Department of Managed Health Care

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Consumer Participation Program

Welcome Participants Petitions to Participate Applications for an Award 3

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Award Application Details: Health Access of California

Participant Details Participant's Eligibility Apps Participant's Petition Apps Participant's Award Apps 3

Application Version: Original App

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Please review and approve this Application for an Award and Witness Fees if applicable.

Approvals & Comments DMHC Attachments Send Email

Entity Name:	**Health Access of California**
Submitted By:	Tam Ma
Date Submitted:	12/3/2016 12:30:27 PM
Status:	Pending
Date of Decision:	
DMHC Comment:	(8000 characters remaining)
Updated By:	
Updated Date:	

Save

Decisions & Comment History (Hide Details...)

There are currently no decisions or comment history.

Award Application (Hide Details...)

Printer Format

1. For which proceeding are you seeking compensation?

   Blue Shield Individual Market Rate Filing

2. What is the amount requested?

   $637.50

3. Proceeding Contribution:

   Provide a description of the ways in which your involvement made a substantial contribution to the proceeding as defined in California Code of Regulations, Title 28, Section 1010(b)(14), supported by

specific citations to the record, your testimony, cross-examination, arguments, briefs, letters, motions, discovery, or any other appropriate evidence.

(8000 characters remaining)

Health Access California submits this request for reasonable advocacy fees for our substantial contribution to the decision of the Department of Managed Health Care (DMHC) regarding Blue Shield's individual market rate filing for 2017. Health Access substantially contributed to DMHC's review of Anthem's proposed rates by submitting written comments on September 22, 2016. Our letter raised questions and concerns about Anthem's rate filing and its justification for its proposed rates. In particular: • "Changes in duration": asked for basis for ramp-up in utilization for the year 2017, the third year of higher enrollment due to health reform. Questioned lack of data and documentation of higher costs due to special enrollment periods. • Enrollee cost sharing: Blue Shield properly detailed enrollee cost sharing for on-exchange, off-exchange mirrored and off-exchange non-mirrored products. It was the only carrier of the three that we reviewed that complied with the law. That was nice. • Complete failure to list cost/quality improvements, including those contractually required by Covered California as well as any others undertaken voluntarily by Blue Shield. In our letter, we asked DMHC to seek additional information from Blue Shield supporting assertions made in its rate filings. Our analysis and comments substantially contributed to DMHC's review of these rate filings.

4. Please attach your time and billing record in the "Add Attachment" box below. In the time and billing record, include the hourly rate of compensation for each witness or advocate and a justification for each hourly rate, which may include copies of or citations to previously approved hourly rate; and each witness or advocate's resume or curriculum vitae. The time and billing record should show the date and exact amount of time spent on each specific task in thirty (30) minute increments, as defined in California Code of Regulations, Title 22, Section 1010(d)(3).

Document Name	Date Uploaded	Uploaded By	
Time Record	12/3/2016 12:28:24 PM	Tam Ma	View
Biography and Billing Classification	12/3/2016 12:28:49 PM	Tam Ma	View
Written comments: Blue Shield individual market rate filing	12/3/2016 12:29:50 PM	Tam Ma	View

5. Clear and concise statement of participants interest in the proceeding which explains why participation is needed to represent the interests of consumers

Health Access California sponsored the original legislation enabling rate review as well as the legislation on consumer participation program. California consumers have saved hundreds of millions of dollars in reduced premiums in the individual market as a result of rate review. Our participation in this proceeding helps DMHC to more effectively review proposed rates, which may result in even greater savings for consumers

6. The information contained in the Petition to Participate remains true and correct to the best of the knowledge of the person verifying the information.

Yes

I am authorized to certify this document on behalf of the applicant. By entering my name below, I certify under penalty of perjury under the laws of the State of California that the foregoing statements within all documents filed **electronically** are true and correct and that this declaration was executed at Sacramento (City), CA (State), on December 03, 2016 .

Enter Name: Tam M. Ma

Account Info at Time of Submission *(Hide Details...)*

Account Information

Organization Legal Name:	**Health Access of California**
Organization Fictitious Name:	
Account Type:	Organization

Email Address:	[redacted]
Organization Phone Number:	[redacted]

Physical Address

Physical Address:	1127 - 11th Street
Suite:	234
City:	Sacramento
State:	CA
Zip/Postal Code:	95814

Organization Information

Organization Name:	Health Access California
Is this a nonprofit organization?:	Yes
Under what Statute is your Organization Incorporated?:	Nonprofit Public Benefit Corporation Law for public and charitable purposes
Organization's Size:	$125,000.00
Organization's Structure:	501 c 4
Description of the Organization's General Purposes:	HEALTH ACCESS CALIFORNIA is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians.

