

QUALITY RATING SYSTEM

ISSUE

Covered California Background on Quality Rating System

From its inception, Covered California has committed itself to providing consumers transparent quality information, including plan performance information for each Qualified Health Plan (QHP) offered on the Exchange. This commitment is reflected in the mission statement adopted by the Board and received explicit inclusion in the QHP model contract signed by all plans serving the Exchange. Formal methodology work necessary to construct a Quality Rating System (QRS) and plan specific scores began in April of 2013, using information supplied to Covered California under contract by NCQA and DHCS. The information available for existing commercial and Medi-Cal plans was then analyzed to best represent plan performance based on what products QHPs would likely offer to enrollees on the Exchange.

In the summer of 2013, Covered California considered a wide range of implementation and operational topics, including plan quality performance expectations, and each plan was provided a confidential QRS score summary as well as an exhaustive description of the methodology used to derive the scores. The scores included a global rating (0-4 stars) which itself was a roll up of nearly 50 HEDIS and CAHPS measures in four domains, including plan service, access, preventive care and clinical care. Further, a single national benchmark was used to create consistent ratings across all plans. Plans that did not have historical scores received no ratings. The global rating was planned to be used as part of enrollee plan selection beginning with open enrollment in October 2013. Of note, while the process to create a single global rating was unique to Covered California, the measures themselves were nearly identical to the measures used in several public rating reports, including the NCQA Quality Compass, Consumers' Union and the California Office of the Patient Advocate. Further, the design of Covered California was undertaken to anticipate the expected Federal QRS requirements that will be released in guidance form this November.

Reaction of Interest of Organizations and Sequence of Events

Plans reacted quickly to the notion of a public QRS rating and provided detailed feedback on the options considered. Several QHPs (four total) were concerned enough with the possibility of QRS scores being presented publicly that they requested and received time-limited model contract addenda that were specific to this issue and would allow them to opt out of the Exchange altogether. The overriding concern was not about the scoring performance itself, but that the use of historic performance could not accurately and reliably represent their future Exchange performance in large part due to differences in network composition and in some cases to differences in member attributes. At the same time many QHPs were equally adamant that Covered California should move forward and include all plans regardless of these issues. A memo from Peter Lee was issued to the Board, all QHPs and the Plan Advisory Committee on

August 2, 2013, describing the challenges with historical data and Covered California's potential decision to delay release of QRS information beyond the beginning of open enrollment on October 1, 2013, until the issues could be more thoroughly investigated. At the same time, the intent to release a QRS as soon as possible was stressed, and this position was restated at the August 8, 2013, Board meeting in the Executive Director's Report.

Reaction to the concept of delay was swift and was best characterized in a joint letter to the Board of Directors from Kaiser, Sharp and Western Health Advantage dated August 6, 2013. On August 13, 2013, Covered California hosted the discussion of the QRS and prepared significant materials in advance. This meeting included all QHPs (most attending in person) as well as many subject matter experts such as NCQA, DHCS, Consumers' Union, Health Access and CPEHN. Two major recommendations were made to Covered California at the August 13 meeting. First, Covered California needed to establish its own policy on the QRS regarding the use of historical performance and should not allow the program to be voluntary. Second, Covered California needed to establish and assess the degree of network similarity between Exchange networks and those networks supporting the historic performance scores currently available. These recommendations were duly considered and a letter and proposed policy on Network Similarity was issued by Covered California on August 20, 2013, stressing the key points in the rationale to delay the use of the QRS beyond October 1. The letter also stressed the work Covered California would undertake to determine the degree of network similarity for each of the 17 plans offered on the Exchange relative to the "best fit" commercial or Medi-Cal product where HEDIS/CAHPS scores were available for use in the QRS scoring process.

Given Covered California's commitment to providing transparent information to consumers as soon as possible, and given additional work done regarding network similarity since the meeting on August 13, 2013, staff determined Covered California could provide information on several plans (but not a majority) according to the network similarity assessment criteria, could do so with updated performance information from NCQA and DHCS, and could potentially do so in time for the last 3 months of the open enrollment period. This position was felt to be consistent with the August 2 and August 8, 2013, statements from Covered California and would balance the divergent positions of the many parties engaged in the discussion. The decision to move forward with provision of QRS information for eligible plans in time for January 2014 was discussed at the Covered California Plan Advisory meeting on September 11, 2013, and again in open session at the Board of Directors meeting on September 19, 2013. All plans were notified of this decision prior to the board meeting, which led to the receipt of three separate letters, dated September 19, 2013, signed by seven plans total, again expressing extreme displeasure with the decision to move forward and concern that this was not consistent with the communications at the board meeting on August 22, 2013.

