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Covered California for Small Business Qualified Health Plan Issuer Contract, Attachment 2 – Performance Standards with Penalties

Response to Comments

The following is the Covered California response to comments received for the 2023-2025 Covered California for Small Business Qualified Health Plan Issuer Contract, Attachment 2 – Performance Standards with Penalties Amendment for 2024.

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

Comment	Covered California Response
<p>As CCSB still represents only a very small portion of the small group market, we strongly recommend that no sections of attachment 2 be applied until such time that CCSB reaches material market share.</p>	<p>Covered California agrees that CCSB is currently a small portion of the small group market, however the only Performance Standards that apply towards CCSB at this time are the Oral Health Standards. Covered California has reviewed this request and will continue with the current approach to apply penalties to Oral Health Standards in CCSB.</p>
<p>We remain strongly opposed to any performance penalties for CCSB products, primarily as there isn't a compelling "business reason" for financial incentives proposed in Attachment 2 on CCSB QHPS' performance. Overall, performance standards with penalties should seek to accelerate or catalyze performance improvements.</p> <p>The proposed penalties for HEI Data, PLD file & pediatric dental lack any strategic focus for performance in the small group market. Its unlikely that this aligns with what small group employers, brokers, or members' are concerned about. For example, we have seen no evidence about a market concern with "embedded pediatric dental" - given most small group employers offer separate dental products. Yet these measures account for 20% penalty. Additionally, the brokers & employers are not concerned accuracy of the very complex HEI data files, or even the PLD files.</p> <p>AB929 requires existing QHPs to submit small group data to the exchange, but if a QHP doesn't participate on CCSB has 'bad Small Group data' - they aren't facing the same "double penalty" that a QHP in both IFP & CCSB faces. Lastly, plans that are not on Covered CA can offer more competitive products in the small group market, as they are not burdened by either the administrative work of managing these data files, nor the financial penalties associated with them.</p> <p>Brokers and employers are concerned with things like seamless and timely enrollment, accurate billing. These are the issues our own Small Group broker team hears regularly about the existing CCSB operations. Given the complicated Covered CA / NFP / QHP environment, and the recent transition to NFP, we are still facing significant operational issues. We believe bi-lateral performance guarantees around enrollment performance is the most pressing topic for performance standards.</p> <p>Adding a set of performance penalties on items that are completely misaligned with what small group brokers/employers expect, will only further distance CCSB products and pricing away from the market.</p>	<p>Covered California agrees that CCSB is currently a small portion of the small group market, however the only Performance Standards that apply towards CCSB at this time are the Oral Health Standards. Covered California has reviewed this request and will continue with the current approach to apply penalties to Oral Health Standards in CCSB.</p>