



COVERED CALIFORNIA POLICY AND ACTION ITEMS

August 21, 2025 Board Meeting

PROPOSED PERMANENT IDENTITY VERIFICATION REGULATIONS

Katie Ravel, Director, Policy, Eligibility, & Research Division

BACKGROUND

- ❑ Covered California seeks approval on updates to its regulations setting forth the process for verifying applicants' identities when they apply for coverage and financial assistance through Covered California.
 - Staff initiated a 45-day public comment period from May 30 to July 15, during which no public comments were received.
- ❑ Federal security standards for remote identification are being updated. Marketplaces will no longer be able to use knowledge-based processes that rely on information about an individual's credit history, and Covered California has transitioned to a new compliant process based on digital identity. This new process is expected to address a significant point of consumer friction in the online application process. The goal in updating these regulations and the associated changes to CalHEERS is two-fold: transition to a compliant RIDP process and to provide an easier option for consumers to verify their identity and minimize circumstances in which identity verification becomes a barrier to coverage.

OVERVIEW OF PROPOSED CHANGES

Covered California's new remote identity verification process aims to increase the number of consumers who can successfully verify their identity in real time and continue to the CalHEERS application seamlessly. Enhancements include:

- ❑ Replacing the current knowledge-based question process that can be challenging for consumers and prevent application submissions with risk-based authentication that reduces consumer friction.
- ❑ Replacing the alternate knowledge-based question process with a process that compares identity documents with photographs of consumers provided in real time to allow consumers to seamlessly verify their identity without having to pause the process to visit a certified enroller for visual verification or submit documents directly to Covered California for manual review.
- ❑ Removing outdated processes for collecting consumer consent to remotely verify identity to enhance consumer understanding and ensure that consumers are providing informed consent.

OVERVIEW OF PROPOSED CHANGES, CONTINUED

Covered California proposes to expand the list of acceptable documents to verify identity so consumers who may not have access to other types of acceptable identity verification documents have additional avenues for successfully proving their identity so they can apply for coverage and financial assistance through Covered California. Proposed new documents include:

- ❑ U.S. Visas
- ❑ Border Crossing Cards

NEXT STEPS

- ❑ Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
- ❑ The Board discussed the proposed regulations at the April 17, 2025 Board meeting.
- ❑ Staff requests the Board to formally adopt the regulation package at so it can be filed with the Office of Administrative Law.

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.

PROPOSED PERMANENT COVERED CALIFORNIA FOR SMALL BUSINESS REGULATIONS

Robert Kingston, Director, Outreach and Sales Division

BACKGROUND

Covered California is initiating a permanent rulemaking action to amend the Covered California for Small Business (CCSB) regulations. The purpose of these modifications is to streamline verifications and clarify minimum participation requirements for CCSB.

These regulations are the result of ongoing collaboration and consultation with the California Departments of Social Services, Managed Health Care, and Insurance, as well as consumer advocates, qualified health plan (QHP) issuers, and other stakeholders.

OVERVIEW OF PROPOSED CHANGES

The specific changes to the regulations are as follows:

- ❑ Section 6520: Small employers who were previously insured outside CCSB with three or more employees enrolling in coverage can now use proof of prior coverage and a Form DE-9C or payroll records to verify eligibility for SHOP coverage, which is currently allowed on a case-by-case basis.
- ❑ Section 6522: Minimum participation calculations will now include employees who waive coverage due to other qualifying health insurance with those enrolling in coverage, ensuring alignment with federal regulations and existing practices.

NEXT STEPS

- ❑ Government Code section 100504(a)(6) requires the Board to discuss proposed regulations at a properly noticed meeting before adopting them.
- ❑ The 45-day public comment period will run from September 5, 2025 to October 25, 2025.
- ❑ Staff will request the Board to formally adopt the regulation package at the November 20, 2025 board meeting.
- ❑ Any additional proposed changes to the proposed regulations will be communicated to stakeholders for review and commenting prior to Action.

PUBLIC COMMENT

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PARTICIPANT CODE: 6981308

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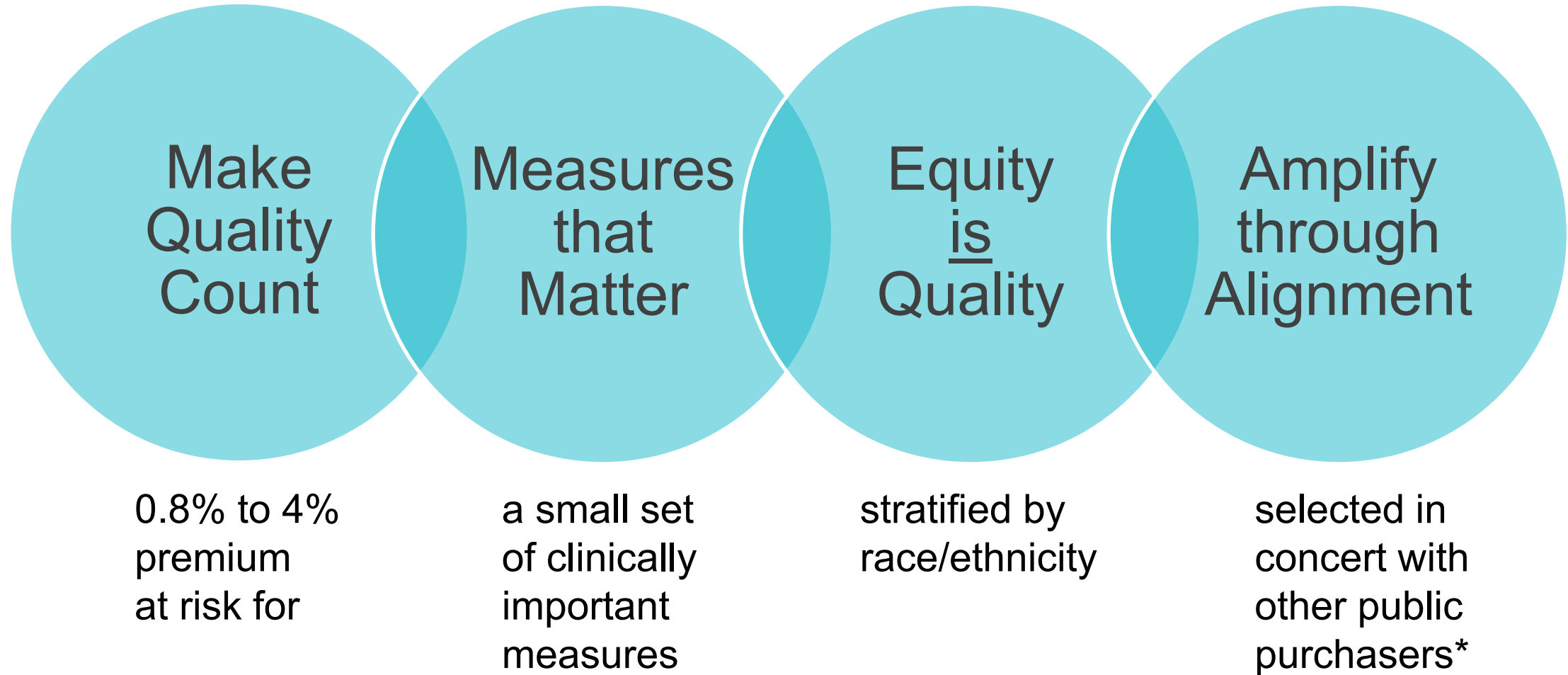
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UPDATE ON 2025 POPULATION HEALTH INVESTMENTS

