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David Panush
Director, Government Relations
Covered California

Re: Comments on Draft Bridge Plan Demonstration Project

Dear Mr. Panush:

On behalf of the National Health Law Program and the Western Center on Law & Poverty, thank you for giving us the opportunity to submit comments on the Draft of the “Bridge Plan Demonstration Project: A Strategy to Promote Continuity of Care & Affordability.” We appreciate that you have sent out the draft for public comment prior to submission to CMS.

As advocates for lower-income enrollees in Covered California who will need these bridge plans, we share Covered California’s concerns about affordability and continuity of care for this population. While we have been very supportive of the bridge plan option that has been proposed to meet these concerns, we continue to believe that adoption of a Basic Health Plan in California would better meet these concerns and serve to guarantee affordability, in particular, for all lower income enrollees, not just those transitioning off Medi-Cal or with family members enrolled in Medi-Cal. To the extent that there is discussion about delaying implementation of any aspects of the Bridge Plan until 2015, we believe that efforts would better go towards supporting, developing and implementing a Basic Health Plan in 2015. We hope that Covered California will support the Basic Health Plan when the issue comes before the Legislature again. In addition, we urge Covered California to protect and promote continuity of coverage and care for pregnant women in Bridge Plans and the Basic Health Plan, if enacted.

Our specific comments on the draft are as follows:

Timing of Implementation. While we understand the enormous amount of work that Covered California is doing to begin accepting applications for enrollment on October 1, 2013, we believe that efforts

should be made to implement the Bridge Plan as soon as possible. While the current draft is vague about when implementation could actually occur, we understand that staff has indicated that there will be delays beyond the April 1, 2014 start date that was previously announced. We are very concerned about such potential delay, and we do not believe that it is authorized by SBx1 3, which only permits a delay for one limited category of potential enrollees in the Bridge Plan. See Welf. & Inst. Code § 14005.70(a)(2)(C).

Staff had previously indicated that the provision of Transitional Medical Assistance (TMA) would cover the gap for those persons losing Medi-Cal until the Bridge Plans could become operational. However, TMA does not cover all persons losing Medi-Cal eligibility, so it is not a panacea. Further, if implementation is delayed beyond the previous April 1, 2014 start date, even those receiving TMA will be at risk of losing affordable coverage and the ability to maintain access to their existing providers. ***Thus, we urge that you maintain a definitive start date of April 1, 2014, that you set forth the goal of meeting that start date in the memo, and that you seek CMS approval on an expedited basis to ensure that you can meet this goal.***

“Substantially Similar Provider Network.” As we have commented previously, in order to meet the stated goal of continuity of care, it is critical that the Bridge Plans have the same provider networks as the Medi-Cal Plans from which Medi-Cal enrollees will be transitioning. The proposal uses the language from SBx1 3 that issuers must demonstrate that their Bridge plans have “a substantially similar provider network as the Medi-Cal Managed Care plans offered by the health plan issuer.” While we realize that it may be impossible for such networks to be identical, they should be as close as possible. This is particularly important in regard to primary care providers. We believe that the term “substantially similar” is too vague and that a definition of this term, as precise as possible, should be added to the draft. **We suggest the following language to explicate what “substantially similar” means:**

Substantially similar means that the issuer demonstrates network overlap of at least 90% between the Medi-Cal plan and the Bridge plan in the areas of Primary Care, Specialty Care, Pharmacy, and Ancillary Service providers.

Premium Levels. We have concerns about how the draft addresses the premium levels that are expected of the Bridge Plans. Bridge Plans will not be affordable for persons between 138% and 250% FPL unless the premium levels are set sufficiently below the second lowest Silver Level plan to maximize the impact of the tax credit. In the Board Recommendation Brief regarding Bridge Plans, it was suggested that premiums should be set at least 5% to 15% below what would become the second lowest silver plan option in order to achieve affordability. ***The current draft does not specifically set forth where rates should be set and should be revised to do so, with plans encouraged to achieve the “15% below” level in order to achieve real affordability.***

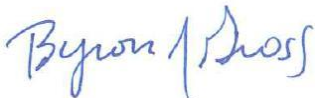
Further, the discussion of premium levels on page 6 is confusing. It states: “The Medi-Cal Managed Care plans in Los Angeles would have the opportunity to offer a Bridge plan with a monthly premium that could be lower, or equal to, the **price differential** between the lowest and second lowest plan currently expected to be offered in this area.” We don’t understand this,

because in the example given the second lowest silver plan has a premium of \$252 per month and the lowest has a premium of \$222 per month, so the “price differential” would be \$30, seemingly not where the Bridge Plan premium would be set. This discussion should be clearer and should set clear goals for how Bridge Plan premiums will be set, and how Covered California will ensure that the premiums are affordable for low income people.

Clarification of Enrollment Periods. In the paragraph at the bottom of page 7 of the Draft, there is a discussion of enrollment periods which is not clear. The third sentence states that MAGI household members and parents/caretaker relatives could enroll “during the special enrollment period;” it is not clear what this term is referring to. This should be clarified. ***These related persons should be permitted to enroll in a Bridge Plan whenever during 2014 such plans become operable. If this is after open enrollment is over, then the Exchange should allow for a special enrollment period to give such persons an opportunity to get affordable coverage as soon as possible.*** Federal regulations allow for special enrollment periods in “exceptional circumstances as the Exchange may provide.” 45 C.F.R. § 155.420(d)(9). Covered California should create a special enrollment period for the time period Bridge Plans become operational.

We are encouraged that Covered California is moving forward to implement Bridge Plans that promote affordability and continuity of care. Please do not hesitate to contact Byron Gross at gross@healthlaw.org or (310) 204-6010 if you have any questions or need any further information. Thank you considering our comments.

Sincerely,



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