COVERED CALIFORNIA BOARD MINUTES
Thursday, January 19, 2023
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

Agenda Item I: Call to Order, Roll Call, and Welcome

Chairman Mark Ghaly called the meeting to order at 10:00 a.m.

Board Members Present During Roll Call:

Jarrett Barrios
Jerry Fleming
Kate Kendell
Dr. Mark Ghaly

Board Members Absent During Roll Call:

Dr. Sandra Hernandez

Agenda Item II: Closed Session

A conflict disclosure was performed and there were no conflicts from the board members that needed to be disclosed. The board adjourned for closed session to discuss contracting, personnel, and litigation matters pursuant to Government Code Section 100500(j) and 11126 (a).

Chairman Ghaly called open session to order at 12:00 p.m.

Vice Chair Hernandez was present for open session.

Mr. Barrios was not present at the beginning of open session.

Agenda Item III: Board Meeting Action Items

November 17, 2022, Meeting Minutes

Discussion: None.

Motion/Action: Chairman Ghaly called for a motion and a second to approve the November 17, 2022 meeting minutes. Vice Chair Hernandez moved to approve the meeting minutes. The motion was seconded by Ms. Kendell.

Public Comment: None.

Vote: The motion was approved by a unanimous vote of those present.

Agenda Item IV: Executive Director's Report

Announcement of Closed Session Actions Discussion

Jessica Altman, Executive Director, stated that the board met in closed session to undertake issues related to contracting, personnel, and litigation. There were no items to report.

Executive Director's Update Discussion

2023 Board Meeting Dates: Ms. Altman presented the Covered California Board meeting dates for 2023, with four meetings scheduled as only a possibility.

Executive Leadership Transitions: Ms. Altman reported that Allison L. Pease was appointed to the Assistant General Counsel and Director of Office of Legal Affairs role effective January 17, 2023.

Open Enrollment Update

Ms. Altman recognized the effort of Covered California staff in ensuring its tenth open enrollment went smoothly. She then shared updates on earned outreach efforts throughout the state, key outcomes from marketing efforts, and open enrollment early results. Notably, over 1.7 million Californians have chosen a new plan or renewed their coverage. In addition, the Inflation Reduction Act continues to improve affordability as nearly half of new consumers with low incomes have enrolled in a plan for less than $10 per month for 2023. Finally, Ms. Altman shared the context for enrollment trends for 2023, which are resembling pre-pandemic patterns.

State and Federal Policy/Legislative Update Discussion

Ms. Altman highlighted provisions of Governor Newsom's 2023–24 state budget that have impacts on Covered California. Next, she shared state legislative updates and highlighted the introduction of Assembly Bill (AB) 4 (Arambula), which would declare the intent of the legislature to expand Covered California access to all Californians regardless of immigration status.

Next, Ms. Altman shared federal updates. First, she reported that President Biden signed the Omnibus Spending Bill into law, which decouples the Medicaid continuous coverage requirement from the Public Health Emergency and gives Covered California certainty around the timeline for the end of the continuous coverage requirement. Ms. Altman noted that Covered California will be planning for this timeline.

Finally, Ms. Altman shared that the U.S. Department of Health and Human Services issued the 2024 Benefit and Payment Parameters proposed rule. Covered California is analyzing the proposed rule to determine the potential impact on Covered California and submitting comments before the January 30 deadline.

Board Comments:

Vice Chair Hernandez solicited an update on the Chief Medical Officer (CMO) recruitment process. Ms. Altman shared that active recruitment is underway for the next CMO, and anyone is welcome to apply. The position is available online where Covered California posts all the job listings.

Chairman Ghaly expressed his appreciation for Ms. Altman and her team's efforts in working with his agency on the team budget.

Public Comment:

Diana Douglas with Health Access California commented on the significance of the open enrollment numbers and asserted a need to reduce cost-sharing to ensure those who enroll can use their coverage to go to the doctor. Ms. Douglas stated that as co-pays and deductibles continue to increase, it's more likely people will delay or avoid care even when they are covered. Ms. Douglas concluded that Health Access looks forward to partnering with Covered California, the legislature, administration, and advocates to make sure all Californians can access the state marketplace, regardless of immigration status, and get one step closer to achieving universal coverage.

