



### Consumer Participation Program

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#### Award Application Details: Health Access of California

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

Application Version:

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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:	<b>Health Access of California</b>
Submitted By:	Tam Ma
Date Submitted:	12/3/2016 12:16:35 PM
Status:	<input type="text" value="Pending"/>
Date of Decision:	<input type="text"/>
DMHC Comment:	(3000 characters remaining) <div style="border: 1px solid gray; height: 40px; width: 100%;"></div>
Updated By:	
Updated Date:	
<input type="button" value="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?
2. What is the amount requested?
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 Anthem'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 20, 2016. Our letter raised questions and concerns about Anthem's rate filing and its justification for its proposed rates. In particular: • Special Enrollment Periods: lack of documentation to justify rate increases associated with allegedly higher risk consumers enrolling during special enrollment periods. • Enrollee cost sharing: failure to comply with the law in detailing enrollee cost sharing, both for on-exchange products and off-exchange products • Failure to describe off-exchange non-mirrored products in a manner that would allow examination of the rate impacts of such products • Abject failure to list cost/quality improvements, including those contractually required by Covered California as well as any others undertaken voluntarily by Anthem. In our letter, we asked DMHC to require Anthem to produce additional information to support the 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).

Table with 4 columns: Document Name, Date Uploaded, Uploaded By, and a View link. Rows include Time Record, Biography and Billing Classification, and Letter re: Anthem Individual Market Rate Filing.

- 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 proosed 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: tma@health-access.org  
 Organization Phone Number: (916) 497 - 0923 ext. 201

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

**Organization's Officers**

1. <b>Executive Director</b>	Anthony Wright	^ v
<b>Contact Info at Time of Submission</b> (Hide Details...) 		
First Name:	Tam	^ v
Last Name:	Ma	
Email Address:	tma@health-access.org	
Telephone Number:	(916) 497 - 0923 ext. 201	
Status:	Active	v

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

### Time Record

Proceeding: Anthem individual market rate filing

Organization: Health Access California

Advocate: Beth Capell

Date	Work Performed	Hours	Hourly Rate	Total
9/11/16	Reviewed Anthem individual market rate filing	0.5	\$425	\$212.50
9/13/16	Analysis of Anthem individual market rate filing	1.5	\$425	\$637.50
9/14/16	Analysis of Anthem individual market rate filing	0.5	\$425	\$212.50
9/20/16	Draft comments on Anthem individual market rate filing	1	\$425	\$425.00
	<b>TOTAL</b>	<b>3.5</b>		<b>\$1487.50</b>

September 20, 2016

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

Re: Health Access California Comments on Anthem Blue Cross  
2017 Individual Market Filing  
SERFF Number 130652521

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 Anthem Blue Cross 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.

**Special Enrollment Periods: No Data, No Documents**

Anthem Blue Cross 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. This assertion has not been validated by data or documents. Allegedly Anthem provided data to Covered California to justify some portion of the 17.2% increase as caused by higher utilization of those consumers who enroll during Special Enrollment Periods.

The Anthem rate filing that we reviewed in its entirety includes no mention that we can discern which attributes any element or component of the rate increase to higher claims costs during Special Enrollment Periods. Similarly in the discussions at Covered California that included Health Access representatives, Anthem produced assertions and anecdotes but failed to produce either documents or data.

This failure calls into question the justification for the proposed rate increase: either Anthem is misrepresenting claim costs in its rate filings or it misrepresented claims costs to Covered California. Anthem's abject failure to produce data or documents demonstrating the higher claims cost allegedly associated with Special Enrollment Periods leads us to question 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 Anthem 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 Anthem can justify these extraordinary 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 puzzled by the filing with respect to enrollee cost-sharing: Anthem includes no detail whatsoever on changes in enrollee cost-sharing.

First, Covered California required changes in enrollee cost-sharing as a result of some modest redesign of the standard benefit design cost-sharing. Yet the Anthem filing is silent on this: at a minimum, the information presented for the products that are standard benefit design products, both on-exchange and off-exchange, should reflect these changes. Health Access participated in the process that led to the changes in the standard benefit design so we are well familiar with these. The filing should not be silent when cost sharing has changed: that violates an express provision of the law on rate review.

Second, we note that Anthem has numerous products but it is not easy or perhaps even possible to determine what the enrollee cost-sharing designs are for the off-exchange non-mirrored products or it is difficult to determine even which products are non-mirrored products.

We note that in contrast, Blue Shield provided in the answer to Q. 21 detailed information on changes in enrollee cost sharing. This is what should be required of Anthem (and other health plans as well). If Blue Shield of California can meet this modest standard, so can Anthem Blue Cross.

We ask that you require information of Anthem Blue Cross regarding cost-sharing design changes for all products as well as clear identification of which products are non-mirrored off-exchange products.

### **Cost and Quality Improvements**

Anthem Blue Cross, 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, few, if any, of these extensive requirements are reflected or reported in the rate review filing. Anthem does reference “Quality Improvement Expense” but 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 Anthem Blue Cross 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 little of this is reflected in the rate filing.

We ask that the Department require Anthem 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 Anthem how it intends to control costs and improve quality in future years. Our concerns are made even sharper by the proposed merger that has been under review by the Department and the expansive promises made by Anthem in that context.

We recognize that the Department has sought additional information from Anthem on a number of topics: 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