COVERED CALIFORNIA POLICY AND ACTION ITEMS

November 17, 2022 Board Meeting

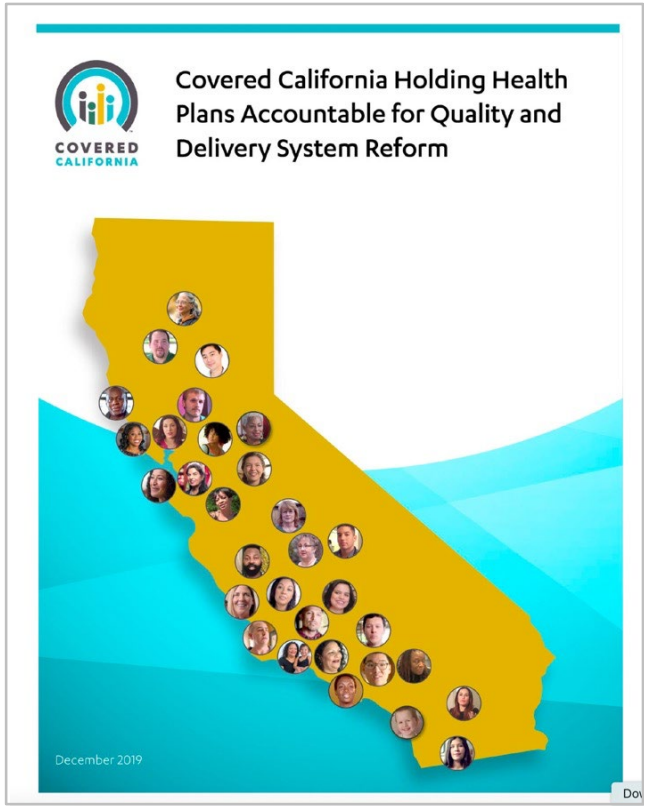
MARKETPLACE AS A CATALYST COVERED CALIFORNIA'S QUALITY AND EQUITY AGENDA

Alice Hm Chen, MD, MPH
Chief Medical Officer

OUR VISION is to improve the health of all Californians by ensuring their access to **affordable, high-quality** care.

OUR MISSION is to increase the number of insured Californians, **improve health care quality, lower costs, and reduce health disparities** through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

FOCUS ON QUALITY AND DELIVERY SYSTEM REFORM FROM INCEPTION



Attachment 7 to Covered California 2017 - 2021 CCSB Market QHP Issuer Contract: Quality, Network Management, Delivery System Standards and Improvement Strategy

Preamble

PROMOTING HIGHER QUALITY AND BETTER VALUE

Covered California's "Triple Aim" framework seeks to lower costs, improve quality, and improve health outcomes, while ensuring a good choice of plans for consumers. Covered California and Contractor recognize that promoting better quality and value will be contingent upon supporting Providers and strategic, collaborative efforts to align with other major purchasers and payors to support delivery system reform. Health Insurance Issuers contracting with Covered California to offer Qualified Health Plans (QHP) are integral to Covered California achieving its mission:

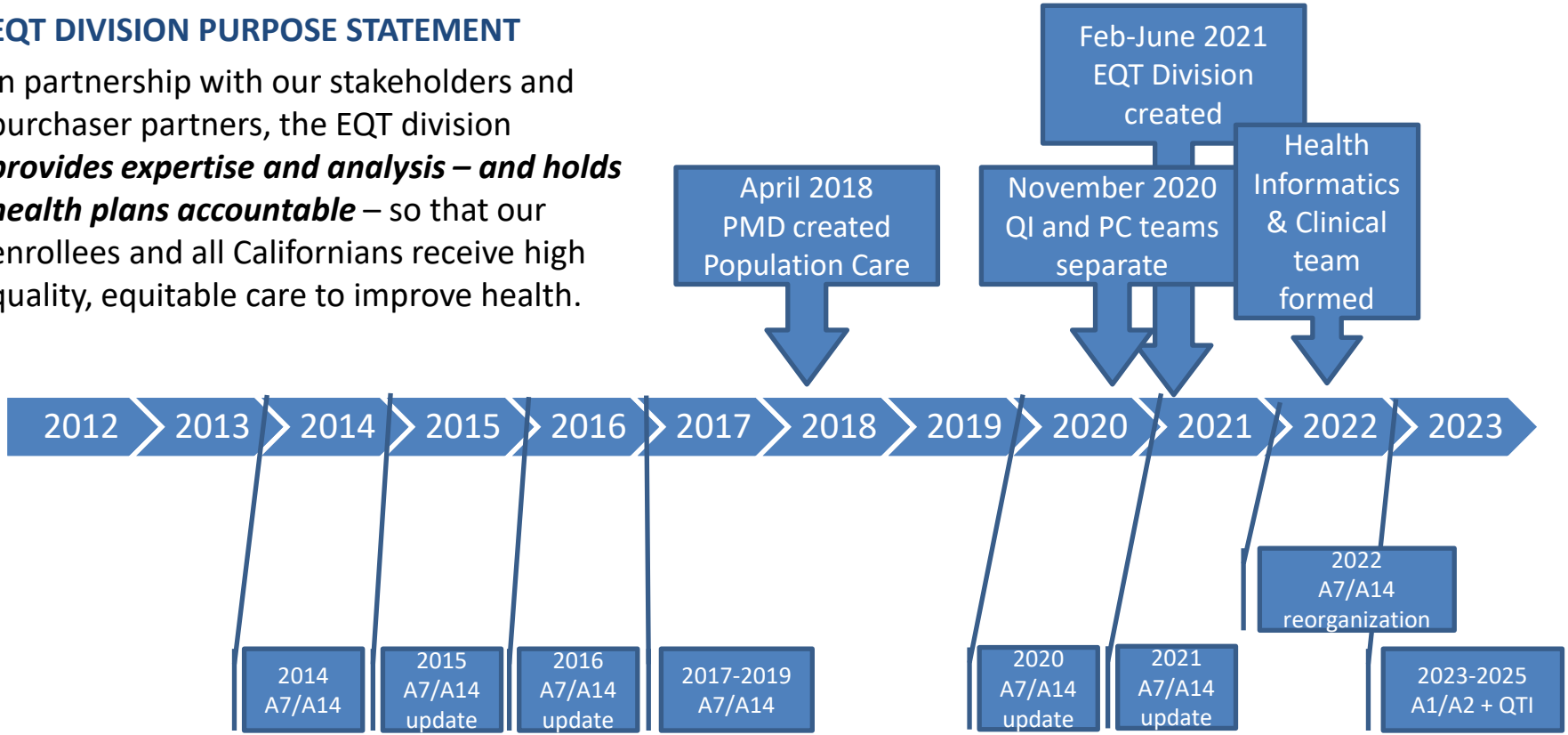
> *The mission of Covered California is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and Providers that give them the best value.*

By entering into this Agreement with Covered California, Contractor agrees to work with Covered California to develop and implement policies and practices that will promote the Triple Aim, impacting not just the Enrollees of Covered California but Contractor's entire California membership. All QHP Issuers have the opportunity to take a leading role in helping Covered California support new models of care which promote the vision of the Affordable Care Act and meet consumer needs and expectations. At the same time, the Contractor and Covered California can promote improvements in the entire care delivery system. Covered California will seek to promote care that reduces excessive costs, minimizes unpredictable quality, and reduces inefficiencies of the current system. In addition, Covered California expects all QHP Issuers to balance the need for accountability and transparency at the Provider-level with the need to reduce administrative burdens on Providers as much as possible. For there to be a meaningful impact on overall healthcare cost and quality, solutions and successes need to be sustainable, scalable, and expand beyond local markets or specific groups of individuals. Covered California expects its QHP Issuers to support their Providers to engage in a culture of continuous quality and value improvement, which will benefit both Covered California Enrollees and all individuals covered by the QHP Issuers.

ACCELERATED CAPACITY OVER PAST FOUR YEARS

EQT DIVISION PURPOSE STATEMENT

In partnership with our stakeholders and purchaser partners, the EQT division ***provides expertise and analysis – and holds health plans accountable*** – so that our enrollees and all Californians receive high quality, equitable care to improve health.



FRAMEWORK FOR QUALITY, EQUITY, DELIVERY SYSTEM TRANSFORMATION

Domains for Equitable, High-Quality Care

PHYSICAL | BEHAVIORAL | ORAL | SOCIAL

- Population health management
- Health promotion and prevention
- Acute care
- Chronic care
- Complex care

Care Delivery Strategies

- Effective primary care
- Appropriate, accessible specialty care
- Integrated delivery systems and ACOs
- Networks based on value
- Leveraging technology
- Cultural and linguistic competence

Goals

- Improvement in health status
- Elimination of disparities
- Evidence-based care
- Patient-centered care
- Affordability for consumers and society

Key Levers

Covered California recognizes that promoting change in the delivery system requires **aligning** with other purchasers and working with all relevant payers in a way that improves value for consumers and society while minimizing administrative burden on plans and providers.