S. Monica Soni, MD
Chief Medical Officer
Chief Deputy Executive Director,
Health Equity and Quality Transformation

QUALITY TRANSFORMATION INITIATIVE



GUIDING PRINCIPLES: USE OF FUNDS

Centered on goal to improve health outcomes for Covered California enrollees



Equity First: funds should preferentially focus on geographic regions or communities with the largest identified gaps in health and quality among California subpopulations



Direct: use of funds should lead to measurable improvements in quality and outcomes for enrollees that are related to QTI Core Measure performance

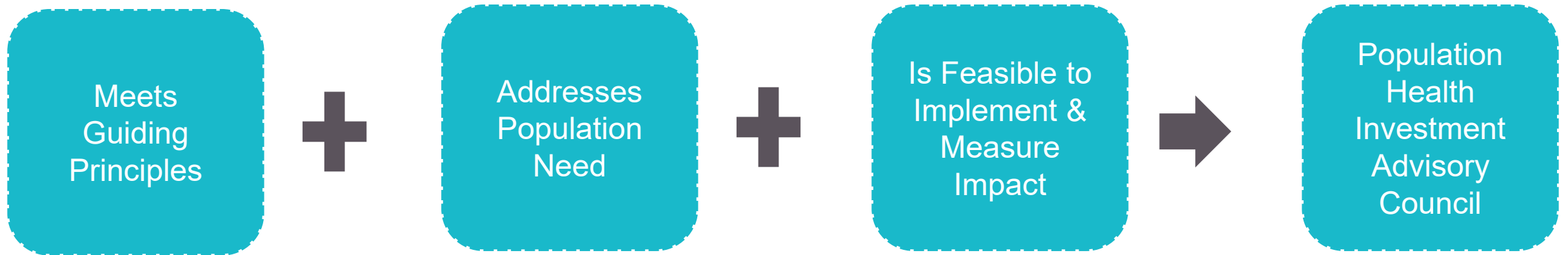


Evidence-based: use of funds should be grounded in approaches that have established evidence of success in driving improvements in quality or outcomes

