

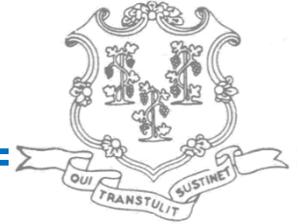
Connecticut Health Insurance Exchange

Joint Advisory Committee Meeting

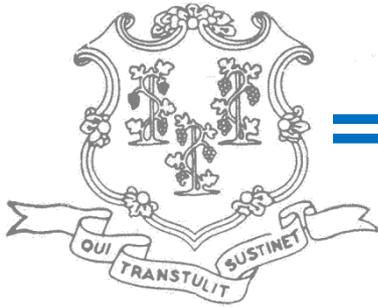
Review of (Revised) Staff
Recommendation for QHP Certification
Requirements

November 26, 2012, 6 – 7 p.m.
Legislative Office Building

Agenda

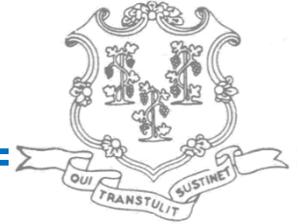


1. Introductions & Meeting Objectives
2. Public Comment
3. Recommendations for “Issues for Review” for QHP Certification Requirements
4. Recommended QHP Solicitation Purchasing Model
5. Adjournment



Public Comment

Meeting Objectives



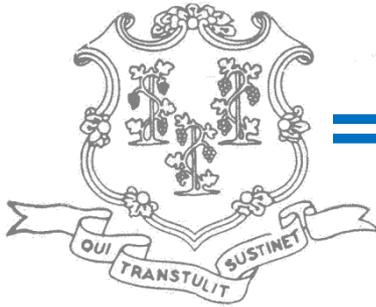
States are required to certify plans as “qualified” for inclusion on their Exchange.

As a follow-up to our discussion last week (Nov. 20), today we look for approval of the Exchange’s staff recommendations that reflect consideration of the feedback

- Look to obtain Committee approval for QHP Certification “Issues for Review” and QHP Solicitation “Purchasing Model” to take to the Board of Directors on November 29

Sec. 1301 [of the Affordable Care Act]. Defines a **Qualified Health Plan (QHP)** as a plan that:

- 1) has in effect a certification (which may include a seal or other indication of approval) that it meets the Act’s certification criteria issued or recognized by each Exchange through which such plan is offered;
- 2) provides the Essential Health Benefits package; and
- 3) is offered by a health insurance carrier that:
 - a) is licensed and in good standing to offer coverage in each state in which the carrier offers coverage under this title;
 - b) agrees to offer at least one QHP in the silver level and at least one plan in the gold level in each such Exchange;
 - c) agrees to charge the same premium rate for each QHP of the carrier without regard to whether the plan is offered through an Exchange or whether the plan is offered directly from the carrier or through an agent; and
- 4) complies with the regulations developed by the Secretary and such other requirements as an applicable Exchange may establish.



“Issues for Review”

Outstanding Issues for Review:

Certification Period and “Lock Out”

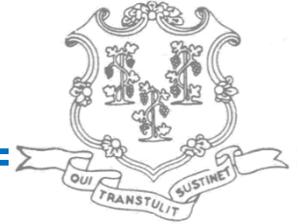
Mix and Number of Plans

Stand-Alone Dental

Rating Factors

Network Adequacy

Multi-Year QHP Certification



Staff Recommendation:

Should failure the initial QHP certification be for a two-year period? Should failure of a QHP carrier to participate in Exchange in 2014 inhibit participation by the carrier until (at least) 2016?

Staff recommends that the Exchange's initial QHP solicitation be for a two-year QHP certification.¹ This would provide carriers with both a level of predictability and incentive to participate in the Initial Solicitation.

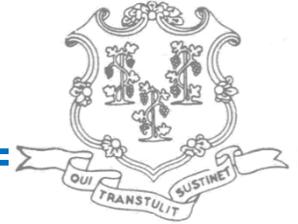
Rates will need to be approved annually by CID according to state regulation.

The Exchange would solicit applications for QHP certification again for plan year 2016, but will consider admitting newly licensed carriers and existing carriers for special circumstances (e.g., an issuer tries but fails to meet certification criteria in 2014, and succeeds in doing so for 2015) in 2015 that the Exchange decides would be in the interest of consumers. Any QHP certification granted for 2015 would only be for one-year certification.

