

QDP Model Contract Attachment 3 for Individual and Small Business Market First Round Comments

The following is the Covered California response to “First Round” comments received for the 2024-2026 QDP Individual Issuer Contract Attachment 3.

All documents will be posted to the Plan Management HBEX webpage:
<https://hbex.coveredca.com/stakeholders/plan-management/>.

| Article-Section No. | Article-Section Title | Comment | Covered California Response |
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| Attachment 3 | 1.3 | <p>Grievance Resolution - While no longer penalized, we do not agree with the movement to 99% resolution within 30 days of receipt for Grievances. Not only is this not feasible due to timing issues with receipt of the grievance, there is a much smaller number of grievances from dental members. Just a small set of misplaced grievances will always have us chasing a corrective action plan that is never resolved. To date, we have averaged 150 grievances per month with over 135,000 members. In only 1 month in 2022 we have reached 99% or better of resolving grievances in 30 days.</p> | <p>Per the Knox-Keene Act, Section 1300.68(a), plans (including dental plans) are required to receive, review and resolve grievances within 30 calendar days of receipt. As a result, Covered CA is increasing the 2024 Performance Standard and Expectation 1.3 Grievance Resolution Expectation from 95% to 99%. This increase aligns with the QHP Expectation implemented in 2023. Covered CA strongly urges QDP issuers to correct all systemic issues that would allow any enrollee grievances to be misplaced. No contract change will be made.</p> |
| Attachment 3 | 2.3 | <p>834 Generation - Termination Transactions: Expectation: Covered California will successfully receive and process effectuation and cancellation 834 transactions within sixty (60) Days from either the coverage effective date or transaction timestamp, whichever is later 95% of the time.</p> <p>Comments: the text under 2.2 was incorrectly duplicated under the exception criteria for 2.3.</p> <p>Recommended Change: The text should read "Expectation: Covered California will receive termination 834 transactions within ten days of the grace period expiration 95% of the time"; the text under 2.2 was incorrectly duplicated under the exception criteria for 2.3.</p> | <p>Contract has been change made.</p> |

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|---------------------|-----------------------|--|-----------------------------|
| Attachment 3 | 2.5 | <p>Dental Loss Ratio (DLR) - Expectation: Contractor shall maintain a dental loss ration of 50% or higher for each product they offer at Covered California.</p> <p>Comments: A Dental Loss Ratio threshold threatens the most affordable dental products, leaving in place products least likely to be selected on a voluntary basis among small groups and individuals that are least likely to have dental coverage. Dental premiums are varied across the different products and market segments. Low Dental Loss Ratio plans can be more affordable to more people, especially for those who do not receive any subsidies. Higher Dental Loss Ratio plans can be less affordable for individuals and small groups who are more likely to defer their dental needs. Fixed administrative expenses don't scale down with lower premium products, some of which offer better benefits in more limited networks as the prices goes down. If a DHMO product (has lower dental costs) then the relative fixed administration expenses become a larger piece of total premium.</p> <p>The regulator submitted annual DLR reporting templates are reported by line of business and include Individual and Small Group plans not just the two Covered California exchange dental products.</p> <p>Recommended Change: Remove expectation to maintain DLR of 50% or higher.</p> | No contract change made. |