



EXECUTIVE DIRECTOR'S REPORT

Peter V. Lee, Executive Director | June 15, 2017 Board Meeting

ANNOUNCEMENT OF CLOSED SESSION

UPDATED BOARD CALENDAR

- July 20, 2017 (possibly no meeting this month)
- August 17, 2017
- September, 2017 (no meeting this month)
- October 5, 2017
- November 16, 2017
- December 21, 2017 (possibly no meeting this month)

CONGRATULATIONS TO COVERED CALIFORNIA STAFF ON THEIR 5+ YEAR ANNIVERSARY

- Joyce McCarthy
- Katie Ravel
- A.J. Meza
- Thien Lam
- Gloria Monroe
- Andrea Rosen
- Joan Bermudez
- Jessica Abernethy
- Becky Patchen



- Juanita Balinski
- Kelly Long
- Bahara Hosseini
- Brandon Ross

CONGRATULATIONS TO ACCENTURE STAFF ON THEIR 5+ YEAR ANNIVERSARY

- James Gnesda
- Kirk Jacobi
- Diana Lile
- Constance McClain
- Jennifer Criss
- Stephen Hanna



BOARD MEMBER APPRECIATION 6 YEAR ANNIVERSARY!!!



Diana Dooley



Paul Fearer

OVERVIEW

- Executive Director's Report
- Covered California Policy and Action Items

Action

- 2017/18 Proposed Budget and QHP Assessment Fee
- Update to the 2018 Patient-Centered Benefit Plan Designs
- Approval of Revisions to QHP Issuer Contract, including Cost-Sharing Reduction Provisions

Discussion

- Individual Eligibility and Enrollment Regulations
- Emergency Readoption

HEALTH AFFAIRS

MOVING THE NEEDLE ON PRIMARY CARE: COVERED CALIFORNIA'S STRATEGY TO LOWER COSTS AND IMPROVE QUALITY

Four Inter-related Elements

1. Benefit Design
 - From the beginning, Covered California has made sure consumers can seek ambulatory care without needing to meet the deductible
2. A Primary Care Physician for Every Enrollee
 - As of March of this year, 99% of Covered California enrollees have a doctor who can serve as their advocate
3. Payment Reform
 - Moving away from Fee for Service
4. Patient Centered Medical Home Recognition
 - Support PCPs in adopting accessible, team-based, data-driven care

[Click here](#) to view complete report.

HealthAffairsBlog

Moving The Needle On Primary Care: Covered California's Strategy To Lower Costs And Improve Quality

Lance Long, Peter V. Lee, and Kevin Grumbach

June 14, 2017



Many of the national policy discussions today are focused on who will be covered and the scope of benefits consumers will receive. Unfortunately, as important as these issues are, neither of them in any way addresses the underlying issues of high health care costs and the highly variable quality of care in the United States. To foster sustainable reform, we need to focus on promoting high-value care, which means we need to address not only insurance coverage but also reform of the delivery system. Covered California, a state health insurance exchange, has taken advantage of its role as a purchaser to work with health plans and providers to implement policies to emphasize and enhance the role of primary care.

The evidence supporting the health- and value-promoting influence of primary care is well established. The Patient-Centered Primary Care Collaborative publishes an annual summary of the evidence, which has grown progressively more solid, demonstrating that investment in primary care is key to improving health care delivery that can achieve better care at a lower cost.

There is also evidence that primary care delivery can be greatly improved. Some health maintenance organizations (HMOs) assign primary care physicians the role of "gatekeepers," controlling care through rules that transformed primary care physicians into utilization managers. Preferred provider organizations (PPOs) gained traction by promoting freedom from these rules, often with broad and unrestricted access to specialists. Within both business models, payment to providers was too often

COVERED CALIFORNIA KEEPING OUR EYE ON THE BALL WHILE PLAYING AS A TEAM -- LIKE THE WARRIORS



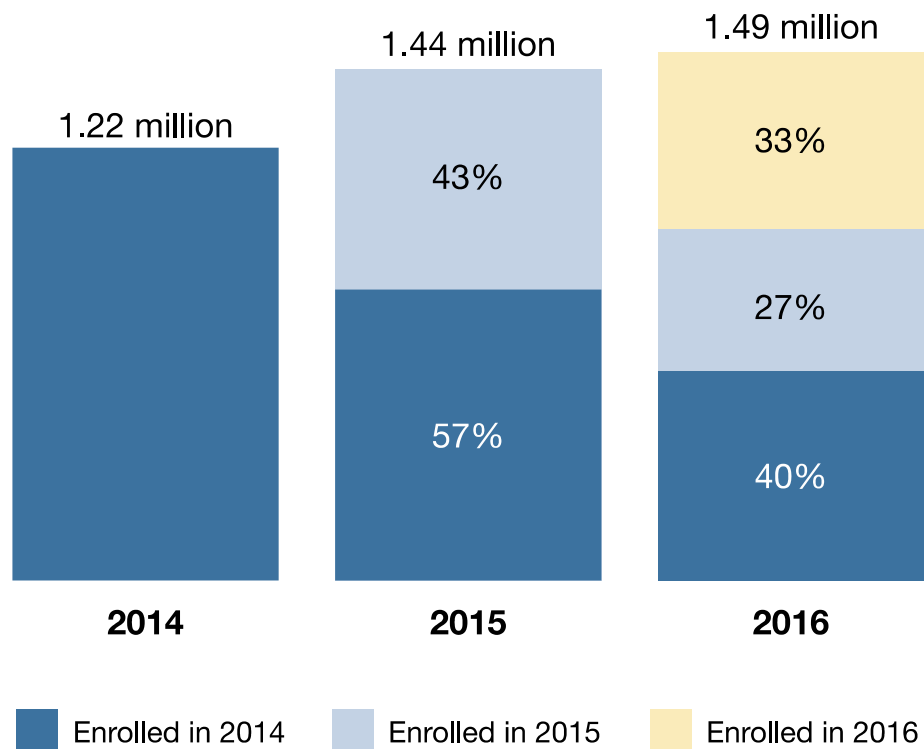
EFFECTUATED ENROLLMENT PATTERNS

ANNUAL ENROLLMENT PATTERNS: NEW CMS DATA...SAME STORY

- New CMS data release¹ reminds us what we already know:
 - Churn is a very significant phenomenon of individual coverage that must be managed by Marketplaces. For Covered California:
 - Average tenure of approximately 24 months
 - About 40 percent turnover each year.
 - This means lots of coming and going, driven largely by changes in eligibility for job-based coverage, income, and life circumstances:
 - **New Enrollees:** majority of new enrollees enter during the Open Enrollment period – but Special Enrollment is critical too.
 - **Departures:** every month roughly 3-4% of the covered population leaves coverage – with 85% of Covered California enrollees reporting they move on to another source of coverage.
- Marketing & outreach are not “start-up” activities – rather, they are part of the steady-state of a well-functioning Marketplace.

