COVERED CALIFORNIA POLICY AND ACTION ITEMS

February 15, 2024 Board Meeting

EXCHANGE HARDSHIP AND RELIGIOUS CONSCIENCE EXEMPTIONS PROCESS PERMANENT REGULATIONS

Katie Ravel, Director
Policy, Eligibility, and Research Division

BACKGROUND

- In 2020, California implemented an individual mandate and penalty, requiring residents to either maintain minimum essential coverage, receive an exemption, or pay a penalty.
- State law also directed Covered California to grant exemptions for hardship and religious conscience from the mandate, and to establish a process for determining whether an individual is entitled to an exemption and for issuing a certificate of exemption to qualified individuals.
- As discussed at the November 16, 2023 Board meeting, Covered California must now make permanent the emergency regulations adopted by the Board in September 2019 and March 2020 prior to their expiration on January 1, 2025, to ensure the regulations stay in effect.
- Staff initiated a 45-day public comment period from December 1, 2023, to January 16, 2024. Following this, staff incorporated stakeholder feedback and subsequently initiated an additional 15-day public comment period from January 19 to February 6, 2024, during which no additional comments were received.

OVERVIEW OF INITIAL PROPOSED CHANGES

- The rulemaking package maintains the emergency regulations adopted by the board and introduced two changes:
  - Removed the year for which the applicant is requesting the exemption from all exemption applications.
  - Removed the six-month time limit from the eviction and bankruptcy circumstances and the 24-month time limit from the substantial debt due to unreimbursed medical expenses circumstance that qualify as general hardships.

NEWLY INTRODUCED CHANGES

- Amended the application requirements to retain the tax year for which the religious conscience, general hardship, or affordability exemption is requested. Subdivisions have been renumbered accordingly.
- Clarification on the requirement to specify the year for which the applicant seeks "an exemption" has been added to the affordability exemption application.
- Amendments have been made to specify that the general hardship exemption can be retroactive, prospective, or both, subject to the three-year limitation on applications for prior years.

NEXT STEPS

- Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
  - The board discussed the proposed regulations at the November 16, 2023 Board meeting.
- Staff now requests the Board to formally adopt this regulation package so it can be filed with the Office of Administrative Law.

PUBLIC COMMENT

CALL: (877) 336-4440
PARTICIPANT CODE: 6981308

- To request to make a comment, press 10; you will hear a tone indicating you are in the queue for comment. Please wait until the operator has introduced you before you make your comments.
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EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM

NOTE: Written comments may be submitted to BoardComments@covered.ca.gov.

2025 QUALIFIED HEALTH PLAN ISSUER CONTRACT AND CERTIFICATION PROCESS

2025 QUALIFIED HEALTH AND DENTAL PLAN ISSUER MODEL CONTRACT

James DeBenedetti, Director
Plan Management Division

2025 MODEL CONTRACT UPDATE

- The Qualified Dental Plan Issuer Model Contract for the Individual and Small Business markets was significantly refreshed last year for the 2024-26 period.
- Proposed changes presented for discussion at the January 18, 2024, Board meeting, for the 2025 Individual and Small Business health and dental contract amendments were minor (primarily for purposes of clarification) outside of Attachments 1, 2, and 4.
- There have been no further substantive updates since the presentation at the January 18, 2024, Board meeting.
- Current draft 2025 Amendments to the 2023-2025 QHP Issuer Model Contracts and 2024-2026 QDP Issuer Contract, are available here: https://hbex.coveredca.com/stakeholders/plan-management/contract-listings/2025/

