



## **EXECUTIVE DIRECTOR'S REPORT**

Peter V. Lee, Executive Director | October 18, 2018 Board Meeting

# ANNOUNCEMENT OF CLOSED SESSION

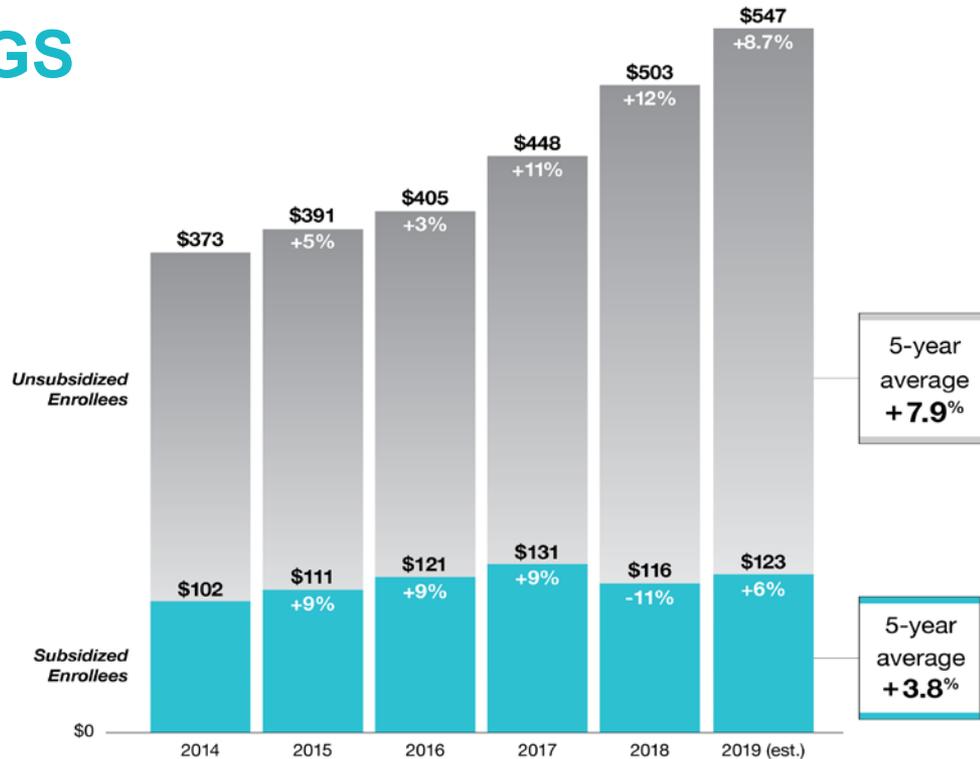
# EXECUTIVE DIRECTOR'S UPDATE

# COVERED CALIFORNIA 2019 RATES AND OFFERINGS

- All 11 health insurance companies will return in 2019.
- 96 percent of consumers will be able to choose from two insurers or more and 82 percent of consumers will have three or more choices.
- Average weighted rate change is 8.7 percent if all enrollees renewed into the same plan.
  - Loss of individual mandate penalty caused issuers to add between 2.5 and 6 percentage points to the rate increase, with an average of 3.5 percent, due to concerns that the penalty removal will lead to a less healthy/more costly consumer pool.
- Federal suspension of the annual health insurer tax helped lower rates by approximately 1.6 percent. Tax is scheduled to return in 2020.
- The average rate change for consumers who shop and switch to the lowest-cost plan in the same metal tier is -0.7 percent. Many consumers can pay the same rate they do now in 2018, or a little less.

# 2019 RATES AND OFFERINGS

Over the past five years, Covered California has held average annual rate changes for unsubsidized consumers to an estimated average of 7.9 percent and 3.8 percent for subsidized consumers



Premiums shown are the actual observed average premiums in Covered California administrative data for renewal and open-enrollment plan selections for plan years 2014 through 2018, and the percentage change is the change to the average observed premiums. Year over year, the average premiums shown may be influenced by changes in the population distributions (such as for region, age, metal tier, etc.). Average premiums for the off-exchange market as a whole could differ from the Covered California unsubsidized premiums to the extent that the off-exchange population and plan-choice profiles differ from the on-exchange, unsubsidized profile. Additionally, the 2018 unsubsidized premiums have been adjusted to remove the cost-sharing reduction “surcharge” in Silver, since off-exchange enrollees do not incur the surcharge, and Covered California encouraged its unsubsidized Silver enrollees to move off-exchange to avoid the surcharge in 2018. For coverage year 2019 premiums, this chart shows an estimate of what premiums would be if all consumers enrolled in their same 2018 plan for 2019. The chart applies the global weighted Covered California average increase of 8.7 percent to produce the estimated average unsubsidized premium, which is an estimate of what off-exchange enrollees may pay in 2019 (the actual 2019 amount will depend on enrollee take-up and plan choice during renewal and open enrollment).

