

From: DMHC Licensing eFiling
Subject: Plan Letter AB 248
Date: Monday, May 2, 2016
Attachments: All Plan Letter AB248.pdf

Dear Health Plan Reviewer:

Please see attached the All Plan Letter AB 248. If your plan offers a commercial large group product please submit a filing pursuant to the attached All Plan Letter.

Thank you

ALL PLAN LETTER

DATE: May 2, 2016

TO: Full Service Health Plans

FROM: **Nancy P. Wong**
Deputy Director, Office of Plan Licensing

Gil Riojas
Deputy Director, Office of Financial Review

SUBJECT: AB 248: Large Group Market Minimum Value

Recently added Health and Safety Code Section 1367.010 prohibits non-grandfathered health care service plans licensed under the Knox-Keene Health Care Service Plan Act of 1975 (the Act), as amended, from marketing, offering, amending, or renewing large group plan contracts that provide a minimum value less than 60%. Health and Safety Code Section 1367.010 does not apply to specialized health care service plan contracts, limited wraparound coverage¹, a health care service plan contract that provides coverage for Medicare services pursuant to federal government contracts, or certain grandfathered health care service plan contracts that provide basic health care services without annual or lifetime limits.

The Department of Managed Health Care (“Department”) is requesting that health plans submit an Exhibit E-1, as an Amendment filing type via the Department’s eFiling web portal and title the filing “AB 248 Large Group Market Minimum Value”, by close of business on, June 2, 2016. Please include responses to the following:

1. Does the health plan currently offer any large group plan contracts that provide a minimum value less than 60%?
 - a. If affirmative, please specify the plan contracts and explain how the plan will comply with the requirements of Health and Safety Code Section 1367.010.
 - b. If negative, please affirm that the health plan complies with the requirements of Health and Safety Code Section 1367.010.

If you have any questions about submitting your health plan’s filing, please do not hesitate to contact the Office of Plan Licensing through your assigned counsel.

¹Title 45 of the Code of Federal Regulations Section 146.145(b).