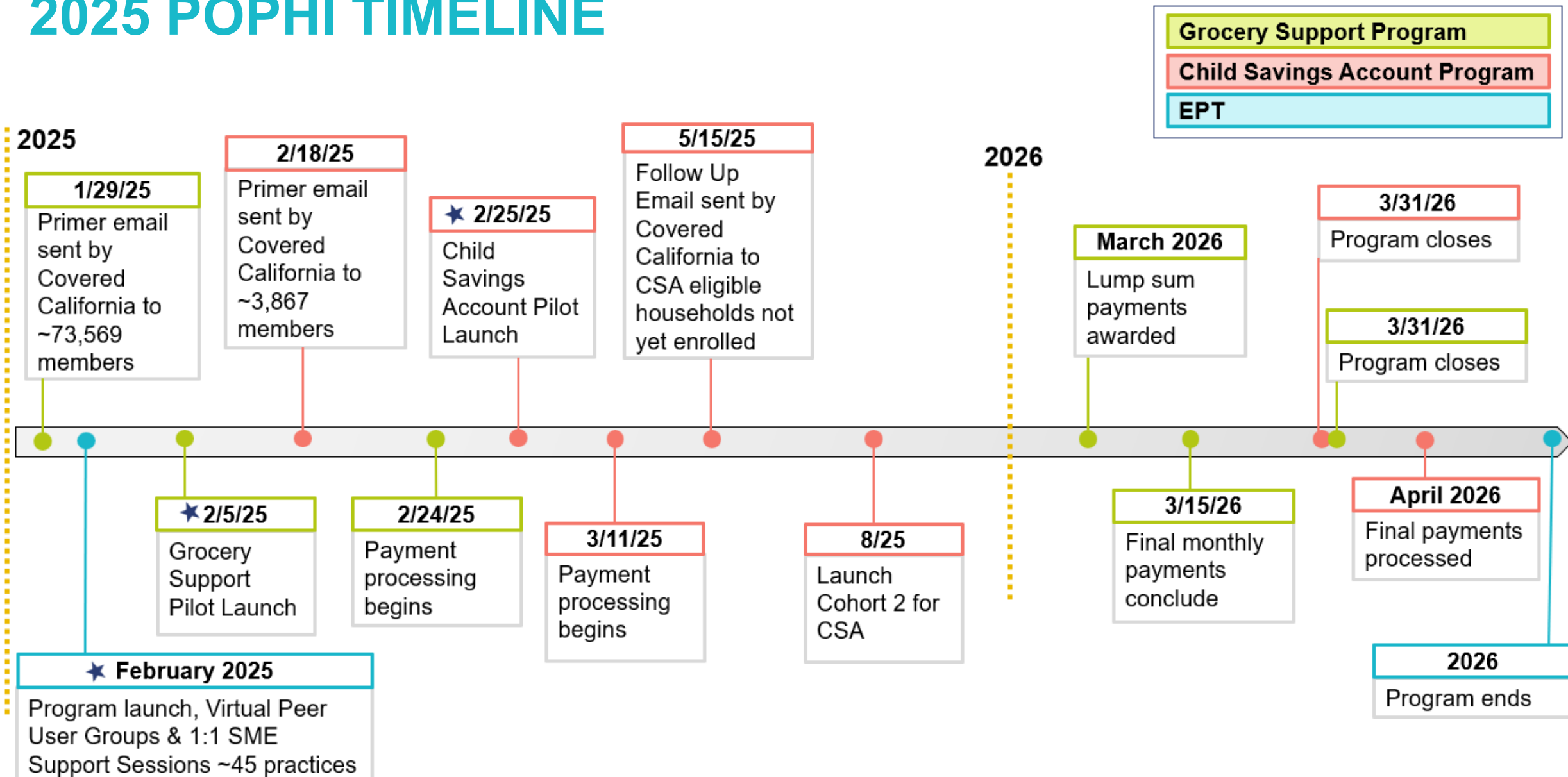


Additive: funds should be used to advance quality in a currently underfunded arena.

POPULATION HEALTH INVESTMENTS: SELECTION CRITERIA



2025 POPHI TIMELINE



GROCERY SUPPORT PROGRAM • GO LIVE 2/5/25

Purpose

The **Beyond Covered by Covered California: Grocery Support Program** is designed to help Covered California members facing chronic health conditions and financial challenges access nutritious food to help improve food security and health outcomes.

Eligibility

Covered California members who:

1. Have a household income up to 250% of FPL
2. Have a chronic health issue
3. Are experiencing food insecurity

Benefit






A reloadable debit card to purchase food, and either:

- ❑ Monthly payments will be loaded onto the debit card for 12 months, OR
- ❑ A lump sum payment will be loaded onto the debit card at the end of 12 months (equal to 12 monthly payments)






Funds are based on household size reported to Covered California at time of enrollment and may only be used to purchase fresh food, packaged food, baby food and non-alcoholic drinks.



IMPLEMENTATION OBSTACLE #1 AND AGILE ADJUSTMENTS






	Program Facts	<ul style="list-style-type: none">• 2,168 landline only members• 25,546 non-English speakers (Spanish, Korean, Vietnamese, Cantonese, Chinese or unknown)
	Challenge	<ul style="list-style-type: none">• Support enrollment of members with additional challenges – members only reachable by landline and non-English speaking members
	Pre-Launch Strategies	<ul style="list-style-type: none">• Prioritize landline-only members in the first outreach cohort, offering mailed consent forms for those unable to engage with the digital platform• Translate outreach communication into five most common member languages
	Real Time Adjustments	<ul style="list-style-type: none">• Sent additional email outreach to non-English speakers before initiating outreach to a new cohort• Emphasized the “last chance” for members to enroll in last outreach messaging• Added text outreach for landline-only members with Voice Over Internet Protocol (VOICE) numbers
	Impact of Adjustments	<ul style="list-style-type: none">• These adjustments increased members' enrollment rate from 5.75% to 6.4%

IMPLEMENTATION OBSTACLE #2 AND AGILE ADJUSTMENTS

	Program Facts	<ul style="list-style-type: none"> • 94,502 eligible members • Projected about 6,051 households could be enrolled
	Challenge	<ul style="list-style-type: none"> • Minimizing applicant denials while ensuring timely program take-up
	Pre-Launch Strategies	<ul style="list-style-type: none"> • Organize pool of eligible members into seven cohorts and conduct outreach on rolling schedule to create opportunities to delay, limit, or stop outreach to a new cohort
	Real Time Adjustments	<ul style="list-style-type: none"> • Reviewed program take-up/encumbrance* before initiating outreach to each cohort to make go/no-go decision • Delayed initiating outreach 8 days to final 3 cohorts to allow more time for members in earlier cohorts to respond
	Impact of Adjustments	<ul style="list-style-type: none"> • Prevented outreach to an estimated 17,821 members when funding was exhausted • Postponing scheduled outreach to the fifth cohort enabled 375 additional members from the first four cohorts to enroll

*PopHI funds considered encumbered when they are "owed" to an enrollee (i.e., the full benefit is encumbered even if an enrollee has only received 3 of 12 monthly payments)

IMPLEMENTATION OBSTACLE #3 AND AGILE ADJUSTMENTS

	Program Facts	<ul style="list-style-type: none">• The pool of eligible members represented all 12 Issuers, including 4 not required to fund the program• The number of eligible members per Issuer varied widely, from 28,210 to less than 1,000
	Challenge	<ul style="list-style-type: none">• Balancing two competing goals: timely full encumbrance and supporting the opportunity for enrollment across all Issuers
	Pre-Launch Strategies	<ul style="list-style-type: none">• Define target enrollment/spending goal amounts/fund allocations for each Issuer• Leverage the outreach approach of staggered cohorts to ensure balanced representation from all Issuers• Monitor enrollment and fund allocations against targets daily
	Real Time Adjustments	<ul style="list-style-type: none">• Sent additional email outreach to members of 3 small QHPs that had not yet reached their target enrollment before initiating outreach to a new cohort• Adjusted QHP targets as needed to balance both goals• Reallocated funds to applicants awaiting funds when possible
	Impact of Adjustments	<ul style="list-style-type: none">• Without deploying and monitoring enrollment targets, the program would have likely fully encumbered approximately 4 weeks earlier with representation from only the largest QHPs

GROCERY SUPPORT PROGRAM: EARLY SUCCESSES

Enrollment Highlights

- Households Invited: 76,681
- Households Enrolled: 6,975
- Household Members Impacted: 13,090
- Budgeted Amount Encumbered: 99.9%
- Average Award Per Household \$1,646
- 75.2% of approved applicants completed the baseline survey



Early Feedback

"To whom it may concern: I would like to be considered for this program. We do not eat healthy and I have heart disease. Please let me know what is required to qualify. Best regards. Thank you!"

"Wow! What an incredible program... I guess we are just waiting for a representative from Forward to reach out? Via Email? How will we know we've been offered this opportunity? I want to be sure not to miss any announcements, requests for information, etc...."

