Covered California is soliciting comments and redline edits on the following 2030 Vision Statements to inform Covered California’s Model Contract and Attachment 7 2022 Amendment and 2023 Refresh. Please provide comments and redline edits to Margareta Brandt ([margareta.brandt@covered.ca.gov](mailto:margareta.brandt@covered.ca.gov)) by Friday June 5, 2020.

Please provide general comments and feedback here:

**INTRODUCTION**

**Covered California’s Overarching Goals in Health Plan Contracting**

1. Ensure that Covered California’s enrollees receive the best possible care at the lowest possible cost.
2. Achieve the best possible health and health care for California residents.
3. Establish a process that will ensure continual improvement of California’s health system through well-aligned near-term incremental changes and longer-term transformational reforms.
4. Provide a model that can spread broadly and insights and tools that others can adopt to help scale and spread the lessons learned.

**Core Assumptions to Covered California’s Approach**

Fundamental change can only be achieved by empowering and supporting meaningful improvement at five levels that required aligned action:

1. **Consumers and patients** – how they are engaged in maintaining good health and in getting best care when needed;
2. **Clinicians and hospitals** – where and how care is provided (physician practices, hospitals and other sites of care);
3. **Plans** – what they do on their own and with others to both improve care and improve the health of their members;
4. **Purchasers** - what they do on their own and with others to both improve care and improve the health of their employees; and
5. **Communities** – working collaboratively to improve the well-being of community members and address the social determinants of health.

To help achieve these goals, Covered California’s believes that it is important to know what we are trying to achieve. This process began with an initial draft vision for what the future health system would have to look like to meet those goals from the perspectives of each of these major constituencies.

**VISION STATEMENTS**

**CONSUMERS AND PATIENTS: CURRENT STATE**

* Widespread disparities based on race, ethnicity, socioeconomic status and geography.
* Best in the world care for some, poor quality care or no care at all for many others.
* Massive amounts of data that fails to help consumers or patients. Uncertainty about how to get help and from whom. Lack of information about choices in testing or treatment or how to think about those choices based on individual values and preferences. Pervasive lack of trust.
* Confusion about what to do to maintain one’s health or manage illness. Numerous barriers to staying healthy. Powerful socioeconomic forces impair good health.
* Lack of information on the quality and cost of treatments, providers and plans.
* Care is increasingly unaffordable and comes with an overwhelming administrative burden.
* Choice in health plan and health care providers available to many, especially through employer-sponsored coverage and Medicare.

**CONSUMERS AND PATIENTS: 2030 FUTURE STATE**

**Consumers and Patients Have Access to a Safe, Timely, Equitable, Effective, Affordable and Patient-Centered Health System**

The health system puts consumers, patients and caregivers needs first, by understanding their preferences, goals, values and assets foremost in a system built through consumer-centered design. Everyone has the information, care and support needed to promote or improve health, seek and obtain care, manage health-related conditions and make health-related decisions. Patients own and control their health information. The evidence required to make informed choices of treatments, providers and plans is sound, trusted and easy to understand. The safety, quality, effectiveness, efficiency and equity of care is continually improving. The health system is affordable, trusted, simple to use, tailored to the needs of each individual and is consuming a declining share of economic resources so that other human needs and wants can be met.

**CLINICIANS: CURRENT STATE**

* Clinicians’ work too often prioritizes administrative tasks and productivity rather than patient care. Professional values are undermined by payment and management systems that prioritize revenue generation and discriminate based on payer status and income rather than patient needs.
* The information needed to deliver care is too often unavailable due to siloed, administratively focused, and often burdensome electronic health records.
* Physicians (especially, but other clinicians as well) carry high levels of debt that force career choices that are often disconnected from the motivations that brought them to health care. Too few clinicians are entering primary care.
* The balance between primary and specialty care is tilted toward specialty resulting in unwarranted testing and intervention that drives up cost and often does more harm than good.
* The clinician workforce is maldistributed, with rural and low-income communities often underserved.
* Physicians increasingly work for corporate medical groups, independent practice associations or health systems rather than on their own.
* Although some clinicians make excellent incomes, professional satisfaction is often low and burnout increasing.
* Collaborative, team-based care models are gaining traction, but far from the norm in the practice setting.

**CLINICIANS: 2030 FUTURE STATE**

**Clinicians are Empowered and Supported to Deliver the Best Possible Care for Their Patients**

Physicians and other clinicians are working in health systems where they have the training, support, resources, time and information needed to deliver the best possible care to their patients while contributing to improving the health of their community. The foundation of this care is accessible, data-driven, team-based primary care. A broader range of clinicians, beyond physicians, provide care to patients based on their health needs. Information systems integrate comprehensive historical and real-time clinical data to support patient-centered collaborative decision-making, health system improvement and accountability, all with minimal administrative work on the part of clinicians. Universal access and alternative payment models enable health systems and clinicians to provide care to all who need it and be rewarded financially for improving both health and care. The health professional workforce is trusted and valued, collaborative and team oriented, and reflects the diversity of the populations health systems serve. Professional values are prioritized and joy in work has returned.