Cary Sanders with California Pan-Ethnic Health Network (CPEHN) praised efforts to outreach to diverse communities during open enrollment. Ms. Sanders expressed concern with the rise in co-pays and out-of-pocket costs. CPEHN is disappointed to see the Governor's budget transfer reserve funds rather than utilize those funds for stabilizing costs and reversing some of the enrollment trends.

Agenda Item V: Covered California Policy and Action Items

Action – Average Statewide Monthly Premium Permanent Regulations

Katie Ravel, Director of Policy, Eligibility and Research, gave an overview of Proposition 22 which requires app-based network companies (Uber, Lyft, etc.) to provide a health care stipend to qualifying app-based drivers, quarterly, based on certain criteria. Ms. Ravel stated the stipend is tied to the average statewide monthly premium for an individual Covered California Bronze health insurance plan. On or before September first, annually, Covered California must publish the average statewide monthly premium for an individual for the following calendar year for a Covered California Bronze health insurance plan. The stipend is tied to the "average ACA contribution" of the posted premium, defined as 82 percent of the premium. The average statewide monthly Bronze premium is based on the average Bronze premium for a 21-year-old published by Covered California for the individual mandate penalty, adjusted by the average age of Covered California enrollees.

Ms. Ravel reported that Covered California adopted emergency regulations in March 2021 to specify the methodology for calculating the average statewide monthly Bronze premium. Ms. Ravel stated that no changes have been made to the regulatory text, and staff requests board approval to take the final administrative actions to make the emergency regulations permanent.

Board Comments:

Vice Chair Hernandez inquired about the average age of enrollees used for this methodology. Ms. Ravel stated in response that it is somewhere in the early 40s.

Motion/Action: Vice Chair Hernandez moved to approve the average statewide monthly premium permanent regulations. The motion was seconded by Ms. Kendell.

Chairman Ghaly called for a motion to approve the average statewide monthly premium permanent regulations.

Public Comment: None.

Vote: The motion was approved by a unanimous vote of those present.

Discussion – 2024 Qualified Health Plan Contract and Certification Process Discussion

2024–26 Qualified Dental Plan Issuer Model Contract Discussion

James DeBenedetti, Director of the Plan Management Division, gave an overview of qualified dental plan (QDP) contracting. He began by providing background information on QDP contracting as context for proposed contract changes.

Next, Mr. DeBenedetti illustrated the number of total enrollees covered for each dental issuer as of December 31, 2022, noting that Liberty is leaving for 2023, and most of those consumers, if they do not choose an alternative dental plan, will be enrolled in the California Dental Network. He then highlighted a graph illustrating the mix of product types enrollees have selected between 2016–2022, as well as the size of the program. Notably, dental enrollment was 87,601 in 2016, and 250,560 in 2022.

Mr. DeBenedetti then presented the 2024–2026 QDP issuer model contract development timeline. Initial phases started with stakeholders at the beginning of 2022. An initial draft of the revised dental contract with initial comments was received in October and incorporated a lot of feedback from everyone involved. Mr. DeBenedetti stated that a second draft was posted and that public comments are due on January 26, 2023. A completed version incorporating all the feedback will be presented to the board for approval in April.

Taylor Priestley, Deputy Director of the Health Equity and Quality Transformation Division, gave an overview of the process Covered California took to update its dental plan contract. Ms. Priestley highlighted robust stakeholder engagement through individual meetings, small group meetings, kick-off meetings, and formal refresh work group meetings that met monthly, from April through November of 2022. The current draft presented reflects significant revisions following the receipt of comments and stakeholder feedback.

Ms. Priestley began by providing a summary of feedback received throughout the development process.

Next, Ms. Priestley highlighted key changes and proposed changes to the model contract. Covered California is proposing parallel requirements around a plan’s responsibility to foster a culture of equity and to maintain a disparities reduction program. To increase plan accountability, Covered California is proposing an increase in the maximum payment obligation, up to 1 percent of total annual gross premium per product.

To increase contractor accountability across contract requirements Covered California is proposing new language around the use of Corrective Action Plans (CAPs) for compliance or performance concerns, as well as language surrounding the consideration of patterns of noncompliance as part of Covered California's annual recertification and decertification process.

