



County Welfare Directors Association Annual Conference
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Covered California's Promise is Delivering on the Triple Aim:

- Better Care
 - Healthier People
 - Lower Cost
-

How Covered California Makes the Promise Real

BEING AN
ACTIVE
PURCHASER

EFFECTIVELY
REACHING
CONSUMERS

AFFORDABILITY

RIGHT
CARE AT
THE RIGHT
TIME



Major Changes to the Health Care System because of the Affordable Care Act

Before the Affordable Care Act

- Many consumers denied coverage by insurers because of pre-existing conditions.
- Many consumers with insurance bankrupted by gaps in coverage and annual or lifetime limits.
- Health insurance companies could cancel a plan if an individual omitted minor conditions by accident.
- Insurers could remove young adults from their parents' policies, leaving them uninsured.
- Children under 19 could be denied coverage because of a chronic condition.
- Medicaid only covered low-income children, pregnant women, elderly and disabled individuals, and some parents, but excluded other low-income adults.

Today

- Guaranteed coverage for all — no screening or price differences due to health status.
- Insurers are prohibited from setting lifetime limits on essential health benefits, such as hospital stays.
- Insurers are no longer allowed to re-examine a customer's initial application to cancel, or "rescind," their coverage due to unintentional mistakes or minor omissions.
- Dependent children up to age 26 must be offered coverage under a parent's insurance plan.
- Insurers may not exclude children under the age of 19 from coverage due to a pre-existing medical condition.
- Medicaid covers all adults under 65 with income up to 133 percent of the federal poverty level.



Covered California is Operating At Scale and Having Big Impacts

It is now one of the largest purchasers of health insurance in California and the nation.

1.3

MILLION

consumers have active health insurance as of September 2015

Covered California is now the second-largest purchaser of health insurance in the state for those under age 65.

\$6.5

BILLION

estimate of funds collected from premiums in 2015

Covered California's size gives it the clout to shape the health insurance market.

2+

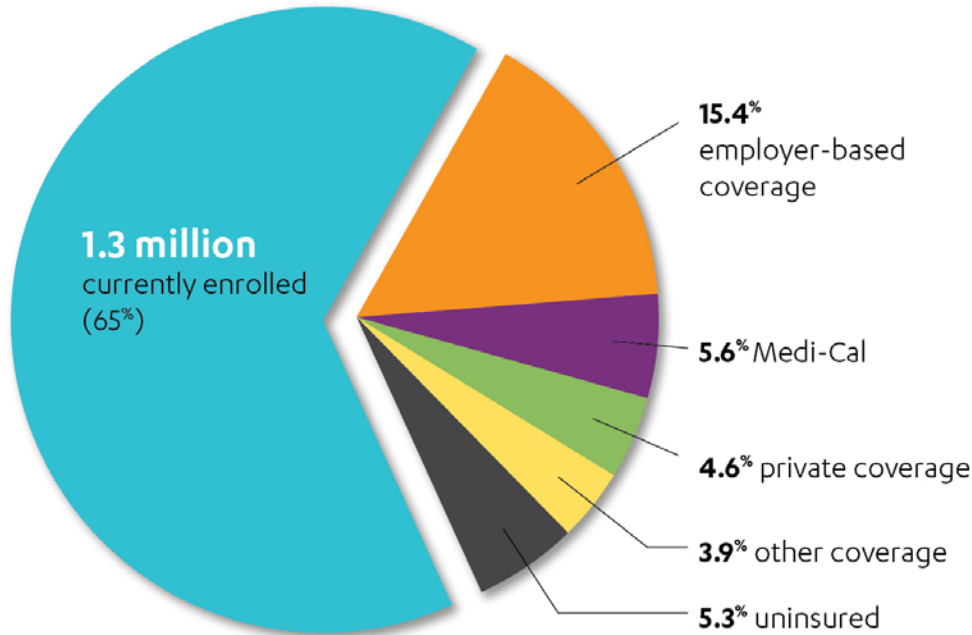
MILLION

consumers served since Covered California began offering coverage

More than 700,000 Californians have benefited from coverage through Covered California. Many of them now have either employer-based coverage or Medi-Cal.

MORE THAN 2 MILLION CONSUMERS SERVED

The majority of those served have continuous coverage and of those who have left Covered California, the vast majority (85%) continue to have health insurance.



