



August 2, 2013

MEMORANDUM

To: Covered California Board of Directors  
Covered California Health Plans  
Covered California Plan Advisory Committee

From: Peter V. Lee, Covered California

Re: Health Plan Quality Rating System (QRS) for 2013

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After thoughtful and deliberate discussion with our health plan partners, consumer groups and key state agencies, Covered California has determined it would not be in the best interest of consumers to highlight historic plan quality performance through a Quality Rating System (QRS) for open enrollment in October of 2013. The primary reasons for this decision are:

- The best available information for the vast majority of plans participating in the Exchange reflect products and networks that often differ significantly from the products and networks that will be offered on the Exchange;
- The information that would be available would reflect the quality of services from 2011;
- For at least some plans, there would be no information available at all; and
- The performance reflected in such ratings would largely be for health plan members that may be very different from the populations likely to participate in the Exchange (e.g. reflecting many low-income and previously uninsured individuals).

Taken together, these factors raise substantial concerns that the historic performance of plans may not be representative or complete enough to allow for direct comparisons between plans.

We are committed at Covered California to help consumers choose based on value – which means using information both on cost and quality. To that end, we will be exploring how we can rapidly collect plan specific performance information with the first enrollees in 2014, allowing an Exchange specific QRS to be created ahead of the Federal requirements and providing highly reliable quality information for consumers. Covered California plans to continue to meet with its plan partners, consumer groups, key state agencies and others to consider alternatives for 2014, including the potential linkage from Covered California to existing publicly available quality information.