Next, Ms. Priestley reviewed each article in Attachment 1, Advancing Equity, Quality, and Value. Covered California proposes that Article 1, Equity and Disparities Reduction, Covered California centers on the submission of an annual progress report describing efforts toward disparities reduction. Covered California is proposing for Article 2, Population Health, that plans submit an annual population assessment plan, focusing on children, adolescents, and members with disabilities. For Article 3, Health Promotion and Prevention, Covered California's core objective is to actively outreach, engage, and educate enrollees on member benefits and cost-sharing, and to conduct tailored outreach and education based on identified needs or health status. In Article 4, Delivery System and Payment Strategies to Drive Quality, Covered California is proposing the requirement that dental health maintenance organization (DHMO) issuers support the selection or assignment of a primary dentist within 60 days of enrollment for their members to ensure they know how to access care. A few reporting requirements are also proposed to continue to learn about the offerings in the case of teledentistry and utilization if it's offered, as well as the role of provider payment type and potential relationships to quality and equity of care. In Article five, Measurement and Data Sharing, Covered California is proposing the continued required data submissions to the Healthcare Evidence Initiative (HEI) and no additional participation in data submission or health information exchanges.

Next, Ms. Priestley gave an overview of Covered California's proposal to divide the current performance standards attachment into two new attachments, Attachment 2, and Attachment 3. Attachment 2 will contain performance standards with financial accountability. Attachment 3 will organize the performance standards with expectations including customer service standards, operational performance standards, and dental loss ratio expectation to maintain at least a 50 percent dental loss ratio for all products.

Ms. Priestley then gave an overview of Attachment 2. Covered California is proposing to move forward with an equal split of accountability based on data submission, data quality, and completeness. These include both the HEI data submission and provider directory data submission and oral health performance. Three performance standards are proposed for children. A preventative services utilization measure for adults is proposed to capture the core objective of increasing adult member engagement and receipt of care.

Finally, Ms. Priestley shared Covered California's proposed structure to establish a baseline and measure a proposed improvement of 10 percent each year.

2024 Qualified Health Plan Issuer Model Contract Update Discussion

Mr. DeBenedetti returned to introduce updates to the 2024 qualified health plan (QHP) issuer model contract. He noted that the bulk of contracts for QHPs have no significant

changes for 2024 and that the areas Covered California is changing involve equality; all other changes are clarifications and minor changes.

Ms. Priestley returned to give an overview of proposed revisions to the 2024 Attachment 1, Attachment 2, and Attachment 4.

She began by providing an overview of Covered California's approach to the 2024 amendments.

Next, Ms. Priestley provided a summary of the proposed 2024 revisions. Proposed revisions to Attachment 1 include adding requirements to demonstrate the provision of culturally and linguistically competent care; adding requirements for behavioral health subcontractor oversight and accountability; and adjusting social needs screening measures and reporting.

Proposed revisions to Attachment 2 include implementing performance standards for Patient Level Data file submission completeness and accuracy and defining oral health performance standards using standard measures. In addition, Covered California proposes modifying the definition of the written and spoken language preference performance standard. Initially, plans would need both a spoken and written language for at least 80 percent of members to avoid a penalty.

Proposed revisions to Attachment 4 include specifying the distribution of percent at risk between Attachment 2 and Attachment 4 for plan year 2024.

2024 Qualified Health Plan Certification

Mr. DeBenedetti returned to give an overview of the 2024 QHP certification application process. He noted that currently contracted QHPs will have greatly reduced application response requirements. New QHPs must complete the entire application. All dental issuers will be treated as new entrants for 2024 and must complete the entire application.

Next, Mr. DeBenedetti shared the certification selection criteria, as set by the Covered California Board.

Mr. DeBenedetti shared that Covered California posted draft applications and all the changes implemented since the prior version. Public comments received were related to clarification or to the quality sections. Revisions were implemented and public comments are posted online for viewing.

Finally, Mr. DeBenedetti highlighted a timeline of proposed 2024 certification milestones and stated that any carrier who wants to apply must do so by February 15th. The application itself will go live on March 1st and the responses will be due on April 28th. Covered California will spend the month of May reviewing materials, negotiating with the plans in June, and completing the final determination on certification, and publishing the premiums publicly in July.

Board Comments:

Chairman Ghaly expressed his appreciation for the multi-agency collaboration.

Mr. Fleming asked how parallel Covered California is between its expectations of QHPs, pediatric dental, and for qualified dental plans.