# QUALITY RATING SYSTEM SCORES FOR FALL 2018

# QUALITY RATINGS DISPLAY: FALL 2018

Covered California Quality Rating System (QRS) is comprised of the following elements:

1. Report four ratings: a global quality rating and three summary component ratings
2. The global quality rating is a roll-up of three summary components per following weighting:

| Summary Components                          | Weights |
|---------------------------------------------|---------|
| Getting Right Care (HEDIS)                  | 66%     |
| Members' Care Experience (CAHPS)            | 17%     |
| Plan Services for Members (HEDIS and CAHPS) | 17%     |

3. 1 to 5-star performance classification
4. Scores are displayed in CalHEERS Shop and Compare and will be available on CoveredCA.com starting in October 2018

# QRS RATING FORMULA

- Covered California will use the CMS rating methods and differential weighting for the summary components for Open Enrollment 2019
- CMS adopted differential weighting that assigns greater weight to the **Getting the Right Care** (66%) and correspondingly lesser weight to the **Members' Care Experiences** (17%) and **Plan Services for Members** (17%) for Open Enrollment 2019
  - Covered California has used these differential weights since Open Enrollment 2017 and strongly advocated with CMS for this change
  - The differential weighting formula follows the approaches taken by all of the major U.S. healthcare performance rating programs
- CMS replaced the health plan performance nationwide ranking method with a Z-score method to transform all raw measures rates to a standardized set of scores nationwide
  - This change provides more stable results and compresses the distribution of scores, pulling more extreme (high and low) scores toward the middle
  - The difference in scores between a 1-star and a 5-star plan is smaller than in past years
  - Three Covered California QHPs were on the cusp of the 4-star cutpoint and all three plans achieved a 4-star global rating

# FALL 2018 QRS RATINGS

| Issuer       | Product | Market              | 2017 Global Rating       | 2018 Global Rating           | Getting the Right Care   | Members Care Experiences | Plan Services for Members |
|--------------|---------|---------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|
| Anthem       | EPO     | Individual          | Quality Rating in Future | ★★★                          | ★★★                      | ★★                       | ★★★                       |
| Blue Shield* | HMO     | Individual and CCSB | Quality Rating in Future | Quality Rating in Future     | Quality Rating in Future | Quality Rating in Future | Quality Rating in Future  |
| Blue Shield  | PPO     | Individual and CCSB | ★★                       | ★★★★★                        | ★★★                      | ★★★★★                    | ★★★★★                     |
| CCHP         | HMO     | Individual and CCSB | ★★★                      | ★★★                          | ★★★                      | ★★                       | ★★★★★                     |
| Health Net   | HMO     | Individual          | ★★★                      | ★★★                          | ★★★                      | ★                        | ★★★                       |
| Health Net   | EPO     | Individual          | ★★                       | One Quality Rating Available | ★★★                      | Not Reportable†          | Not Reportable†           |
| Health Net   | PPO     | CCSB                | ★★                       | ★★★★★                        | ★★★★★                    | ★★                       | ★★★★★                     |
| Health Net** | PPO     | Individual and CCSB | Quality Rating in Future | Quality Rating in Future     | Quality Rating in Future | Quality Rating in Future | Quality Rating in Future  |
| Kaiser       | HMO     | Individual and CCSB | ★★★★★                    | ★★★★★★                       | ★★★★★★                   | ★★★★★                    | ★★★★★★                    |
| LA Care      | HMO     | Individual          | ★★★                      | ★★★                          | ★★★★★                    | ★                        | ★★★★★                     |
| Molina       | HMO     | Individual          | ★★★                      | ★★★                          | ★★★                      | ★                        | ★★★                       |
| Oscar        | EPO     | Individual          | Quality Rating in Future | ★★★★★                        | ★★★                      | ★★                       | ★★★★★★                    |
| Sharp        | HMO     | Individual and CCSB | ★★★★★★                   | ★★★★★★                       | ★★★★★★                   | ★★★★                     | ★★★★★★                    |
| Valley       | HMO     | Individual          | ★★★                      | ★★★★★                        | ★★★★★★                   | ★★                       | Not Reportable†           |
| WHA          | HMO     | Individual          | ★★★                      | ★★★                          | ★★★                      | ★★★                      | ★★★★★                     |

\*Blue Shield's Trio HMO in both the individual and CCSB markets will have a score starting in Fall 2019

\*\*Health Net's Enhanced Care PPO in both the individual and CCSB markets will have a score starting in Fall 2020

† Not Reportable indicates that the issuer had insufficient data to calculate a score according to the QRS rating methodology.