EACH YEAR, APPROXIMATELY FORTY PERCENT OF THE COVERED CALIFORNIA INDIVIDUAL MARKET TURNS OVER

Eligibility and Enrollments “Ever Enrolled” — Subsidized

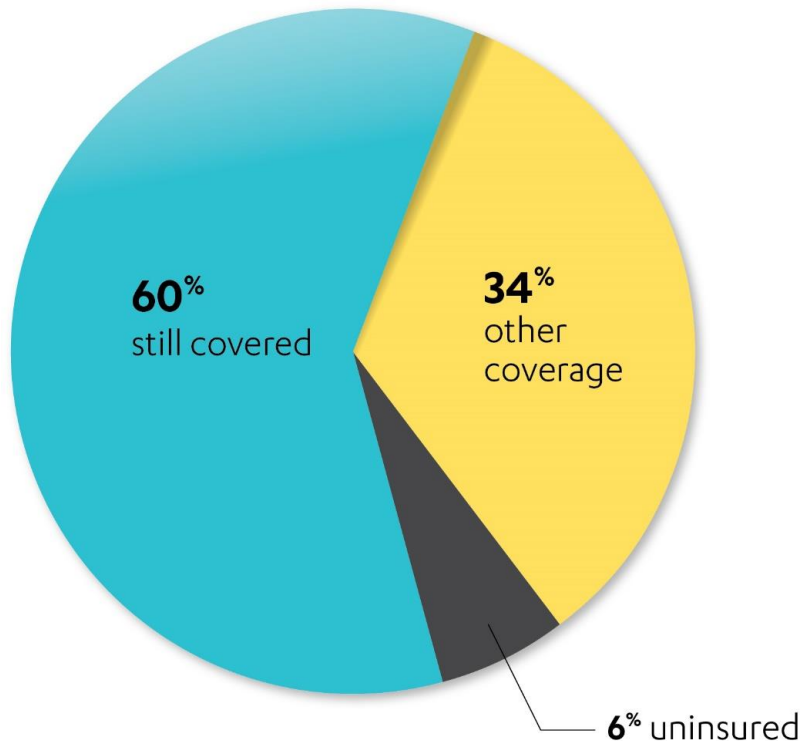


- In 2015, 44% of effectuated consumers were new sign-ups.
- By 2016, the cohort who had been enrolled since 2014 comprised 40% of total effectuated members.
- By 2016, 60% of the effectuated members joined AFTER Covered California's initial big enrollment year.

Covered California is Here When You Need Us: 85% of Consumers Leave to Another Source of Coverage*

While Covered California's consumers experience a high level of coverage transitions, nearly 85 percent of those who leave Covered California report transitioning to other coverage.

California's Health Care Coverage Transitions
(2016 Survey of Members Covered in 2015 Plan Year)



- Prior to 2014, Covered California forecasted that about one-third of enrollees would leave coverage on an annual basis.
- During 2015, Covered California covered 1.6 million unique members for at least one month.
- By early 2016, approximately 40% of those 1.6 million (over 600,000) had 'disenrolled'.
- Of those who left Covered California, most went to employer-based coverage (50%).

* Based on Covered California's 2016 survey of members (n=8,773) who left ("disenrolled"), the vast majority left for employer-based or other coverage.

New [CMS Exit Survey data](#) show much lower % of enrollees in FFE leave to another source of coverage:

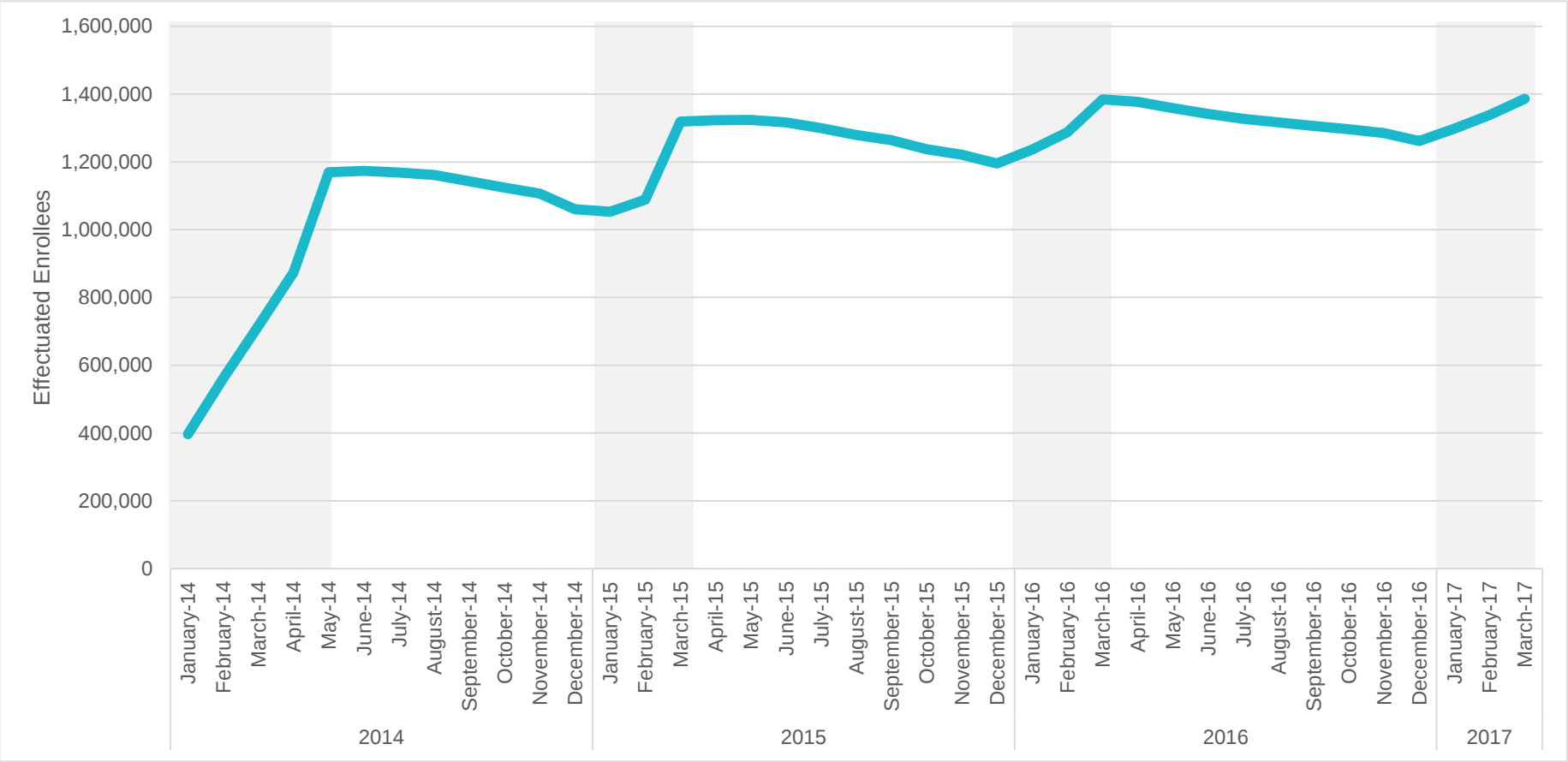
49% in FFE v. 85% in CA

This survey data finding reinforces membership data findings below about retention differences with the FFE that merit further research.