- Benefit design
- Measurement for improvement and accountability
- Data sharing and analytics
- Payment reform
- Consumer empowerment
- Quality improvement collaboratives
- Technical assistance
- Certification and accreditation

Community Drivers: Social Influences on Health, Economic and Racial Justice

CORE COMPONENT OF THE CALIFORNIA ECOSYSTEM (AND BEYOND)

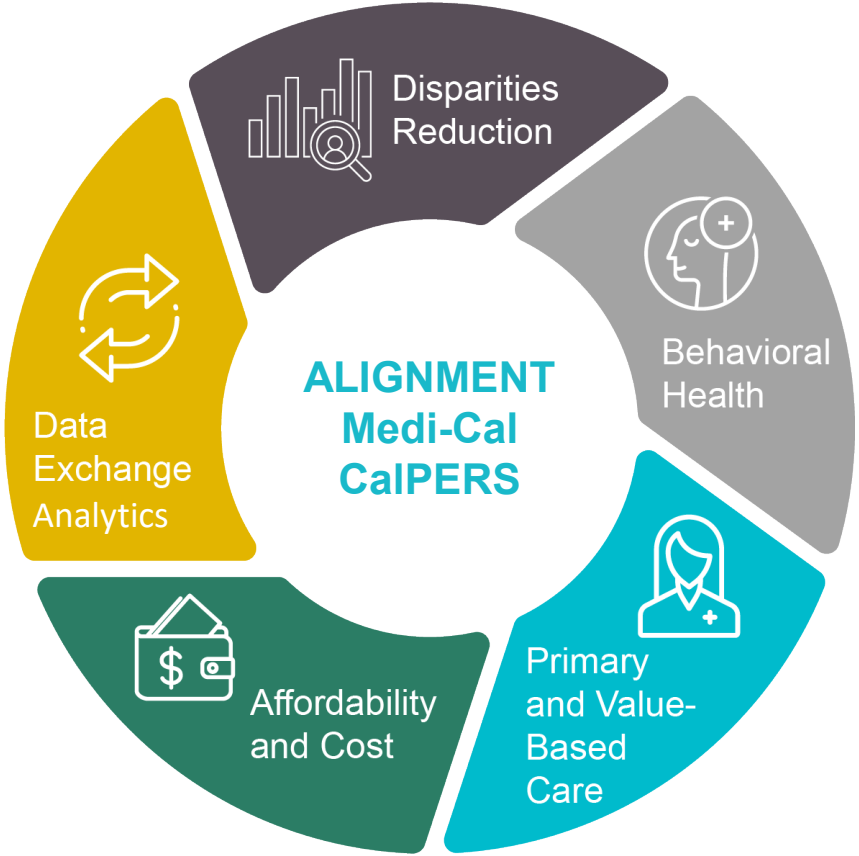
Model contract

- Attachment 1
  EQT provisions

Financial consequences

- Attachment 2 (PG)
- Attachment 4 (QTI)

STRATEGIC FOCUS AREAS



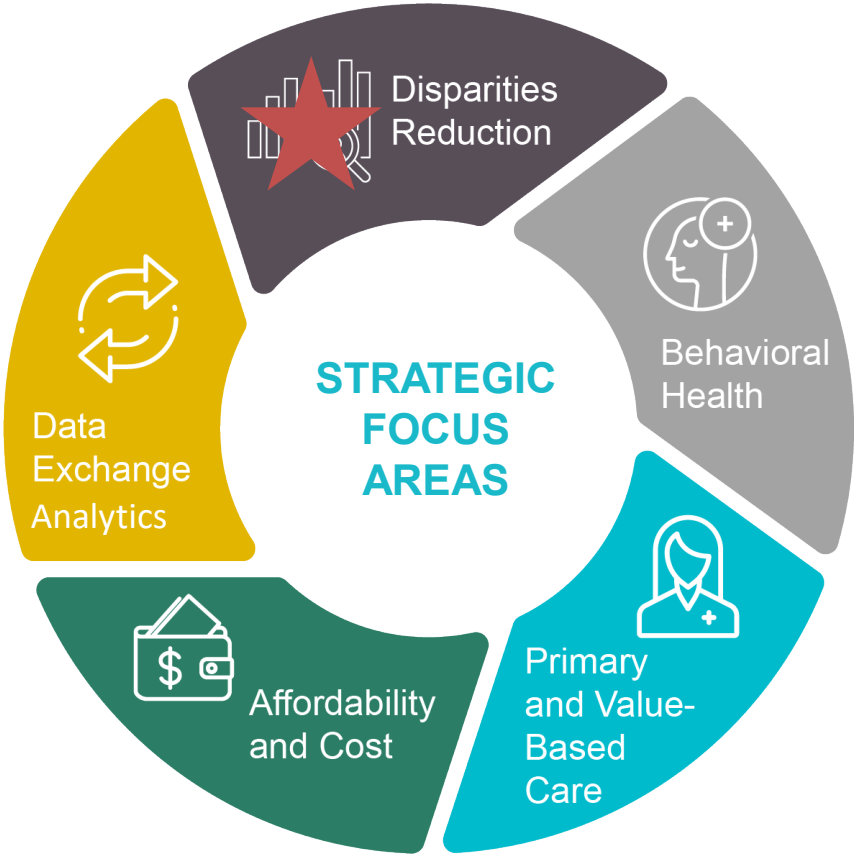
Clinical Measures
Shared set of parsimonious performance measures

Advanced Primary Care
Shared measure set and reporting requirements

CMS State Transformation Collaborative

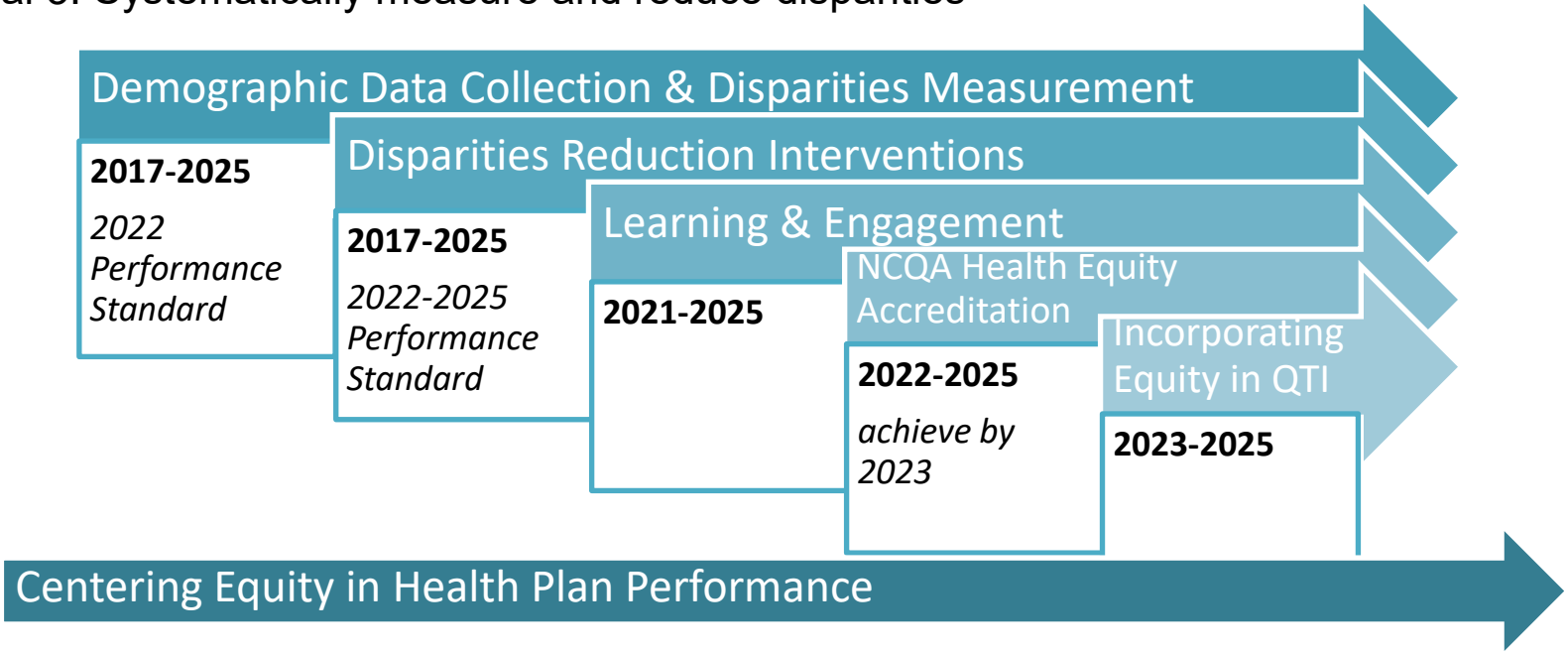
Behavioral Health
Shared contract language to increase accountability for subcontracted services

Health Equity
Joint development of disparities methodology


Disparities Reduction
Behavioral Health
Primary and Value-Based Care
Affordability and Cost
Data Exchange Analytics
STRATEGIC FOCUS AREAS

DISPARITIES REDUCTION: EVOLUTION AND LEARNINGS

Multi-year initiatives have been in place since 2017 and seek to achieve the following goals:
Goal 1: Improve demographic data capture to support measurement
Goal 2: Improve structure and rigor for disparities intervention development
Goal 3: Systematically measure and reduce disparities