# FALL 2018 QRS RATINGS: DISTRIBUTION OF SCORES

Distribution of Global Quality Ratings by Reportable Products for Individual & CCSB Markets

|          | # Products with No Global Rating | 1 Star ★ | 2 Star ★★ | 3 Star ★★★ | 4 Star ★★★★ | 5 Star ★★★★★ |
|----------|----------------------------------|----------|-----------|------------|-------------|--------------|
| 2018 QRS | 3*                               | 0        | 0         | 6          | 4           | 2            |
| 2017 QRS | 4*                               | 0        | 3         | 6          | 1           | 1            |
| 2016 QRS | 5*                               | 1        | 7         | 2          | 1           | 1            |

\*No global rating if a newer product and not eligible for reporting or insufficient sample sizes to report results for at least 2 of the 3 summary indicator categories

- Three plans achieved a 1-star gain and all plans are rated 3-stars or higher for the first time
- No plan declined in stars and no plans received a 1-star rating or a 2-star rating
- The quality variation between regions for a plan is not reflected in the scores and the scores may not represent the patient experience or quality of care in a particular service area
- Covered California QHPs show steady improvement over three years for a subset of important measures including controlling blood pressure, HbA1c levels, and diabetes medication adherence

# GENERAL MARKET AND TARGET SEGMENT OUTREACH – SPECIAL ENROLLMENT (March 2018 – September 2018)



# Kicking Off 2019 Open Enrollment!



## 5-Week Tour for Agents and Community Partners

- **9 meetings across California:** Merced, San Jose, El Cajon, Rancho Cucamonga, Long Beach, Rowland Heights, Fountain Valley, Camarillo, and Sacramento
- **Attended by over 1,300** Certified Agents, Certified Enrollment Counselors, Carrier Representatives, Medi-Cal Representatives, Community Leaders, etc.
  - **Helping** our partners prepare for the 2019 sign up period
  - **Facilitated** by the Outreach and Sales Division, Field Operations Team
- **September and October 2018**



# 2018 COVERED CALIFORNIA BUS TOUR

- Covered California's Bus Tour begins Nov. 8 to promote enrollment in health insurance at nearly 20 stops in as many cities across the state.
- This year's bus features an attention-getting image of a bicyclist crashing into a wheel well of the bus and flipping over on to crutches — a vivid example of how “Life Can Change In An Instant,” one of Covered California's main enrollment messages.



# 2018 COVERED CALIFORNIA BUS TOUR

- At stops across the state, vibrant hip hop dance groups will perform original work they've created to show that "Life Can Change In An Instant" in an engaging, healthy art form that transcends age, language and culture.
- Long time enrollees will join us at each stop to share what enrollment in Covered California has meant to them and their families.



# KEY RESEARCH LEARNINGS INFORMING CREATIVE

## **“Life Can Change in an Instant” is Motivating**

- The constant risk of rapid change is well understood.
- It’s a reminder that you can’t take your health, or your family’s health, for granted.

## **Belief that Health Coverage is too expensive**

- Cost is the primary barrier to insurance and medical care.
- The uninsured desire tangible information in ads about the cost of health coverage.
- Majority of uninsured sub-eligible don’t know or don’t think they qualify for financial help.

# APPLYING RESEARCH LEARNINGS

Continue to leverage the “Life Can Change in an Instant” campaign to promote the value of health coverage across all segments and media channels.



# APPLYING RESEARCH LEARNINGS (CONTINUED)

## Develop additional assets that position health coverage through Covered California as something that can be attainable

- Position health coverage as something that can be within reach, while making the cost of coverage more tangible to the consumer.
- Position financial help as available to 9 out of 10 enrollees, to address self elimination and encourage consumers to “check for themselves.”

### *Radio*

“Almost Everyone”



“Expectations”



### *Digital*

Enrollees pay an average of \$5/day for their health plan.