Ms. Priestley responded that Covered California is very attentive to pediatric oral health recognizing that any child enrolled in a qualified dental plan is also enrolled in a health plan. Covered California has issuers that participate in both markets offering both of those products and is very attentive to making sure those requirements are as similar or as parallel as possible.

In terms of performance levels, Covered California is proposing the same structure; establishing a baseline rate for each required measure and then demonstrating that year-over-year 10 percent improvement. As data becomes available, Covered California can adjust, if needed.

In comparing the health plan requirements to the dental plan requirements, Covered California is only proposing two of the three pediatric measures proposed for the dental plans.

Ms. Kendell expressed her appreciation for the robustness of the dental plan proposals.

Vice Chair Hernandez emphasized the importance of accountability for behavioral health when that gets subcontracted out. Secondly, she inquired why the language access in the documentation by plans was changed from written and spoken to written or spoken.

Ms. Priestley responded that after talking to experts and reviewing the literature it was not very common for entities to collect and store both.

Vice Chair Hernandez encouraged Covered California to share any data it might have about the language access needs of its enrollees.

Mr. Barrios joined open session.

Public Comment:

Doreena Wong with Asian Resources, Inc. expressed her appreciation for Covered California's effort to address quality issues, bring dental plans up to QHP performance measures, and address disparities reduction.

While staff opted to not collect disaggregated demographic data and add additional performance measures, she is hopeful that with time, dental plans will be able to collect this information.

Finally, she expressed support for the contract revisions, especially the attachments, including the requirement to demonstrate the provision of culturally competent care, the social needs screening, and behavioral health subcontractor oversight.

With regards to the provision about requiring written or spoken language, Ms. Wong agreed with Vice Chair Hernandez that this should be revisited.

Cary Sanders with California Pan-Ethnic Health Network (CPEHN), echoed comments made by Ms. Wong and Vice Chair Hernandez on language needs. Ms. Sanders

expressed her appreciation for the dental plan discussions and efforts to improve the equity of oral health care provided to Covered California enrollees. While plans won't be required to collect and report demographic data, Ms. Sanders applauded Covered California for its proposal to use other data to backfill this data and begin to collect this important baseline data on equity that would be important to move the needle. Ms. Sanders is hopeful dental plans will begin to build the infrastructure needed to engage more meaningfully in quality and equity work. Ms. Sanders also expressed her support for the proposed QHP changes and the additional requirements on providing culturally responsive care, behavioral health subcontractor oversight, and social needs screening.

Diana Douglas with Health Access echoed comments made by Ms. Wong and Ms. Sanders, including those on linguistically competent care. Ms. Douglas also expressed support for the social needs screening.

Héctor Hernández-Delgado with the National Health Law Program expressed support for the proposed changes to QDPs and QHPs and echoed comments made by previous speakers.

Discussion – Planning for the End of the Medicaid Continuous Coverage Requirement

Ms. Ravel returned to introduce a presentation highlighting the planning and partnership between Covered California and the Department of Health Services (DHCS) on the unwinding of the continuous coverage requirement and the launch of the auto-enrollment program.

DHCS Medi-Cal Continuous Coverage Unwinding Update:

Yingjia Huang, Assistant Deputy Director of Health Care Benefits and Eligibility at the Department of Health Care Services gave an overview of the unwinding process and related policy updates.

Ms. Huang began by providing an overview of the Consolidated Appropriations Act of 2023, which will end the continuous coverage requirement on March 31st and as a result, will trigger the resumption of Medicaid redeterminations on April 1st.

Ms. Huang then highlighted that DHCS has updated its Medi-Cal COVID-19 Public Health Emergency (PHE) and Continuous Coverage Unwinding Plan to reflect these policy changes and provided an overview of the Unwinding Plan. Notably, Counties will begin renewal activities on April 1, 2023, and will have 14 months to begin the full redetermination cycle. Currently, there are approximately 15.3 million people enrolled in Medicaid. The first Medi-Cal discontinuances will occur on July 1, 2023, with an expected volume of approximately 800,000–900,000 per month.