- Prior to 2014, Covered California forecast that ~ 1/3 of enrollees would leave coverage on an annual basis.
- In the period from January 2014 through September 2015, more than 2 million Californians have had coverage for some period of time, with ~ 700,000 of those no longer active in June.
- As of June 2015, the actual annual rate of disenrollment is about 33%.
- Based on recently completed survey conducted of Covered California members who left (“disenrolled”), the vast majority (85% of those terminating) left to get employer-based, Medi-Cal, Medicare or other coverage.

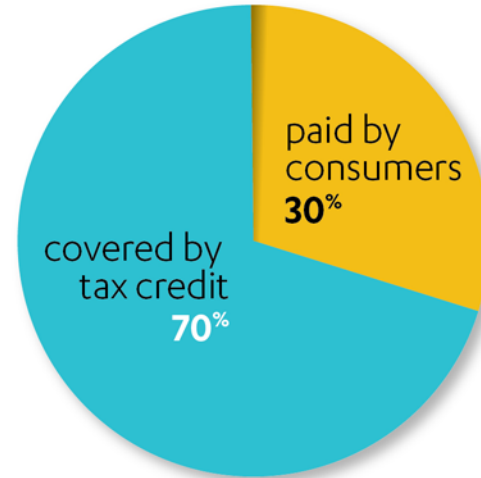
Estimated from Covered California enrollment data and 2015 Member Survey (n=3,373).

AFFORDABLE COVERAGE THROUGH PREMIUM ASSISTANCE

Average Premiums, Average APTC, and APTC as % of Gross Premium by Subsidy — Policy level Month of June 2015

Subsidy Eligible	
Number of policies	777,758
Average Gross Premium	\$ 594
Average Net Premium	\$ 157
Average APTC	\$ 436
Average Net Premium as percent of Gross	70%
Unsubsidized	
Number of policies	83,677
Average Gross Premium	\$ 516

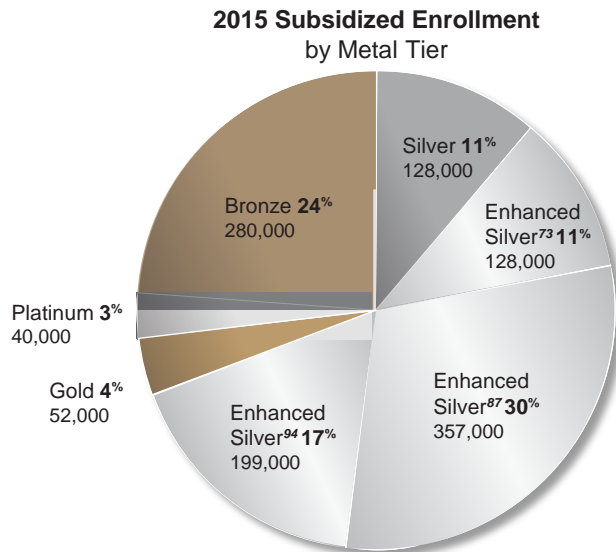
Average Premium Assistance Reduces Monthly Cost by 70 Percent



Premium data is at the "policy" level, which is not necessarily the member level: many policies include more than one member.

COVERED CALIFORNIA ENROLLEES ABLE TO CHOOSE BOTH LOW PREMIUM AND LOW OUT-OF-POCKET DESIGNS

More than 69 percent of Covered California subsidy-eligible enrollees selected a Silver plan — which have *no* deductibles for any outpatient services; 58 percent of all subsidy-eligible enrollees qualified for an Enhanced Silver, which means even lower out-of-pocket costs when accessing services.



Source: Covered California enrollment data as of April 2015, including only subsidized enrollees who have paid for coverage.

A few notes on monthly premium costs:

77 percent pay less than \$150 per month per individual.

More than 120,000 enrollees pay less than \$10 per month per individual.