NOTE.

1. Staff recommends not defining the certification length for subsequent solicitations. That decision could be better determined by the Board when the subsequent QHP certification requirements and solicitation process are being developed.

Carrier “Lock Out” Period



Staff Recommendation:

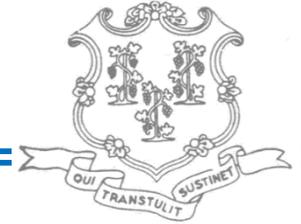
If a QHP carrier ceases participation in the Exchange, should the carrier be prevented from rejoining for two (or three) years?

Staff recommends that if a certified QHP carrier ceases participation in the Exchange in 2015, the carrier be denied re-entry for a minimum two (2) years.¹ The Exchange will consider appeals to this general exclusion during the next solicitation after conducting a thorough review of the Issuer’s new application.

NOTE:

1. For example, if the QHP Solicitation for 2016 was for a one-year QHP certification, the Issuer’s lock-out would total two years as they could apply to participate again for plan year 2017; however, if the Solicitation for 2016 was, like the Initial Solicitation, for a two-year QHP certification, then the Issuer’s lock-out period would total 3 years—unless the Exchange grants the carrier an exception)

Number and Mix of QHPs



Staff Recommendation:

Staff recommends that for both the Individual Exchange and SHOP Exchange (although a carrier does not need to participate in both exchanges), a QHP carrier **must** submit at a minimum the following mix of plans:

- One (1) Gold Plan
- One (1) Silver Plan
- One (1) Bronze Plan

But no more than:

- One (1) Platinum Plan
- Two (2) Gold Plans
- Two (2) Silver Plans
- Two (2) Bronze Plans

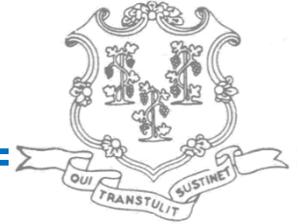
For the Individual Exchange **only**, a QHP carrier **must** submit:

- Three (3) required actuarial value (“AV”) variations for at least one (1) Silver Plan
- One (1) child-only QHP for each metal tier for which a carrier submits a plan

And may submit:

- One (1) Catastrophic Coverage Plan

Allowance for Platinum QHPs



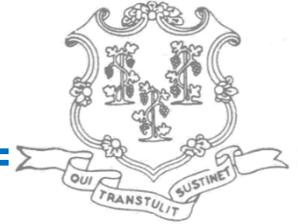
Staff Recommendation:

Allowance for Platinum QHPs

Staff recommends the Exchange allow, but not require, carriers to submit one (1) Platinum Plan in each of the Individual Exchange and SHOP Exchange.

Reflects a change from original staff recommendation for no Platinum plan.

Standardize Plan Design



Staff Recommendation:

Standardizing benefit plan design

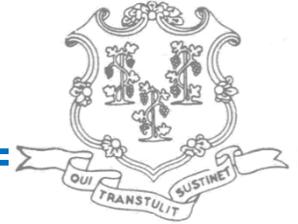
Staff believes one standardized plan design per tier promotes transparency, ease, and simplicity for comparison shopping by enrollees.

Staff recommends that the Exchange define one standard plan design for each of the Bronze, Silver and Gold tiers. The standard plan would define the QHP's deductible, co-payment and/or co-insurance mix for the essential health benefits offered in-network. The standard plan designs will be developed in partnership with the carriers and be based upon the most popular plans sold in the small group market in 2012. The plan would be subject to adjustment after release of the federal actuarial value calculator.

Staff recommends that a QHP carrier be required to submit this Exchange-defined standard plan for each the Bronze, Silver, and Gold tiers.

Staff recommends that for each metal tier (except Platinum) the carriers be encouraged to submit one other, non-standard, plan of their choosing.

Pricing Pediatric Dental

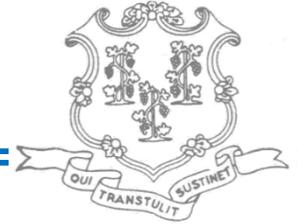


Staff Recommendation:

Separately pricing pediatric dental benefits

Staff recommends that the Exchange require QHP carriers to separately rate their pediatric dental benefit. If a QHP includes pediatric dental services, potential enrollees will be automatically assigned to the Issuer's dental benefit, but the enrollee will retain the option of selecting another Issuer's dental plan if desired.