Data as of 7/21/2025

PREVIEW OF GROCERY SUPPORT PROGRAM

MEMBER SPENDING

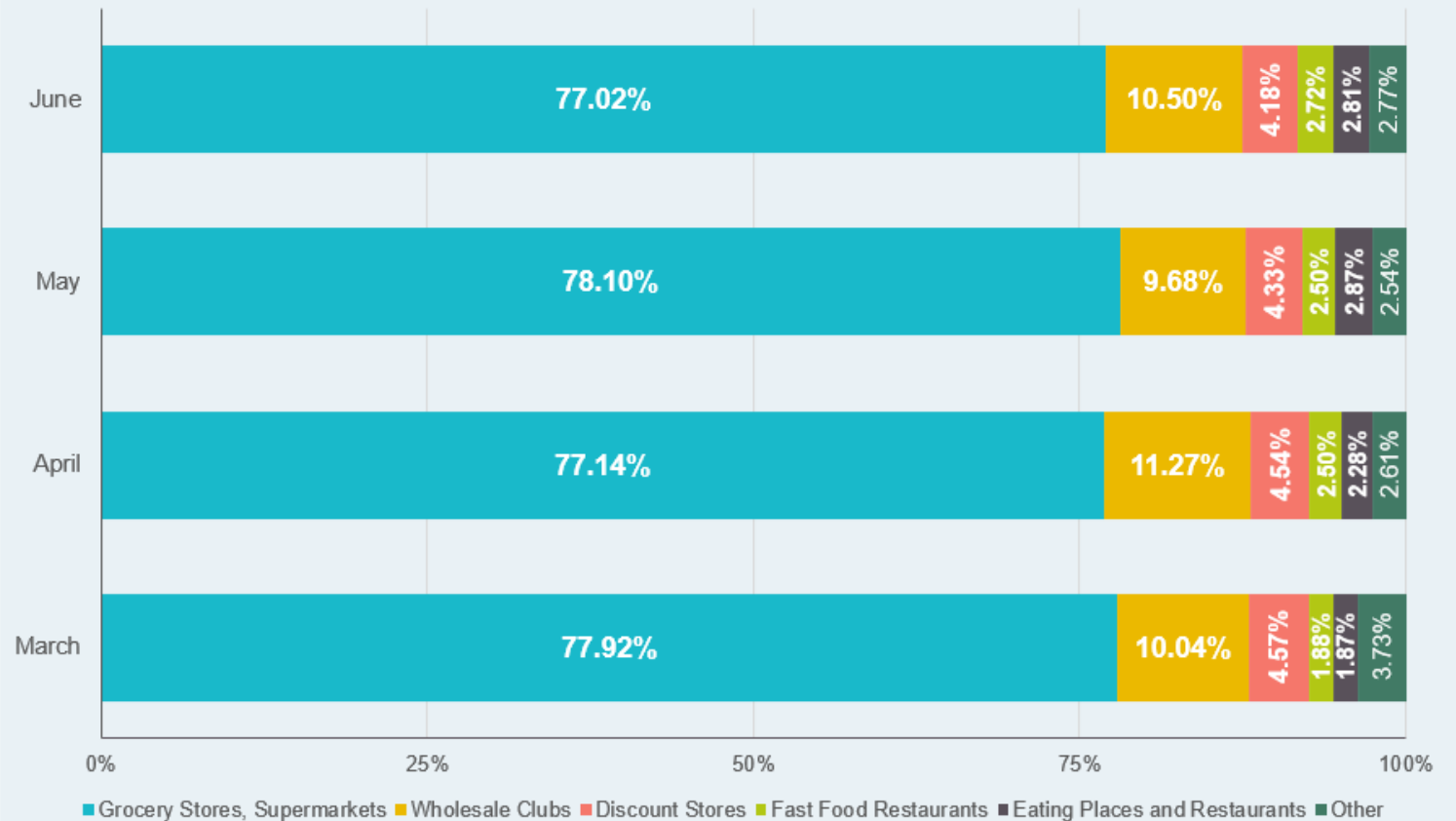
Top 3 Categories for Spending month over month from March 2025 through June 2025:

1. **Grocery Stores, Supermarkets**
2. **Wholesale Clubs**
3. **Discount Stores**

Top 3 Categories:

- ❑ Make up **92.28%** of total funds spent
- ❑ Account for **\$1,423,170** in member spending

Percent of Total Grocery Spend By Month



Data as of 7/21/2025

GROCERY SUPPORT PROGRAM EVALUATION

Study Design and Participant Assignment:

To assess the impact of grocery support on food security and spending habits participants randomly assigned to one of two groups:

- ❑ Treatment Group (50%) – Receives monthly grocery payments for 12 months.
- ❑ Control Group (50%) – Receives the total benefit amount as a lump sum at the end of 12 months.

Baseline Survey:

Before receiving payments, participants will complete a survey evaluating:

- ❑ Health & Well-Being: Self-rated health, mental health, quality of life, fatigue, pain.
- ❑ Food Access & Nutrition: Difficulty affording/obtaining healthy foods, dietary habits.
- ❑ Financial & Housing Stability: Income, benefits, housing security, utility shutoffs.
- ❑ Healthcare Access & Barriers: Doctor visits, medication adherence, transportation issues.

Incentives for Survey Participation:

To encourage participation, respondents will be entered into a lottery for a \$50 prepaid card.

Data Collection– Monthly Check-Ins:

Participants receiving monthly grocery support will complete brief surveys to measure:

- ❑ Timing of food purchases.
- ❑ Whether the program has improved their ability to afford food

Evaluation Focus:

This program will aim to assess the impact of Grocery store support will have on food security, nutritious eating, financial trade-offs, and health outcomes.

CHILD SAVINGS ACCOUNT PROGRAM • GO LIVE 2/25/25

Purpose

The **Beyond Covered by Covered California: Child Savings Account Program** aims improve well-child visits and childhood immunization rates for children under the age of two enrolled in Covered California, while helping families invest in their child's future.

Eligibility

Children under 2 years old who are:

1. Enrolled in a Covered California Health Plan
2. Born in California
3. Registered for a CalKIDS account*

Benefit

Families can earn up to \$1,000 for their CalKIDS savings account, which can be used for educational expenses.

Steps

- 1: \$150 Program Consent & CalKIDS Registration
- 2 - 6: \$100 Per PC Visit & Vaccine(s) at Specified Age
- 7 - 9: \$150 Per Flu Shot During Specified Time






*Beyond Covered program is designed to assist parents/guardians with CalKIDS account registration

new!