2025 PLAN YEAR AMENDMENT ATTACHMENTS 1, 2, AND 4

S. Monica Soni, MD
Chief Medical Officer
Health Equity and Quality Transformation

2023-2025 ADVANCING EQUITY, QUALITY AND VALUE PRINCIPLES AND STRATEGIC FOCUS AREAS

Quality is central

Equity is quality

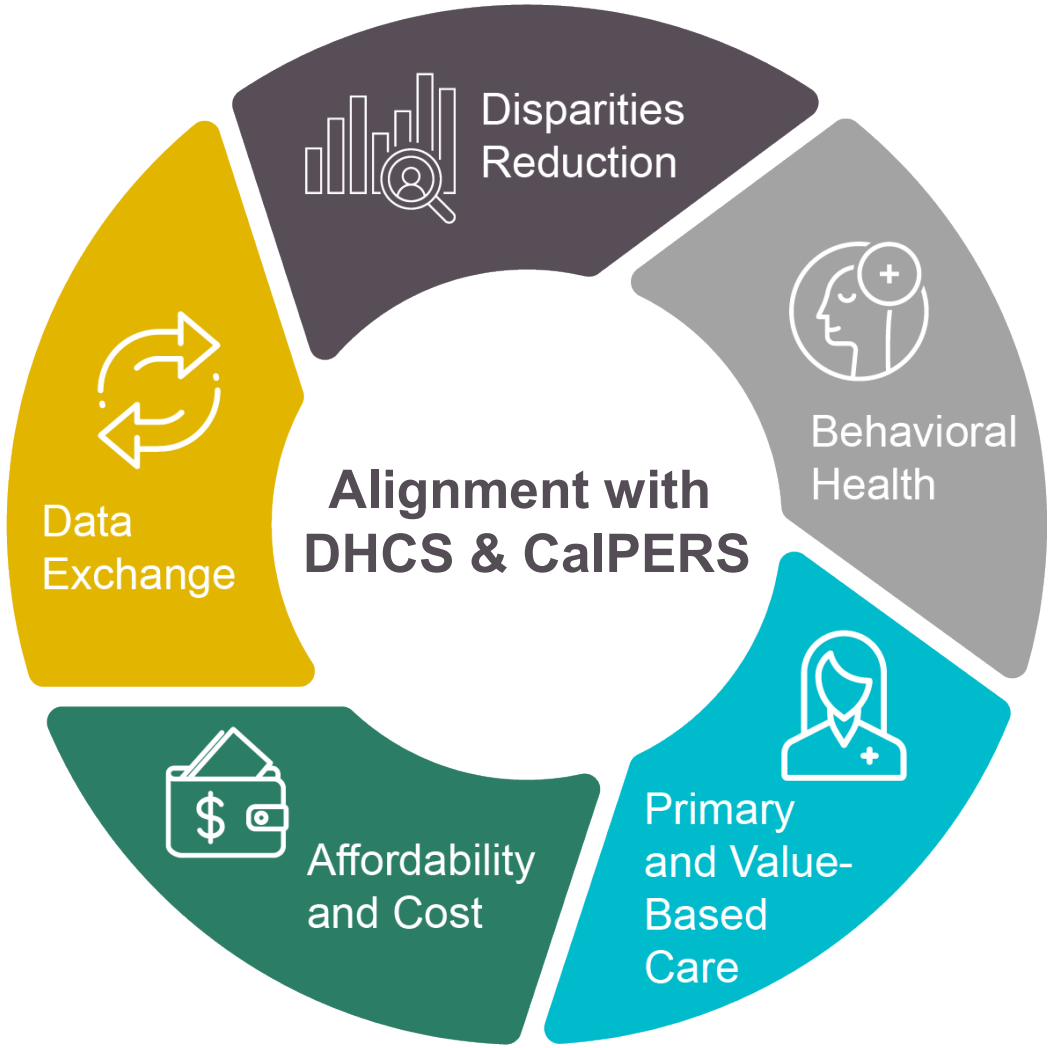
Measures that matter

Make quality count

Amplify through alignment

Promote public good

Care about cost



SUMMARY OF PROPOSED 2025 REVISIONS

Attachment 1 Advancing Equity, Quality, and Value

Article 1 - Equity and Disparities Reduction

- Adding language to address NCQA HEA compliance requirements by year-end 2025 if not already achieved
- Updates to the Patient Level Data (PLD) File measures resulting from QRS measures changes

Article 6 - Certification, Accreditation, and Regulation

- Adding language to include NCQA HPA compliance requirements by year-end 2025 if not already achieved

Attachment 2 Performance Standards with Penalties

Healthcare Evidence Initiative (HEI) Data and Patient Level Data (PLD) Submissions Data Submission specific to HEI

- Clarification of requirements in Performance Standard 9
- Discontinuing performance penalty for PLD File data

SUMMARY OF PROPOSED 2025 REVISIONS

Attachment 4 Quality Transformation Initiative

- Defining QHP eligibility requirements, consistent with CMS Quality Rating System governance
- Updated language to finalize measures payment amount of up to 2.8% gross premium
- Establishing program elements including collection and use of funds and adding key clarifications around authority, accountability and process for the Quality Transformation Fund

ADMINISTRATION OF QUALITY TRANSFORMATION FUND

The proposed 2025 amendment adds key clarifications around authority, accountability and process for the Quality Transformation Fund.

- Making payments **does not absolve Contractor of its responsibility** to engage in quality improvement activities to meet or exceed required QTI benchmarks, and engage in other innovative quality improvement strategies
- **Covered California shall manage the collection and administration** of payments
- Covered California shall approve use of payments within the Quality Transformation Fund for one or more **Population Health Investments**.
- Covered California shall engage with stakeholders, including QHP Issuers, in developing **recommendations for Population Health Investments** and program designs.
- Based on engagement with stakeholders, **Covered California, in its sole discretion, shall establish permissible Population Health Investments** for Contractor to implement.