AV Requirement for Stand-Alone Dental

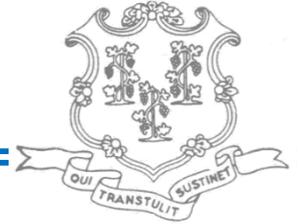


Staff Recommendation:

AV requirements for stand-alone dental

Staff recommends that actuarial certification to the metal tiers not apply to stand-alone dental visions, unless required by federal regulations.

Benefit Tiers for Stand-Alone Dental



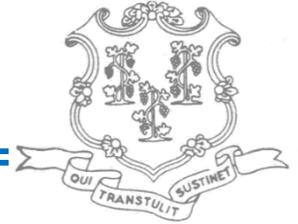
Staff Recommendation:

Benefit offerings for Stand-Alone Dental

Staff recommends that all stand-alone dental plans must provide coverage for the full dental benefits, as included in the “essential health benefits” for pediatric dental services.

Staff recommends against offering a limited preventative-only dental plan. Instead, the Exchange will explore the value of offering “access-only” dental plans. However, these plans are not insurance and would not be part of the Initial QHP solicitation.

Tobacco Rating



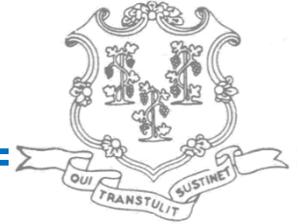
Staff Recommendation:

Tobacco Rating

Staff recommends that the Exchange prohibit QHP carriers to include tobacco use as a rating factor in the Individual Exchange.*

*Connecticut General Statute 38a -567 excludes tobacco use as a rating factor for small groups.

Standardizing Rating Factors



Staff Recommendation:

Standardize Rating Factors

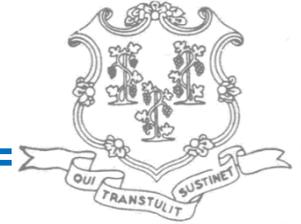
Family. Staff recommends that the Exchange standardize family composition structure, but allow carriers to determine tier ratios.

Age. Per ACA reforms QHPs will be subject to a 3:1 age factor rating. Staff recommends that the Exchange allow carriers to determine tier ratios.

Geography. Staff recommends that the Exchange follow industry standards and allow carriers to determine tier ratios.

The Exchange's QHP offerings will comply with all CID regulations.

Network Adequacy Standard



Staff Recommendation:

With respect to a carrier's network adequacy standard staff recommends:

A QHP carrier must ensure that the provider network of each of its QHPs meets these standards:

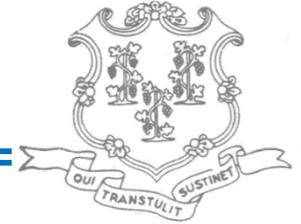
- 1) Include essential community providers ("ECP");
- 2) Maintain a network that is sufficient in number and types of providers, including providers that specialize in mental health and substance abuse services, to assure that all services will be accessible without unreasonable delay;
- 3) Is consistent with the network adequacy provisions of section 2702(c) of the PHSA.

Consistent with Sec. 38a-472f of the Connecticut General Statutes, carriers in Connecticut must be URAC or NCQA accredited with respect to provider network adequacy. Other than how it relates to the inclusion of ECPs, the staff recommends that the Exchange not impose any additional requirements (beyond those necessary to meet accreditation) on a carrier's provider network.

However, staff recommends that the carriers be required to provide the Exchange with the criteria used to define the adequacy of its network, including but not limited to, geographic distance standards to providers and timeliness of appointment scheduling. Such standards shall include information on variation of standards by provider specialty.

