

**Individual Health Coverage Products in California
At Full Implementation of the federal Affordable Care Act (2014)¹**

Coverage type	Applicable Law	Guaranteed Issue	Essential Health Benefits	Coverage levels (tiers) available
<p><u>Exchange Qualified Health Plans (QHPs)</u></p> <p>Qualified health plans² sold in the Exchange by “issuers” selected by the Exchange through a competitive process</p>	<p>Exchange issuers must offer a QHP in all “coverage tiers.”³</p> <p>Exchange may standardize QHP offerings⁴</p>	<p>Yes. Issuers must accept all applicants regardless of health status or claims history and impose no pre-existing condition limitations.</p>	<p>Coverage must include, at a minimum, all essential health benefits (EHBs) in California’s chosen benchmark plan.</p>	<p>1) Platinum (90% actuarial value) 2) Gold (80%) 3) Silver (70%) 4) Bronze (60%) 5) Catastrophic⁵</p> <p>Sometimes referred to as “precious metal tiers”</p>
<p><u>QHPs outside the Exchange, Exchange issuers</u></p> <p>Qualified health plans identical to those sold in the Exchange which are sold outside of the Exchange by issuers offering Exchange coverage</p>	<p>If a QHP issuer in the individual Exchange sells individual coverage outside of the Exchange, they must offer all of their Exchange products in the outside market.⁶ Exchange issuers must charge the same premium for a QHP inside or outside the Exchange.</p>	<p>Yes</p>	<p>Yes</p>	<p>1) Platinum 2) Gold 3) Silver 4) Bronze 5) Catastrophic (only Exchange issuers can offer outside the Exchange)⁷</p>
<p><u>Coverage outside the Exchange (QHP-look a-likes) non-Exchange issuers</u></p> <p>Coverage outside of the Exchange sold by issuers not offering Exchange coverage which are “look-a-likes” to the QHPs in the Exchange</p>	<p>Ca law requires issuers not in the Exchange to offer outside of the Exchange at least one standardized QHP product (dubbed here as QHP look-a-likes) in each of the four coverage tiers. This requirement only applies if the Exchange standardizes the QHPs it offers.</p>	<p>Yes</p>	<p>Yes</p>	<p>1) Platinum 2) Gold 3) Silver 4) Bronze</p> <p><u>Note:</u> Issuers not offering coverage in the Exchange are prohibited from offering catastrophic coverage</p>

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<p><u>Coverage outside the Exchange (Non-QHP identified, not look-alikes)</u></p> <p>Coverage outside of the Exchange not subject to QHP standards offered by issuers who are in or out of the Exchange</p>	<p>Issuers in the individual market may offer coverage products that are not “QHP identified” (meaning they are not sold in the Exchange or required to be sold outside as QHP look-a-likes as above).</p>	Yes	Yes	<p>1) Platinum 2) Gold 3) Silver 4) Bronze 5) Catastrophic (may only be offered by Exchange issuers)</p>
<p><u>“In-force” coverage outside the Exchange (Non-QHP identified, not look-alikes)</u></p> <p>Coverage issued or renewed in 2013 that remains “in force” until the annual renewal in 2014</p>	<p>Issuers may sell or renew products that do not comply with the ACA through December 31, 2013. These in-force policies will be allowed to continue until the annual renewal date in 2014.⁸</p>	No	No	<p>Not required to be ACA compliant until the 2014 renewal date of the contract or policy</p>

¹ This reference focuses on coverage sold to individuals, but in 2014 many of the same requirements and prohibitions will apply to coverage sold to small employers with 2-50 employees.

² Qualified health plans are distinct *products* certified by a state or federal exchange as meeting federal requirements and state certification standards, as applicable. See ACA §1301 (42 United States Code (USC) 18021) and California Government Code §100501.

³ Although not required in the federal ACA, California legislation establishing the California Health Benefit Exchange requires participating issuers (carriers in CA state law) to offer products in all federally developed actuarial tiers, sometimes referred to as “precious metals” -- bronze, silver, gold and platinum -- based on the actuarial categories outlined in the ACA. See AB 1602, Chapter 655, Statutes of 2010 (California Health and Safety Code (HSC) §1366.6 and California Insurance Code (CIC) §10112.3.

⁴ See California Government Code §100504.

⁵ Under California law, the catastrophic level of coverage may only be offered outside of the Exchange by issuers who offer coverage in the Exchange (HSC 1366.6 (d) and CIC 10112.3 (d)).

⁶ HSC §1366.6 (c)(1)(A) and CIC §10112.3 (c)(1)(A).

⁷ HSC §1366.6 (d) and CIC §10112.3 (d).

⁸ As of 5-7-13, the California Exchange adopted a model contract for QHP issuers requiring that they stop offering or renewing all “in-force” non-ACA compliant products, including those sold outside of the Exchange, as of December 31, 2013.