2025 PROPOSED REVISIONS
ATTACHMENT 1: ADVANCING EQUITY, QUALITY, AND VALUE

Attachment 1 Article	Summary of Revisions
Article 1: Equity and Disparities Reduction	• Adding language to address NCQA HEA compliance requirements by year-end 2025 if not already achieved • Updates to the Patient Level Data (PLD) File measures resulting from QRS measures changes
Article 2: Behavioral Health	• No proposed changes
Article 3: Population Health	• No proposed changes
Article 4: Delivery System and Payment Strategies to Drive Quality	• No proposed changes
Article 5: Measurement and Data Sharing	• No proposed changes
Article 6: Accreditation	• Adding language to include NCQA HPA compliance requirements by year-end 2025 if not already achieved

2025 PROPOSED REVISIONS
ATTACHMENT 2: PERFORMANCE STANDARDS WITH PENALTIES

Attachment 2 Performance Standards	Summary of Revisions
Attachment 2	Removal of reference to Initial Contractor Performance Standard Evaluation Report Updates language to reflect current practice
Attachment 2 Standard 9	Removal of PLD files from data quality performance standard as files received required little engagement for corrections, performance penalty not necessary
Attachment 2 Standard 9.1	Update contract language to support a standard HEI Submission Schedule. Removal of detailed language on methodology because details on submission requirements are included in separate methodology document.
Attachment 2 Standard 9.2	No changes
Attachment 2 Standard 9.3	Removal of reference to provider type; Taxonomy is more detailed and granular and is more useful for analytic purposes. Removal of reference to drugs claims as it was originally included in error.
Attachment 2 Standard 9.4	Removal of Tax ID Number (TIN) submission requirements, NPI is the preferred identifier for individual primary care providers
Attachment 2 Standard 9.5	Removal of Tax ID Number (TIN) submission requirements, NPI is the preferred identifier for individual primary care providers

2025 PROPOSED REVISIONS
ATTACHMENT 2: PERFORMANCE STANDARDS WITH PENALTIES

Attachment 2 Performance Standards	Summary of Revisions
Attachment 2 Standard 9.6	Changes made to accommodate differences in financial field submissions between fee-for-service claims and encounters, based on product type.
Attachment 2 Standard 9.7	Clarifying edit that reflects vendor's process for matching medical claims and encounters, drug claims, or capitation records to a current or prior enrollment record to accommodate claims received outside of enrollee's enrollment period.
Attachment 2 Standard 9.8	Clarifying edit that reflects vendor's process for matching enrollees to known insurance products; matching enrollees to medical claims and encounters, drug claims, and capitation records is addressed in standard 9.7.
Attachment 2 Standard 9.9	Clarifying edit to add reference to tax amount which is included in rule vendor applies when assessing drug financial reconciliation.
Attachment 2 Standard 9.10	No changes

2025 PROPOSED REVISIONS: ATTACHMENT 4 CHANGES (1 OF 2)

INTRODUCTION, SECTIONS 1.01, 1.02, AND 1.04

Notable Changes	Rationale
QTI Eligibility Requirements: Consistent with CMS for QRS reporting, QHP Issuers with a minimum of two years of QRS reportable scores will be subject to QTI performance requirements	Provide additional information on QTI eligibility requirements for new entrants
1.01.2 Health Disparities Reduction Requirements: Updated language to specify that QTI health equity methodology will be integrated in 2026 contract	Update to timeline to account for health equity methodology which is being refined alongside other public purchasers
1.02 Benchmarks and Payments to the Quality Transformation Fund: Updated language for MY2025 measure payment amount (up to 2.8%) and outlined accountability expectations	Reinforce the continued need for QHPs to continue to improve performance on measures despite any payments that may be made Confirm the maximum payment amount for MY2025
1.04 Administration of the Quality Transformation Fund: Covered California shall manage the collection, administration and approved uses of payments	Clarification of administration of the payments

2025 PROPOSED REVISIONS: ATTACHMENT 4 CHANGES (2 OF 2)

SECTIONS 1.05, 1.06, 1.07

Notable Changes	Rationale
1.05 Population Health Investments: Incorporates guiding principles for use of funds, implementation of population health investment, tracking of expenses, and evaluation requirement	Outline of intent to create targeted population health investments following guiding principles
1.06 Unspent Funds: Good faith attempt to use payments made in the same calendar year	Clarification of cycle of funds flow
1.07 Ongoing Assessment of the Quality Transformation Fund: Covered California shall continuously assess the success of the Quality Transformation Fund at achieving measurable quality improvements	Outline expectation for continuous re-assessment of program impact at achieving quality outcomes, especially as amount of premium at risk increases in subsequent years

REQUESTED ACTION: 2025 QUALIFIED HEALTH & DENTAL PLAN ISSUER CONTRACT AMENDMENTS

Staff requests the Board to:

- Authorize staff to finalize and execute the Qualified Health and Dental Plan Issuer Model Contracts for Covered California and for Covered California for Small Business for Plan Year 2025, which includes all attachments.

PUBLIC COMMENT

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PARTICIPANT CODE: 6981308

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2025 QUALIFIED HEALTH AND DENTAL PLAN CERTIFICATION APPLICATION

James DeBenedetti, Director
Plan Management Division

CERTIFICATION APPLICATION UPDATES

Qualified Health Plan (QHP) Contract period is 2023 - 2025.
Currently contracted QHPs will have reduced application response requirements.
New entrants will complete the entire application.

Qualified Dental Plan (QDP) Contract period is 2024 - 2026.
Currently contracted QHPs will have reduced application response requirements.
New entrants will complete the entire application.

Plan Year 2025 Certification Health and Dental Applications will be open to all Applicants.

The four Certification Applications are posted on the HBEX Certification page.

