

# DMHC's Response to COVID-19

August 19, 2020

Mary Watanabe, Acting Director

# All Plan Letters (APLs)

- APL 20-006 – COVID-19 Screening and Testing
- APL 20-007 – “Social Distancing” Measures in Response to COVID-19
- APL 20-008 – Provision of Health Care Services During Self Isolation Orders
- APL 20-009 – Reimbursement for Telehealth Services
- APL 20-010, 20-023 & 20-029 – Special Enrollment Period and Coverage Effective Dates

# All Plan Letters (APLs)

- APL 20-012 – Health Plan Actions to Reach Vulnerable Populations
- APL 20-013 – Telehealth Services
- APL 20-014 – Mitigating Negative Health Outcomes due to COVID-19
- APL 20-015 – COVID-19 Temporary Extension of Plan Deadlines

# All Plan Letters (APLs)

- APL 20-016 – Assistance to Seniors
- APL 20-017 – General Licensure Regulation
- APL 20-018 – Modification of Timely Access PAAS Timeframes
- APL 20-020 – Network Adequacy and Unnecessary Burdens on Providers
- APL 20-028 – Emergency Regulation Regarding COVID-19 Diagnostic Testing

# Financial Indicators

- Medical Loss Ratio (MLR)
- 2<sup>nd</sup> Quarter Financial Filings
- Individual Market Rates

# Medical Loss Ratio

- Health plans in the small group and individual market are required to spend 80% of their premium revenue on medical costs.
- For health plans in the large group market the requirement is 85%.
- If health plans fail to meet this requirement, they have to pay a rebate to the enrollees or employer groups.
- Since 2011, the DMHC regulated health plans have paid \$352 million in rebates.

# Medical Loss Ratio

- MLR is calculated using data for a three-year period.
- CMS extended the due date for the 2019 Annual MLR Report to August 17, 2020 and provided additional flexibility to permit health plans to prepay enrollees a portion or all of the estimated MLR rebate to support continuity of coverage.
- Impact of COVID-19 will be partially reflected in 2020 Annual MLR Report due on July 31, 2021.

# Health Plan and RBO Financial Q2 Statements

- Health plans and RBOs are required to submit annual and quarterly financial statements to the DMHC.
- Second quarter (April 1 – June 30) financial statements were due August 15, 2020.
- DMHC reviews financial statements in comparison to previous quarters and looking for abnormalities in financial reserves, medical expenses, and profits/losses.



# Health Plan Rate Filings

- We received 12 individual rate filings and 14 small group rate filings with an effective date of January 1, 2021.
  - The proposed rate changes in the individual rate filings range from a decrease of 4.6% to an increase of 8.8%.
  - The proposed rate changes in the small group market range from a decrease of 4% to an increase of 4.3%.
- Since 2011, the DMHC's Premium Rate Review has saved consumers \$296 million.

# Questions?