**BEYOND COVERED
BY COVERED
CALIFORNIA: CHILD
SAVINGS ACCOUNT
PROGRAM!**



IMPLEMENTATION OBSTACLE #4 AND AGILE ADJUSTMENTS

	Program Facts	<ul style="list-style-type: none"> • 4,037 eligible members • 176 landline only members received live calls
	Challenge	<ul style="list-style-type: none"> • Ensure member centric outreach that respects member priorities
	Pre-Launch Strategies	<ul style="list-style-type: none"> • Leverage multiple outreach modalities per member, based on available member information: <u>mobile phone</u>, text, email and/or landline • Conduct live calls to members with no email address • Prioritize non-English speakers and families with members 0-3 months old in first cohort • Maintain all household members within one outreach cohort
	Real Time Adjustments	<ul style="list-style-type: none"> • Added additional round of 6 outreach attempts to increase enrollment • Follow up email sent from Covered California to unenrolled members on 5/15
	Impact of Adjustments	<ul style="list-style-type: none"> • Follow up email from Covered California for first cohort yielded 8 new enrollees in the first 3 days post email

CHILD SAVINGS ACCOUNT PROGRAM: EARLY SUCCESSES

Enrollment Highlights

- ❑ Households Invited: 4,037
- ❑ Households Enrolled: 269
- ❑ Children Impacted: 274
- ❑ Budgeted Amount Encumbered: 27.41%
- ❑ 42.8% of approved applicants completed baseline survey
- ❑ Program Steps Completed by Members: 609
- ❑ 46.15% of enrollees newly claimed their CalKIDS account
- ❑ A total of \$74,000 newly deposited in member CalKIDS accounts in the months from March through June between completion of program steps and initial enrollment claim bonus provided by CalKIDS



Early Feedback

“Vaccination is for your child’s future, so are the funds - and it’s important”

All data as of 7/21/2025 except * as of 6/13/2025

CSA PROGRAM EVALUATION

Study Design and Participant Assignment:

As part of Covered California's commitment to improving financial stability among families, participants will be randomly assigned to one of two groups:

- ❑ Treatment Group (75%) – received a reminder to sign up after 72 hours of being contacted, encouraging prompt enrollment
- ❑ Control Group (25%) – received a reminder to sign up after 90 days.

Baseline Survey:

Upon enrollment, participants will complete a survey evaluating:

- ❑ Health & Well-being: Parent and child's health, mental well-being, and quality of life.
- ❑ Family & Finances: Household resilience, financial concerns, and saving habits for education.
- ❑ Child Development: Motor skills, communication, and social behaviors (for ages 5-25 months).

Data Collection:

- ❑ Participant interviews conducted for deeper Insights.

Incentives for Survey Participation:

To encourage participation, surveys will be incentivized with a \$20 prepaid card per completed survey.

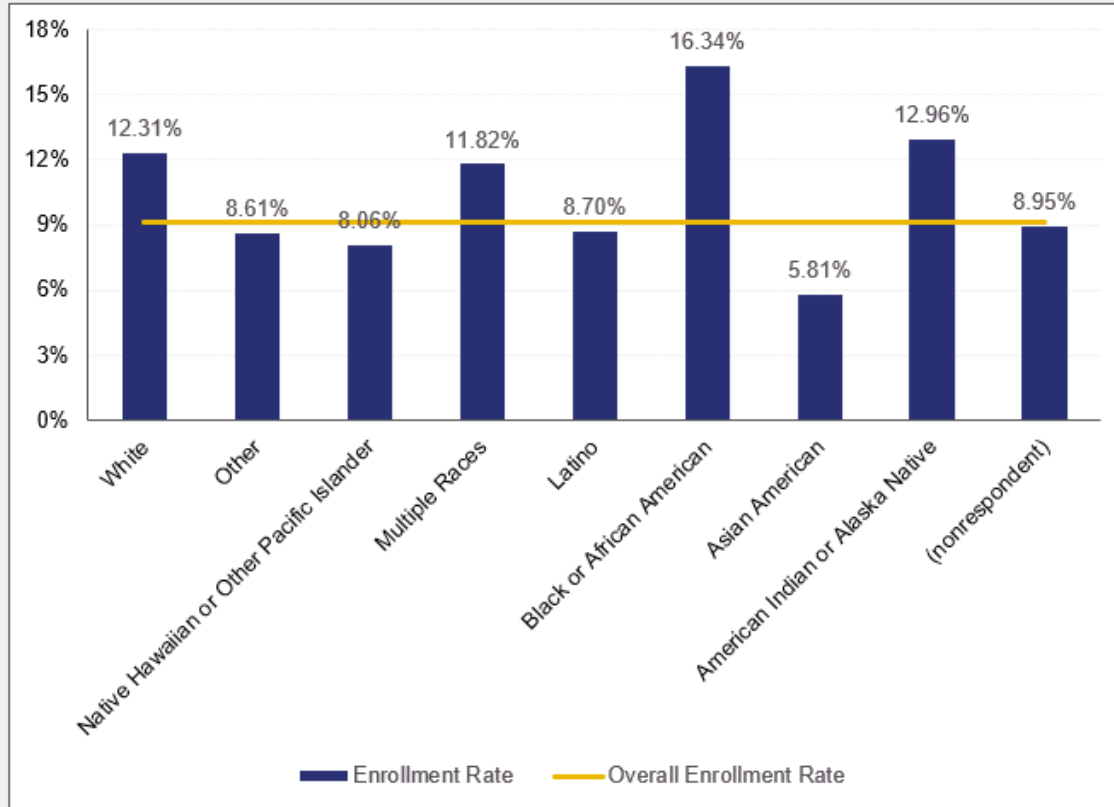
Evaluation Focus:

Assess how college savings incentives impact pediatric care and vaccinations. Additionally, will evaluate effects on parental health, child development, and education expectations.