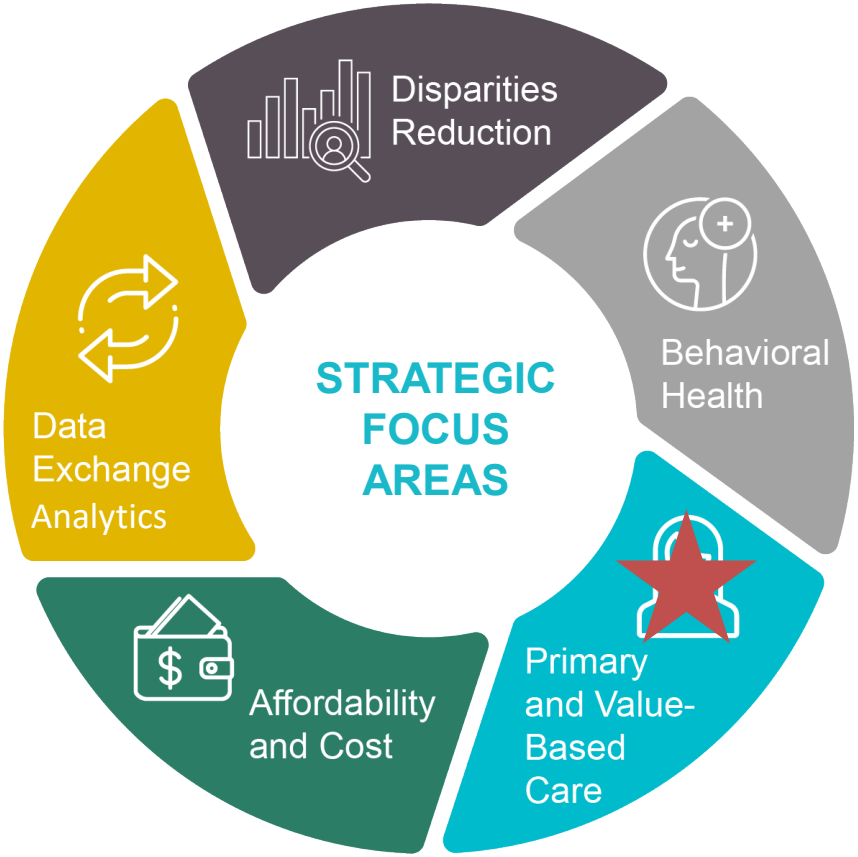
DISPARITIES REDUCTION: HEALTH PLAN INITIATIVES

In 2022, most issuers are focusing on **controlling blood sugar** in their **Latinx Covered California** members across their **entire service areas**.

- All plans will be required to improve by 5% in 2022

- Accurate and complete demographic and clinical data are critical
- Disparities reduction accountability remains challenging as member populations and needs change over time

Interventions		Business Lines		Geography		Focus Populations	
10	HbA1c < 8%	9	Covered CA	8	Full Service Area	8	Hispanic/Latino
1	Blood Pressure	1	Covered CA + CA Commercial	1	Specific Region	2	Black/African-American
		1	Covered CA + Off-Exchange	1	Specific Provider Group	1	TBD
				1	TBD		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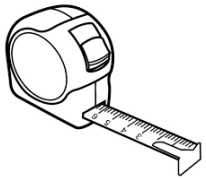
PRIMARY CARE: MATCHING, MONEY, MEASURES

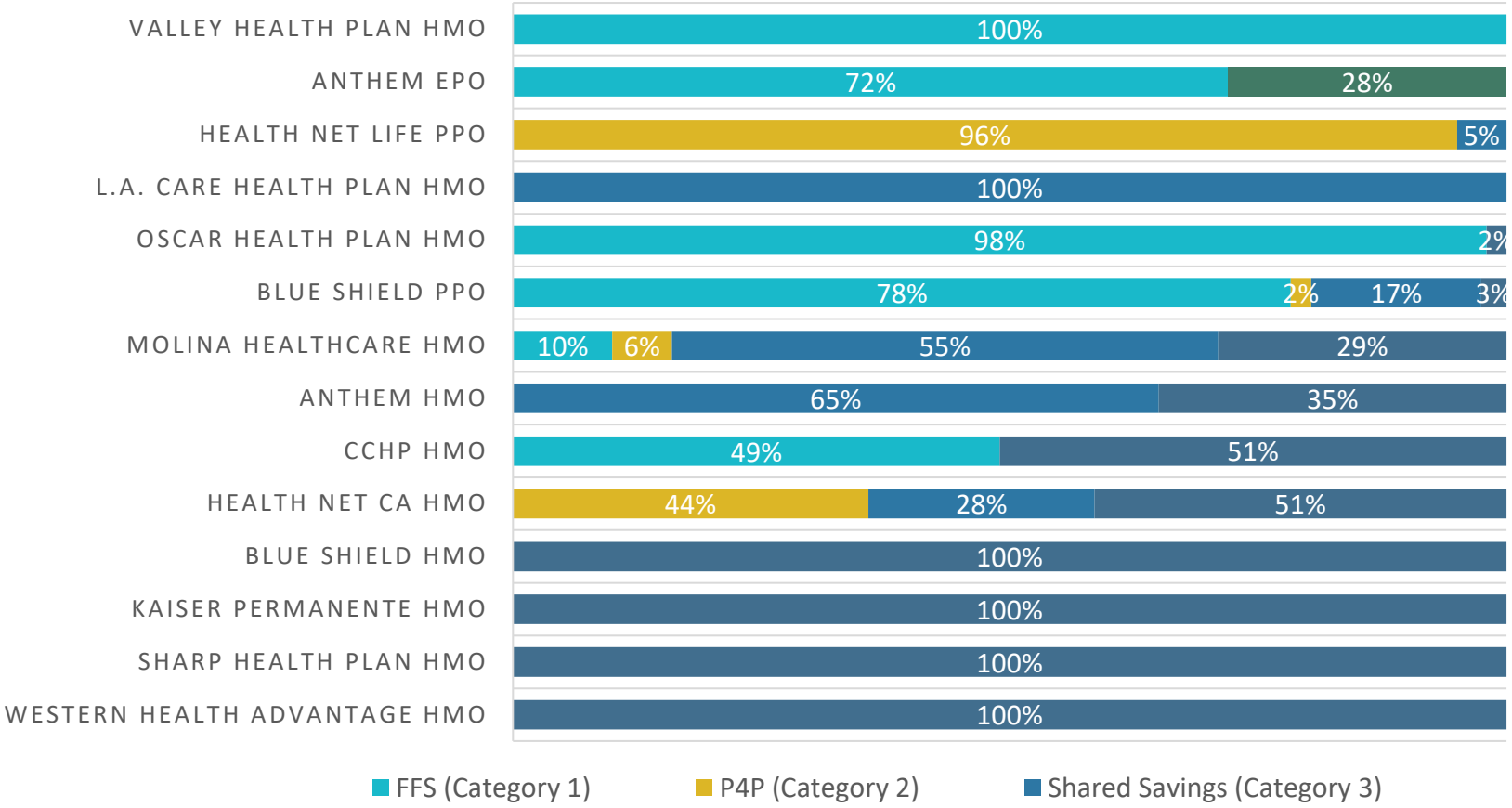
- Match all enrollees to a PCP regardless of plan product
- Analyze quality and utilization by enrollees who select vs. are assigned PCP

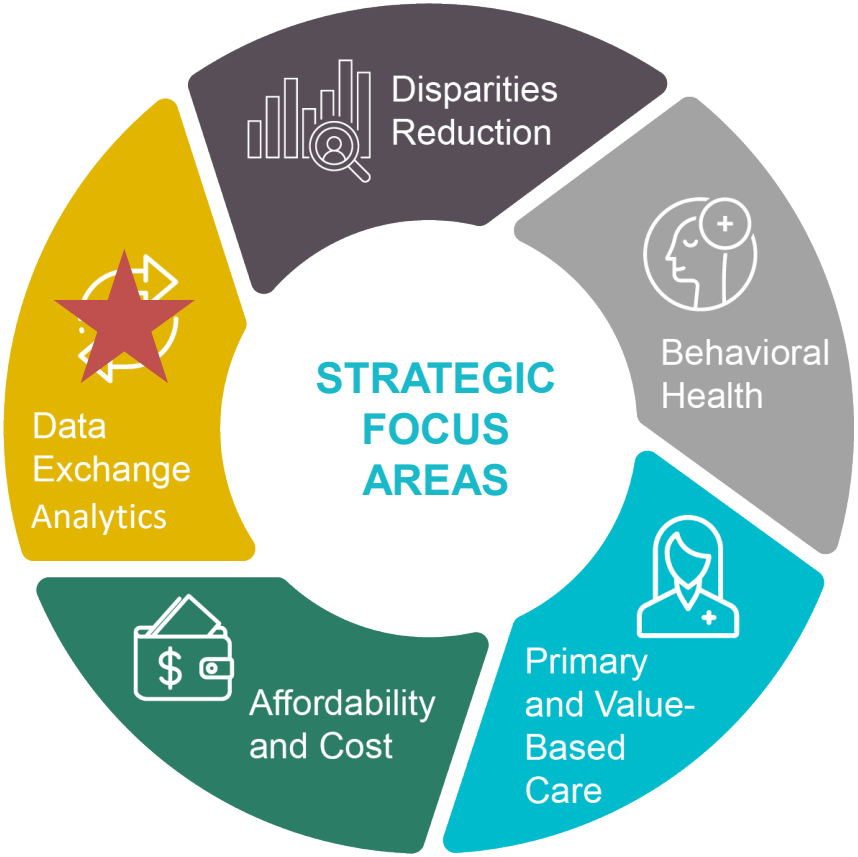
- Increase the number of PCPs paid through shared savings and population-based payment models
- Report on total primary care spend compared to overall spend by HCP-LAN category, as well as PCP payment models for 5 largest physician groups



- Implement Advanced Primary Care (APC) measure set in collaboration with the California Quality Collaborative and the Integrated Healthcare Association to inform network analysis

PRIMARY CARE AND VALUE BASED CARE: PAYMENT BY HCP-LAN

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DATA EXCHANGE AND ANALYTICS

Current State

- Mostly voluntary, patchwork approach to data exchange, which creates fragmentation for consumers, providers, and plans, impeding both point of care service provision and population health efforts.