CERTIFICATION SELECTION CRITERIA

Following a comprehensive stakeholder process and consideration of a set of recommendations by staff, Covered California's Board of Directors articulate guidelines for the selection and oversight of Qualified Health Plans (QHP) which are used in selecting QHP issuers and making QHP certification decisions.

These guidelines are:

- Promote Affordability and Value for the Consumer – Both in Premiums and at Point of Care
- Encourage Competition Based upon Quality
- Encourage Competition Based upon the Populations Served
- Encourage Competition Based upon Meaningful QHP and QDP Choice and Product Differentiation: Patient-Centered Benefit Plan Designs
- Encourage Competition throughout the State
- Encourage Delivery System Improvement, Effective Prevention Programs and Payment Reform
- Demonstrate Administrative Capability and Financial Solvency
- Encourage Robust Customer Service

PLAN YEAR 2025 CERTIFICATION MILESTONES

Milestone	Date
Release Draft 2025 QHP & QDP Certification Applications	October 16, 2023
Draft Application Comment Periods End	October 30, 2023
Plan Management Advisory: Benefit Design & Certification Applications Policy Recommendation	January 11, 2024
January Board Meeting: Discussion of Benefit Design & Certification Applications Policy Recommendation	January 18, 2024
Letters of Intent Accepted	February 1-15, 2024
Final AV Calculator Released*	February 2024
Applicant Trainings (electronic submission software, SERFF submission and templates*)	February 2024
March Board Meeting: Anticipated approval of 2025 Patient-Centered Benefit Plan Designs & Certification Applications	March 2024
QHP & QDP Applications Open	March 1, 2024
QHP & QDP Application Responses (Individual and CCSB) Due	May 1, 2024
Evaluation of QHP Responses & Negotiation Prep	May – June 2024
QHP Negotiations	June 2024
QHP Preliminary Rates Announcement	July 2024
Regulatory Rate Review Begins (QHP Individual Marketplace)	July 2024
Evaluation of QDP Responses & Negotiation Prep	June – July 2024
QDP Negotiations	July 2024
CCSB QHP Rates Due	July 2024
QDP Rates Announcement (no regulatory rate review)	August 2024
Public Posting of Proposed Rates	July 2024
Public Posting of Final Rates	September – October 2024

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

REQUESTED ACTION: PLAN YEAR 2025 CERTIFICATION APPLICATIONS

Staff requests the Board to:

- Formally adopt the 2025 Certification Criteria and QHP and QDP Applications for the individual and small business health and dental plans.
- Authorize staff to issue applications for selection of QHPs and QDPs for Plan Year 2025.

PUBLIC COMMENT

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PARTICIPANT CODE: 6981308

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2025 STANDARD BENEFIT DESIGNS INCLUDING 2025 CALIFORNIA ENHANCED COST-SHARING REDUCTION BENEFIT DESIGNS

Melanie Droboniku, Interim Deputy Director
Plan Management Division

PY2025 BENEFIT DESIGNS

- At the January Board Meeting, Covered California presented the proposed Standard Benefit Designs for Plan Year 2025
- Today, Covered California is also bringing forward:
  - The Plan Year 2025 Enhanced Benefit Designs pursuant to the California Enhanced Cost-Sharing Reduction Program
  - Covered California for Small Business Benefit Designs for Plan Year 2025
  - Updates to the Plan Year 2025 Dental Copay Schedule
- The full package of benefit designs will be brought for action at the April Board Meeting

LOOKING AHEAD TO 2025 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM

- The California Enhanced Cost-Sharing Reduction Program began in Plan Year 2024 with a budget of $82.5 million.
- Governor's FY 24-25 budget includes an appropriation of $165 million for the Plan Year 2025 affordability program.
- In 2024, state funding allowed Covered California to eliminate deductibles for lower income enrollees up to 250% FPL, simplify benefit designs, and reduce out-of-pocket costs.
- Covered California is developing a design for the 2025 California Enhanced Cost-Sharing Reduction Program that will continue support for those eligible for the program today and expand eligibility above the current 250% FPL threshold.
- The program design, subject to state budget approval, will leverage the benefit designs approved by the Board.
  - Covered California proposes to further enhance Silver 73 designs; hold Silvers 87 and 94 Enhanced Benefit Designs steady from PY2024