Next, Ms. Huang shared how DHCS will ensure continuity of coverage for certain young adults. In 2022, California enacted the implementation of state-funded full-scope Medi-Cal for individuals aged 26–49 regardless of immigration status. However, this expansion takes effect on January 1, 2024. To ensure this population is not adversely impacted by the unwinding, DHCS has instructed Counties to deprioritize these individuals and renew them towards the end of the PHE unwinding period.

Next, Ms. Huang gave an overview of federal flexibilities that the Centers for Medicare and Medicaid Services is offering states to increase the efficiency of Medicaid operations and noted that DHCS embraced every flexibility that they could.

Ms. Huang then reviewed DHCS efforts to provide guidance to counties and provided an overview of county readiness. She highlighted that DHCS is requiring counties to submit their readiness assessments by February 21st.

Next, Ms. Huang shared DHCS outreach efforts, highlighting the DHCS Coverage Ambassador program to help DHCS spread the word on the COVID-19 PHE unwinding efforts; and the DHCS COVID-19 PHE Outreach Toolkits to be used. Finally, for the first time, DHCS has engaged a communications vendor for media campaigns for both the COVID-19 PHE, other eligibility expansions, and the postpartum extension. The media campaign will begin in February.

Finally, Ms. Huang noted that DHCS will be publishing an eligibility dashboard in May, that will show the total enrollment numbers for Medicaid, redeterminations information, and discontinuances.

SB 260 Consumer Journey and Support Update

Karen Avakian, Deputy Director of Policy, Eligibility and Research gave an update on the consumer journey and support Covered California will be providing consumers who are no longer eligible for Medi-Cal and eligible for auto-enrollment in Covered California.

Ms. Avakian began by providing an overview of California Senate Bill (SB) 260, which directs Covered California to automatically enroll consumers who lose Medi-Cal coverage with a plan with Covered California.

Next, she called attention to a slide illustrating the continuous coverage ending and how SB 260 facilitated enrollment will take place. Ms. Avakian noted that July 1st is when Covered California coverage will begin. Individuals will have until July 31st to make a payment, opt-in, and keep the plan that was selected. These individuals will also be provided with a special enrollment period (SEP).

Ms. Avakian then called attention to a slide illustrating consumer notices for individuals determined eligible for auto-enrollment, or auto-plan selection. She highlighted that Covered California conducted a series of individual interviews as well as focus groups where the communication was tested and subsequently edited based on the feedback received.

Next, Ms. Avakian highlighted additional consumer support and outreach efforts, including outbound outreach as enrollment deadlines approach, connecting individuals with assistance through agents and navigators, and enabling tailored consumer journeys and outreach by carriers through information passed in our auto-enrollment transactions.

Ms. Avakian then walked through the coveredca.com experience as well as the CalHEERS experience and the “opt-in/opt-out” experience.

Historical Data and Planned SB 260 Reporting and Evaluation

Isaac Menashe, Deputy Director of Policy, Eligibility and Research provided an update on historical data and planned SB 260 reporting and evaluation.

He began his presentation by providing background on the data staff looked at in planning for the program, reporting, and evaluation. He noted there are two types of Medi-Cal Transitioners (MCT); those who have lost eligibility and gained eligibility for Covered California in general, with or without a subsidy, and those who lost Medi-Cal eligibility and gained eligibility for an advanced premium tax credit (APTC).

Mr. Menashe then provided historical data for the MCT population and highlighted the historically low plan selection rate, noting this is what the auto plan selection intervention is designed to help or improve. Mr. Menashe then stated that the goal is not to increase plan selection to 100 percent, as past research has shown that more than half of these consumers reported another source of coverage.

Next, Mr. Menashe called attention to a graph illustrating that when applying the American Rescue Plan and Inflation Reduction Act to historical subsidy-eligible MCTs, nearly half of the MCTs would have been eligible for a $0 Silver plan.

Mr. Menashe stated that Covered California is hopeful the changes to product price, as well as the auto-plan selection, will boost the conversion of consumers from the Medi-Cal program to Covered California.

Next, Mr. Menashe shared that Covered California plans to publicly report on key outcomes for assessing the effectiveness of the program, including providing monthly administrative data as well as updates to the board throughout the unwinding.

In addition to reporting, Mr. Menashe stated that California will conduct qualitative and survey research and take on program evaluation efforts.