Covered California Initiatives

- Require health plan participation in bi-directional data exchange with a health information exchange that is a member of the California Trusted Exchange Network.
- Participate in CHHS' Data Exchange Framework efforts, including serving on the Stakeholder Advisory Workgroup and Department Advisory Group.
- Advocate for other state and federal entities to mirror California's requirement to use United States Core Data for Interoperability (USCDI) v.2 in data exchange which adds Social Drivers of Health data, Sexual Orientation and Gender Identity data, as well as encounter information.

DATA EXCHANGE: HEALTH PLAN PARTICIPATION IN HIEs

	Los Angeles Network for Enhanced Services (LANES)	Manifest MedEx	Orange County Partnership Regional HIO (OCPRHIO)	SacValley MedShare	San Diego Health Connect	Santa Cruz HIO	California Medication Technologies	CommonWell	Carequality Framework	eHealth Exchange	North Coast Health Information Network	San Diego Community Information Exchange
Aetna		✓			✓							
Anthem		✓										
BSC		✓										
CCHP												
Health Net	✓	✓	✓		✓	✓						
Kaiser	✓	✓	✓		✓	✓			✓	✓		
LA Care	✓						✓					
Molina*												
Oscar*							✓					
Sharp					✓							✓
VHP*												
WHA				✓				✓	✓	✓	✓	

HIE is a CTEN participant | HIE is not a CTEN participant | QHP issuer does not participate in a CTEN HIE

COVERED CALIFORNIA

** Actively considering agreement with CTEN HIE.*

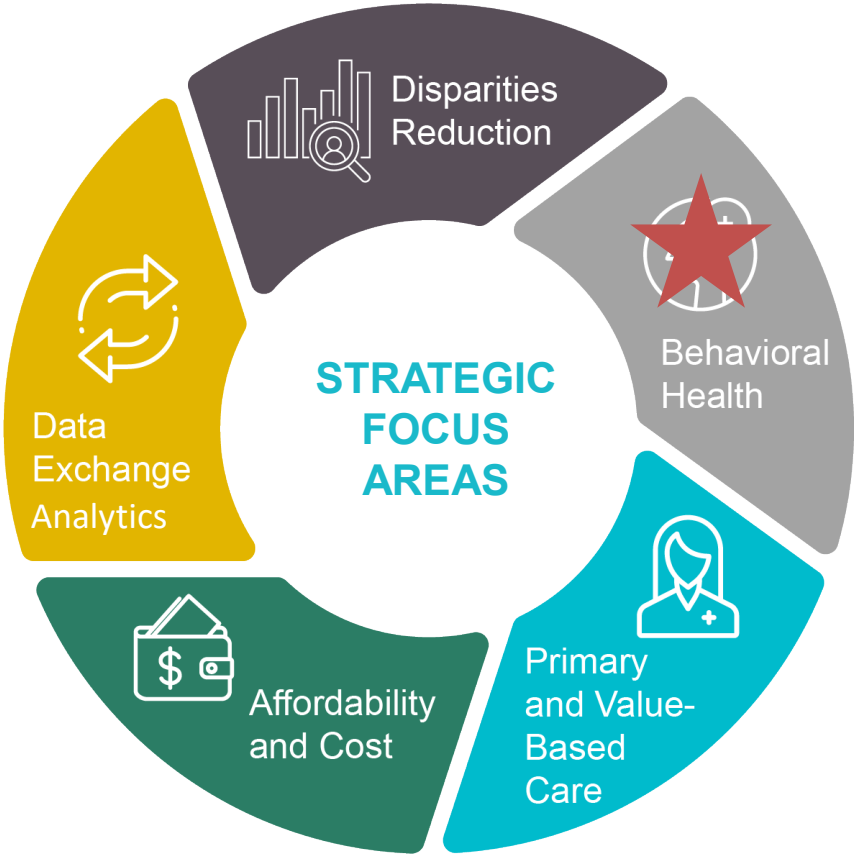
DATA ANALYTICS: LEVERAGING HEI DATA FOR HEALTH PLAN ACCOUNTABILITY

Healthcare Evidence Initiative

- To provide quality and equity data analytics that will allow Covered California to effectively hold our health plans accountable to the more rigorous standards of the 2023-2025 contract and other EQT programs.

Use Case Examples

- QTI and 25-2-2
- Public reporting of disparities
  - Race and ethnicity stratification of administrative measures
  - Future stratification by other demographic factors such as social needs, income, rural vs. urban
- Shift away from health plan self-reported data
  - Number and precent of enrollees with a PCP self report 99% vs. 93%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BEHAVIORAL HEALTH

Established Requirements

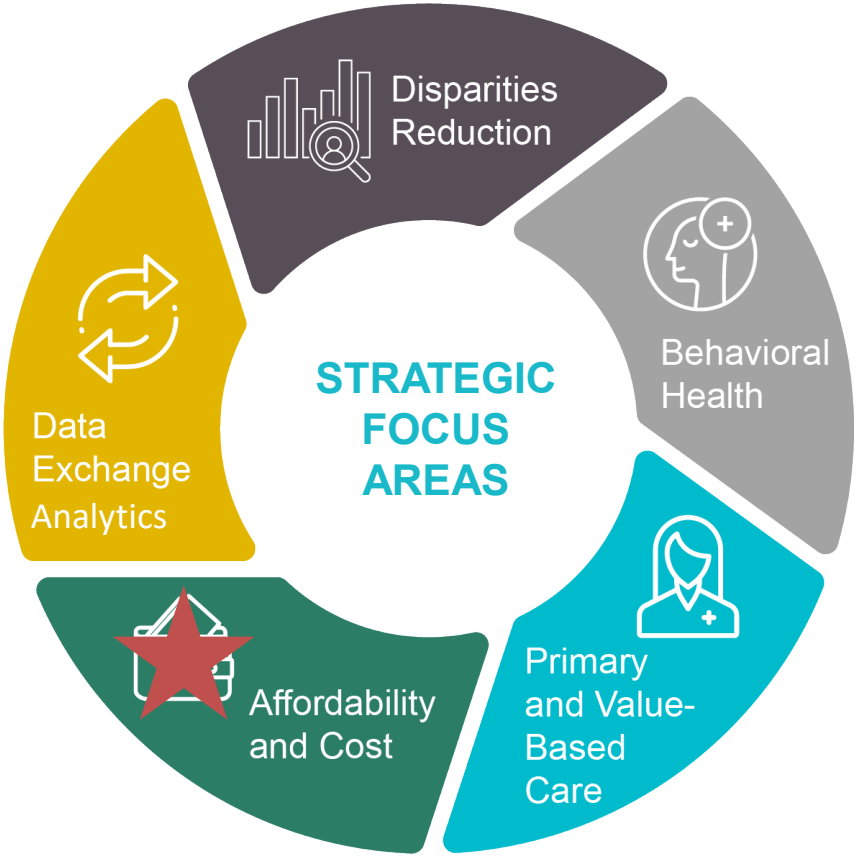
- Reporting on access and networks
- Providing BH services via telehealth
- Implementing policy and programs to promote appropriate use of opioids
- Promoting primary care – behavioral health integration

New Requirements

- Collect and report on Depression Screening and Follow-Up (APC and QTI)
- Collect and report on Pharmacotherapy for Opioid Use Disorder (QTI)
- Subcontractor oversight provisions modeled after DHCS and CalPERS (proposed)

Developmental Efforts

- NQF Aligned Innovation effort for rapid cycle development of measures
- NCQA Delphi multistakeholder survey process for existing BH measures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COST AND AFFORDABILITY