Staff recommends that the Exchange consider proposals for tiered or narrow networks for non-standard QHPs in its Initial Solicitation. The Exchange will need to develop separate standards for these types of networks

Essential Community Provider Standard



Staff Recommendation:

Staff recommends that sufficiency of ECP will be defined as carriers having contracts with:

With respect to ECPs, staff recommends that sufficiency be defined as carriers having contracts with:

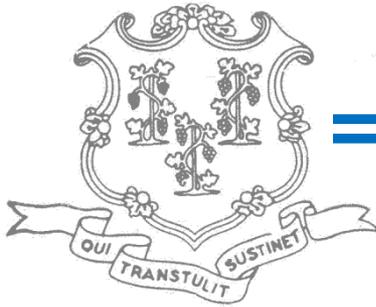
- 1) At least 50% of the essential community providers in every county across Connecticut; and,
- 2) At least 75% of the ECPs located in any city or town that contains one or more of the 20 zip codes with the greatest number of uninsured individuals in Connecticut, with a minimum of one city per county:

County	Cities
Hartford	<ul style="list-style-type: none"> • Hartford • Bridgeport • Stamford • Bristol
Litchfield	<ul style="list-style-type: none"> • Torrington
Middlesex	<ul style="list-style-type: none"> • Middletown
New Haven	<ul style="list-style-type: none"> • New Haven • Waterbury
New London	<ul style="list-style-type: none"> • Norwich
Tolland	<ul style="list-style-type: none"> • Vernon-Rockville
Windham	<ul style="list-style-type: none"> • Willimantic

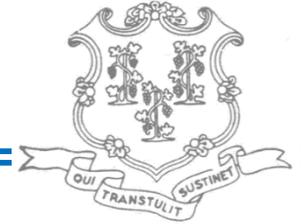
- 3) At least 80% of the federally qualified health centers (FQHC) or “look-alike” health center in Connecticut.

Short of meeting such standards for ECPs, staff recommends that carrier be allowed to evidence a good faith effort to contract with ECPs by, for example, providing contract terms accepted by some providers, and offered to, but rejected by, an ECP.

Vote on QHP Certification Requirements



Recommended Purchasing Model



Staff Recommendation:

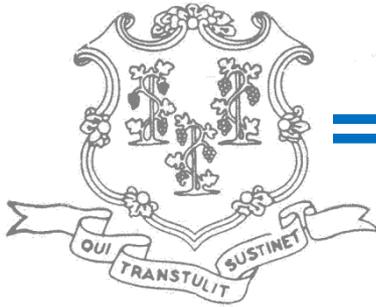
Managed Competition

1. The Exchange's purchasing model will reflect its principles for QHP certification. For its Initial Solicitation and to promote member choice and carrier competition, staff recommends that the Exchange contract with any carrier that meets the standards for QHP certification defined in its QHP Solicitation.
2. Staff recommends that the Exchange not directly negotiate rates and deny a carrier QHP certification on the basis of its approved rates; but the Exchange reserves the right to not offer for sale an otherwise certified QHP that is an outlier with respect to the submitted rates.
3. The Connecticut Insurance Department must approve all forms and rates before a plan may be certified by the Exchange.
4. The Exchange will require carriers to submit a narrative outlining how they will attempt to better coordinate care and control costs, improve chronic illness management, reduce medical error, or otherwise promote health care delivery and payment reform.¹

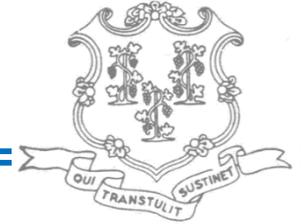
NOTE:

1. Staff cautions against actively promoting a particular model of delivery/payment reform in its initial year. Such promotion could become arbitrary and put certain carriers at a competitive disadvantage without a rational basis for giving this preferential treatment to one type of plan design over another, particularly as it relates to best serving this previously underserved population. Instead, staff recommends that the Exchange actively engage with its carriers to guarantee their adherence to the ACA requirement that they "implement and report on a quality improvement strategy or strategies consistent with the standards of section 1311(g)..., disclose and report information on health care quality and outcomes described in sections 1311(c)(1)(H) and (I)..., and implement appropriate enrollee satisfaction surveys consistent with section 1311(c)(4)...." (45 CFR § 156.200(a)(5))

Vote on QHP Solicitation Purchasing Model



QHP Solicitation Process



Date	Activity
November 26	Extension for Public Comment
November 29	Board Approval of QHP Certification Requirements
December 7	Final Release QHP Solicitation
December 31	Deadline for Notice of Intent to Respond to Initial QHP Solicitation
Early January 2013	Begin QHP Carrier Support
Early January	Release of Standardized Plan Design
Mid January	Release of Model Contract