SEASONAL TREND

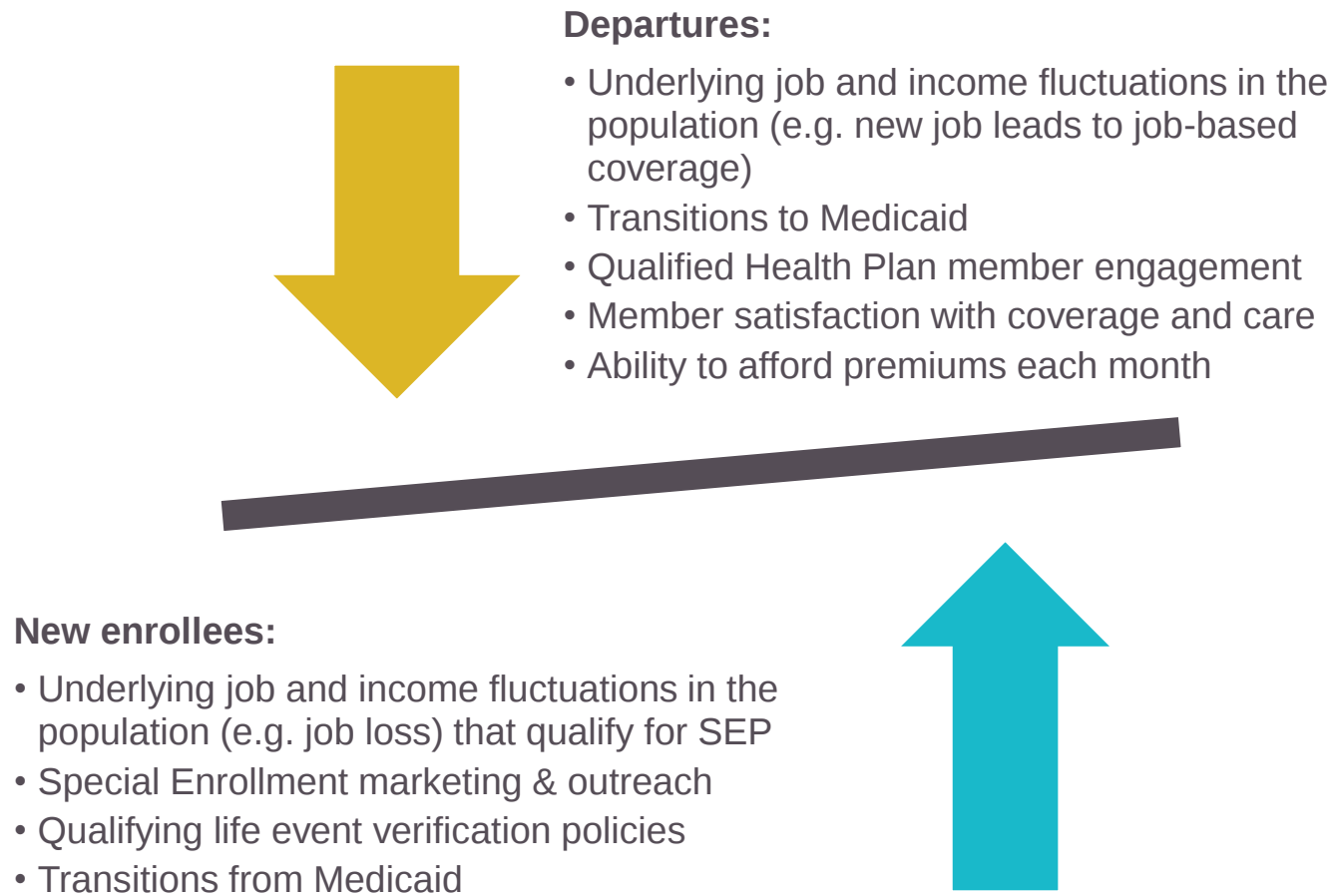
Seasonal Enrollment Patterns in the Covered California Marketplace

(Effectuated Membership By Month Since January 2014)



- March is the peak month for coverage each year, reflecting the new Open Enrollment sign ups.
- Departures exceed new enrollees for every month from April to January of the next year.

From April to December, Covered California Marketplace Departures Modestly Exceed New Enrollee Entry



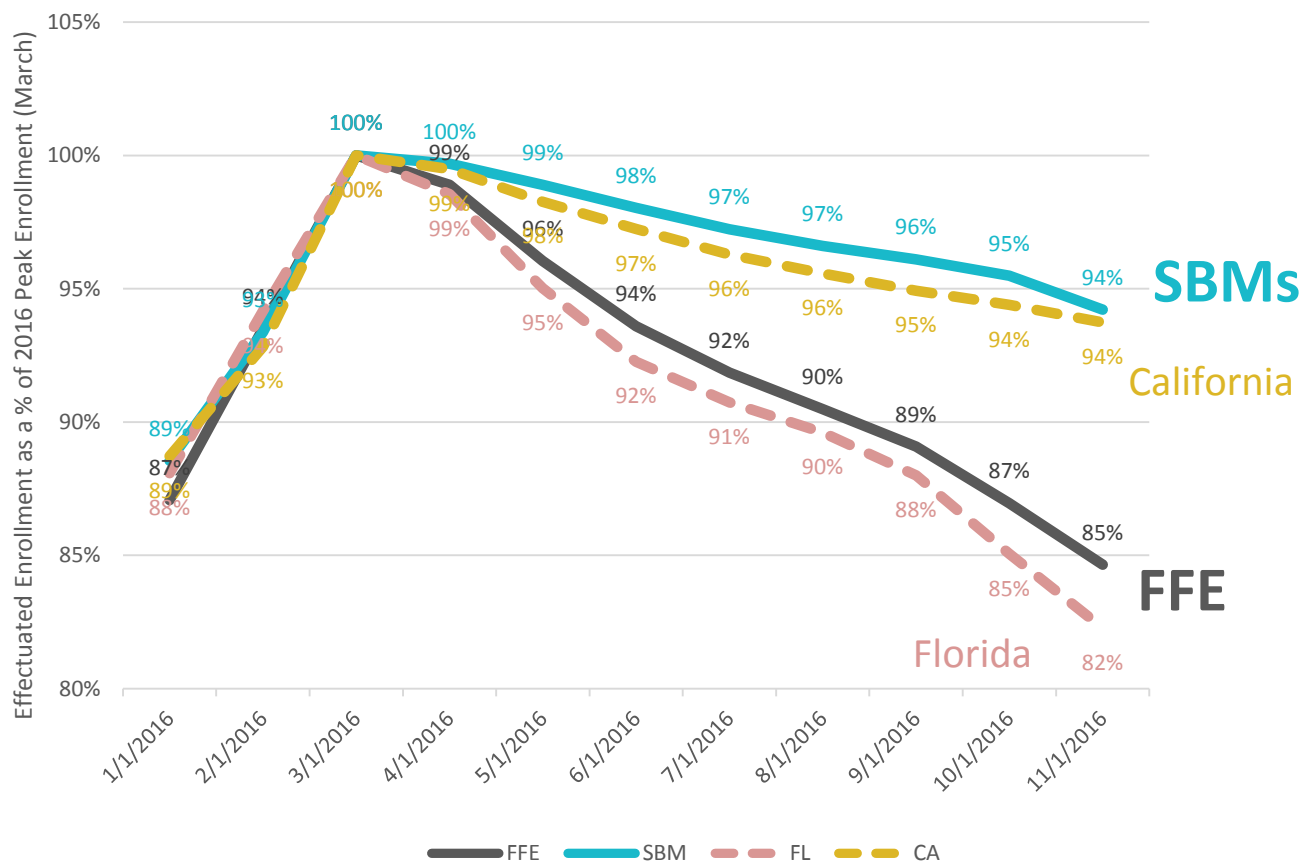
- California and most states peak their effectuated 2016 enrollment in March (ALL except CO, VT, and MA).
- Covered California *effectuated* experience from April to Dec 2016:

2016 Enrollment Flows, April to December	Average Count of Effectuated Enrollees (per month)	Average % of Enrollees in the Month (per month)
Departures	(40,000)	(3%)
New Enrollees	27,000	2%

* Effectuated population only. Departures include those covered in March who did not return in April, but do not include departures at year’s end during renewal (covered in December, but do not return in January)

Based on CMS Data, SBMs are Showing Strong Special Enrollment and Retention Performance

2016 Effectuated Enrollment Snapshot¹
as a Percentage of March 2016 Enrollment
(March is peak coverage month each year)



New CMS monthly data on effectuated enrollment is suggestive, but not conclusive – important questions include:

- 1. Relative to FFE, are SMBs showing **stronger inflows** of new enrollees, **or better retention** of existing members (fewer departures)?
- 2. Are FFE catching up to SBMs on their path towards a steady state (thus exhibiting stronger OE performance relative to SEP)?
- 3. What is the relationship between Medicaid expansion and churning dynamics in the marketplace?

