



EXECUTIVE DIRECTOR'S REPORT

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

ANNOUNCEMENT OF CLOSED SESSION

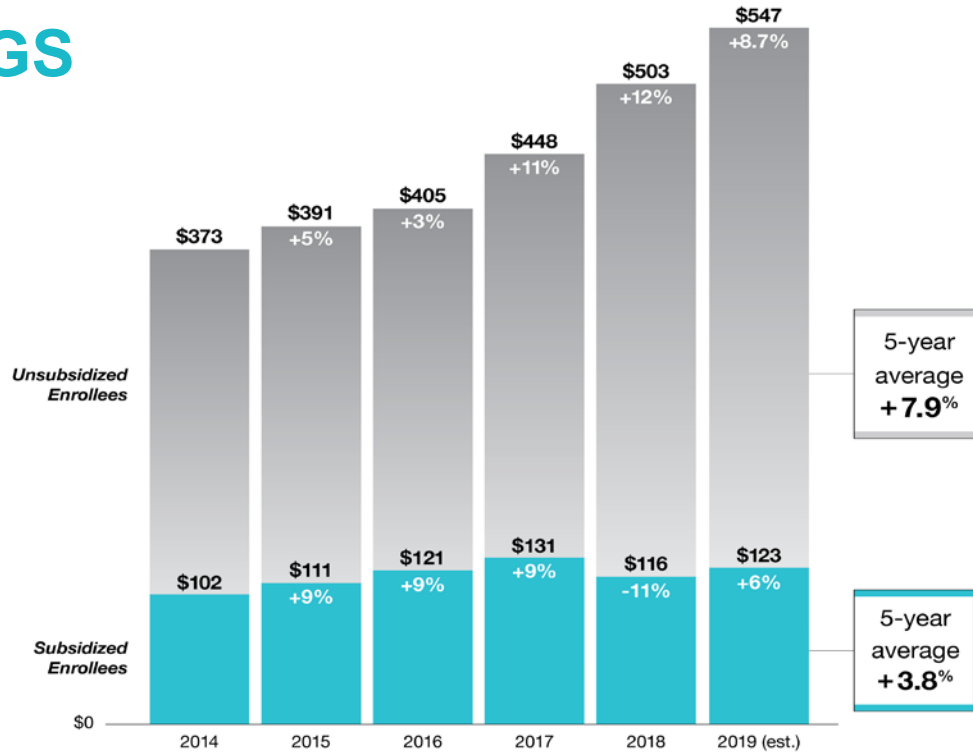
EXECUTIVE DIRECTOR'S UPDATE

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

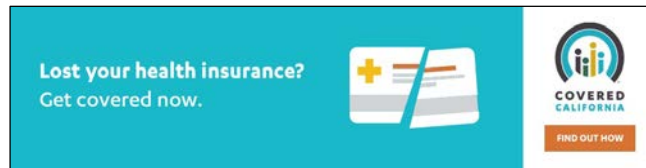
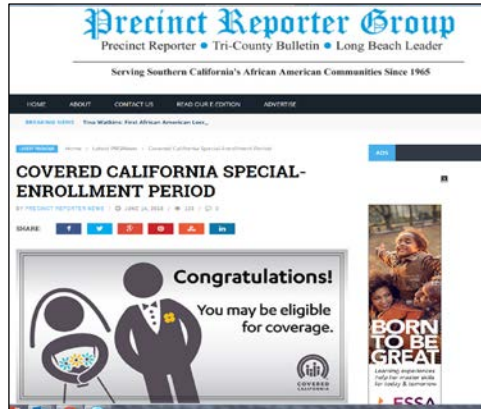
Distribution of Global Quality Ratings by Reportable Products for Individual & CCSB Markets

	# 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



TV “WE GET YOU”



TV “*WE GET YOU*”

2018 COVERED CALIFORNIA SUMMIT AWARD WINNERS



*2018 SUMMIT **Individual** Award Winners: Lilly Myers, Laureenne 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/

Questions and/or feedback can be sent to 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.

ENROLLMENT ASSISTANCE PROGRAM	ENTITIES	COUNSELORS
Certified Application Counselor	252	1,547 Certified
Plan-Based Enroller	11 Plans	678 Certified
Medi-Cal Managed Care Plan	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

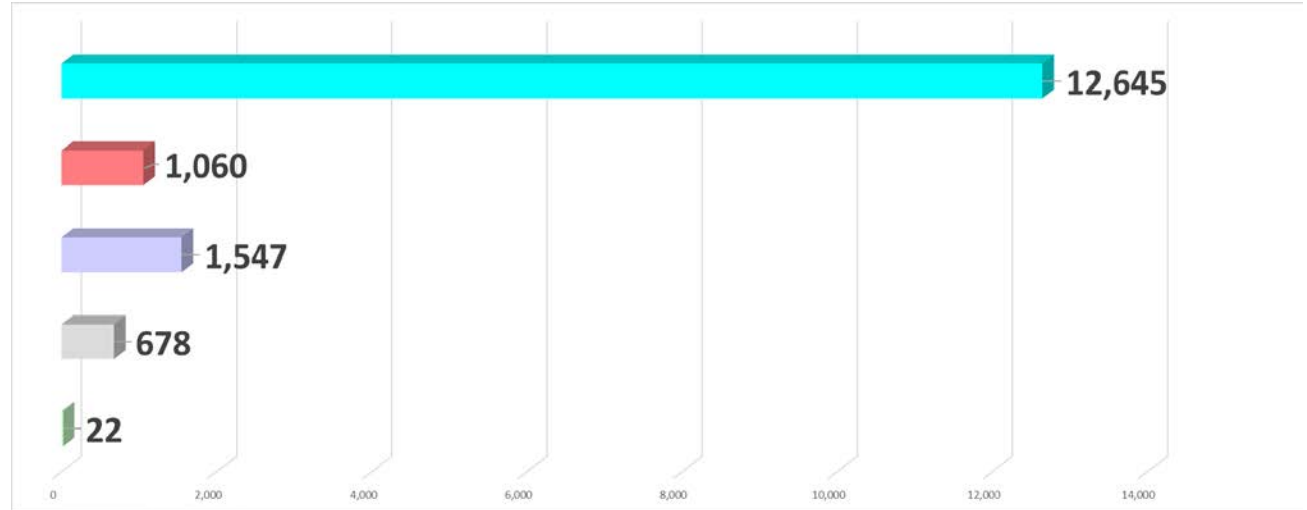
59% Spanish
5% Cantonese
4% Mandarin
1% Vietnamese
1% Korean

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



Certified Insurance Agents



Navigator: Certified Enrollment Counselors



Certified Application Counselors



Certified Plan Based Enrollers



Certified M/C Managed Care Plan Enrollers

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

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

QuickSort Transfers September 2018