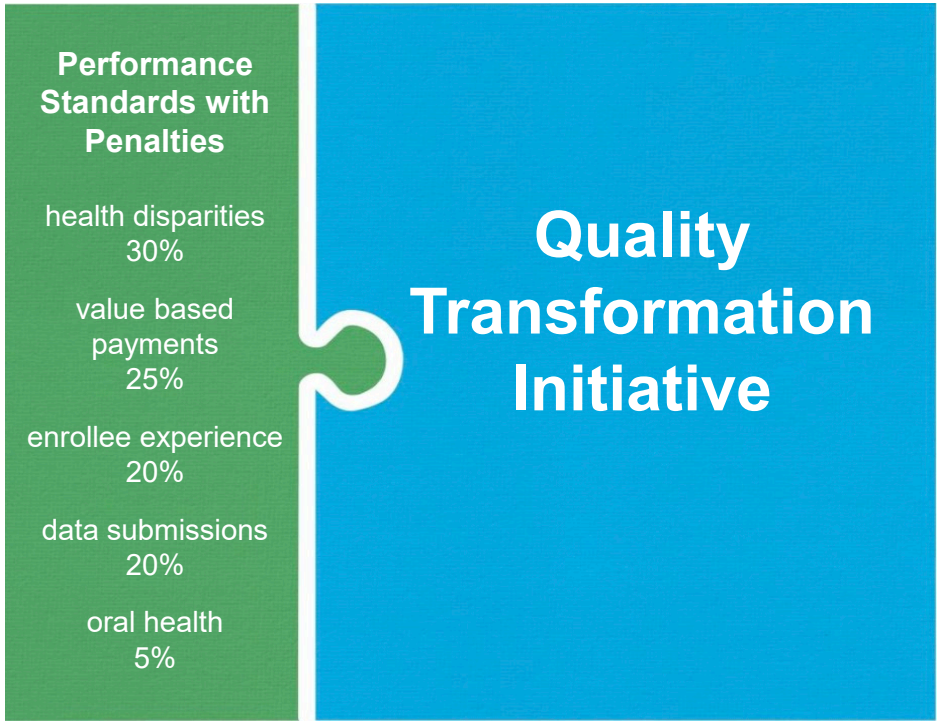
Amplification of CMS Hospital Price Transparency Rule, plans must report:

- Network hospitals by region that do not provide a machine- readable file that includes payer-specific negotiated amounts for all the services that could be provided by the hospital on an inpatient or outpatient basis
- The number and percent of network hospitals by region that provide information on the 70 CMS-specified shoppable services as a comprehensive machine-readable file with all items and services and in a display of shoppable services in a consumer-friendly format

HCAi
Department of Health Care Access and Information

MAKING QUALITY COUNT: FINANCIAL INCENTIVES FOR QUALITY AND EQUITY

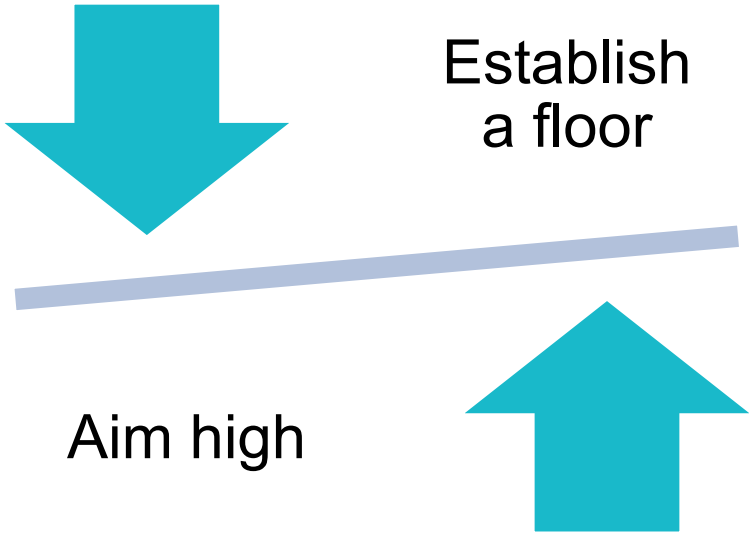
0.2% of premium at risk across 5 domains



0.8% of premium at risk across 4 measures

2023 total 1% premium at risk, rising by 1% per year to 4% in 2026

MAKING QUALITY COUNT: NEW CONTRACT PROVISIONS ON QUALITY



For existing carriers: “25/2/2”
For new entrants: estimated quality

Quality Transformation Initiative assesses quality improvement payments up to 66th percentile national performance.

ESTABLISHING A FLOOR: SELECTIVE CONTRACTING BASED ON QUALITY

Selective contracting based on quality aka “25/2/2”

- Provided a given region has more than three carriers, health plan products that fall below established quality benchmarks (**25**th percentile national performance using the QRS “Getting Right Care” standard measures) for **2** consecutive years (2021, 2022) will be put on notice that they would be required to improve within **2** years (2023, 2024).
- Once on notice, carriers will be required to submit a quality improvement plan.
- After four consecutive years of poor performance, provided there are at least 3 carriers remaining, low performing plan products will be removed from the Marketplace (notified in 2025 for PY2026).
- Carriers would be eligible to reapply to offer the health plan product that was removed once their quality scores have improved and are above the performance threshold.

New entrant estimated quality

- To ensure a fair playing field, any new entrant will be assessed for the likely quality of care provided through its contracted provider networks, as assessed using IHA provider group data, with the expectation that quality will be above a threshold approximating QRS 25th national performance.

ESTABLISHING A FLOOR: 25/2/2 SUMMARY RESULTS FOR MY 2021

All **15*** Qualified Health Plan (QHP) issuer products are in **good standing**

QHP Issuers	MY 2018 Individualized Composite Benchmark	MY 2021 Composite Score
Anthem EPO	0.515	0.549
Anthem HMO*	0.509	0.594
Blue Shield HMO	0.515	0.570
Blue Shield PPO	0.517	0.573
Chinese Community HMO	0.529	0.564
Health Net EPO	0.537	0.560
Health Net HMO	0.517	0.581
Health Net PPO*	0.517	0.538
Kaiser HMO	0.537	0.723
L.A. Care HMO	0.515	0.575
Molina HMO	0.508	0.523
Oscar EPO	0.517	0.521
Sharp HMO	0.517	0.661
Valley HMO	0.543	0.619
Western HMO	0.508	0.558

*Includes Anthem HMO and Health Net Life PPO. MY 2021 is the first year of QRS reportable results for Anthem HMO. Health Net Life PPO is no longer offered in Plan Year 2023. Bright HMO and Aetna HMO are not included; they do not have MY 2021 QRS reportable results.