¹ <https://downloads.cms.gov/files/effectuated-enrollment-snapshot-report-06-12-17.pdf>

WHY IS CALIFORNIA (AND MOST STATE-BASED MARKETPLACES) DOING BETTER THAN THE FEDERAL EXCHANGE? – KEY HYPOTHESES

- ***Ongoing robust marketing matters:*** churn in the individual market means that Marketplaces must continue to market coverage during open enrollment and special enrollment
- ***Special enrollment engagement matters:*** Covered California's decisions to actively promote special enrollment, ensure agent compensation, and engage service channels throughout the special enrollment period have led to strong enrollment
- ***Benefit designs matter:*** Covered California's patient-centered benefit designs provide value for the consumer's premium dollar which leads to strong retention
- ***Individual market stability matters:*** Covered California has had very stable participation by Qualified Health Plans since our launch in 2014 leading QHPs to invest in retention of their members

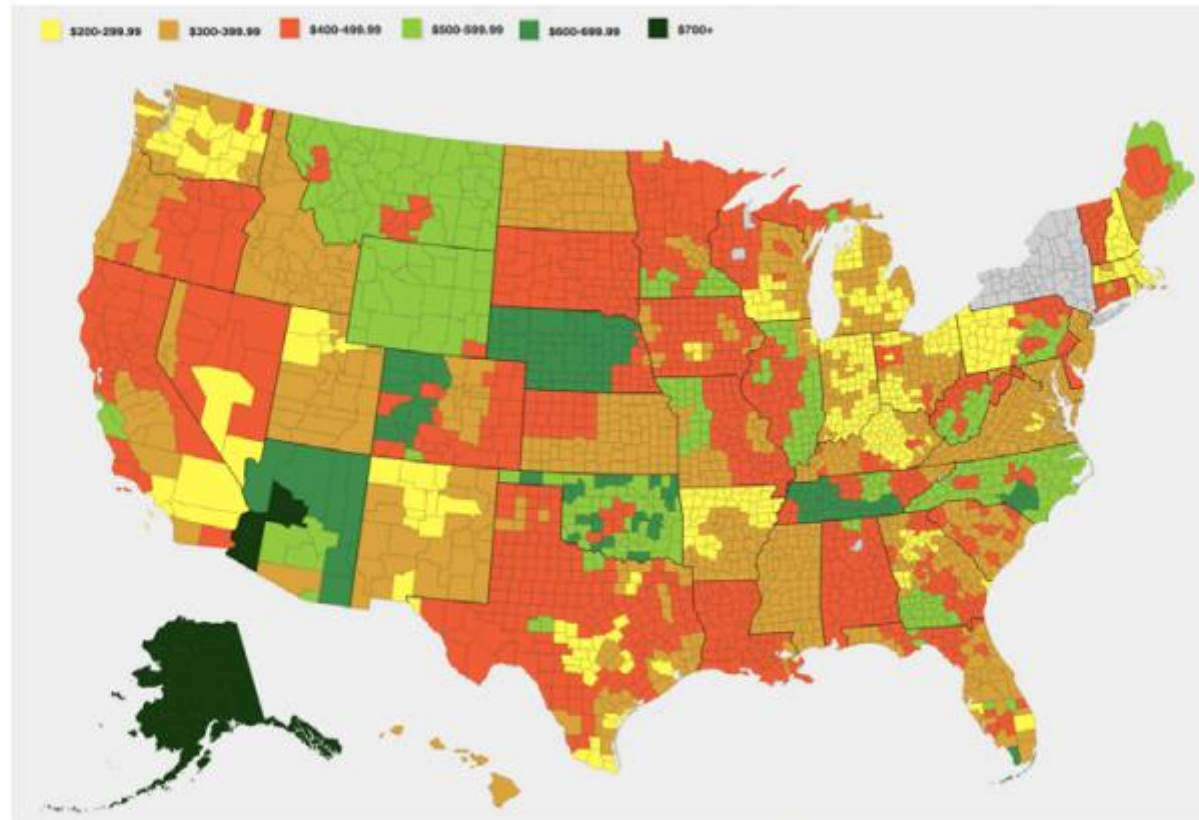
FEDERAL UPDATE

REGIONAL PREMIUM VARIATION

HEALTH CARE IS LOCAL: IMPACT OF INCOME AND GEOGRAPHY ON PREMIUMS AND PREMIUM SUPPORT

- The Affordable Care Act's (ACA) tax credit structure is adjusted to reflect regional premium differences, age, and income. By contrast, the American Health Care Act (AHCA) provides a flat tax credit based on age
- The AHCA's tax credit structure would be less generous overall; specifically, lower-income and older consumers, as well as those in high-cost areas, would receive less financial assistance, while higher-income and younger consumers, as well as those in low-cost areas, would receive relatively more financial assistance
- The AHCA permits premiums to vary by factor of 5 to 1 based on age
- [Click here](#) to view complete brief, interactive map, and state chart book

Map 1. Health Insurance Marketplace Second Lowest Cost Silver Plan, Monthly Premium by County, 2017 (Calculated for 40-year old individual, non-smoker)