Organization's Governing Body

1.	**Director**	Aaron	Fox
2.	**Director**	Art	Pulaski
3.	**Director**	Betsy	Imholz
4.	**Director**	Cary	Sanders
5.	**Director**	Christina	Livingston
6.	**Director**	Emily	Rusch
7.	**Director**	Henry	Lacayo
8.	**Director**	Horace	Williams
9.	**Director**	Joan	Pirkle Smith
10.	**Director**	Jon	Youngdahl
11.	**Director**	Joshua	Pechthalt
12.	**Director**	Kathy Ko	Chin
13.	**Director**	Lori	Easterling
14.	**Director**	Nancy	Brasmer
15.	**Director**	Paul	Knepprath
16.	**Director**	Reshma	Shamasundra
17.	**Director**	Rick	Schlosser
18.	**Director**	Roma	Guy
19.	**Director**	Sonya	Young
20.	**Director**	Stewart	Ferry
21.	**Director**	Ted	Lempert
22.	**Director**	Thomas	Saenz
23.	**Director**	Vanessa	Aramayo
24.	**Director**	Willie	Pelote

Organization's Officers

1.	**Executive Director**	Anthony	Wright

Contact Info at Time of Submission *(Hide Details...)*

First Name:	Tam
Last Name:	Ma
Email Address:	[redacted]
Telephone Number:	[redacted]
Status:	Active

- ☐ Jose Tapia
- ☐ Silvia Flores
- ■ Tam Ma
- ☐ Rick Pavich
- ☐ Robin Avant

Time Record

Proceeding: Blue Shield individual market rate filing
Organization: Health Access California
Advocate: Beth Capell

Date	Work Performed	Hours	Hourly Rate	Total
9/20/16	Analysis of Blue Shield individual market rate filing	0.5	$425	$212.50
9/20/16	Draft comments on Blue Shield individual market rate filing	1	$425	425.00
	TOTAL	**1.5**		**$637.50**

September 20, 2016

Wayne Thomas, Chief Actuary
Division of Premium Rate Review
Department of Managed Health Care
980 9th St., Ste. 500
Sacramento, CA 95814

Re: Health Access California Comments on California Physicians' Services (dba Blue Shield of California) 2017 Individual Market Rate Filing
SERFF BCCA 130655115

Dear Mr. Thomas,

Health Access California, the statewide health care consumer advocacy coalition, committed to quality, affordable health care for all Californians, offers these comments on the rate filing by Blue Shield of California for the 2017 on-exchange and off-exchange individual market products.

We have reviewed the comments by Consumers Union which were filed earlier in September. We support those comments by Consumers Union and herein offer further comments from Health Access' perspective.

"Changes in Duration": Ramp-Up in Utilization, Special Enrollment Periods: No Data, No Documents

The rate filing attributes to "changes in duration" an increase in utilization of 1.7%. The "changes in duration" include both a ramp-up in utilization by members during initial months of coverage as well as allegedly higher utilization for those consumers who joined during special enrollment periods.

We are puzzled by both assertions and ask for further documentation.

Pent-up demand among the newly insured is a well-established phenomenon but in 2017, most of those newly covered in the individual market are likely to have had coverage from other sources prior to entering the individual market. That is, most of those consumers who seek individual market coverage in 2017 will either have had coverage through employment, through a family member who is likely employed or through Medi-Cal. Multiple sources, including the US Census, find that the number of uninsured in California has been cut in half—and that the majority of the remaining uninsured are eligible for Medi-Cal or are undocumented individuals, mostly low-income. HealthNet, another health plan, notes in its filing that pent-up demand has largely been addressed. So we are puzzled by the assertion "duration changes" due to a gradual ramp-up in utilization by members in their initial months of coverage is

associated with increased utilization for the 2017 plan year. We might have believed this for 2014, but not 2017.