ENHANCED PY2025 MODELS

Benefit	Silver 73		CA Enhanced CSR Silver 73		Silver 87		CA Enhanced CSR Silver 87		Silver 94		CA Enhanced CSR Silver 94	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible												
Medical Deductible		$5,400		$0		$1,400		$0		$0		$0
Drug Deductible		$350		$0		$350		$0		$0		$0
Coinsurance (Member)		30%		30%		20%		20%		10%		10%
MOOP		$7,350		$6,100		$3,050		$3,000		$1,300		$1,150
ED Facility Fee		$350		$350		$150		$150		$50		$50
Inpatient Facility Fee	X	30%		30%	X	20%		20%	X	10%		10%
Inpatient Physician Fee		30%		30%		20%		20%		10%		10%
Primary Care Visit		$35		~~$35~~ $30		$15		$15		$5		$5
Specialist Visit		$85		~~$85~~ $75		$25		$25		$8		$8
MH/SU Outpatient Services		$35		~~$35~~ $30		$15		$15		$5		$5
Imaging (CT/PET Scans, MRIs)		$325		$325		$100		$100		$50		$50
Speech Therapy		$35		~~$35~~ $30		$15		$15		$5		$5
Occupational and Physical Therapy		$35		~~$35~~ $30		$15		$15		$5		$5
Laboratory Services		$50		$50		$20		$20		$8		$8
X-rays and Diagnostic Imaging		$95		$95		$40		$40		$8		$8
Skilled Nursing Facility	X	30%		30%	X	20%		20%	X	10%		10%
Outpatient Facility Fee		30%		30%		20%		20%		10%		10%
Outpatient Physician Fee		30%		30%		20%		20%		10%		10%
Tier 1 (Generics)		$20		$15		$8		$5		$3		$3
Tier 2 (Preferred Brand)	X	$55		$55	X	$25		$25		$10		$10
Tier 3 (Nonpreferred Brand)	X	$85		$85	X	$45		$45		$15		$15
Tier 4 (Specialty)	X	20%		20%	X	15%		15%		10%		10%
Tier 4 Maximum Coinsurance		$250		$250		$150		$150		$150		$150
Maximum Days for charging IP copay												
Begin PCP deductible after # of copays												
Actuarial Value												
2025 AV (Draft 2025 AVC)		**73.93†**		**78.09**		**87.97†**		**88.86**		**94.74**		**95.07**

KEY		
	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2024
		Decreased member cost from 2024
		Enhanced member cost from 2024
		Does not meet AV
		Within .5 of upper de minimis
		Securely within AV

PY2025 BENEFIT DESIGNS - IFP

Benefit	Individual-only Platinum Coinsurance		Individual-only Platinum Copay		Individual-only Gold Coinsurance		Individual-only Gold Copay		Individual-only Silver		Silver 73		CA Enhanced CSR Silver 73		Silver 87		CA Enhanced CSR Silver 87		Silver 94		CA Enhanced CSR Silver 94		Bronze		Bronze HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible																										$6,650
Medical Deductible										$5,400		$5,400		$0		$1,400		$0		$0		$0		$5,800		
Drug Deductible										$50		$350		$0		$350		$0		$0		$0		$450		
Coinsurance (Member)		10%		10%		20%		20%		30%		30%		30%		20%		20%		10%		10%		40%		0%
MOOP		$4,500		$4,500		$8,700		$8,700		$8,700		$7,350		$6,100		$3,050		$3,000		$1,300		$1,150		$8,850		$6,650
ED Facility Fee		$150		$150		$330		$330		$400		$350		$350		$150		$150		$50		$50	X	40%	X	0%
Inpatient Facility Fee		10%		$225		30%		$350	X	30%	X	30%		30%	X	20%		20%	X	10%		10%	X	40%	X	0%
Inpatient Physician Fee		10%		---		30%		---		30%		30%		30%		20%		20%		10%		10%	X	40%	X	0%
Primary Care Visit		$15		$15		$35		$35		$50		$35		~~$35~~ $30		$15		$15		$5		$5		$60	X	0%
Specialist Visit		$30		$30		$65		$65		$90		$85		~~$85~~ $75		$25		$25		$8		$8	X	$95	X	0%
MH/SU Outpatient Services		$15		$15		$35		$35		$50		$35		~~$35~~ $30		$15		$15		$5		$5		$60	X	0%
Imaging (CT/PET Scans, MRIs)		10%		$75		25%		$75		$325		$325		$325		$100		$100		$50		$50	X	40%	X	0%
Speech Therapy		$15		$15		$35		$35		$50		$35		~~$35~~ $30		$15		$15		$5		$5		$60	X	0%
Occupational and Physical Therapy		$15		$15		$35		$35		$50		$35		~~$35~~ $30		$15		$15		$5		$5		$60	X	0%
Laboratory Services		$15		$15		$40		$40		$50		$50		$50		$20		$20		$8		$8		$40	X	0%
X-rays and Diagnostic Imaging		$30		$30		$75		$75		$95		$95		$95		$40		$40		$8		$8	X	40%	X	0%
Skilled Nursing Facility		10%		$125		30%		$150	X	30%	X	30%		30%	X	20%		20%	X	10%		10%	X	40%	X	0%
Outpatient Facility Fee		10%		$75		30%		$130		30%		30%		30%		20%		20%		10%		10%	X	40%	X	0%
Outpatient Physician Fee		10%		$20		30%		$60		30%		30%		30%		20%		20%		10%		10%	X	40%	X	0%
Tier 1 (Generics)		$7		$7		$15		$15		$18		$20		$15		$8		$5		$3		$3		$19	X	0%
Tier 2 (Preferred Brand)		$16		$16		$60		$60	X	$60	X	$55		$55	X	$25		$25		$10		$10	X	40%	X	0%
Tier 3 (Nonpreferred Brand)		$25		$25		$85		$85	X	$90	X	$85		$85	X	$45		$45		$15		$15	X	40%	X	0%
Tier 4 (Specialty)		10%		10%		20%		20%	X	20%	X	20%		20%	X	15%		15%		10%		10%	X	40%	X	0%
Tier 4 Maximum Coinsurance		$250		$250		$250		$250		$250		$250		$250		$150		$150		$150		$150		$500*		
Maximum Days for charging IP copay				5				5																		
Begin PCP deductible after # of copays																										
Actuarial Value																										
2025 AV (Draft 2025 AVC)	**91.90**		**91.58**		**81.46**		**81.64**		**71.59†**		**73.93†**		**78.09**		**87.97†**		**88.86**		**94.74**		**95.07**		**63.68**		**64.88**	
Enrollment as of July 2023	77,615				183,457				293,276		128,845				318,258				221,763				346,158		93,586	
Percent of Total enrollment	5%				10%				17%		8%		8%		20%		20%		13%		13%		21%		6%	
Enrollment as of June 2022	21,755		54,353		90,229		80,954																			
Percent of Total enrollment	29%		71%		53%		47%																			