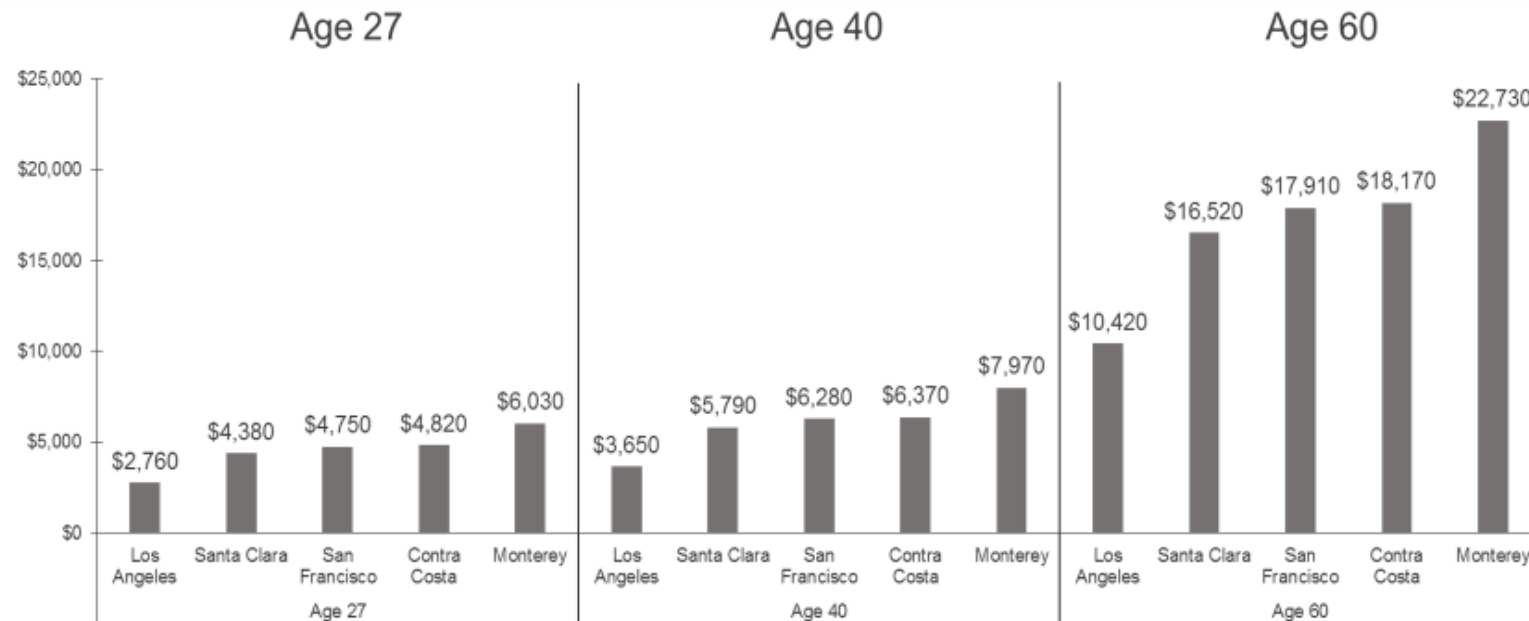


Source: <http://nashp.org/health-insurance-marketplace-second-lowest-cost-silver-plan-by-county-2017/>

Note: For additional details, see National Academy for State Health Policy's (NASHP) analysis in "Health Care is Local: Impact of Income and Geography on Premiums and Premium Support."
<http://nashp.org/wp-content/uploads/2017/06/Health-Care-is-Local.pdf>

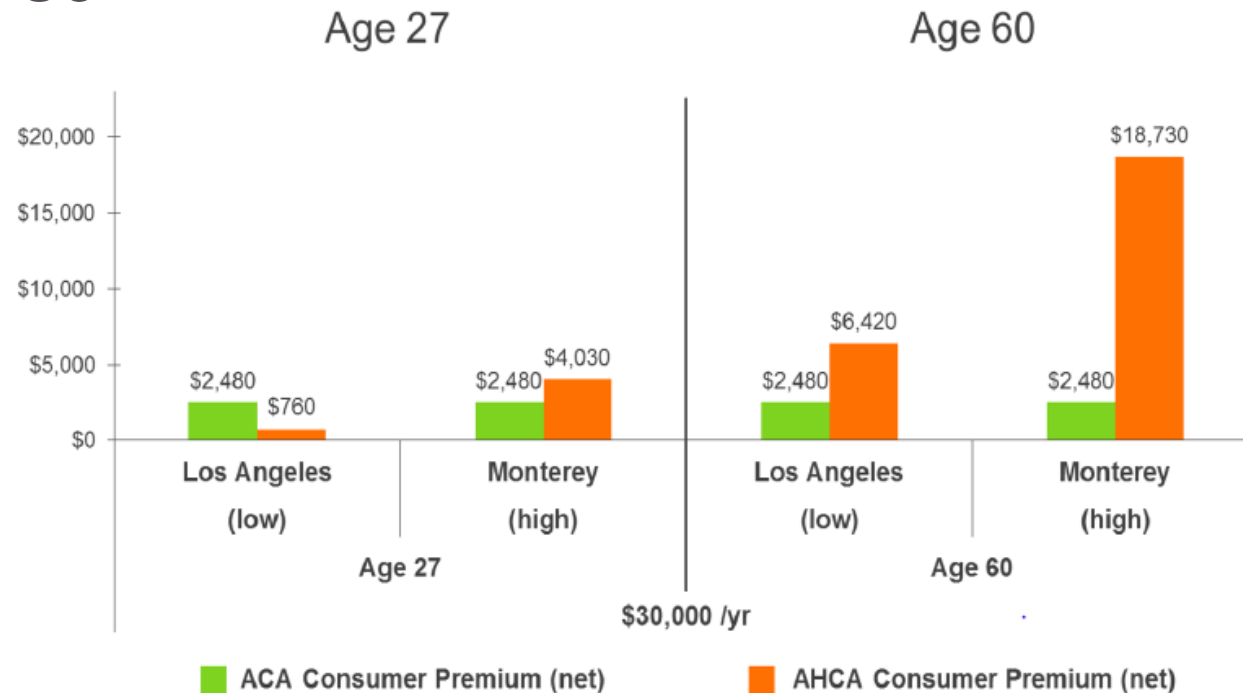
HEALTH CARE IS LOCAL: GROSS PREMIUM VARIATION IN CALIFORNIA

- There is considerable gross premium variation within California. A 40-year-old consumer in Los Angeles County would see prices as low as \$3,650 per year. By contrast, a 40-year-old in Monterey County would see prices as high as \$7,970 per year.
- [Click here](#) to view complete State Chart Book for California.