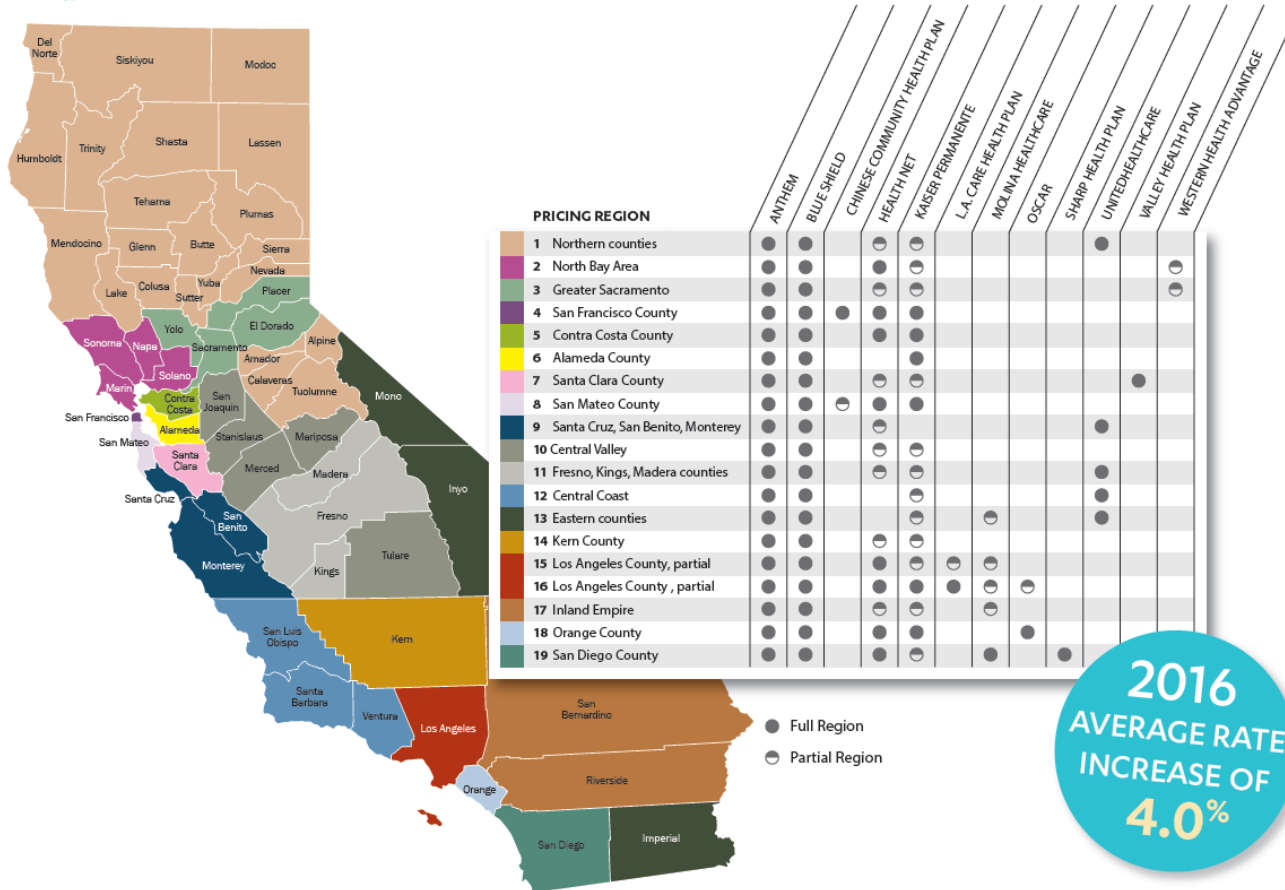
25 percent of enrollees in an Enhanced Silver⁹⁴ plan pay less than \$25 per month per individual, while more than half pay less than \$50.

In addition, these individuals pay only \$3 for doctor visits.

Covered California's standard benefit design:

- Bronze — three office visits and lab work, not subject to a deductible.
- Silver, Gold, Platinum — no deductibles on **any** outpatient services.

COVERED CALIFORNIA HEALTH PLAN OFFERINGS FOR 2016: BROADER CHOICE, MORE LOCAL OPTIONS AND BETTER TREND



2016
AVERAGE RATE
INCREASE OF
4.0%

Covered California's 2016 Standard Benefit Designs

In California, standard benefits allow apples-to-apples plan comparisons and seek to encourage utilization of the right care at the right time with many services that are not subject to a deductible.

2016 STANDARD BENEFIT DESIGNS BY METAL TIER

MEDICAL COST SHARES				
Coverage Category	Bronze	Silver	Gold	Platinum
	Covers 60% average annual cost	Covers 70% average annual cost	Covers 80% average annual cost	Covers 90% average annual cost
Annual Wellness Exam	\$0	\$0	\$0	\$0
Primary Care Visit	\$70*	\$45	\$35	\$20
Specialty Care Visit	\$90*	\$70	\$55	\$40
Urgent Care Visit	\$120*	\$90	\$60	\$40
Emergency Room Facility	Full cost until out-of-pocket maximum is met	\$250 once medical deductible is met	\$250	\$150
Laboratory Tests	\$40	\$35	\$35	\$20
X-Ray and Diagnostics	Full cost until out-of-pocket maximum is met	\$65	\$50	\$40
Deductible	Individual: \$6,000 medical \$500 drug Family: \$12,000 medical \$1,000 drug	Individual: \$2,250 medical \$250 drug Family: \$4,500 medical \$500 drug	N/A	N/A
Annual Out-of-Pocket Maximum	\$6,500 individual and \$13,000 family	\$6,250 individual and \$12,500 family	\$6,200 individual and \$12,400 family	\$4,000 individual and \$8,000 family

Benefits shown in blue are not subject to a deductible.