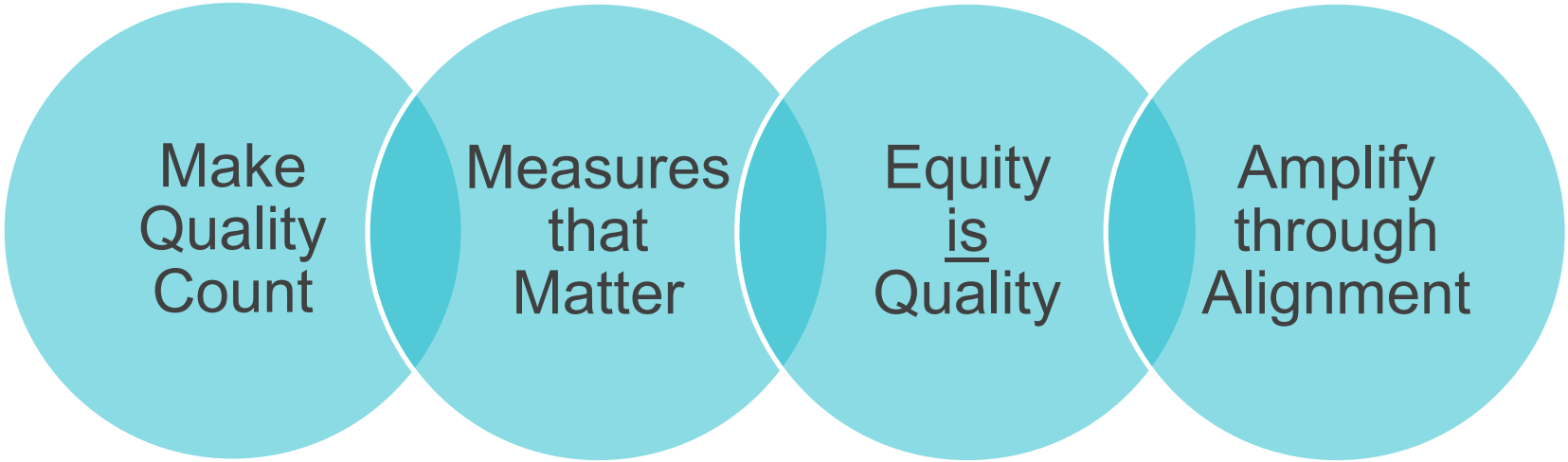
ESTABLISHING A FLOOR: 25/2/2 INDIVIDUAL MEASURE RESULTS FOR MY 2021

25-2-2 MY 2021 Assessment Results

Identifier	Measure Acronym	QRS Clinical Quality Management Summary Indicator Measures	MY 2018 25th Percentile	Anthem EPO	Anthem HMO	Blue Shield HMO	Blue Shield PPO	Chinese Community HMO	Health Net EPO	Health Net HMO	Health Net PPO	Kaiser HMO	L.A. Care HMO	Molina HMO	Oscar EPO	Sharp HMO	Valley HMO	Western HMO
		MY 2018 Individualized Composite Benchmark	0.515	0.515	0.509	0.515	0.517	0.529	0.537	0.517	0.517	0.537	0.515	0.508	0.517	0.517	0.543	0.508
		MY 2021 Composite Score		0.549	0.594	0.570	0.573	0.564	0.560	0.581	0.538	0.723	0.575	0.523	0.521	0.661	0.619	0.558
S1D1C2M2	AMM	Antidepressant Medication Management	0.5878875	0.569222	0.6337719	0.5889388	0.6099152	0.6774194	NR	0.5935375	0.6112266	0.7443984	0.6075198	0.5176887	0.7075366	0.7334153	0.6146789	0.5990991
S1D3C6M16	BSC	Breast Cancer Screening	0.6503363	0.6088803	0.7360775	0.6695127	0.6697195	0.5923645	0.4691358	0.6581591	0.4933628	0.7396378	0.6660851	0.5104359	0.5402913	0.7611807	0.6160194	0.6318217
S1D3C6M17	CCS	Cervical Cancer Screening	0.4813667	0.5717762	0.4720195	0.5634146	0.6709184	0.6593674	0.5377778	0.5731707	0.4890511	0.7578089	0.5547445	0.4160584	0.4987835	0.7185792	0.5231144	0.5693431
S1D3C6M18	COL	Colorectal Cancer Screening	0.4671533	0.5085158	0.6009732	0.6009732	0.5328467	0.5985401	0.4924623	0.5647922	0.3163017	0.7388748	0.4622871	0.3722628	0.3479319	0.6666667	0.4914842	0.5644769
S1D1C3M6	CBP	Controlling Blood Pressure	0.5377129	0.5644769	0.5985401	0.5995086	0.4671533	0.5231144	0.5581395	0.6004963	0.5328467	0.7328922	0.5853659	0.5474453	0.5279805	0.7836066	0.5231144	0.5912409
S1D1C3M7	PDC	Proportion of Days Covered (RAS Antagonists)	0.7291658	0.6833187	0.7215412	0.7158883	0.7282148	0.8097087	0.7301587	0.7668955	0.7359331	0.8097843	0.7509227	0.6845156	0.749557	0.8003253	0.7838795	0.7448133
S1D1C3M8	PDC	Proportion of Days Covered (Statins)	0.6811534	0.6167489	0.6719577	0.6503777	0.6741983	0.7327189	0.7755102	0.6894904	0.6814002	0.7835775	0.7056071	0.6092113	0.7367127	0.8022623	0.7441774	0.7240642
S1D1C4M13	PDC	Proportion of Days Covered (Diabetes All Class)	0.6776284	0.6564577	0.7414847	0.7156165	0.7002613	0.7758621	NR	0.7657924	0.7125323	0.7886042	0.7562719	0.6749881	0.7559118	0.8170732	0.7805065	0.7176471
S1D1C4M9	CDC	Comprehensive Diabetes Care: Eye Exam (Retinal) Performed	0.4055944	0.4014599	0.4476886	0.4330900	0.4501217	0.4345404	NR	0.4963504	0.3430657	0.6887818	0.4501217	0.4452555	0.350365	0.6734177	0.486618	0.4355231
S1D1C4M10	CDC	Comprehensive Diabetes Care: Diabetes Hemoglobin A1c (HbA1c) Control <8%	0.5206813	0.6399027	0.6836983	0.6423358	0.5815085	0.6573816	NR	0.6034063	0.5450122	0.6414838	0.5742092	0.5279805	0.5620438	0.7113924	0.5766423	0.5425791
S1D3C7M19	PPC	Prenatal and Postpartum Care: Postpartum Care	0.658046	0.8190476	0.8058824	0.7125	0.6925287	NR	NR	0.804	0.7281553	0.8897813	0.7170418	0.7257143	0.6819672	0.9081633	0.9830508	0.7428571
S1D3C7M20	PPC	Prenatal and Postpartum Care: Timeliness of Prenatal Care	0.7744681	0.8634921	0.8235294	0.70625	0.7844828	NR	NR	0.852	0.868932	0.943552	0.8006431	0.7428571	0.5836066	0.9795918	0.8983051	0.7714286
S1D3C8M23	CHL	Chlamydia Screening in Women	0.4017591	0.448203	0.5031056	0.5417529	0.4831440	NR	NR	0.4874064	0.4551422	0.6403403	0.6177083	0.5100671	0.5363196	0.5666667	0.5609756	0.4444444
S1D3C8M24	FVA	Flu Vaccinations for Adults Ages 18-64	0.4323308	0.4382716	0.4	0.4958678	0.4838710	0.6094421	NR	0.4255319	0.4901961	0.5888889	0.4931507	0.4916667	0.3958333	0.5921053	0.4587629	0.5147059
S1D3C8M25	MSC	Medical Assistance With Smoking and Tobacco Use Cessation	0.4827327	0.4188034	NR	0.5225225	NR	0.4277494	NR	NR	NR	NR	0.460511	0.4405242	NR	NR	0.5213675	0.6754386
S1D3C9M26	ADV	Annual Dental Visit	0.1609826	0.3422031	0.2122122	0.2325988	0.4022925	0.1309524	0.3454545	0.180531	0.3918495	NR	0.1916933	0.0184775	0.230365	0.0073643	0.1850829	0.0409712
S1D3C9M47	IMA	Immunizations for Adolescents Combination 2	0.1742069	0.2010309	0.3666667	0.2805755	0.2173375	NR	NR	0.3138686	0.2571429	0.5213454	0.36875	0.3636364	0.1542056	0.3248408	NR	0.2
S1D3C9M30	WCC	Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents	0.5863747	0.6642336	0.7145174	0.6820762	0.5725872	0.2708333	0.5686275	0.6766417	0.6203252	0.8938988	0.7935185	0.7169505	0.5385239	0.7824859	0.7722772	0.6034063
S1D3C9M31a	W15	Well-Child Visits in the First 30 Months of Life (First 15 Months)	0.6606876	0.5625	NR	0.5786164	0.7393075	NR	NR	0.5392157	0.5576923	0.6945551	0.3773585	NR	0.3375	0.5486726	NR	NR
S1D2C5M15	PCR	Plan All-cause Readmissions (reverse scored)	0.2340208	0.3922933	0.5586036	0.4617748	0.4308442	NR	NR	0.4443486	0.3832753	0.412656	0.558149	0.6183972	0.6718725	0.3848425	NR	0.490672
		Total Individual Measures Underperforming:		8	4	4	4	5	2	2	5	0	3	10	9	2	2	3

Includes Anthem HMO and Health Net Life PPO. MY 2021 is the first year of QRS reportable results for Anthem HMO. Health Net Life PPO is no longer offered in Plan Year 2023. Bright HMO and Aetna HMO are not included; they do not have MY 2021 QRS reportable results.

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE PRINCIPLES



0.8% up to maximum of 4% premium at risk for…

...a small set of clinically important measures…

…stratified by race/ethnicity…

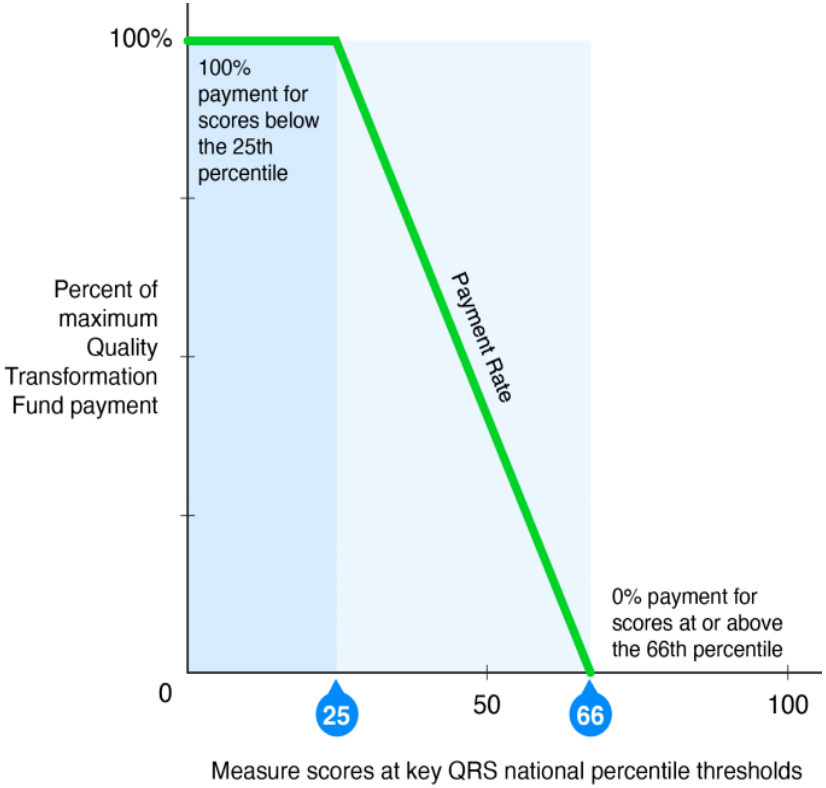
…selected in concert with other public purchasers.