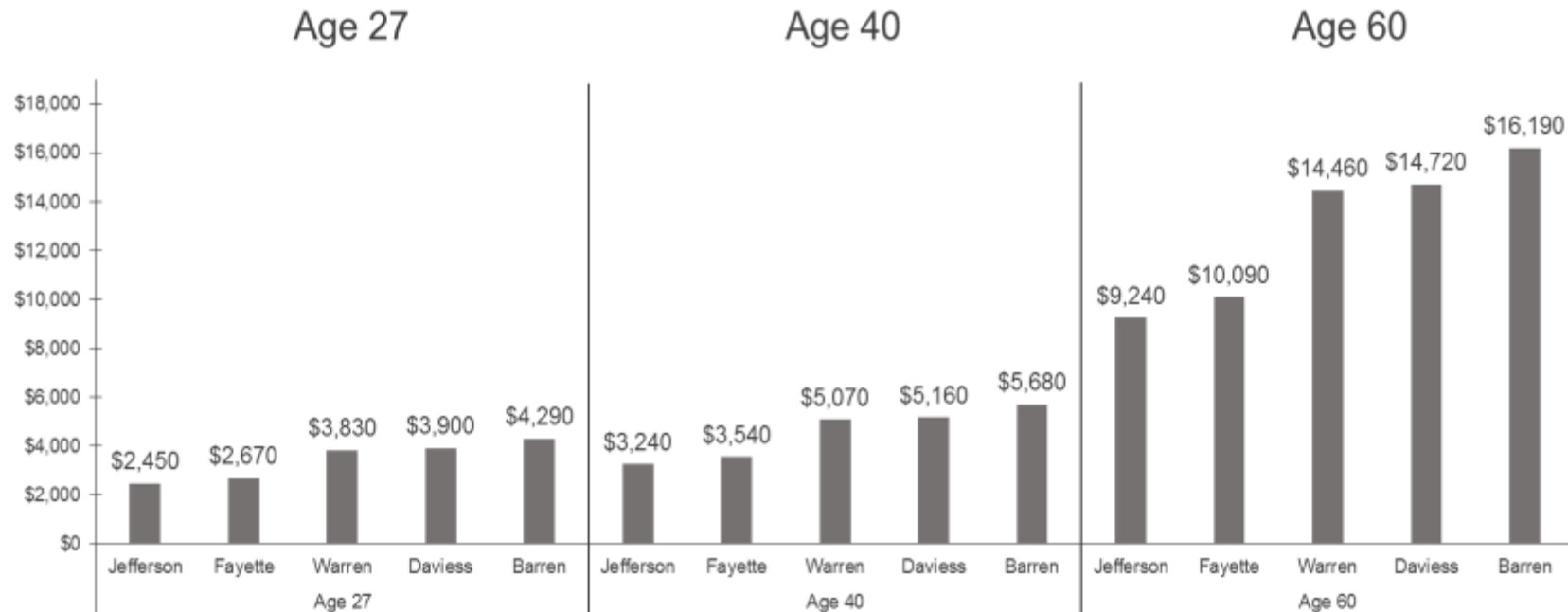
HEALTH CARE IS LOCAL: NET PREMIUM VARIATION AFTER SUBSIDIES IN CALIFORNIA

- Under ACA: consumer earning \$30,000 would pay \$2,480 regardless of age or geography
- Under AHCA: consumer earning \$30,000 would pay anywhere from \$760 to \$18,730



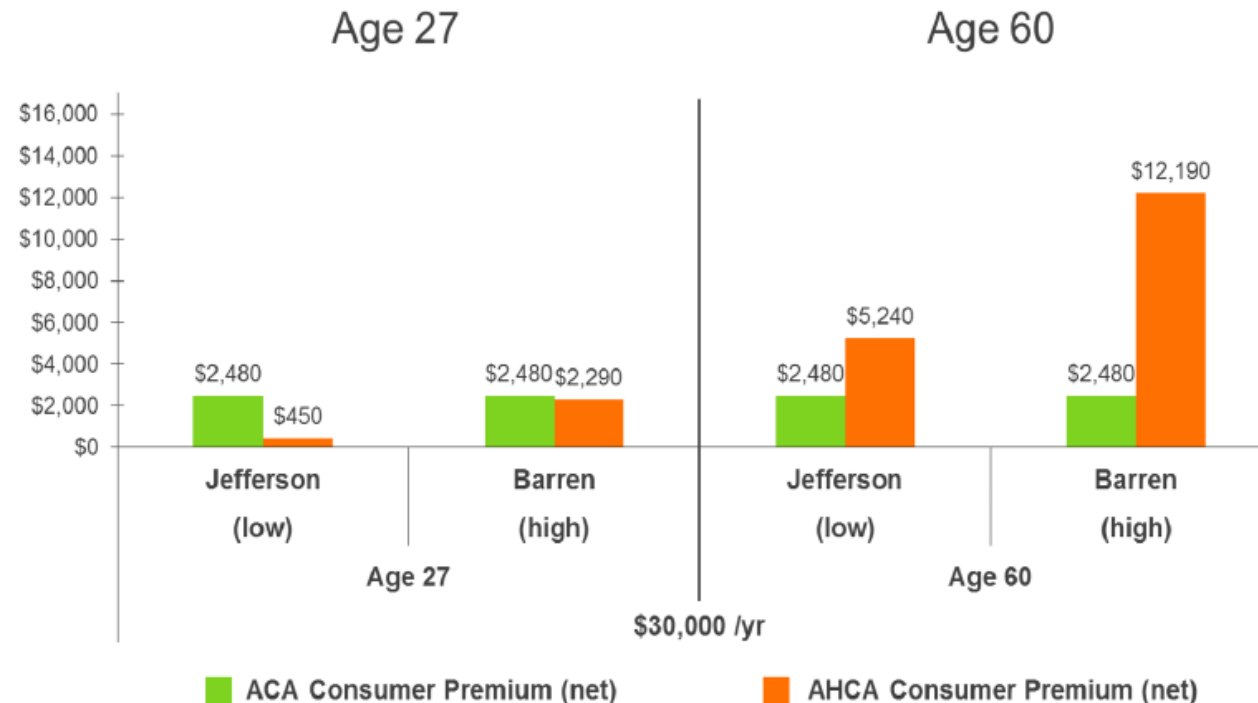
HEALTH CARE IS LOCAL: GROSS PREMIUM VARIATION IN KENTUCKY

- There is considerable gross premium variation within Kentucky. A 40-year-old consumer in Jefferson County would see prices as low as \$3,240 per year. By contrast, a 40-year-old in Barren County would see prices as high as \$5,680 per year.
- [Click here](#) to view complete State Chart Book for Kentucky.



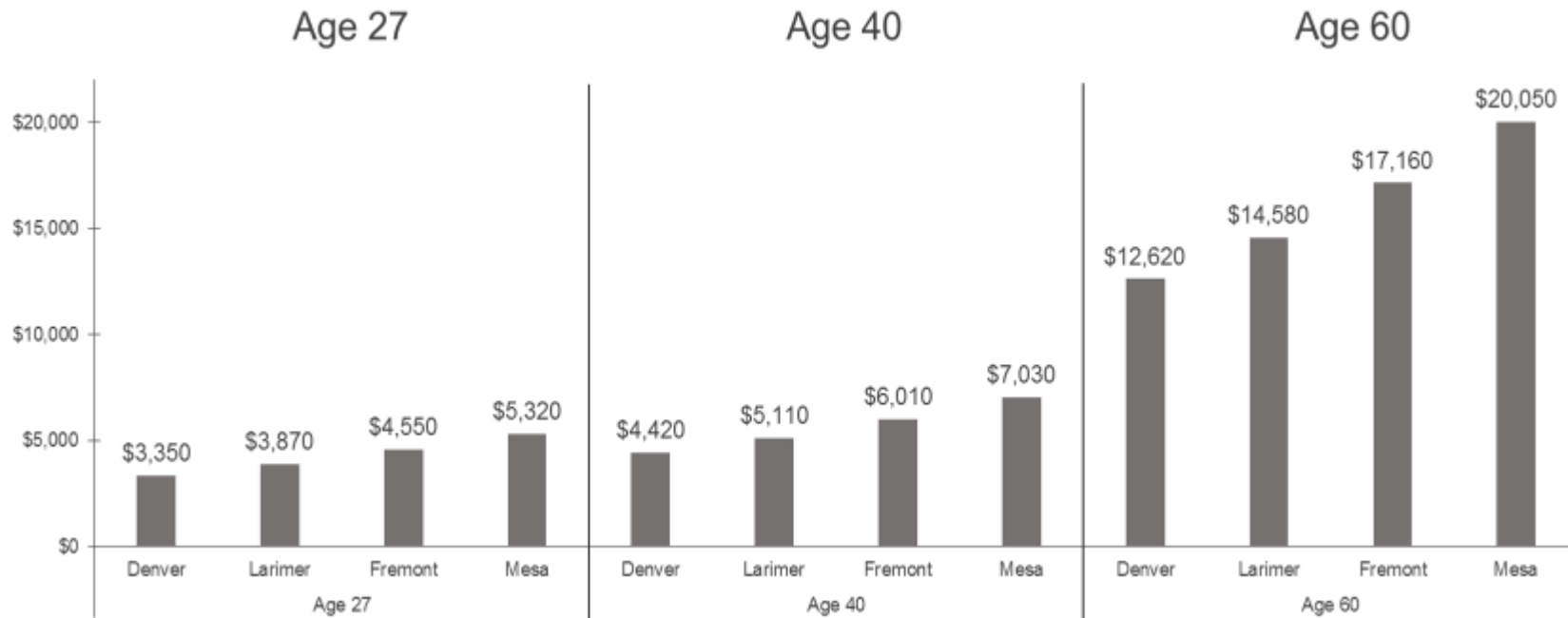
HEALTH CARE IS LOCAL: NET PREMIUM VARIATION AFTER SUBSIDIES IN KENTUCKY

- Under ACA: consumer earning \$30,000 would pay \$2,480 regardless of age or geography
- Under AHCA: consumer earning \$30,000 would pay anywhere from \$450 to \$12,190