**COVERED CALIFORNIA**

[SHOP NOW](#)

# TV “WE GET YOU”



# TV “WE GET YOU”

# 2018 COVERED CALIFORNIA SUMMIT AWARD WINNERS



*2018 SUMMIT **Individual** Award Winners: Lilly Myers, Laurenne Brown, Sean Gehrke*

*2018 SUMMIT **Team** Award Winners: **Data Integrity Unit – Program Integrity Division:** Claudia Sanchez, Lance Everett, Mercedes Ignacio, Michael Crockett, Nhu Phan, Paul Lee, Not Shown: Philip Ritchie*

# STATE LEGISLATIVE UPDATE – BILLS SIGNED INTO LAW

## Short Term and Association Health Plans

- SB 910 (Hernandez) – Prohibits the sale of short-term limited duration health insurance plans as of 2019.
- SB 1375 (Hernandez) – Excludes sole proprietors and their spouses from the definition of “eligible employee” for the purposes of small group coverage. This bill prevents sole proprietors without employees from purchasing coverage in the group market, including as an association.

## Covered California Emergency Regulatory Authority

- SB 1245 (Leyva) – Authorizes the Covered California board to adopt necessary rules and regulations by emergency regulations until January 1, 2022.

# AB 1810 AFFORDABILITY OPTIONS REPORT

[AB 1810](#) Trailer Bill requires Covered California to develop an Affordability Options Report to the Legislature, Governor, and the new Council on Health Care Delivery Systems

Covered California must:

- Consult with stakeholders, Department of Health Care Services, and the Legislature and develop options for providing financial assistance to help low and middle-income Californians access health care coverage.
- Include options to assist low-income individuals paying a significant percentage of income on premiums, even with federal financial assistance, and individuals with annual income of up to 600 percent of federal poverty level.
- Consider maximizing all available federal funding and determine whether federal financial participation for Medi-Cal would otherwise be jeopardized.

Report due by February 1, 2019

# AB 1810 AFFORDABILITY PROJECT

Leverage existing analytical support contract with economists Wesley Yin and Nicholas Tilipman

Consult with workgroup on affordability options in three working sessions

Present options to Board at January meeting

Publicly release report on February 1, 2019

# AB 1810 AFFORDABILITY WORKGROUP MEMBERS

|                      |                                                               |
|----------------------|---------------------------------------------------------------|
| Alicia Kauk.....     | National Health Law Program                                   |
| Amber Kemp.....      | California Hospital Association                               |
| Beth Capell.....     | Health Access                                                 |
| Bill Wehrle.....     | Kaiser Permanente                                             |
| Catrina Reyes.....   | California Medical Association                                |
| Dave Brabender.....  | California Association of Health Underwriters                 |
| Jen Flory.....       | Western Center on Law and Poverty                             |
| Kimberly Chen.....   | California Pan-Ethnic Health Network                          |
| Marjorie Swartz..... | California State Senate – Office of the President Pro Tempore |
| Mary June Flores.... | Health Access                                                 |
| Mike Odeh.....       | Children Now                                                  |
| Robert O'Reilly..... | Molina Healthcare                                             |
| Robert Spector.....  | Blue Shield                                                   |
| Teri Boughton.....   | California Senate Health Committee                            |
| Wendy Soe.....       | California Association of Health Plans                        |

## **Board Members**

Dr. Sandra Hernandez

Jerry Fleming

# AFFORDABILITY WORKGROUP MEETING SCHEDULE

Planned meeting schedule:

- October 22, 2018
- November 16, 2018
- December 17, 2018

Meeting dates/times, agendas, and presentation slides available online:

[https://hbex.coveredca.com/stakeholders/AB\\_1810\\_Affordability\\_Workgroup/](https://hbex.coveredca.com/stakeholders/AB_1810_Affordability_Workgroup/)

Questions and/or feedback can be sent to [policy@covered.ca.gov](mailto:policy@covered.ca.gov)

# APPENDICES

# APPENDICES: TABLE OF CONTENTS

- ❑ Covered California for Small Business Update
- ❑ Service Channel Update
- ❑ CalHEERS Update
- ❑ Service Center Update

# COVERED CALIFORNIA FOR SMALL BUSINESS

## Group & Membership Update (9/30/18)

- Groups: 5,825
- Members: 48,380
- Member Retention: 87%
- Average Group Size: 8.3 members
- Year over Year Net Membership Growth: 35%



