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Anthony Mader
Vice President
Public Policy

March 29, 2014

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health & Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

ATTENTION: CMS-9964-P2

RE: Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans; Small Business Health Options Program

Dear Secretary Sebelius:

WellPoint Inc. (WellPoint) appreciates the opportunity to comment on the proposed rule published March 11, 2013 regarding the Small Business Health Options Program (SHOP). We look forward to continuing to work with the Department of Health and Human Services (HHS) to implement the SHOP exchange in a manner that ensures its success.

At WellPoint, we believe there is an important connection between our members' health and well-being—and the value we bring our customers and shareholders. So each day we work to improve the health of our members and their communities. And, we can make a real difference since we have more than 36 million people in our affiliated health plans, and nearly 67 million people served through our subsidiaries. As an independent licensee of the Blue Cross and Blue Shield Association, WellPoint serves members as the Blue Cross licensee for California; the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (as the Blue Cross Blue Shield licensee in 10 New York City metropolitan and surrounding counties and as the Blue Cross or Blue Cross Blue Shield licensee in selected upstate counties only), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), and Wisconsin. In a majority of these service areas, WellPoint's plans do business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, Blue Cross and Blue Shield of Georgia and Empire Blue Cross Blue Shield, or Empire Blue Cross (in the New York service areas). WellPoint also serves customers throughout the country as UniCare and in certain markets through our Amerigroup and CareMore subsidiaries. Our 1-800 CONTACTS, Inc. subsidiary offers



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customers online sales of contact lenses, eyeglasses and other ocular products. Additional information about WellPoint is available at www.wellpoint.com.

Overview

As a leading issuer of health insurance, WellPoint appreciates the opportunity to provide our input to help ensure smooth implementation of state-based SHOP exchanges and federally-facilitated SHOP (FF-SHOP) exchanges. In recognition of our shared goal to implement this program as successfully as possible, WellPoint commends HHS on its proposals to delay the effective date of the employee choice and premium aggregation requirements for the SHOP, and to change the special enrollment periods (SEPs) in the SHOP to align with the SEPs in today's group market. We believe that these changes will provide HHS, states, and issuers with the time and flexibility necessary to adapt to new operational and technical requirements. We urge HHS to finalize the provisions of this rule as proposed, and to provide certain technical specifications as soon as possible.

Functions of a SHOP (§155.705)

In this rule, HHS proposes delaying the effective date of the employee choice requirements and the premium aggregation requirements for both state-based SHOPS and FF-SHOPS until January 1, 2015. HHS proposes that state-based SHOPS could elect to offer employee choice and perform premium aggregation for plan years beginning before January 1, 2015 (but need not do so), while FF-SHOPS will begin to offer employee choice and premium aggregation in plan years beginning on or after January 1, 2015.

First, WellPoint thanks HHS for recognizing the complexity associated with implementing employee choice in both state-based and FF-SHOPS. We commend the Department for proposing a transitional period that affords states the flexibility to determine whether to implement the employee choice model in the first year of SHOP operation, or to wait until 2015. States and issuers alike have a significant number of new operational and technical requirements to meet come 2014, and we appreciate HHS' proposal to grant additional time to ensure that they are equipped to carry out the employee choice model as smoothly as possible. We also support HHS' decision to delay implementation of employee choice in the FF-SHOP to 2015.

During this one-year period before employee choice takes effect, we suggest that HHS take steps to make the employee choice model more effective and easier for issuers and employers to operationalize. For instance, HHS should consider how to make the issuance of insurance certification documents more streamlined and less administratively burdensome. For the 2014 contract year, we suggest that employers continue to hold contracts with their issuer, and not the exchange. Upon implementation of employee choice, WellPoint recommends that the exchange hold the contract. If the SHOP holds the contract, issuers can send certification to employees



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directly without overloading the employer, whose employees may be covered by policies offered by multiple carriers.

In addition, WellPoint supports HHS' proposal to make the premium aggregation function optional for state-based SHOP exchanges for plan years beginning before January 1, 2015. We have long been concerned about the ability of SHOP exchanges to establish and efficiently operate a premium aggregation function in such a short time frame and appreciate that the Department has heeded our concerns on this matter. WellPoint asks that the Department finalize this proposal without change. Since FF-SHOPs will not begin offering employee choice until 2015, we also support HHS' proposal to delay premium aggregation in the FF-SHOP until that time.

Finally, given that the premium aggregation function will be delayed, we ask that HHS provide technical specifications regarding how issuers should account for the FF-SHOP user fee in billing employers. This information is critically important, as issuers need to develop systems that account for the fee. We would also appreciate clarification on how enrollment information will be passed to issuers, for instance, will the SHOP pass enrollment to issuers like the exchange will for the individual market. We ask that HHS provide additional details as soon as possible.

Enrollment Periods under SHOP (\$155.725)

The rule proposes to align the duration of SEPs in the SHOP exchange with those in place in the group market today; specifically, qualified employees or dependents of qualified employees will have 30 days from the date of a triggering event to select a QHP in the SHOP, rather than the 60 days afforded in HHS' final exchange establishment rule. HHS also proposes that a qualified employee or dependent of a qualified employee who becomes ineligible for Medicaid or CHIP, or who becomes eligible for state premium assistance under Medicaid or CHIP, would be eligible for a SEP in a SHOP and would have 60 days from the date of the triggering event to select a QHP via the SHOP.

WellPoint thanks HHS for making these adjustments to SEPs in the SHOP. We appreciate the Department's efforts to align SHOP processes with those currently in effect in the group market. WellPoint believes that making SEPs inside the SHOP consistent with those outside the SHOP will mitigate consumer confusion, as well as issuers' administrative burden, and we urge HHS to finalize this change as proposed.

WellPoint appreciates this opportunity to offer our suggestions on the SHOP exchange. Should you have any questions or wish to discuss our comments further, please contact Ashley Walter-Dumm at 312-485-9609 or Ashley.Walter-Dumm@wellpoint.com.



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Submitted via Federal e-Rulemaking Portal: www.regulations.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Mader".

Anthony Mader
Vice President, Public Policy