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE MEASURES

Core Measures*	Clinical Context
Blood Pressure	Key risk factor for cardiovascular disease (heart attacks and strokes), the leading cause of death in the United States
Diabetes (A1c control)	~50% Californians have prediabetes or diabetes, which is a leading cause of blindness and amputation and key risk factor for cardiovascular disease.
Colorectal Cancer Screening	Cancer is the second leading cause of death after heart disease, and colorectal cancer is the second leading cause of cancer death after lung cancer. Screening reduces the risk of developing and dying from CRC cancer by 60-70%.
Childhood Immunizations	Childhood immunizations prevent 10.5m diseases annually. For every $1 spent on immunizations, there is as much as $29 in savings.
Reporting only	Depression Screening and Follow-Up for Adolescents and Adults
Reporting only	Medication Treatment for Opioid Abuse

*All measures stratified by race/ethnicity.

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE PAYMENT STRUCTURE



- Full per measure payment if the measure score is below the 25th national percentile
- Per measure payment at a declining constant rate for each measure score at or above the 25th and up to the 66th national percentile
- No payment if the measure score is at or above the 66th national percentile
- This payment structure will be applied for each reportable QTI core measure

First measurement year 2023
First results assessed 2024
First payments 2025

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE MODELING FOR MY2021

	MY 2018	MY 2019	MY 2020	MY 2021			
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Control (<8.0%)	**US Benchmark**	**US Benchmark**	**US Benchmark**	**US Benchmark**	**Percent of Enrollees**	**Number of Enrollees**	**Number of Plans**
Plans at 90th Percentile and Above	68 +	68 +	67 +	68 +	2%	31,740	1
Plans at 66th to 90th Percentile	62 to <68	62 to <68	59 to <67	62 to <68	54%	911,700	5
Plans at 50th to 66th Percentile	58 to <62	58 to <62	56 to <59	59 to <62	6%	103,520	1
Plans at 25th to 50th Percentile	52 to <58	52 to <58	50 to <56	52 to <59	38%	652,860	7
Plans Below 25th Percentile	Below 52	Below 52	Below 50	Below 52	0%	-	0
Covered California Plan-Specific Performance	**MY 2018**	**MY 2019**	**MY 2020**	**MY 2021**			
Anthem HMO				68	4%	75,470	
Anthem PPO							
Anthem EPO	57	57	52	64	5%	78,090	
Blue Shield HMO	56	64	62	64	8%	137,030	
Blue Shield PPO	64	64	54	58	21%	358,510	
CCHP HMO	57	57	63	66	0%	3,820	
Health Net HMO	58	61	61	60	6%	103,520	
Health Net EPO	63	63	76				
Health Net PPO		61	61	55	2%	39,950	
Kaiser Permanente HMO	70	70	62	64	36%	617,290	
LA Care HMO	62	62	52	57	7%	115,090	
Molina Healthcare HMO	58	58	56	53	4%	65,120	
Oscar Health Plan EPO	50	50	54	56	3%	53,110	
Sharp Health Plan HMO	72	76	69	71	2%	31,740	
Valley Health Plan HMO	60	69	60	58	1%	21,080	
Western Health Advantage HMO	49	53	51	54	1%	9,900	

HEMOGLOBIN A1c (HbA1c) CONTROL (<8.0%) (NQF #0575)

- 8 out of 14 plan products with reportable QRS data are below the 66th percentile for MY2021
- If trend continues, these plan products would pay partial penalty (25th - 66th percentile) in MY2023
- No plan product is below the 25th percentile

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE MODELING FOR MY2021

	MY 2018	MY 2019	MY 2020	MY 2021			
Controlling High Blood Pressure	**US Benchmark**	**US Benchmark**	**US Benchmark**	**US Benchmark**	**Percent of Enrollees**	**Number of Enrollees**	**Number of Plans**
Plans at 90th Percentile and Above	75 +	75 +	72 +	75 +	2%	31,740	1
Plans at 66th to 90th Percentile	66 to <75	66 to <75	61 to <72	66 to <75	43%	617,290	1
Plans at 50th to 66th Percentile	62 to <66	62 to <66	58 to <61	61 to <66	0%	-	0
Plans at 25th to 50th Percentile	54 to <62	54 to <62	51 to <58	55 to <61	22%	316,270	8
Plans Below 25th Percentile	Below 54	Below 54	Below 51	Below 55	33%	476,470	5
Covered California Plan-Specific Performance	**MY 2018**	**MY 2019**	**MY 2020**	**MY 2021**			
Anthem HMO				60	4%	75,470	
Anthem PPO							
Anthem EPO	45	45	54	56	5%	78,090	
Blue Shield HMO	61	66	55	60	8%	137,030	
Blue Shield PPO	56	56	46	47	21%	358,510	
CCHP HMO	68	68	39	52	0%	3,820	
Health Net HMO	63	63	58	60	6%	103,520	
Health Net EPO	59	59	56	56	0%	700	
Health Net PPO		55	50	53	2%	39,950	
Kaiser Permanente HMO	81	81	56	73	36%	617,290	
LA Care HMO	68	68	53	59	7%	115,090	
Molina Healthcare HMO	58	65	57	55	4%	65,120	
Oscar Health Plan EPO	44	46	43	53	3%	53,110	
Sharp Health Plan HMO	74	79	76	78	2%	31,740	
Valley Health Plan HMO	64	64	44	52	1%	21,080	
Western Health Advantage HMO	58	65	58	59	1%	9,900	

CONTROLLING HIGH BLOOD PRESSURE (NQF #0018)

- 13 out of 15 plan products with reportable QRS data are below the 66th percentile in MY2021
- If trend continues, 8 plan products' scores are in the 25th to 50th percentile and would pay partial penalty in MY2023
- If trend continues, 5 plan products are below the 25th percentile and would pay the full penalty in MY2023

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE MODELING FOR MY2021

	MY 2018	MY 2019	MY 2020	MY 2021			
Colorectal Cancer Screening	**US Benchmark**	**US Benchmark**	**US Benchmark**	**US Benchmark**	**Percent of Enrollees**	**Number of Enrollees**	**Number of Plans**
Plans at 90th Percentile and Above	69 +	69 +	68 +	69 +	37%	617,290	1
Plans at 66th to 90th Percentile	61 to <69	61 to <69	61 to <68	63 to <69	2%	31,740	1
Plans at 50th to 66th Percentile	55 to <61	55 to <61	57 to <61	58 to <63	13%	216,320	3
Plans at 25th to 50th Percentile	47 to <55	47 to <55	50 to <57	47 to <58	33%	550,720	6
Plans Below 25th Percentile	Below 47	Below 47	Below 50	Below 47	16%	273,270	4
Covered California Plan-Specific Performance	**MY 2018**	**MY 2019**	**MY 2020**	**MY 2021**			
Anthem HMO				60	4%	75,470	
Anthem PPO							
Anthem EPO	40	45	48	51	5%	78,090	
Blue Shield HMO	51	59	49	60	8%	137,030	
Blue Shield PPO	49	51	49	53	21%	358,510	
CCHP HMO	53	60	49	60	0%	3,820	
Health Net HMO	51	62	54	56	6%	103,520	
Health Net EPO	49	53	51	49	0%	700	
Health Net PPO		40	34	32	2%	39,950	
Kaiser Permanente HMO	76	76	69	74	36%	617,290	
LA Care HMO	54	54	46	46	7%	115,090	
Molina Healthcare HMO	27	31	33	37	4%	65,120	
Oscar Health Plan EPO	36	36	29	35	3%	53,110	
Sharp Health Plan HMO	57	66	71	67	2%	31,740	
Valley Health Plan HMO	54	54	44	49	1%	21,080	
Western Health Advantage HMO	52	52	52	56	1%	9,900	

COLORECTAL CANCER SCREENING (NQF #0034)

- 13 out of 15 plan products with reportable QRS data are below the 66th percentile in MY2021
- If trend continues, 9 plan products' scores are in the 25th to 66th percentile and would pay partial penalty in MY2021
- If trend continues, 4 plan products are below the 25th percentile and would pay the full penalty in MY2021

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE MODELING FOR MY2021

	MY 2018	MY 2019	MY 2020			
Childhood Immunization Status (Combination 3)	**US Benchmark**	**US Benchmark**	**US Benchmark**	**Percent of Enrollees**	**Number of Enrollees**	**Number of Plans**
Plans at 90th Percentile and Above	86 +	86 +	84 +	40%	607,610	2
Plans at 66th to 90th Percentile	78 to <86	78 to <86	79 to <84	6%	95,860	1
Plans at 50th to 66th Percentile	77 to <78	77 to <78	76 to <79	0%	-	0
Plans at 25th to 50th Percentile	65 to <77	65 to <77	65 to <76	8%	117,610	1
Plans Below 25th Percentile	Below 65	Below 65	Below 65	46%	692,910	6
Covered California Plan-Specific Performance	**MY 2018**	**MY 2019**	**MY 2020**			
Anthem HMO						
Anthem PPO						
Anthem EPO	50	51	63	5%	71,590	
Blue Shield HMO	64	64	71	8%	117,610	
Blue Shield PPO	63	63	64	21%	325,190	
CCHP HMO						
Health Net HMO	58	69	63	9%	130,890	
Health Net EPO						
Health Net PPO		55	61	3%	42,040	
Kaiser Permanente HMO	84	84	85	39%	583,900	
LA Care HMO	82	82	82	6%	95,860	
Molina Healthcare HMO		74	57	4%	55,810	
Oscar Health Plan EPO		34	22	4%	67,390	
Sharp Health Plan HMO	69	77	87	2%	23,710	
Valley Health Plan HMO						
Western Health Advantage HMO						

CHILDHOOD IMMUNIZATION STATUS (COMBO 3) (NQF #0038)

- CMS QRS is transitioning from Combo 3 (CIS-3) to Childhood Immunization Status (Combo 10) (CIS-10) starting with MY2021
- CIS-3 MY2021 data is not available
- Covered California will use CIS-10 MY2022 national percentile benchmark for QTI performance assessment for MY2023-2025

POTENTIAL HEALTH PLAN RESPONSES TO QUALITY AND EQUITY INITIATIVES

Engaging and supporting provider groups in improvement activities, such as development of registries and data analytics, facilitating data exchange, and innovative approaches to patient engagement in order to improve coordination, integration and care delivery.

