

COVERED CALIFORNIA BOARD MINUTES
Thursday, November 17, 2022
Covered California
1601 Exposition Blvd.
Sacramento, CA 95815

Agenda Item I: Call to Order, Roll Call, and Welcome

Chairman Mark Ghaly called the meeting to order at 10:32 a.m.

Board Members Present During Roll Call:

Jarrett Barrios
Dr. Sandra Hernandez
Jerry Fleming
Kate Kendell
Dr. Mark Ghaly

Agenda Item II: Closed Session

A conflict disclosure was performed and there were no conflicts from the board members that needed to be disclosed. The board adjourned for closed session to discuss contracting, personnel, and litigation matters pursuant to Government Code Section 100500(j) and 11126 (a).

Chairman Ghaly called open session to order at 12:00 p.m.

Agenda Item III: Board Meeting Action Items

September 15, 2022, Meeting Minutes

Discussion: None.

Motion/Action: Chairman Ghaly called for a motion and a second to approve the September 15, 2022 meeting minutes. Vice Chair Hernandez moved to approve the meeting minutes. The motion was seconded by Ms. Kendell.

Public Comment: None.

Vote: The motion was approved by a unanimous vote of those present.

Agenda Item IV: Executive Director's Report

Announcement of Closed Session Actions Discussion

Jessica Altman, Executive Director, stated that the board met in closed session to undertake issues related to contracting, personnel, and litigation. There were no items to report.

Executive Director's Update Discussion

2023 Board Meeting Dates: Ms. Altman presented the Covered California Board meeting dates for 2023, with four meetings scheduled as only a possibility.

Executive Leadership Transitions: Ms. Altman reported that Kathy Keeshen, General Counsel and Chief Deputy Executive Director will retire on November 30th. Brandon Ross, Associate General Counsel was appointed to the General Counsel role effective December 1, 2022. Dr. Alice Chen, Chief Medical Officer and Chief Deputy Executive Director will depart Covered California on November 30, 2022. Lisa Lassetter, Deputy Chief Operations Officer will retire on November 30, 2022. Darci Haesche, Deputy Director, Human Resources, was appointed to the Deputy Chief Operations Officer role.

Open Enrollment 2023 Discussion

Ms. Altman highlighted that Covered California is entering its tenth open enrollment anniversary and is celebrating record achievement. Covered California held media events throughout the state during its kick-off week and will be launching a statewide tour. Ms. Altman then shared the 2023 open enrollment television campaign, which will run across the state in multiple languages.

Federal Policy/Legislative Update Discussion

Ms. Altman highlighted enacted state legislative bills that have impacts on Covered California. Notably, AB 2530 will provide subsidized coverage through Covered California to any residents that lose coverage as a result of a strike, lockout, or other labor dispute; SB 1473 will adjust the individual market enrollment timelines and deadlines to align with current practices, and includes standards around coverage for COVID-19-related testing and treatment; SB 644 will require the Employment Development Department (EDD) to share beneficiary information with Covered California and require Covered California to publicize the availability of coverage to those individuals. Finally, SB 967 will require the Franchise Tax Board (FTB) to include a check box on tax forms for individuals to designate their interest in no or low-cost coverage.

On the federal front, Ms. Altman shared that the administration has committed to giving states 60 days' notice prior to the official non-continuation of the public health emergency (PHE). At this time, Covered California anticipates that the PHE will continue until April 2023.

Finally, Ms. Altman shared that Covered California submitted two federal comment letters. The first letter was in response to Section 1557 non-discrimination provisions, in which Covered California highlighted its efforts around non-discrimination and supported efforts to remove discrimination in health care at the federal level. The second letter was in response to a request for information (RFI) on promoting efficiency and equity within Centers for Medicare and Medicaid Services (CMS) programs, in which Covered California highlighted its work on equity and quality and how that can connect to CMS.

Covered California Data and Research

Katie Ravel, Director of Policy, Eligibility, and Research reported on the results of Covered California's efforts to automatically transition its enrollees from Bronze into Silver plans with cost-sharing reductions (CSRs) during renewal if their income was under 150 percent of the federal poverty level (FPL) and they were eligible for a \$0 per member per month CSR Silver plan, with the same carrier, in the same product (also referred to as the Bronze to Silver crosswalk). She noted that by the end of the 2022 open enrollment period, approximately 93 percent of households in the crosswalk were in CSR Silver plans. In contrast, only 8.9 percent of households with incomes above 150 percent of FPL (and therefore ineligible for the crosswalk) were enrolled in CSR Silver plans at the end of the 2022 open enrollment period. In conclusion, this crosswalk resulted in dramatic reductions in choice errors.