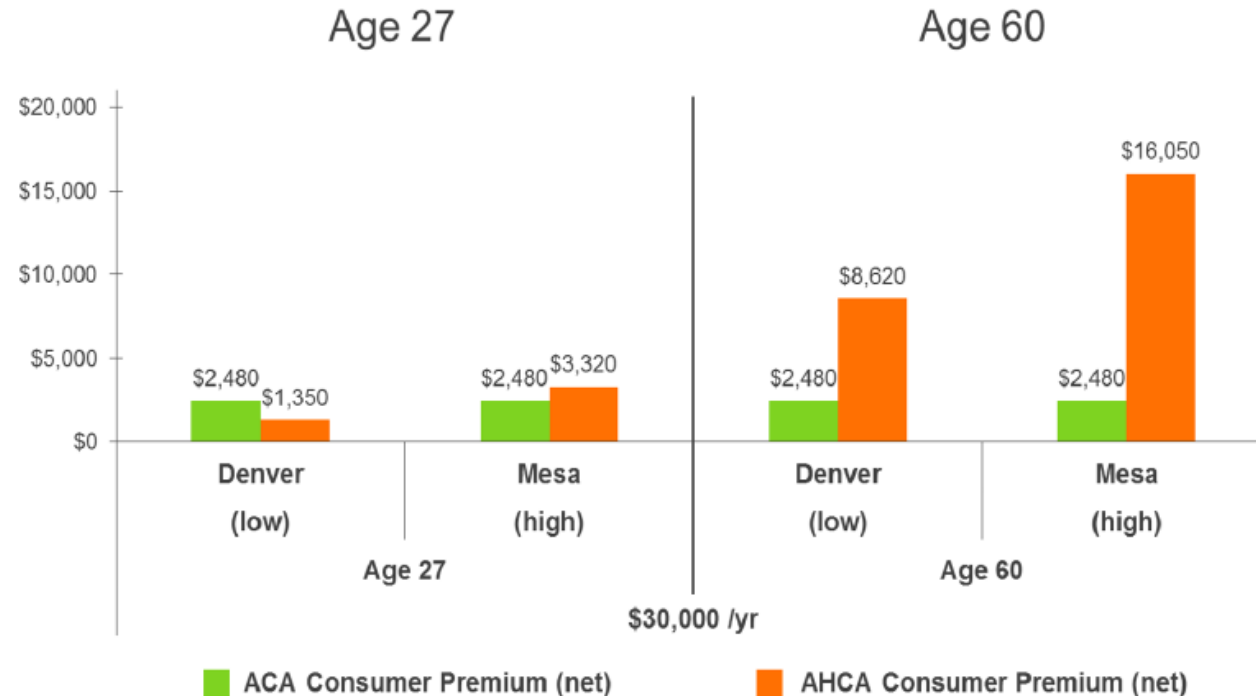
HEALTH CARE IS LOCAL: GROSS PREMIUM VARIATION IN COLORADO

- There is considerable gross premium variation within Colorado. A 40-year-old consumer in Denver County would see prices as low as \$4,420 per year. By contrast, a 40-year-old in Mesa County would see prices as high as \$7,030 per year.
- [Click here](#) to view complete State Chart Book for Colorado.



HEALTH CARE IS LOCAL: NET PREMIUM VARIATION AFTER SUBSIDIES IN COLORADO

- Under ACA: consumer earning \$30,000 would pay \$2,480 regardless of age or geography
- Under AHCA: consumer earning \$30,000 would pay anywhere from \$1,350 to \$16,050



APPENDICES

APPENDICES: TABLE OF CONTENTS

- Covered California for Small Business Update
- Service Channel Update
- Website Update
- Service Center Update

COVERED CALIFORNIA FOR SMALL BUSINESS

- Current YTD Group & Membership Update (5/31/17)
 - Groups: 4,468
 - Members: 34,002
 - Quarter 1 Group Retention: 91%
 - Quarter 1 Membership Retention: 84.6%
 - Average Group Size: 7.6 members
 - YTD Net Membership Growth: 11%
- Information Technology Update
 - Employer Portal Launch: September 2017
- Operations Update (5/31/17)
 - 100% of New Groups set up in 3 days or less
 - 91% of New Groups sent initial invoice in 3 days or less



ENROLLMENT ASSISTANCE PROGRAMS

- Uncompensated partners supporting enrollment assistance efforts.

ENROLLMENT ASSISTANCE PROGRAM	ENTITIES	COUNSELORS
Certified Application Counselor	321	1,999 Certified
Plan-Based Enroller	11 Plans	1,034 Certified
Medi-Cal Managed Care Plan	2 Plans	31 Certified

OUTREACH & SALES ENROLLMENT SUPPORT: KEY METRICS

Data as of June 6, 2017

14,632 Certified Insurance Agents

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

1,289 Navigator: Certified Enrollment Counselors

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

1,999 Certified Application Counselors

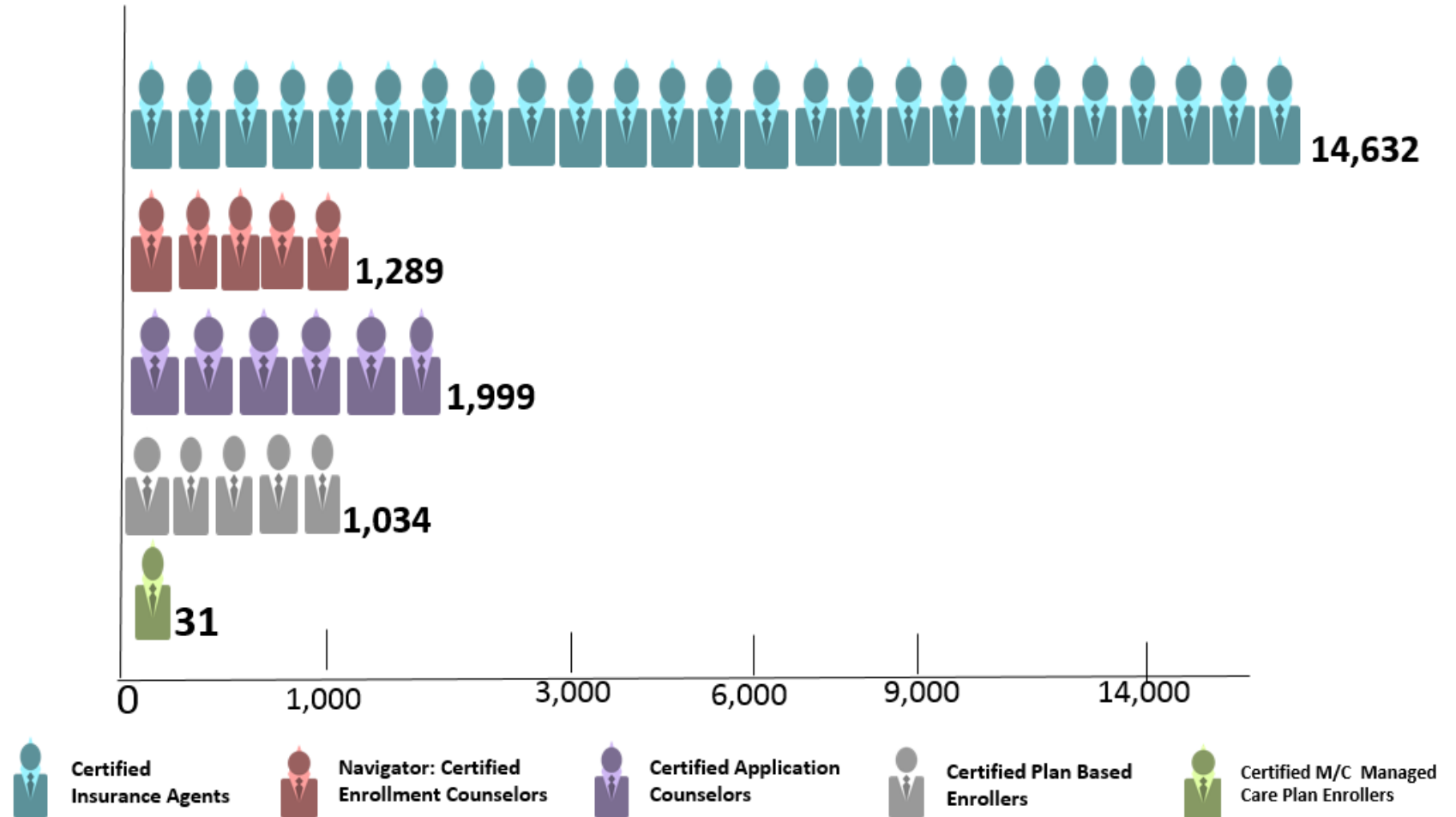
- 59% Spanish
- 5% Cantonese
- 4% Mandarin
- 1% Vietnamese
- 1% Korean