Contracting with higher quality providers (which may result in decreased affordability if higher cost providers).

Focusing on data issues, including completeness (which is foundational, but doesn't represent true improvements in quality and will not impact outcomes).

Developing quality incentive programs for contracted providers and groups focused on the same or similar measures.

Using consumer incentive programs to target desired behavior (no strong evidence that this is effective but may be an additional lever).

Eliminating poor performing providers or provider groups from their contracted networks (a strategy that would necessarily be limited by the need to meet access and network adequacy requirements from both regulators and Covered California but could have the unintended consequence of penalizing providers serving higher risk or more vulnerable patients).

FUTURE DIRECTIONS

2023 – 2025 model contract implementation

- Quality Transformation Initiative and 25/2/2
- Healthcare Evidence Initiative
- Focus on disparities, primary care spend and payment, advanced primary care measure set (including BH measures)
- 2024 proposed amendments: new oral health measures, enhanced social needs screening, BH subcontractor oversight

Areas for exploration

- Expanding demographic data collection to SOGI, disability status
- Measuring behavioral health spend
- Establishing a primary care spend target
- Alignment with other state departmental efforts on affordability

QUESTIONS

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DIFFERENT STORY ON QUALITY (AND EQUITY)

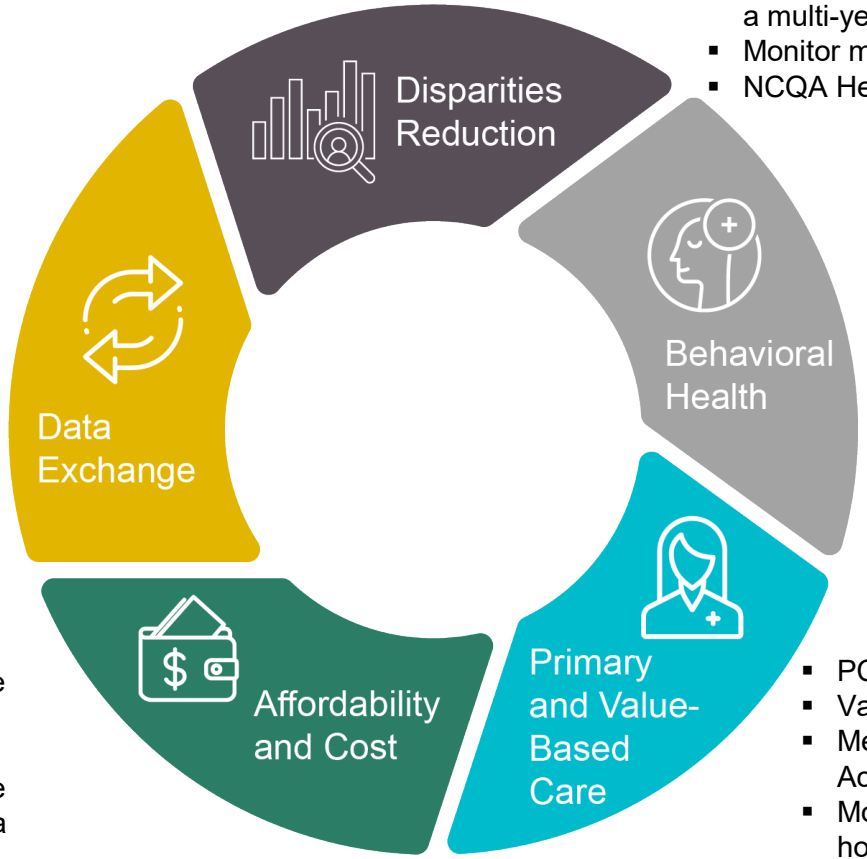
While 83% of Covered California enrollees in 2020 were in health plans that received 3 or more stars for CMS' Quality Rating System "Getting Right Care" measures, health plan performance has not consistently or substantively improved over time.

Qualified Health Plan Issuer	2021 Enrollees	2016	2017	2018	2019	2020	2021
Anthem HMO	1.9%	3	-	-	-	NA	NA
Anthem PPO	-	2	-	-	-	-	-
Anthem EPO	4.5%	2	NA	3	2	2	2
Blue Shield HMO	7.4%	NA	NA	NA	2	3	3
Blue Shield PPO	20.6%	2	2	3	2	3	3
CCHP HMO	0.3%	3	3	3	3	3	3
Health Net HMO	8.3%	3	3	3	3	3	3
Health Net EPO	0.05%	NA	2	3	2	3	NA
Health Net PPO	2.7%	-	NA	NA	NA	3	2
Kaiser Permanente HMO	36.9%	5	4	5	5	5	4
LA Care HMO	6.1%	1	3	4	3	4	3
Molina Healthcare HMO	3.5%	2	3	3	2	2	2
Oscar Health Plan EPO	4.3%	NA	NA	3	2	2	2
Sharp Health Plan HMO	1.5%	4	4	5	4	4	4
Valley Health Plan HMO	1.4%	3	3	5	4	4	3
Western Health Advantage HMO	0.6%	3	3	3	2	2	3

* 2021 represents measurement year 2020 which may not be representative due to COVID-19

STRATEGIC FOCUS AREAS

- Collect race, ethnicity, and language data
- Implement disparities interventions and meet a multi-year disparities reduction target
- Monitor maternal health disparities
- NCQA Health Equity Accreditation



- Telehealth to improve access
- Depression screening
- Opiate use disorder treatment
- Primary care behavioral health integration

- PCP assignment for all enrollees
- Value based payment for primary care
- Measure and report enrollment in Accountable Care Organizations
- Monitor provider organization and hospital quality and costs

- Track hospital compliance with CMS Hospital Price Transparency rule
- Review of unit price range and trends via claims data

- Quality Rating System
- Healthcare Evidence Initiative (HEI) claims database
- Health Information Exchange (HIE) participation
- Data submission to Integrated Healthcare Association (IHA)

PUBLIC COMMENT

CALL: (877) 336-4440
PARTICIPANT CODE: 6981308

- To request to make a comment, press 10; you will hear a tone indicating you are in the queue for comment. Please wait until the operator has introduced you before you make your comments.
- If watching via the live webcast, please mute your computer to eliminate audio feedback while calling in. Note, there is a delay in the webcast.
- The call-in instructions can also be found on page two of the Agenda.

EACH CALLER WILL BE LIMITED TO TWO MINUTES PER AGENDA ITEM

NOTE: Written comments may be submitted to BoardComments@covered.ca.gov.

AVERAGE STATEWIDE MONTHLY PREMIUM PERMANENT REGULATIONS

Katie Ravel, Director
Policy, Eligibility, and Research Division

OVERVIEW

- Proposition 22 requires app-based network companies (Uber, Lyft, etc.) to provide a healthcare stipend to qualifying app-based drivers, on a quarterly basis, based on certain criteria.
- The stipend amount is tied to the average statewide monthly premium for an individual Covered California bronze health insurance plan.
- Covered California must post the average statewide monthly premium for a bronze plan annually.

AVERAGE STATEWIDE MONTHLY BRONZE PREMIUM AND CALCULATION METHODOLOGY

- On or before **September 1 annually**, Covered California must publish the average statewide monthly premium for an individual for the following calendar year for a Covered California bronze health insurance plan.
- The stipend is tied to the “average ACA contribution” of the posted premium, defined as 82% of the premium.
- The average statewide monthly bronze premium is based on the average bronze premium for a 21-year old published by Covered California for the individual mandate penalty, adjusted by the average age of Covered California enrollees.

REQUESTED ACTION: AVERAGE STATEWIDE MONTHLY PREMIUM

- Covered California adopted emergency regulations in March 2021 to specify the methodology for calculating the average statewide monthly bronze premium.
  - The average statewide bronze premium calculated when determining California's Individual Shared Responsibility Penalty pursuant to section 61015, subdivision (a)(2) of the Revenue and Taxation Code multiplied by the average age rating factor for individuals enrolled in Covered California in the prior calendar year.
- No changes have been made to the regulatory text.
- Staff request Board approval to take the final administrative actions to make the emergency regulations permanent.

PUBLIC COMMENT

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