*Copy is for any combination of the first three visits. After three visits, they will be at full cost until the out-of-pocket maximum is met.

2016 STANDARD BENEFIT DESIGNS BY INCOME

MEDICAL COST SHARES			
Coverage Category	Enhanced Silver 94	Enhanced Silver 87	Enhanced Silver 73
Eligibility Based on Income and Premium Assistance	Covers 94% average annual cost	Covers 87% average annual cost	Covers 73% average annual cost
Single Income Ranges	up to \$17,655 (≤150% FPL)	\$17,656 to \$23,450 (>150% to ≤200% FPL)	\$23,451 to \$29,425 (>200% to ≤250% FPL)
Annual Wellness Exam	\$0	\$0	\$0
Primary Care Visit	\$5	\$15	\$40
Specialist Visit	\$8	\$25	\$55
Urgent Care Visit	\$6	\$30	\$80
Laboratory Tests	\$8	\$15	\$35
X-Rays and Diagnostics	\$8	\$25	\$50
Imaging	\$50	\$100	\$250
Deductible	Individual: \$75 medical Family: \$150 medical	Individual: \$550 medical \$50 drug Family: \$1,100 medical \$100 drug	Ind.: \$1,900 medical \$250 drug Family: \$3,800 medical \$500 drug
Annual Out-of-Pocket Maximum	\$2,250 individual and \$4,500 family	\$2,250 individual and \$4,500 family	\$5,450 individual and \$10,900 family
DRUG COST SHARES — 30 DAY SUPPLY			
Generic Drugs (Tier 1)	\$3 or less	\$5 or less	\$15 or less
Preferred Drugs (Tier 2)	\$10 or less	\$20 after drug deductible	\$45 after drug deductible
Non-preferred Drugs (Tier 3)	\$15 or less	\$35 after drug deductible	\$70 after drug deductible
Specialty Drugs (Tier 4)	10% up to \$150	15% up to \$150 after drug deductible	20% up to \$250 after drug deductible

Benefits shown in blue are not subject to any deductible.

Benefits in blue are not subject to any deductible.

COVERED CALIFORNIA TAKING ADDITIONAL STEPS AS AN ACTIVE PURCHASER FOR CONSUMERS

- Standard benefit designs – creates apples-to-apples comparison and assures out-of-pocket expense does not limit access
- Selection and oversight of health insurance carriers
- Data driven negotiations

2016 negotiations saved California consumers over \$200 million in premium savings!

HEALTHCARE EVIDENCE INITIATIVE: PUTTING MEMBERS FIRST

Covered California has always used available data to support evidence-based policy making with a focus on our members. The Healthcare Evidence Initiative will take it to the next level with utilization and claims data. Here are a few examples:

- **Are members getting the right care at the right time?** Covered California has estimated the number of members who have been newly diagnosed with certain diseases. The Evidence Initiative will help us make this concrete, for example, assessing what percentage of Covered California members are getting recommended cancer screenings.
- **Is Covered California negotiating competitive rates?** Covered California used state data on health care usage to help drive down the cost of premiums in 2015. The Evidence Initiative will provide a complete picture of the health status and health care utilization of our members so Covered California can make sure rates are reasonable.
- **Did members chose the right plan for their health needs?** Today Covered California can tell how many members choose a Bronze plan even though they were eligible for a Silver Cost Sharing Reduction plan. The Evidence Initiative will tell us if those members experience high out-of-pocket costs for their health care (e.g. specialty drugs).
- **Are *all* members getting the right care at the right time?** Today Covered California tracks enrollment by race and ethnicity and other demographics compared to eligibility estimates. The Evidence Initiative will tell us if preventive services are being used at equal rates across demographic groups.

COVERED CALIFORNIA — ENSURING CONTRACTED PLANS PROMOTE QUALITY CARE



Integrated and coordinated care



Addressing health disparities



Innovations in customer service



Telehealth to expand access



Empowering consumers with tools



Prevention and wellness programs



Managing chronic disease



Information for consumers

CoveredCA.com

Information on exchange-related activities

hbex.CoveredCA.com