Covered California Overview

David Panush
Director, External Affairs
Covered California

February 1, 2013
Los Angeles Chamber of Commerce
Covered California Governance
Independent Public Entity with Qualified Board

Board Members:

Diana Dooley, Board Chair and Secretary of the California Health and Human Services Agency, which provides a range of health care services, social services, mental health services, alcohol and drug treatment services, income assistance and public health services to Californians.

Kim Belshé, Senior Policy Advisor of the Public Policy Institute of California, former Secretary of California Health and Human Services Agency, and former Director of the California Department of Health Services.

Paul Fearer, Senior Executive Vice President and Director of Human Resources of UnionBanCalCorporation and its primary subsidiary, Union Bank N.A., Board Chair of Pacific Business Group on Health, and former board chair of Pacific Health Advantage.

Robert Ross, M.D., President and Chief Executive Officer of The California Endowment, previous director of the San Diego County Health and Human Services Agency from 1993 to 2000, and previous Commissioner of Public Health for the City of Philadelphia from 1990 to 1993.

Susan Kennedy, Nationally-recognized policy consultant, former Deputy Chief of Staff and Cabinet Secretary to Governor Gray Davis, former Chief of Staff to Governor Arnold Schwarzenegger, former Communications Director for U.S. Senator Dianne Feinstein, and former Executive Director of the California Democratic Party.
Vision & Mission

Vision

• The vision of Covered California is to improve the health of all Californians by assuring their access to affordable, high quality care.

Mission

• The mission of the Covered California is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.
Key Dates

• October 1, 2013
  Pre Enrollment begins

• January 1, 2014
  Coverage begins

• January 1, 2015
  Federal funding ends
Major Activities 2013 - 2014

• **Qualified Health Plans (QHPs).** Evaluate, select, certify and contract with QHP issuers to provide coverage through the individual and SHOP exchanges.

• **Marketing, Outreach, Education.** Refine and implement marketing, outreach, and public education program leading to the first open enrollment period in 2013 and 2014.

• **California Health Eligibility, Enrollment & Retention System (CalHEERS).** Refine, test and bring online.

• **Small Business Health Options Program (SHOP).** Establish to serve small employers and their employees.
Subsidies Available to help with Cost

A “sliding scale” subsidy will be provided based on income for individuals and families earning between 138 and 400 percent of the federal poverty level. The size of the subsidy depends on both the income and family size of eligible individuals.

The table below illustrates the tax credit subsidy for a family of four at several income levels.

Assumes: 2014 projected income of a 45 year-old policyholder and the family buys a plan that has a 70 percent actuarial value (the policyholder would be responsible for 30 percent of all covered benefits, the health insurer would be responsible for the remaining 70 percent). Does not include cost-sharing which is also available.

<table>
<thead>
<tr>
<th>Percent of FPL</th>
<th>Annual Income</th>
<th>Unsubsidized Annual Premium</th>
<th>Annual Tax Credit</th>
<th>Annual Premium after Tax Credit</th>
<th>Unsubsidized Monthly Premium</th>
<th>Monthly Premium Credit</th>
<th>Monthly Premium after Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>150%</td>
<td>$35,137</td>
<td>$14,245</td>
<td>$12,840</td>
<td>$1,405</td>
<td>$1,187</td>
<td>$1,070</td>
<td>$117</td>
</tr>
<tr>
<td>200%</td>
<td>$46,850</td>
<td>$14,245</td>
<td>$11,294</td>
<td>$2,952</td>
<td>$1,187</td>
<td>$941</td>
<td>$246</td>
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<tr>
<td>300%</td>
<td>$70,275</td>
<td>$14,245</td>
<td>$7,569</td>
<td>$6,676</td>
<td>$1,187</td>
<td>$631</td>
<td>$556</td>
</tr>
<tr>
<td>399%</td>
<td>$93,700</td>
<td>$14,245</td>
<td>$5,344</td>
<td>$8,901</td>
<td>$1,187</td>
<td>$445</td>
<td>$742</td>
</tr>
</tbody>
</table>
Essential Health Benefits

The Patient Protection Affordable Care Act requires health plans and health insurers that offer coverage in the small group or individual market, inside and outside of the Exchange, to cover specified categories of benefits.

These Essential Health Benefits categories are:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

With the signing of SB 951 and AB 1453, state law has established the Kaiser Small Group HMO 30 as the EHB benchmark plan in California.
## Metal Tiers by Share of Cost

<table>
<thead>
<tr>
<th></th>
<th>Share of Cost Paid by Plan</th>
<th>Share of Cost Paid by Individual/Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronze</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Silver</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Gold</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Platinum</td>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Covered California’s Primary Targets

• The primary target of marketing and outreach efforts of Covered California are the more than 5.3 million California residents as of 2014:
  
  – 2.6 million who qualify for subsidies in Covered California; and
  
  – 2.7 million who do not qualify for subsidies but now benefit from guaranteed coverage and can enroll inside or outside of Covered California.