**HOSPITALS: CURRENT STATE**

* Hospitals are essential community resources, as the only current place to treat seriously ill patients, deliver technologically advanced interventions and emergency treatment. Some hospitals provide highly specialized, high quality care.
* Hospitals are important educational sites for physicians, nurses and other health professionals.
* Hospitals are increasingly the only source of care for the uninsured, but are hard pressed to deliver needed primary and chronic care to the uninsured and are an ineffective way to finance that care.
* Hospitals’ financial models are largely based on fee-for-service payment systems that reward volume and high-margin (often high cost) services and attracting high-paying patients. The result in many communities is a medical arms race that has led to unnecessarily extravagant and expensive facilities.
* Hospital mergers are leading to anti-competitive practices and higher prices, with no evidence of gains in quality. For many hospitals, financial performance is their priority. Quality and safety are rarely prioritized and remain uneven.
* Hospitals in rural areas are closing leading to concerns about access to critical care in these areas.
* Hospitals are large employers and are politically powerful.

**HOSPITALS: 2030 FUTURE STATE**

**Hospitals and other Facilities are Continuously Refining Their Roles as Components of Health Systems**

Advances in technology, remote monitoring, telemedicine and payment systems have shifted most acute and chronic care to home and community-based facilities, leading to the “right-sizing” of hospitals. Facility-based care is an integrated component of health systems where safety and quality are outstanding; the quality and cost of care are continuously evaluated and transparently reported. Value-based payment is fostering the continued redesign of care to reduce costs and improve safety and has led health systems to prioritize the public good. Universal insurance and excellent access to all levels of service have eliminated hospital emergency departments as the main access point to care for uninsured patients. Health professional education is no longer hospital-focused and is taking place in settings best suited to the learner’s needs.

**HEALTH PLANS: CURRENT STATE**

* Health plans compete in a complex market where provider consolidation and pricing power is increasing, relationships are in constant flux and contracts must be continuously renegotiated.
* Limited regulation has led to the proliferation of plan designs that are often customized for each purchaser, sometimes with multiple plan designs. This contributes to high administrative costs and consumer, provider and purchaser confusion.
* Provider networks are complex, overlapping and difficult for consumers to understand. Primary care clinicians often work with several organized physician groups interfering with their ability to assume the leadership roles that are needed. The quality and costs of providers in any network – whether overall or for specific conditions – are unknown, forcing consumers to choose based on reputation or price, not meaningful measures of value.
* For some plans, risk avoidance remains an effective strategy for maximizing profits. The complexity of the market means that plans are not competing to improve quality and affordability for consumers.
* Some plans have demonstrated the ability to provide quality care through provider-plan partnerships, innovative care models that include addressing social needs, and leveraging clinical and patient decision-support technology.

**HEALTH PLANS: 2030 FUTURE STATE**

**Health Plan Offerings are Standardized and Anchored in Partnerships with Providers that Improve Value**

Plans compete on value that is defined by quality and affordability. Consumers choose coverage through easy-to-use information services that offer a limited number of plans with identical benefit designs, each with well-defined networks of providers paid under a unified population-based budget, using a common, agreed upon formulary. Common benefit designs, uniform billing and administrative systems have markedly reduced administrative costs. Comprehensive performance measures at both the provider and plan level enable meaningful competition among a reasonable number of provider-plan partnerships in local health care markets. Plans focus on improving care, reducing costs, ensure consumer satisfaction and promoting health equity.

**PURCHASERS: CURRENT STATE**

* Purchasers’ efforts to slow healthcare costs are largely ineffective; these mounting costs consume an increasing share of employee compensation and reduce take home pay.
* Purchasers negotiate individually with health insurers over details of benefits, plan design and prices that have little impact on the forces driving rising costs or variable quality. Lack of broad alignment limits purchasers’ leverage and impact.
* Some purchasers are aligning to address specific health system challenges or health conditions with success.
* Limited information is available on the relative performance of treatments, providers and plans, or the effectiveness of different policy approaches to improving health or health care.

**PURCHASERS: 2030 FUTURE STATE**

**Purchaser Alignment is Transforming Health Care Delivery and Reducing Health Care Costs**

Public and privatepurchasers have aligned on effective care delivery models, provider payment strategies, performance measures and health plan designs. Whether through individual or employer-sponsored coverage, consumers are choosing among a limited number of plans with identical benefit designs. Purchaser alignment enables aggressive negotiation with plans and health systems, further enhancing competition among insurers. Quality and cost transparency have fostered enhanced competition between plans. Health care costs are declining relative to economic growth. Information on effective health policies and delivery reforms are driving further improvements in population health, health care quality and costs.

**COMMUNITIES: CURRENT STATE**

* Pervasive disparities in health care, health, and well-being affect California’s population, influenced by numerous factors, including individual and community characteristics such as geography, income level, culture, education level, social cohesion, civil participation and access to resources.
* Health care costs continue to increase, constraining individuals’ and communities’ capacity to invest in other goods and services that could improve health and well-being overall while reducing disparities.
* Communities are resourceful and resilient, and many are motivated to invest in long term solutions that promote health and well-being for residents. Community and non-profit organizations play a crucial role in the health and well-being of residents.

**COMMUNITIES: 2030 FUTURE STATE**

**Communities Support and Improve the Health and Well-Being of All Residents**

Communities are designed, built and redesigned to promote optimal health for all individuals where they are born, live, learn, work, pray and age. Communities are supported through policies, systems and environmental changes that improve the health and well-being of community members and ensure equitable access to resources. Communities are empowered with the information, leadership and resources that are needed to ensure health equity across social, economic and behavioral determinants of health.Access to health care and the quality of health care does not vary by community or individual based on geography, education level, income level and race or ethnicity. Health care is consuming a smaller fraction of income. Individuals of diverse backgrounds feel respected and valued.