Board Comments:

Vice Chair Hernandez asked whether the consumers moved to Silver stayed in the same delivery system as in Bronze. Ms. Ravel responded that in order to qualify for the crosswalk, the consumer had to have continuity of care.

Ms. Kendell remarked that those were very impressive numbers and commended the staff for their work.

Mr. Fleming stated that Covered California will have to figure out ways for its distribution system of brokers and navigators to help enrollees figure out the right choice.

Chairman Ghaly noted there is unanimous support for continuing to dig into the lessons learned and the work done through this effort. He also acknowledged Ms. Keeshen, Ms. Lassetter, and Dr. Chen for their service and welcomed Mr. Ross and Ms. Haesche. Finally, he commended Ms. Altman on doing a tremendous job in her first year on the job.

Vice Chair Hernandez thanked Speaker Pelosi for her leadership and for being a champion of the Affordable Care Act.

Public Comment:

Beth Capell with Health Access California thanked Ms. Keeshen and Dr. Chen for their work and welcomed Mr. Ross to his new role. Ms. Capell noted her organization was pleased with the results of the Bronze to Silver crosswalk and looks forward to expanding on this while assuring continuity of care and preserving consumer choice.

Cary Sanders with California Pan-Ethnic Health Network (CPEHN) congratulated the Covered California team on ten years. Ms. Sanders was pleased Covered California commented on 1557 to help combat discrimination in health care settings. Finally, she hopes Covered California extends the Bronze to Silver crosswalk to other populations.

Alicia Emanuel with the National Health Law Program and the Health Consumer Alliance echoed comments made by previous speakers. Ms. Emanuel noted that policies like the Bronze to Silver crosswalk help consumers avoid choice errors and make sense. She hopes these policies are thoughtfully extended.

Cori Racela with Western Center on Law & Poverty echoed comments made by previous speakers. In response to the Bronze to Silver crosswalk, Ms. Racela hopes to continue working with Ms. Ravel's team on this type of beneficial high-touch work when it comes to implementing SB 260 and transitioning people out of Medi-Cal and into Covered California.

Doreena Wong with Asian Resources, Inc. echoed comments made by previous speakers. Ms. Wong noted that as a navigator entity, her organization is committed to ensuring consumers receive the best coverage they are eligible for and looks forward to finding ways to expand those opportunities for other enrollees.

Agenda Item V: Covered California Policy and Action Items

Health Equity and Quality Transformation Division Update Discussion

Dr. Chen provided an update on the status of Covered California's equity and quality transformation work. She began by presenting Covered California's founding vision and mission, noting that Covered California has focused on quality and delivery system reform from its inception.

Dr. Chen then highlighted Covered California's framework for quality, equity, and delivery system transformation. Next, she shared the following five strategic focus areas Covered California has been leaning into, to align with Medi-Cal and The California Public Employees Retirement System (CalPERS): 1) disparities reduction, 2) behavioral health, 3) primary and value-based care, 4) affordability and cost, and 5) data exchange analytics.

In terms of disparities, Dr. Chen stated that in 2022, most issuers are focusing on controlling blood sugar in their Latinx Covered California members across their entire service areas.

In terms of primary and value-based care, Dr. Chen noted that Covered California requires carriers to match all enrollees to a primary care physician (PCP) regardless of plan product and then analyzes the quality and utilization by enrollees who select versus those who are assigned a PCP. In addition, Dr. Chen highlighted there has been a lot of work on moving away from fee-for-service and moving people towards shared savings and population-based payment models. Covered California has a new requirement for issuers to report on total primary care spend and is also looking into more granular payment models for the largest five physician groups. Lastly, Dr. Chen highlighted the Advanced Primary Care (APC) measure set in collaboration with the California Quality Collaborative and the Integrated Healthcare Association to inform network analysis that will be required for carriers in 2023.

In terms of data exchange and analytics, Dr. Chen highlighted that in 2023 Covered California will require carriers to participate in a bi-directional data exchange with a health information exchange (HIA) that is a member of the California Trusted Exchange Network. Dr. Chen added that Covered California actively participates in the California Health and Human Services agency's Data Exchange Framework efforts, including serving on the Stakeholder Advisory Workgroup and Department Advisory Group. Dr.

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Chen noted that two-thirds of Covered California's carriers are already contracting with an HIA. Dr. Chen then shared some examples of how Covered California is using health care evidence initiative data for health plan accountability.

In terms of behavioral health, Dr. Chen shared already-established reporting requirements, new requirements, and developmental efforts. She noted that clinical and outcome measures are a challenge because they are not as sophisticated on the behavioral health side as they are on the physical health side.

In terms of affordability and cost, Dr. Chen noted Covered California does not have a lot of levers outside of the core functions of an Exchange but has been looking at ways to amplify things that are already happening. For example, the CMS hospital transparency rule.