SB 260 Implementation Monitoring and Future Policy Gaps

Ms. Ravel concluded the presentation by highlighting that staff will monitor the launch of SB 260 and address any implementation issues that might arise. She added that Covered California will begin to explore the feasibility and considerations for auto-assigning MCTs to a health plan that would provide continuity of care with prior Medi-Cal enrollment. Staff will seek input in the coming months through the Plan Management Advisory group.

Board Comments:

Mr. Fleming stated that having robust, real-time information will be instrumental in making needed adjustments if things start to go wrong. Second, he encouraged Covered California to think about the provider connection to make things easier for consumers, from a care standpoint.

Vice Chair Hernandez echoed comments made by Mr. Fleming. She is hopeful the reporting dashboard will show county by county, where progress is being made. She anticipates a bumpy road ahead but knows Covered California will adapt quickly.

Mr. Barrios asked Ms. Huang if the paid media campaign will include the Medi-Cal expansion for the 26–49-year-old population. Ms. Huang responded that the campaign

would include this expansion. Mr. Barrios then asked if the advertisements will be launched in languages other than English. Ms. responded that they will. Lastly, Mr. Barrios asked if there is a strategy for ensuring the newcomer enrollees from the expansion population don't fall between the cracks. Ms. Altman clarified that Covered California and DHCS systems are connected on the back end. As external messaging is being put out and enrollees are coming in, the system will get these individuals to where they need to be.

Ms. Kendell encouraged Covered California to stay nimble.

Chairman Ghaly expressed his enthusiasm for the level of coordination between Covered California and DHCS. He recognized Ms. Huang for her work. He then echoed Mr. Fleming's comment on the importance of provider continuity.

Chairman Ghaly left the meeting.

Public Comment:

John Newman with Kaiser Permanente congratulated Covered California on its work to prepare to ensure everything that can be done is being done to ensure those transitioning off Medi-Cal don't have a coverage gap. He expressed concern with potential continuity of care issues, as most people being auto-enrolled will be auto-enrolled in a different plan from where they were. Given the volume coming through, he strongly encouraged a sense of urgency in getting that capability built out to enroll consumers in their prior care versus the lowest-cost Silver plan.

Cary Sanders with California Pan-Ethnic Health Network (CPEHN) stated she hopes to continue to see more collaboration between Covered California and DHCS in terms of communication and outreach enrollment activities. She asked if community-based organization (CBO) navigators will also be required to submit PHE readiness plans. She was also interested to hear that DHCS is coordinating communication and hoping to hear a little bit more about how that will play out between the health navigators, Covered California, and DHCS.

On the SB 260 reporting, she appreciates the public reporting on key outcomes to assess effectiveness. She was disappointed to see previous data that 30 percent of individuals who qualified for some sort of premium assistance were still uninsured but heartened to hear that Covered California is utilizing its agents and navigators to help with transitions.

In response to Mr. Menashe's presentation, she appreciated the robust evaluation plan presented by Mr. Menashe. Finally, she appreciates the comments on continuity of care and looks forward to working with Covered California health plans, providers, and other stakeholders on this through the Plan Management Advisory Committee.

Cori Racela with Western Center on Law and Poverty reacquainted the board with the Health Consumer Alliance and the work they do as Covered California's independent consumer assistance program.

Alicia Emanuel, National Health Law Program noted that some consumers are already waiting several hours to get through county offices to update their contact information

and that she looks forward to learning more about what proactive steps both DHCS and Covered California are taking to support consumers in updating their contact information. Ms. Emanuel is also concerned there might be individuals who erroneously transition over through the SB 260 process because of administrative denials through Medi-Cal. She also encouraged staff to keep an eye out for consumers that need assistance in a language other than English.

Diana Douglas with Health Access thanked Covered California and DHCS for thoughtfully implementing SB 260 on this quick timeline. She urged caution on auto-assignment given the potential for personal income tax liability for consumers that have other coverage. Having a process of active selection will make sure that consumers are on the right track for coverage and getting to the type of coverage they should be on while avoiding unnecessary tax liability.

Doreena Wong with Asian Resources, Inc. stated that as a CBO navigator, her organization has been planning for this process for several years and noted they've begun getting requests about the redetermination process. She supports the recommendation to have continuous communication and meetings between DHCS and Covered California about the state of the renewal process and how auto-enrollment is going.

Vice Chair Hernandez adjourned the meeting at 2:50 p.m.