• There are an additional 2.4 million Californians who may be newly eligible for Medi-Cal.
Covered California’s Annual Enrollment Goals

• By 2015:
  – Enrollment of 1.4 million Californians in subsidized coverage in Covered California or enrolling in the marketplace without subsidies

• By 2016:
  – Enrollment of 1.9 million Californians in subsidized coverage in Covered California or enrolling in the marketplace without subsidies

• By 2017:
  – Enrollment of 2.3 million Californians in subsidized coverage in the marketplace or enrolling in the marketplace without subsidies
California’s uninsured population is spread throughout the state. California’s expanse, diverse geography, and mix of rural and urban areas are unique and present outreach challenges.
Typical Individual Consumer Process

• **Two Primary Access Channels: CalHEERS Consumer Portal and Service Center**
  - Set up account
  - Identify household members (mother, father, child)
  - Request consideration for health subsidy
  - Enter income and other required information (both parents working)
  - Income information is verified on Federal Data Services Hub
  - Result: Household qualifies for subsidy (advanced premium tax credit)
  - Confirm which family members are enrolling in health insurance
  - Compare and select health plans
  - Enroll each household member into the selected health plan(s)

**Follow-up Processing**
  - CalHEERS sends information to carrier(s) for fulfillment
  - CalHEERS generates notice to members
  - Carriers contact members for premium payment
  - Members pay premium to carriers
  - Carriers send out ID cards and enrollment fulfillment kits to members
  - Members can begin accessing health care network after insurance effective date
Community Mobilization

- Providing a stakeholder engagement framework for our Community Based grants and In-person Assisters program to reach strategic points of entry where people “live, work, shop, and play.”
Community Mobilization

• Extending paid media through grassroots public relations, media relations and community outreach.
  – Community-based grants program, funded at $43M over 2013-2014
  – Mobilizing and Educating key influencers
  – Launching key milestone events
  – Establishing market driven partnerships
  – Managing educational outreach and enrollment
In-person Assistance & Navigator Programs

- Assistance delivered through trusted and known channels will be critical to building a culture of coverage to ensure as many consumers as possible enroll in and retain affordable health insurance.
- The need for assistance will be high during the early years, with some estimates ranging from 50% to 75% of applicants needing assistance to enroll.
- The in-person assisters and navigators will be trained, certified and registered with the Exchange in order to enroll consumers in Covered California products and programs.
Paid Media

- Paid media is designed to reach broad and targeted audiences in urban and rural markets across the state.

- Will target all multicultural channels and allow messages in 13 threshold languages.

- Paid media has a “halo” effect on all aspects of the outreach and education program, improving performance in those areas.
Customer Service Center

• The Service Center will respond to general inquiries, provide assistance with enrollment, support retention and help those who enroll in Covered California

• Estimate 850 staff for the period from initial implementation in 2013 through December 31, 2014

• A significant share of staff will be hired as permanent intermittent staff to accommodate fluctuations in demand between open enrollment periods and other times of the year

• Current plans call for staff to be located in 3 separate facilities:
  – The main facility will be in Sacramento
  – A secondary facility targeted for southern/central California
  – A third facility will be located at a County-based site
Small Business Health Options Program

- California is creating a separate exchange to serve small businesses and their employees, the Small Business Health Options Program (SHOP).

- The SHOP is for small businesses with 2-50 employees.

- The SHOP will offer Qualified Health Plans certified as meeting quality standards.
1. Medi-Cal Managed Care Plans could become Bridge Plans and become lowest silver offering for individuals transitioning from Medi-Cal. Also parents of Medi-Cal/CHIP children. Reduces churn; keeps families together.

2. Seek Federal approval and support state legislation to allow other low income consumers -- between 138% and 200% FPL -- to also participate. Also parents of Medi-Cal/CHIP children.

3. Streamline QHP certification for Medi-Cal Managed Care plans & Bridge Plan to participate.
Modeling Premium at $400

Assuming Second Lowest Premium at $400

<table>
<thead>
<tr>
<th>Lowest Premium</th>
<th>% Below</th>
<th>133% FPL</th>
<th>150% FPL</th>
<th>200% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$380</td>
<td>5%</td>
<td>$16</td>
<td>$34</td>
<td>$94</td>
</tr>
<tr>
<td>$360</td>
<td>10%</td>
<td>0</td>
<td>$14</td>
<td>$74</td>
</tr>
<tr>
<td>$344</td>
<td>14%</td>
<td>0</td>
<td>0</td>
<td>$58</td>
</tr>
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Source: Milliman. Illustration based on draft working analysis, 12/2/2012.

Based on “average” enrollee cost sharing; actual would vary by age.
For More Information:

Visit our website at
http://www.hbex.ca.gov
And join our listserv