KEY		
	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2024
		Decreased member cost from 2024
		Does not meet AV
		Within .5 of upper de minimis
		Securely within AV

PY2025 BENEFIT DESIGNS - CCSB

Benefit	CCSB-only Platinum Coinsurance		CCSB-only Platinum Copay		CCSB-only Gold Coinsurance		CCSB-only Gold Copay		CCSB-only Silver Coinsurance		CCSB-only Silver Copay		CCSB-only Silver HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible														$2,850
Medical Deductible						$350		$250		$2,500		$2,500		
Drug Deductible						$0		$0		$300		$300		
Coinsurance (Member)		10%		10%		20%		20%		35%		35%		25%
MOOP		$4,500		$4,500		$7,800		$7,800		$8,600		$8,750		$7,500
ED Facility Fee		$200		$150	X	20%	X	$250	X	35%	X	35%	X	25%
Inpatient Facility Fee		10%		$250	X	20%	X	$600	X	35%	X	35%	X	25%
Inpatient Physician Fee		10%		---	X	20%		--	X	35%		35%	X	25%
Primary Care Visit		$15		$20		$25		$35		$55		$55	X	25%
Specialist Visit		$30		$30		$50		$55		$90		$90	X	25%
MH/SU Outpatient Services		$15		$20		$25		$35		$55		$55	X	25%
Imaging (CT/PET Scans, MRIs)		10%		$100		20%	X	$250	X	35%	X	$300	X	25%
Speech Therapy		$15		$20		$25		$35		$55		$55	X	25%
Occupational and Physical Therapy		$15		$20		$25		$35		$55		$55	X	25%
Laboratory Services		$15		$20		$25		$35		$55		$55	X	25%
X-rays and Diagnostic Imaging		$30		$30		$65		$55		$90		$90	X	25%
Skilled Nursing Facility		10%		$150	X	20%	X	$300	X	35%	X	35%	X	25%
Outpatient Facility Fee		10%		$100		20%	X	$300	X	35%	X	35%	X	25%
Outpatient Physician Fee		10%		$25		20%		$35		35%		35%	X	25%
Tier 1 (Generics)		$10		$5		$15		$15		$20		$19	X	25%
Tier 2 (Preferred Brand)		$25		$20		$50		$40	X	$75	X	$85	X	25%
Tier 3 (Nonpreferred Brand)		$40		$30		$80		$70	X	$105	X	$110	X	25%
Tier 4 (Specialty)		10%		10%		20%		20%	X	30%	X	30%	X	25%
Tier 4 Maximum Coinsurance		$250		$250		$250		$250		$250		$250		$250*
Maximum Days for charging IP copay				5				5						
Begin PCP deductible after # of copays														
Actuarial Value														
2025 AV (Draft 2025 AVC)		**91.27**		**90.47**		**79.08**		**80.52**		**69.45†**		**69.07†**		**71.21**
Enrollment as of December 2022		19,243				30,607				20,805				1,691
Percent of Total enrollment		27%				42%				29%				2%

KEY		
	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2024
		Decreased member cost from 2024
		Does not meet AV
		Within .5 of upper de minimis
		Securely within AV

ENDNOTE REVISIONS

- Endnote added to Health and Dental designs:

  These Endnotes do not limit an issuer's obligations to comply with applicable Federal, State, or local laws, rules, or regulations. In the event an issuer is subject to a newly enacted or amended law, rule, or regulation that conflicts with the requirements of these Endnotes, an issuer shall comply with the law, rule, or regulation and any applicable guidance from its regulatory authority. Where these Endnotes exceed requirements imposed by law, an issuer shall comply with the requirements in these Endnotes.