2025 DIRECT TO MEMBER POPHI ENROLLMENT TRENDS

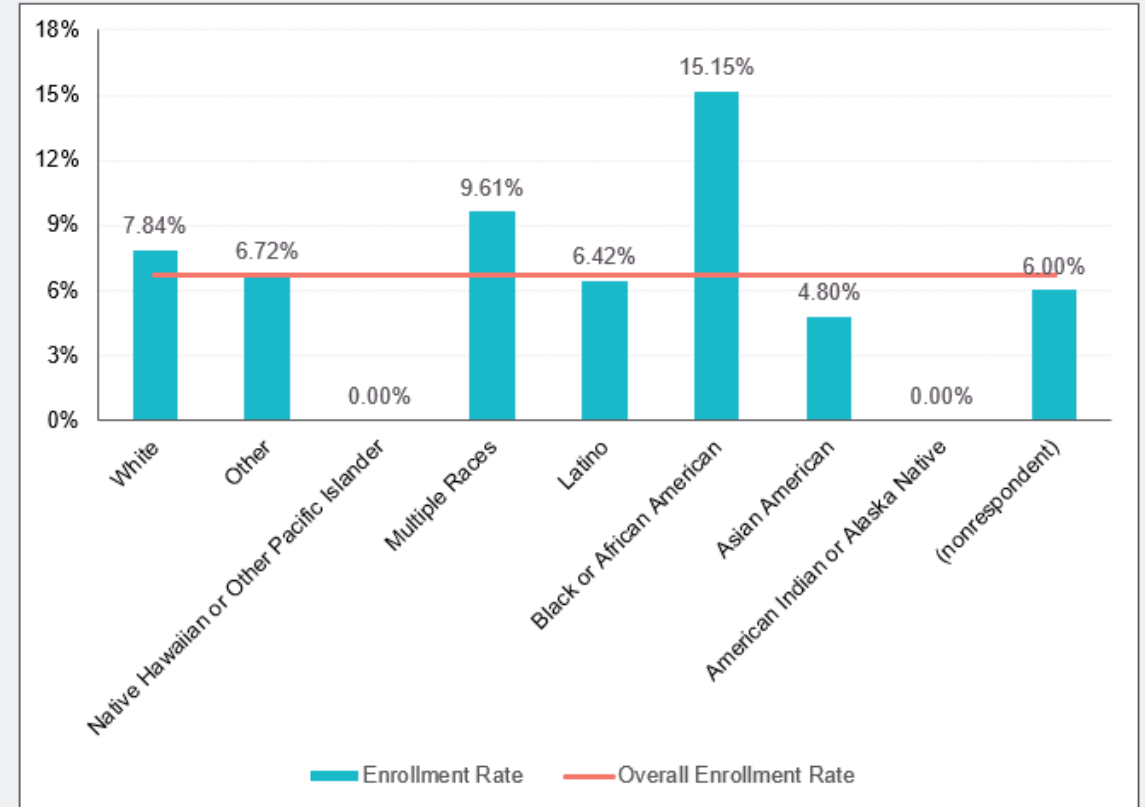
Grocery Support Program Enrollment Rate

Overall Enrollment Rate: 9.10%



Child Saving's Account Program Enrollment Rate

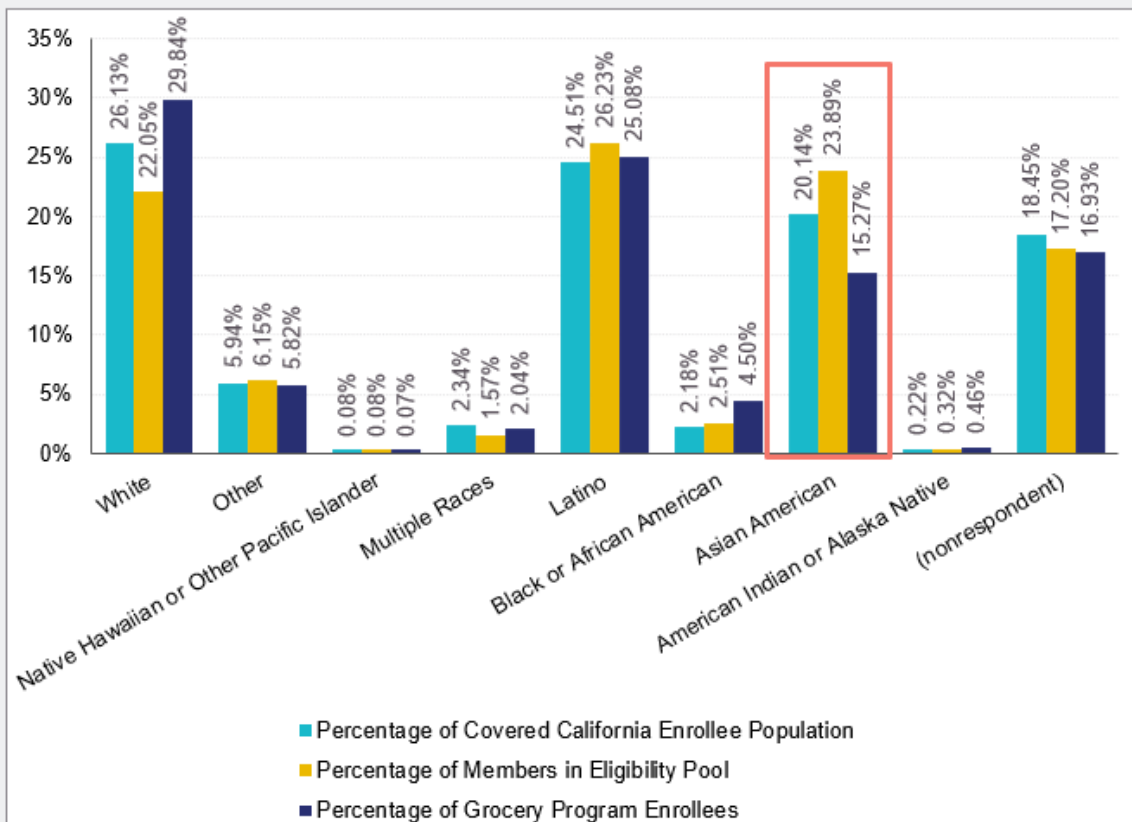
Overall Enrollment Rate: 6.66%



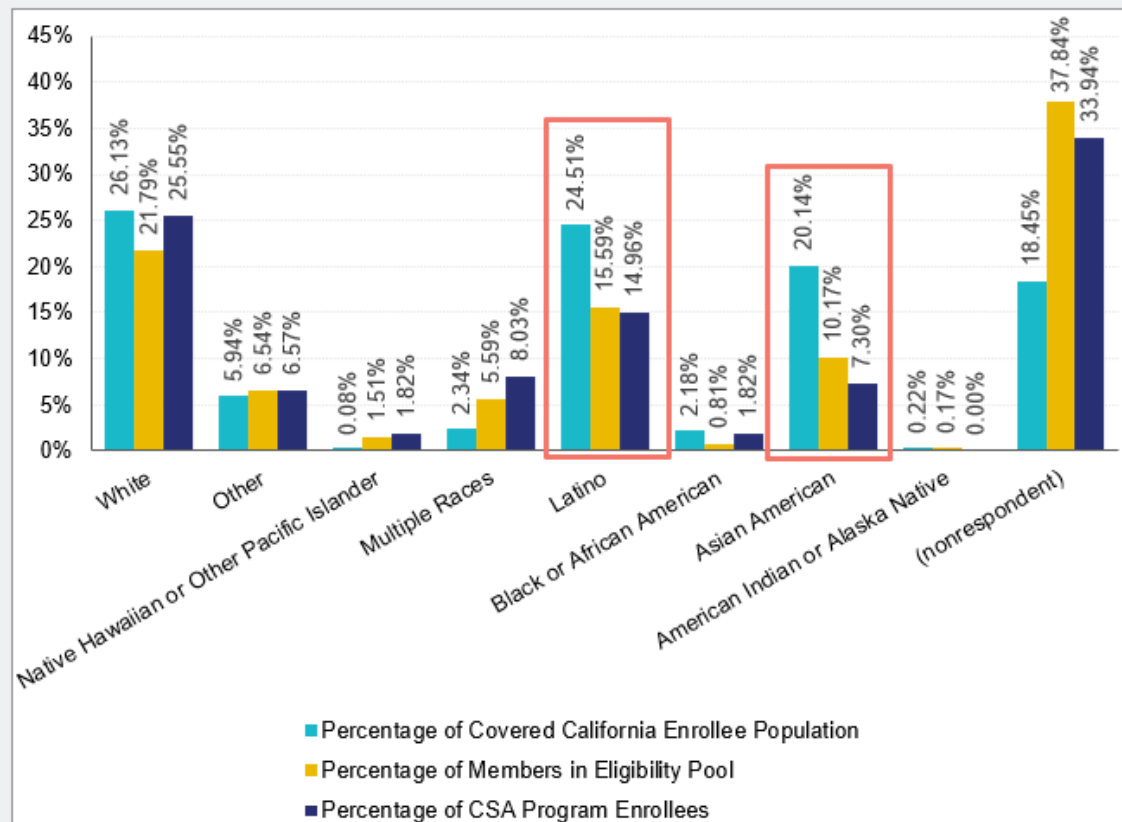
POPHI ENROLLMENT BY DEMOGRAPHIC

While enrollment mostly matches the demographics of Covered California's overall enrollee population, PopHIs are tracked closely, and future adjustments will continue to center equity.

Grocery Support Program



Child Saving's Account Program



EQUITY & PRACTICE TRANSFORMATION • GO LIVE 2/2025

Purpose

Covered California's investment is aimed at leveraging Equity and Practice Transformation (EPT) infrastructure to accelerate population health management capabilities in practices serving both Covered California and Medi-Cal enrollees.

Eligibility

30-40 practices participating in EPT, who serve Covered California enrollees will receive enhanced support through tailored enhancements to EPT's technical assistance (TA) structure.

