~that~~ in which the Certified Medi-Cal Managed Care Plan Enroller can ~~speak~~ communicate with consumers;
(8) ~~An indication of the languages that the Certified Medi-Cal Managed Care Plan Enroller can write;~~

# MEDI-CAL MANAGED CARE ENROLLMENT ASSISTANCE PROGRAM

Proposed Amendments to the MMCP Regulations, cont.:

§6903 (b) An individual's application to become a Certified Medi-Cal Managed Care Plan Enroller shall contain:

(9) ~~(10)~~ A certification by the individual that:

(A) The individual complies with the Certified Medi-Cal Managed Care Plan Enroller Agreement as well as all requirements as set forth in this Article, including but not limited to Section 6907.

(B) The individual is a natural person of not less than 18 years of age; ~~and~~

(C) The statements made in the application are true, correct, and complete to the best of his or her knowledge and belief;

(D) The individual will abide by all applicable privacy and security standards, including but not limited to those set forth in the agreement between the Medi-Cal Managed Care Plan and the Exchange; and

(E) The individual will adhere to all applicable State and Federal laws and regulations