- For Health Designs only, a revision to the definition of Tier 4 drugs is made based on a change in state law, AB 948 (Stats. 2023), which revised the definition of Tier 4 drugs in Health & Safety Code § 1342.73(b)(1)(D):

  1) Drugs ~~that are biologics and drugs~~ that the Food and Drug Administration (FDA) or drug manufacturer requires to be distributed through specialty pharmacies;

CHANGE IN SILVER PLAN DEDUCTIBLES OVER TIME

					Reduced member cost with California Enhanced CSR Program	
Silver Plan Variant by Income as a Percent of the Federal Poverty Level (FPL)	2021	2022	2023	2024 Proposed	**2024 Adopted**	**2025 Proposed**
Silver 94 for enrollees up to 150% FPL *about $22,590 for a single person and $46,800 for a family of four*	$75 inpatient $0 pharmacy	$75 inpatient $0 pharmacy	$75 inpatient $0 pharmacy	$75 inpatient $0 pharmacy	**$0**	**$0**
Silver 87 for enrollees up to 200% FPL *about $30,120 for a single person and $62,400 for a family of four*	$1,400 inpatient $100 pharmacy	$800 inpatient $0 pharmacy	$800 inpatient $25 pharmacy	$800 inpatient $50 pharmacy	**$0**	**$0**
Silver 73 for enrollees up to 250% FPL *about $37,650 for a single person and $78,000 for a family of four*	$3,700 inpatient $275 pharmacy	$3,700 inpatient $10 pharmacy	$4,750 inpatient $30 pharmacy	$5,400 inpatient $150 pharmacy	**$0**	**$0**
Silver 70 for enrollees above 250% FPL *starting at about $37,650 for a single person and $78,000 for a family of four*	$4,000 inpatient $300 pharmacy	$3,700 inpatient $10 pharmacy	$4,750 inpatient $85 pharmacy	$5,400 inpatient $150 pharmacy	$5,400 inpatient $150 pharmacy	TBD – CSR eligibility expansion planned

CHANGE IN SILVER PLAN COPAYS FOR PRIMARY CARE/URGENT CARE/OUTPATIENT MENTAL HEALTH OVER TIME

					Reduced member cost with California Enhanced CSR Program	
Silver Plan Variant by Income as a Percent of the Federal Poverty Level (FPL)	2021	2022	2023	2024 Proposed	**2024**	**2025 Proposed**
Silver 94 for enrollees up to 150% FPL *about $22,590 for a single person and $46,800 for a family of four*	$5	$5	$5	$5	**$5**	**$5**
Silver 87 for enrollees up to 200% FPL *about $30,120 for a single person and $62,400 for a family of four*	$15	$15	$15	$15	**$15**	**$15**
Silver 73 for enrollees up to 250% FPL *about $37,650 for a single person and $78,000 for a family of four*	$35	$35	$45	$50	**$35**	**$30**
Silver 70 for enrollees above 250% FPL *starting at about $37,650 for a single person and $78,000 for a family of four*	$40	$35	$45	$50	$50	TBD – CSR eligibility expansion planned

CHANGE IN SILVER PLAN COPAYS FOR GENERIC PRESCRIPTIONS OVER TIME

					Reduced member cost with California Enhanced CSR Program	
Silver Plan Variant by Income as a Percent of the Federal Poverty Level (FPL)	2021	2022	2023	2024 Proposed	**2024**	**2025 Proposed**
Silver 94 for enrollees up to 150% FPL *about $22,590 for a single person and $46,800 for a family of four*	$3	$3	$3	$3	**$3**	**$3**
Silver 87 for enrollees up to 200% FPL *about $30,120 for a single person and $62,400 for a family of four*	$5 ($100 Rx Ded)	$5 (No Rx Ded)	$5 ($25 Rx Ded)	$6 ($50 Rx Ded)	**$5**	**$5**
Silver 73 for enrollees up to 250% FPL *about $37,650 for a single person and $78,000 for a family of four*	$16 ($275 Rx Ded)	$15 ($10 Rx Ded)	$16 ($30 Rx Ded)	$19 ($150 Rx Ded)	**$15**	**$15**
Silver 70 for enrollees above 250% FPL *starting at about $37,650 for a single person and $78,000 for a family of four*	$16 ($300 Rx Ded)	$15 ($10 Rx Ded)	$16 ($85 Rx Ded)	$19 ($150 Rx Ded)	$19 ($150 Rx Ded)	TBD – CSR eligibility expansion planned

KEY DATES FOR 2025 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM

Date	Activity
February 14	Board Meeting: discuss proposed 2025 California Enhanced CSR plan designs
April 11	Plan Management Advisory Group: discuss draft 2025 California Enhanced CSR Program Design
April 18	Board Meeting: (1) request approval of California Enhanced CSR plan designs and (2) discuss draft 2025 California Enhanced CSR Program Design
May 16	Board Meeting: request approval 2025 California Enhanced CSR Program Design contingent upon state appropriation

PY2025 DENTAL UPDATE

PROPOSED PY2025 CDT CODE CHANGES

Code additions:

Procedure Category	CDT Code	Updated CDT-254 Nomenclature	Pediatric Dental EHB Up to Age 19 In-Network Member Cost Share	*Adult Dental 19 and Older In-Network Member Cost Share
Diagnostic Preventive Restorative	D0396	3D printing of a 3D dental surface scan	No Charge	No Charge
	D1301	Immunization counseling	No Charge	No Charge
	D2976	Band stabilization – per tooth	$40	$40
	D2989	Excavation of a tooth resulting in the determination of non-restorability	$50	$50
	D2991	Application of hydroxyapatite regeneration medicament – per tooth	No Charge	No Charge
Implant Services Oral Maxillofacial Prosthetics	D6089	Accessing and retorquing loose implant screw - per screw	$60	Not Covered
	D7284	Excisional biopsy of minor salivary glands	$115	$115
	D7939	Indexing for osteotomy using dynamic robotic assisted or dynamic navigation	$350	Not Covered