Blue Shield of California has asserted in discussions at Covered California that those consumers who enrolled during Special Enrollment Periods had higher claims costs and higher utilization than those who enrolled during Open Enrollment. In this rate filing, an unspecified portion of the 1.7% increase in utilization associated with "duration changes" is attributed to members who joined during Special Enrollment Periods. Yet we are provided with no information, no documents, and no data to substantiate this assertion. The rate filing does not provide the number of members who joined during Special Enrollment Periods, presumably a knowable number, much less how much higher utilization and claims costs were for such members compared to those enrolled during Open Enrollment. While we have heard such assertions in discussions at Covered California, no documents or data was produced to substantiate such assertions.[1]

The complete failure to produce data or documents demonstrating the higher claims cost allegedly associated with Special Enrollment Periods leads us to questions whether these costs are real or figments of the imagination of an insurer unaccustomed to the elimination of medical underwriting.

We ask that the Department require Blue Shield to produce additional information on underlying claims costs and to state plainly whether or not claims costs are higher for SEP enrollees than those consumers who enroll during Open Enrollment. If Blue Shield can justify the utilization increases, they should make the information public. If the rate increases are not justified, they should be lowered.

We ask that any and all information associated with claims costs and the impact of Special Enrollment Periods be shared with us prior to the completion of the rate filing.

Changes in Enrollee Cost Sharing

We are pleased to note that unlike some other health plans, Blue Shield in its response to Question 20 on enrollee cost-sharing produced a detailed comparison of cost sharing for each of its products for 2016 and 2017. Every other health plan should be required to produce comparable information.

Cost and Quality Improvements

[1] An analysis done by Oliver Wyman nationally was offered: given the significant differences in the California individual market from individual markets in many other states, including the Medicaid expansion as well as the closing down of the nongrandfathered pre-ACA individual market, we do not see the relevance of this document. A study of the impact on the major carriers in California would be relevant. The Oliver Wyman piece, which again does not allow independent validation of its data and which is national in scope, does not constitute documentation of the claims of a particular carrier in California.

Blue Shield of California, like every other health plan that is contracting with Covered California has agreed to extensive contract provisions regarding cost, quality and equity, embodied in Attachments 7 and 14 of the model Covered California contract. Along with CPEHN and Consumers Union, Health Access was actively involved in the development of these requirements. Importantly for 2017, Covered California requires Qualified Health Plans to shift from merely reporting on what the plan is doing with respect to cost, quality and equity to actually beginning to meet benchmarks to improve cost, quality and equity.

The policy areas in which the Covered California contract requires improvement include but are not limited to:

- Patient Safety, including health-acquired conditions
- Networks Based on Value
- Action on High Cost Providers
- High cost pharmaceuticals, including clinical effectiveness
- Quality initiatives, including maternity initiative jointly with Medi-Cal, joint replacement and others
- Reduction in health disparities
- Quality Rating Systems, including improvements in quality rating
- Hospital payments to improve quality and value
- Supporting at-risk enrollees
- And more

Yet, none of these extensive requirements, not one word that we can find, are reflected or reported in the rate review filing. Unlike other health plans, as best we can tell, Blue Shield does not mention quality improvement and it utterly fails to acknowledge the extensive requirements in the Covered California QHP contracts, even though the overwhelming majority of the lives covered by this filing are in on-exchange products or off-exchange mirror products.

The section of the rate review filing, which was in addition to federal requirements, was added in response to concerns by Health Access, other consumers advocates, labor unions and other purchasers about the ever-escalating cost of health care and the need to make health care safer, more efficient, more effective in improving outcomes, and better able to reduce health disparities.

The failure of Blue Shield of California to provide any specificity is a severe disappointment given the importance of the cost, quality and equity work at Covered California. Our disappointment is particularly sharp in this instance because Covered California, working in a collaborative process with the plans, the providers and consumer advocates has developed an extensive set of requirements aimed at reducing cost increases while improving quality and health equity. Yet none of this is reflected in the rate filing, as best we can determine.

We ask that the Department require Blue Shield to file Attachments 7 and 14 of the Covered California QHP contract as public documents so that progress toward compliance may be monitored. At a minimum, the Department itself should review these

Attachments and ask Blue Shield how it intends to control costs and improve quality in future years. Our concerns are made even sharper by the merger that was approved by the Department and the expansive promises made by Blue Shield about cost and quality in the context of that merger.

We recognize that the Department may seek additional information from Blue Shield: we would ask that any and all information received by the Department on the three topics we have identified here be made public and be provided to us before the rate filing is final so that we, and the public, may have an opportunity to provide further comment.

Sincerely,

Anthony Wright
Executive Director

CC: Peter Lee, Executive Director, Covered California