Given very strong negative reaction from two plans, including a request to be given an addendum to their Exchange contract that would allow them to no longer participate in the Exchange, staff referred this decision to the Board itself as part of its September 19, 2013, update. While recommending that Covered California move forward with the QRS using historical performance information, it was recognized this was a material issue for the Exchange that went directly to the Board's own need to balance the goals of quality transparency and broad plan participation so that affordable coverage would be available through the state. Covered California has continued to complete all of the steps outlined on September 19 to allow for the possibility that QRS information would be made available to enrollees by January 2014, including the completion of the network similarity analysis for all plans, the attainment of the most currently available plan performance information, necessary design work in the CalHEERs system and determination of language appropriate for use when a plan would not have a score presented.

Based on the work conducted and considerations of the range of options, staff now present the following plan options and their recommendation to the Board.

OPTIONS CONSIDERED BUT NOT RECOMMENDED

Option 1 – Report QRS scores for those plans that meet the network similarity criteria using historical HEDIS/CAHPS performance

- Only five of the seventeen plans offered meet the network similarity threshold (4 of 12 issuers)
- The absence of 70% of the plans creates a challenge for enrollees in their efforts to use quality information and may create an unintended and inaccurate perception of poor quality or lack of commitment to quality transparency

Option 2 – Voluntary reporting of QRS results based on historic HEDIS/CAHPS scores

- Plans and Stakeholders strongly encouraged Covered California to make a policy decision
- Does not alter the absence of scores for most plans

Option 3 – Administer CAHPS (only) in time for 2014 open enrollment

- Would largely measure only the enrollment experience and not access or clinical care
- Continuous enrollment and sampling requirements would mean information available no sooner than December 2014
- Would require a single cross plan vendor contract and commitment

NOTE: Plan CAHPS process to begin in 2014 with results available for open enrollment 2015

Option 4 – Administer a non-CAHPS/HEDIS measure set for 2014 open enrollment

- No such survey exists or would likely be acceptable to the Federal government
- Would largely measure only the enrollment experience and not access or clinical care

RECOMMENDED APPROACH

Staff recommend that Covered California implement a Quality Rating System (QRS) as soon as it can be done using HEDIS or CAHPS performance information for Exchange members. The earliest anticipated presentation of QRS information is open enrollment of 2015 and will include all plans offered on the Exchange. There is no further intent to create a QRS using historic HEDIS/CAHPS information. The implications of this decision on the “Group 3” plan performance assessment of attachment 14 of the model contract have not been determined.

REFERENCE MATERIAL

Alameda Alliance for Health, Anthem Blue Cross, Blue Shield of California, Health Net, and Molina Healthcare – Comment Letter on Quality Rating System (September 4, 2013):

<http://healthexchangeinternet/BoardMeetings/Documents/October%2024,%202013/References for QRS/Health Care Advocate Consortia-Comment on QRS.pdf>.

Chinese Community Health Plan – Comment Letter on Quality Rating System (September 18, 2013):

<http://healthexchangeinternet/BoardMeetings/Documents/October%2024,%202013/References for QRS/Chinese Community Health Plan-Comment on QRS.pdf>.

Consumers Union, California Pan-Ethnic Health Network, and Health Access – Comment Letter on Quality Rating System (September 4, 2013):

<http://healthexchangeinternet/BoardMeetings/Documents/October%2024,%202013/References for QRS/CU, CPEHN, and HA-Comment on QRS.pdf>.

Kaiser, Sharp Health Plan, and Western Health Advantage – Comment Letter on Quality Rating System (August 6, 2013):

<http://healthexchangeinternet/BoardMeetings/Documents/October%2024,%202013/References for QRS/Kaiser, WHA, and Sharp-Comment on QRS.pdf>.

Quality Reporting Memorandum for 2013 (August 2, 2013):

<http://healthexchangeinternet/BoardMeetings/Documents/October%2024,%202013/References for QRS/Quality Reporting Memorandum.pdf>.

Valley Health Plan – Comment Letter on Quality Rating System (September 18, 2013):

<http://healthexchangeinternet/BoardMeetings/Documents/October%2024,%202013/References for QRS/Valley Health Plan-Comment on QRS.pdf>.