## Operations Update

- On line employer renewal portal launches 11/1/18
- Recent CCSB Customer Survey Results indicate:
- 85% likely or somewhat likely to recommend CCSB
- 66% were either very satisfied or somewhat satisfied with 18% neutral

# OUTREACH & SALES ENROLLMENT SUPPORT: KEY METRICS

Uncompensated partners supporting enrollment assistance efforts.

| <b>ENROLLMENT ASSISTANCE PROGRAM</b>   | <b>ENTITIES</b> | <b>COUNSELORS</b> |
|----------------------------------------|-----------------|-------------------|
| <b>Certified Application Counselor</b> | 252             | 1,547 Certified   |
| <b>Plan-Based Enroller</b>             | 11 Plans        | 678 Certified     |
| <b>Medi-Cal Managed Care Plan</b>      | 2 Plans         | 22 Certified      |

# OUTREACH & SALES ENROLLMENT SUPPORT: KEY METRICS

**Data as of October 11, 2018**

**12,645** Certified Insurance Agents

- 17% Spanish
- 7% Cantonese
- 7% Mandarin
- 4% Korean
- 4% Vietnamese

**1,060** Navigator: Certified Enrollment Counselors

- 63% Spanish
- 4% Cantonese
- 3% Mandarin
- 3% Vietnamese
- 2% Korean

**1,547** Certified Application Counselors

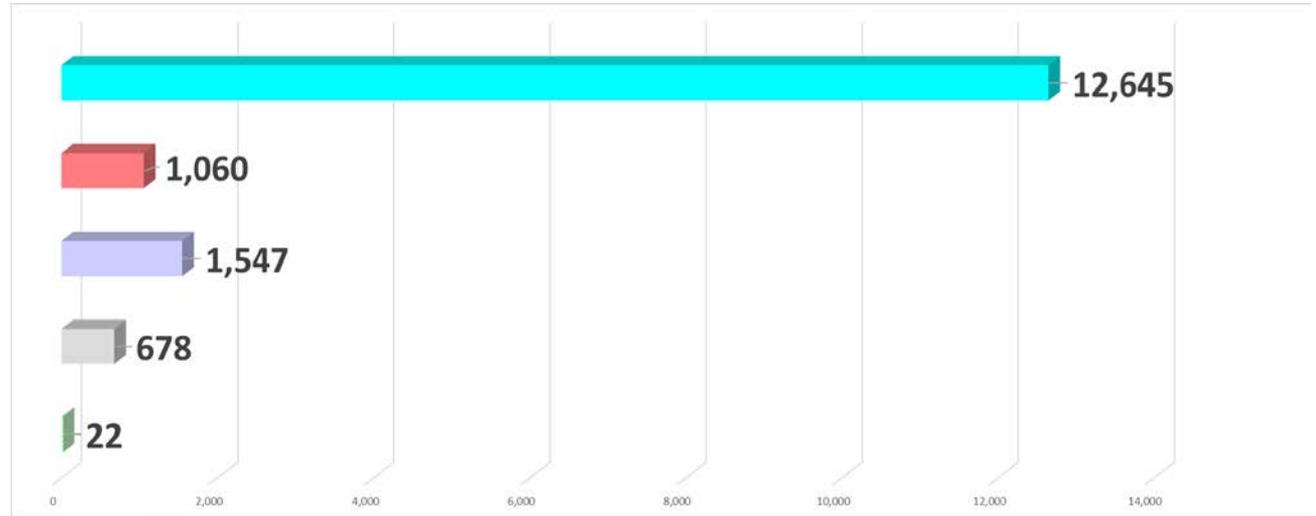
- 59% Spanish
- 5% Cantonese
- 4% Mandarin
- 1% Vietnamese
- 1% Korean

**678** Certified Plan Based Enrollers

- 45% Spanish
- 10% Cantonese
- 2% Mandarin
- 7.5% Vietnamese
- 7.3% Korean

**22** Certified Medi-Cal Managed Care Plan Enrollers

- 44% Spanish
- 36% Cantonese
- 31% Mandarin
- 1% Russian



# CALHEERS UPDATES

CalHEERS deployed Release 18.7 on July 23, 2018, which included the following feature:

- User Interface updates for Managed Verifications to improve the consumer experience by focusing the consumer on incomplete information and guiding them through the process to complete their application.

CalHEERS also deployed Release 18.9 on September 24, 2018, which included the following features:

- User Interface Updates for Renewals to improve user experience by giving consumers the option to revisit their last submitted application before submitting their renewal.
- Converting Remaining Consumer Pages to React Framework to create a seamless experience for the consumer throughout the online process regardless of the device the consumer is using.