Benefit

Practices selected to participate in enhanced TA structure will receive:

- ❑ High-Quality, 1:1 Subject Matter Experts Support
- ❑ Virtual Learning and Peer Engagement through small group and 1:1 sessions
- ❑ Advanced Data Integration and Testing
- ❑ Learning System to distill insights from a diverse practice cohort and disseminate promising models to primary care practices across the state



EQUITY AND PRACTICE TRANSFORMATION: EARLY SUCCESSES

Equity and Practice Transformation (EPT) Program

The EPT Program consists of 46 provider organizations spanning 30+ counties throughout California. These providers serve both Covered California and Medi-Cal members, reinforcing our commitment to advancing health equity statewide.

Participant Engagement

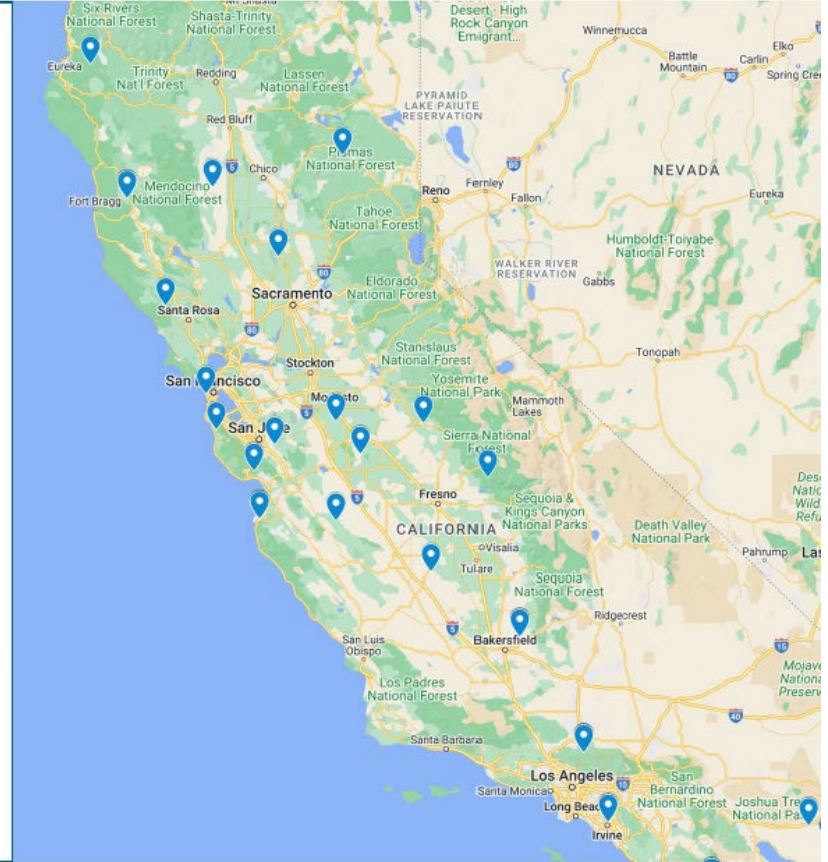
The program launched with a well-attended kickoff session hosted by the PHLC, featuring active engagement from participating provider organizations and several QHP issuers.