1,034 Certified Plan Based Enrollers

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

31 Certified Medi-Cal Managed Care Plan Enrollers

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



24 MONTH COVEREDCA.COM ROADMAP UPDATES

- The last release for CalHEERS, Release 17.5, was deployed May 22, 2017 that included the following features:
 - Allow county security administrators to unblock and reset user accounts and passwords for members of their own organization
 - Allow consumers to update their consent for verification via self-service Integrated Voice Recognition (IVR) solution
- CalHEERS next release, Release 17.6, is planned for June 26, 2017 to include:
 - Implementation of updates to the CalHEERS system to ensure it remains compliant with recently published regulations.
 - Notice Changes and Improvements

24 MONTH COVEREDCA.COM ROADMAP UPDATES

- CalHEERS also has a release planned for July 31, 2017, to include:
 - Enhancements to application usability
 - Changes to allow the application to be more dynamic (and easier to use), depending on the information provided by a consumer
 - Updated reporting to CMS
 - Automated Processing of Returned Mail for the Service Center
 - Updates to Agent functionality to recognize Agency roles in CalHEERS
 - Additional Notice Changes and Enhancements

24 MONTH COVEREDCA.COM ROADMAP UPDATES

- CalHEERS is planning their release in preparation for Renewals and Open Enrollment for September 25, 2017, Release 17.9. This release will include:
 - Regulatory compliance to automatically discontinue member/cases where the Reasonable Opportunity Period (to provide additional eligibility information) has expired
 - Eligibility updates based on immigration status
 - Providing ability for Service Center Representatives to clear errors in the integration with the MEDS system
 - Reconciliation functions between CalHEERS and MEDS
 - Updates for 2018 Renewals
 - MCAP/CCHIP Transition to Medi-Cal
 - Implementation of General Get Insured Product Enhancements
 - Second phase of Agent and Agency Enhancements

24 MONTH COVEREDCA.COM ROADMAP UPDATES

- On the CoveredCA.com main website, several enhancements are planned before the next Open Enrollment:
 - “Events Portal 2.0” – A revamp to the look and feel of the “Find an Event Near You” portal to allow the feature to work on mobile devices and to add enhanced search features for consumers
 - CoveredCA.com Responsive Web Design, or mobile design that will allow consumers to access the website and use all features on a mobile device.
 - Service Center Calls with top 10 questions will be used as metrics for FAQs on .COM. In the new design, we have also reflected a clearer explanation between CoveredCA and Medi-Cal.

SERVICE CENTER UPDATE

- Improving Customer Service
 - Employee Engagement workshops for Service Center completed
 - Continued Service Center wide cross functional training
- Enhancing Technology Solutions
 - Ongoing Joint Applications Design (JAD) sessions for Calabrio Service Center Transition – Go Live date Sept. 2017
 - Consent for Verification set up in Interactive Voice Recording (IVR) to route consumers directly to staff
 - Medi-Cal to Covered California vanity numbers set up in IVR to route consumers directly to staff
 - Verbal Telephone Interpretations Services Awarded Contract – Carmazzi
 - Telephonic Interpretations Awarded Contract – Language Line
- Staffing Updates
 - Service Center continues ongoing recruitment efforts for various classifications
 - Covered California is continuing to conduct multiple recruiting efforts at local Job Fairs

SERVICE CENTER PERFORMANCE UPDATE*

May 2017 Call Statistics

	Calls to IVR	Calls Offered to SCR	Abandoned %	Calls Handled	ASA	AHT	Service Level %
Totals	337,241	212,107	4.88%	201,424	0:01:46	0:16:51	56.89%

Does not include outbound, SHOP, or internal consults

Top 5 Call Dispositions

1. Individual · Current Customer · Application/Case Status · Inquiry/Assistance
2. Individual · Current Customer · 1095-A · 1095-A Inquiry/Assistance
3. Individual · New Enrollment · Inquiry/Assistance – New Enrollment
4. Individual · Current Customer · Disenrollment/Termination · Requesting to be Terminated
5. Individual · Medi-Cal · Provided County/Contact Number Information

**Performance metrics are measured monthly.*

MAY 2017 SERVICE VOLUMES DURING SPECIAL ENROLLMENT

- Total calls offered to the IVR: 337,241 (Compared to 302,413 for May 2016; an increase of 10.33%)
- Calls handled within the automated system responding to specific inquiries with recorded messages: 125,134 (Compared to 122,431 for May 2016; an increase of 2.16%)
- Calls handled by Covered California Service Center Staff: 201,424 (Compared 174,409 to for May 2016, a 13.41% increase)
- Service Level decreased in May to 56.89% of calls answered within 30 seconds (compared to 78.23% for May 2016)
- The percentage of Abandoned calls was 4.88% (compared to 2.45% of May 2016)
- Average Handle Time for May was 16 minutes and 51 seconds (compared to 16 minutes and 31 seconds for May 2016; a 1.98% increase)

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.

May Weekly Quick Sort Transfers

Week 1	Week 2	Week 3	Week 4	Week 5*	Total
427	416	393	382	201	1,819

*Partial Week

May Consortia Statistics

SAWS Consortia	Calls Offered	Service Level	Calls Abandoned %	ASA
C-IV	399	95.71 %	0.00 %	0:00:06
CalWIN	839	83.08 %	0.06 %	0:00:24
LRS	514	99.70 %	0.08 %	0:00:06

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

C-IV = SAWS Consortium C-IV (pronounced C 4)

CalWIN = California Welfare Information Network

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

QuickSort Transfers
May 2017