CalHEERS also deployed Release 18.10 on October 8, 2018, which included the following feature:

- Consumer Password Policy Configuration Change to allow consumers to more easily navigate the system for their service needs.

# CALHEERS FUTURE UPDATES

The next release for CalHEERS, Release 18.12, is planned for December 17, 2018, and will include:

- Updating the system for 2018 IRS 1095-A forms.

# OTHER TECHNOLOGY UPDATES

A number of additional technology improvements have been implemented for this year's Open Enrollment period:

For Certified Insurance Agents and Navigators:

- Eliminated manual work for both Covered California and agents / navigators when renewing contracts
- For Service Center Representatives:
- Call center technology improvements including “Call Whisper” to pre-announce the language and type of incoming calls, recorded disclaimers to standardize and reduce call talk time, and in-call consumer surveys to obtain better and more timely feedback from callers

For Consumers:

- CoveredCA.com website improvements
- Mandarin self-service in the Intelligent Voice Recognition (IVR) system
- CiCi – Covered California's new website chatbot that will provide another 24 x 7 on-line channel for consumers to get information on Covered California programs, how to apply for insurance, and frequently asked questions.

# SERVICE CENTER UPDATE

## Improving Customer Service

- Held All Staff meeting to celebrate the work of our staff, business process improvements and technology effects to improve the consumer journey.
- Two Service Center Branch Chiefs participating in the Leadership Academy Training for Executives and Branch Chiefs
- Initiated pilot trainings focused on soft skills for Service Center agents with vendor International Customer Management Institute (ICMI)

# SERVICE CENTER UPDATE (CONTINUED)

## Enhancing Technology Solutions

- Participated in implementation of the Document Imaging Verification System (DIVS)- CalHEERS implemented processing documents consumers and agents send via Mail/Fax
- Announced Intent to Award Service Center Assessment
- Increased Informal Resolution Rate

## Staffing Updates

- Vacancy rate down to 8.6 percent (2018) from just less than 10 percent (2017)

# SERVICE CENTER PERFORMANCE UPDATE

## Comparing September 2018 vs. 2017 Call Statistics

| Year           | Calls to IVR | Calls Offered to SCR | Abandoned %  | Calls Handled  | ASA          | AHT         | Service Level % |
|----------------|--------------|----------------------|--------------|----------------|--------------|-------------|-----------------|
| 2018           | 241,988      | 138,050              | 1.28%        | 135,957        | 0:00:19      | 0:17:13     | 88.17%          |
| 2017           | 257,963      | 146,711              | 2.13%        | 136,440        | 0:00:21      | 0:16:22     | 83.33%          |
| Percent Change | 6% decrease  | 6% decrease          | 40% decrease | 0.35% decrease | 10% decrease | 5% increase | 6% increase     |

The total Calls Offered decreased from 2017 by 6%.  
The Abandoned % decreased by 40% and Service Level Increased by 6%.

# QUICK SORT VOLUMES

Quick Sort refers to the calculator tool used to determine if a consumer is eligible for CoveredCA or should be referred to Medi-Cal. The tool also determines which consortia the consumer should be referred. This volume represents the total of those transfers.

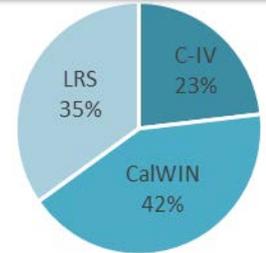
## September Weekly Quick Sort Transfers

| Week 1 | Week 2 | Week 3 | Week 4 | Total |
|--------|--------|--------|--------|-------|
| 191    | 188    | 210    | 225    | 814   |

## September Consortia Statistics

| SAWS Consortia | Calls Offered | Service Level | Calls Abandoned % | ASA     |
|----------------|---------------|---------------|-------------------|---------|
| C-IV           | 230           | 97.83%        | 0.43%             | 0:00:06 |
| CalWIN         | 417           | 94.00%        | 0.00%             | 0:00:14 |
| LRS            | 345           | 98.60%        | 1.70%             | 0:00:10 |

## QuickSort Transfers September 2018



SAWS = Statewide Automated Welfare System (consortia). California has three SAWS consortia's to provide service to the counties.

CalACES = California Automated Consortium Eligibility Systems

CalWIN = California Welfare Information Network

LRS = formally LEADER = Los Angeles Eligibility Automated Determination, Evaluation and Reporting Systems