Dr. Chen then highlighted carrier financial incentives for quality and equity. The percentage of premiums at risk for carriers starts at 1 percent in 2023 and increases by 1 percent per year to 4 percent in 2026.

Next, Dr. Chen gave an overview of two new carrier provisions regarding quality. She noted that these contract provisions were driven by data illustrating that quality scores among carriers have remained stagnant for the past seven years.

The first provision aims at establishing a floor by requiring carriers to meet a minimum threshold of quality and performance in order to remain in the Marketplace. Dr. Chen then presented the 2021 summary results on this provision. Notably, all 15 carriers were in good standing. However, when looking at the 20 measures that make up the composite measures, three plans had almost 50 percent of their measures below the 25th percentile.

The second provision; the Quality Transformation Initiative (QTI), assesses quality improvement payments up to the 66th percentile of national performance. The core measures include blood pressure, diabetes A1c control, colorectal cancer screening, and childhood immunization. Dr. Chen presented the quality transformation initiative payment structure. She then presented QTI modeling for 2021, for each of the measures. She highlighted that there were health plans below the 66th percentile for each of the measures and that there is a lot of work to do.

She concluded her presentation with a summary of future direction, which includes 2023-2025 model contract implementation, as well as listing new areas for exploration.

Board Comments

Mr. Barrios asked for clarification on how consumers in non-competitive regions will be notified if their carrier is removed from the Marketplace due to poor performance. Dr. Chen responded that carriers with poor performance will only be removed in regions with at least three carriers and noted that this year there are no regions with less than three carriers. Dr. Chen added that staff would work with the carrier to figure out what would be communicated to enrollees in that scenario.

Mr. Fleming commended Dr. Chen and her team for establishing this framework. He further commented that as we begin to have these information exchanges, Covered

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California should develop strategies to take a look at this work more geographically, as care is provided locally.

Dr. Chen responded this was a communal effort. She agreed with Mr. Flemming's suggestion and said the team is looking towards doing more geographic analysis. Covered California attempted to do this in San Diego, but the data was inadequate at the time. She added that in partnering with Medi-Cal and CalPERS, Covered California is looking to create a very focused effort to close point-of-care gaps.

Ms. Kendell commented Dr. Chen on her work.

Vice Chair Hernandez congratulated Dr. Chen and thanked her for her leadership and extraordinary body of work.

Dr. Chen responded that this work has been happening since the inception of Covered California and highlighted that the team carries the passion and will continue the great work.

Chairman Ghaly commended Dr. Chen for taking a set of complex system issues and putting it together in a way the board could understand. He added that this work is a tower of achievement for the team and commended Dr. Chen for her leadership and vision.

Chairman Ghaly stated that as a primary care provider, the value care proposition isn't just in the way primary care has been historically delivered, but about transforming primary care through data experience, a view on equity, closing disparities, and quality. He noted that Dr. Chen has set up something that helps transform primary care and asked her how Covered California can ensure the transformational aspect is not lost.

On behavioral health, Chairman Ghaly stated that we are behind as a nation as we don't have the practice models that can deliver the kind of behavioral health services we need. He asked Dr. Chen if we could use the same efforts she presented to transform the way behavioral health is delivered.

Dr. Chen commented that on the primary care front, it would be interesting to think about an office of primary care for California because there is insufficient capacity in primary care. She also suggested leveraging innovation that is in the technology space and adding regulatory guardrails to require integration in a primary care setting to augment and expand capacity for primary care. She added that most behavioral health happens in primary care.

Finally, Dr. Chen noted that her tenure at Covered California has been a highlight of her career. She thanked Chairman Ghaly for laying the context for alignment across many other state departments and noted there is a unique opportunity to continue linkages and cement them in a way that can have a lasting impact.

Chairman Ghaly left the meeting.

Public Comment:

Cary Sanders with California Pan-Ethnic Health Network (CPEHN) expressed appreciation for the work of Dr. Chen and the team. She also noted that research shows

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that targeted interventions, the types of interventions needed to create quality for smaller populations result in improved quality for all populations. Ms. Sanders said she was disappointed in the stagnant quality performance over the past seven years and noted we need to see improvement. In closing, Ms. Sanders expressed support for the proposed changes.

Beth Capell with Health Access California expressed appreciation for the work represented by the changes in Covered California's contract. Ms. Capell expressed disappointment in the stagnant quality and that Covered California hasn't done more to reduce disparities, except by expanding coverage. She looks forward to continuing to work with the team to improve quality and lower costs and reduce disparities.

Average Statewide Monthly Premium Permanent Regulations

The board unanimously decided to carry forward the average statewide monthly premium permanent regulations to the January 2023 board meeting.

Vice Chair Hernandez adjourned the meeting at 1:42 p.m.