Code update:

D2335	Resin-based composite - four or more surfaces ~~or involving incisal angle~~ (anterior)	

NEXT STEPS

- Final PY2025 proposed benefit designs will be presented for action in April 2024
- Benefits may require minor changes after March due to late changes in the final version of the AV Calculator and Notice of Benefits and Payment Parameters
- Ongoing work to design the 2025 Enhanced Affordability Program - details to come before the Board in April

PUBLIC COMMENT

CALL: (877) 336-4440
PARTICIPANT CODE: 6981308

- To request to make a comment, press 10; you will hear a tone indicating you are in the queue for comment. Please wait until the operator has introduced you before you make your comments.
- If watching via the live webcast, please mute your computer to eliminate audio feedback while calling in. Note, there is a delay in the webcast.
- The call-in instructions can also be found on page two of the Agenda.

EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM

NOTE: Written comments may be submitted to BoardComments@covered.ca.gov.

COVERED CALIFORNIA FOR SMALL BUSINESS PERMANENT REGULATIONS

Robert Kingston, Sales Operations Branch Chief
Outreach and Sales Division

BACKGROUND

- Staff seeks approval on proposed regulations related to Covered California's small business health options program (SHOP), also known as Covered California for Small Business (CCSB).
- These emergency regulations will remain in effect until the expiration of the emergency period in December 2024. Covered California must make these regulations permanent through the regular rulemaking process prior to the expiration of the emergency, to ensure the regulations stay in effect.
- The rulemaking package maintains the emergency regulations adopted by the board and introduces new changes.

CCSB APPLICATION

- Revised the application requirements under section 6520(a)(13) to specify that the CCSB New Business Late Submission Acknowledgement Form must be submitted by the 7th day of the month to retroactively effectuate coverage to the 1st of the month and to incorporate the revised form.
- Revised section 6520(b)(11) to require qualified employers to attest to understanding that the ongoing monthly premiums must be paid by the due date and must be no less than $100 less than the total amount due each month.
- Added a new attestation under section 6520(b)(17) to require qualified employers to attest that they have provided or will provide an initial enrollment period to qualified employees and their dependents.
- Revised the employee application requirements under section 6520(d) to require employee applications to be submitted to CCSB no later than five days before the requested effective date.

OPEN AND SPECIAL ENROLLMENT PERIODS

- Revised the initial employee open enrollment period under section 6528(b) to specify that the initial employee open enrollment period must begin no later than 20 days before the employee application due date.
- Revised the open enrollment notice requirements under section 6582(e) to remove the requirement CCSB provide qualified employers with an annual employee open enrollment period notice after the employer's annual election period and maintained the requirement that the notice be provided 60 days before the end of the plan year.

OPEN AND SPECIAL ENROLLMENT PERIODS

- Revised the special enrollment period regulations under section 6530, as follows:
  - Replaced the text of certain QLEs with cross-references to the triggering events described in the individual eligibility and enrollment regulations, including (1) loss of MEC, (2) gaining or becoming a dependent due to marriage/entering into a domestic partnership or birth/adoption/placement in foster care/child support or court order, (3) loss of a dependent, is no longer a dependent due to divorce or legal separation, or death, (4) error, (5) permanent move, (6) victim of domestic abuse or spousal abandonment, (7) applicant denied Medi-Cal eligibility after open enrollment or more than 60 days after the qualifying event, and (8) material error.
  - Revised section 6530(b)(14) to add “or a state child health plan” to align with federal regulations.

PREMIUM PAYMENTS

- Revised the monthly premium payment threshold under section 6532(b)(2) to $100 less than the total balance due.
- Revised the premium payment requirements under section 6532(c) to specify that payment amounts less than the total amount due will be allocated by the oldest to newest amounts due for health coverage and dental coverage. Clarified that excess payments will be applied as credit to the employer's future invoice. Specified that payments will be allocated evenly to all members across the applicable coverage month.

ADDITIONAL PROPOSED CHANGES

- Changed “he or she,” “his or her,” and “him or her” to “they,” “their,” and “them” respectively throughout the regulations.
- Revised section 6534(a) and (b)(3)(B) to replace references to the Exchange with references to CCSB.
- Changed a cross-reference in the coverage effective dates under section 6536(c) to correct a typographical error.
- Added a citation to Insurance Code section 10384.17 to section 6538(c) to reference state law on rescissions.

NEXT STEPS

- Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
- The 45-day public comment period will run from March 8, 2024 to April 22, 2024.
- Staff will request the Board to formally adopt the regulation package at either the May or June 2024 Board meeting so it can be filed with the Office of Administrative Law.
- Any additional proposed changes to the proposed regulations will be communicated to stakeholders for review and commenting prior to Action.

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