Provider Reflections

Feedback emphasized the need for practical support and real-time guidance.

CCA Cohort at a Glance

- 46 EPT Practices
- 619,255 assigned Medical lives
- 26,285 Covered California enrollment
- Practice Setting:
 - 23: Independent Practices
 - 19: Health Centers
 - 4: Tribal Clinics
- Populations of Focus (PoF) selection by practices:
 - 17: Adults with Chronic Conditions
 - 11: Adults with Preventive Care Needs
 - 12: Children and Youth
 - 3: People Living with BH Conditions
 - 1: Pregnant People



PHLC Covered California Population Health Investment Kickoff Call – 2/26/2025

EPT POPHI INVESTMENT FOR 2025

Accelerating practice transformation in the 45 Covered California practices

1:1 and Group SME support

Support to strengthen data systems to report EPT KPIs and close care gaps. Expert-led groups focused on data and workflow optimization and addressing challenges in POFs.

Advanced Data Integration

Design workflows and create implementation plan for data exchange with external partners for a measure-specific use case (8-15 practices).

DxF Bootcamp

Step-by-step guidance to identify priority data sharing use cases, assets, partner engagement best practices, and technology resources for a secure, real-time exchange roadmap.

Care Gap Closure Implementation Guides & Job Aids

Co-designed with EPT practices to maximize performance in EPT HEDIS-like measures.

EQUITY & PRACTICE TRANSFORMATION EVALUATION

Measurement:

Covered California will assess the effectiveness of the Equity and Practice Transformation (EPT) program in improving practice capabilities.

Pre-Program Assessment:

Before implementation, doctors and clinic staff completed a survey evaluating:

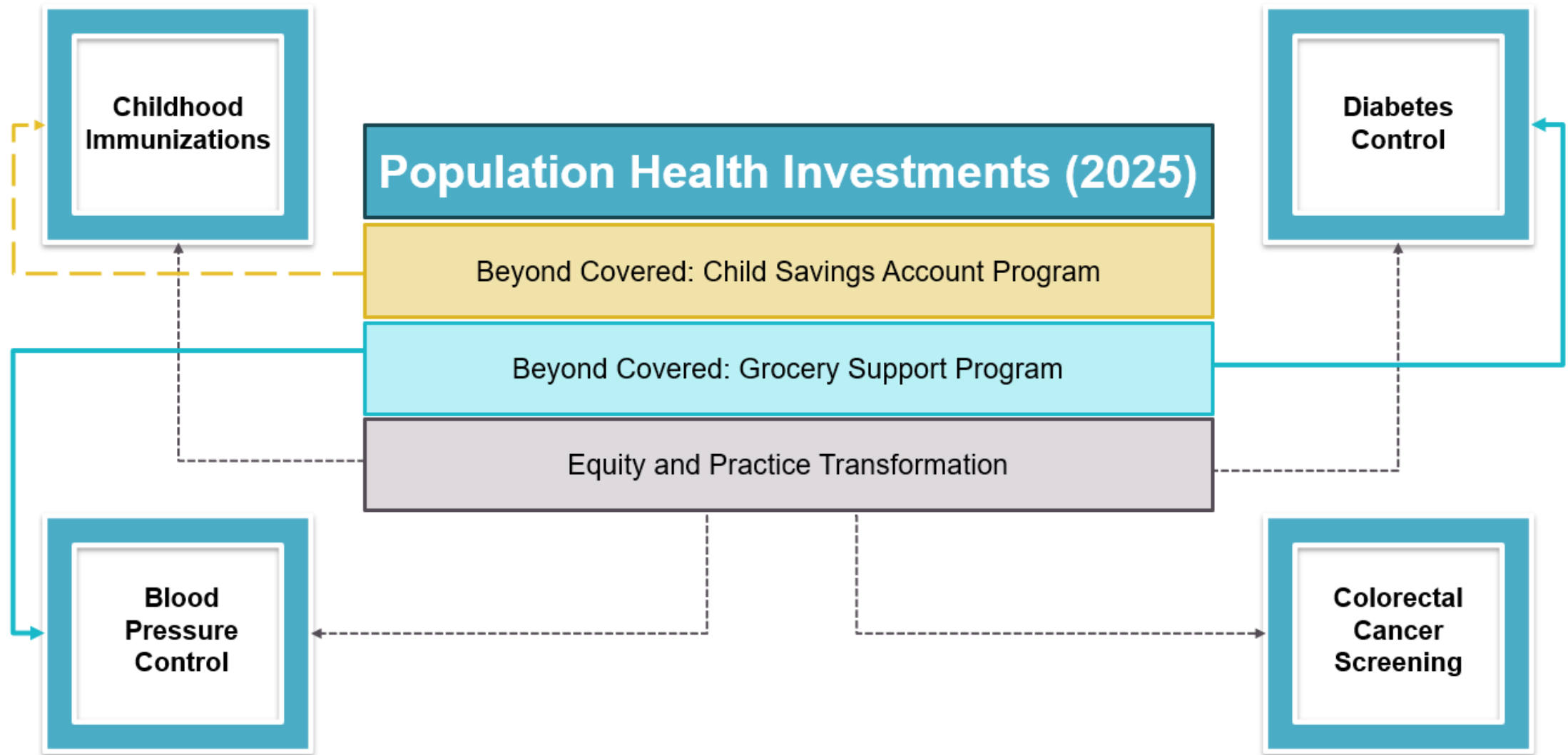
- ❑ Capabilities as captured by Population Health Management Capabilities Assessment Tool (PhmCAT)

Ongoing Data Collection – Regular Check-Ins (Every 3 Months):

PHLC will share:

- ❑ Overall EPT activities and participation
- ❑ Motivation to change
- ❑ Availability of practice-level data
- ❑ Capabilities and process improvements made by practices
- ❑ Examples: submitted deliverables, integration of external data sources, engagement with QHIOs, empanelment quality, continuity, access and time to next available appointment
- ❑ HEDIS-like measures
- ❑ Qualitative lessons of what was most helpful in enabling high performers and what barriers precluded others from making progress

MOVING THE NEEDLE ON QUALITY



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PROPOSED 2026 POPULATION HEALTH INVESTMENTS

S. Monica Soni, MD
Chief Medical Officer
Chief Deputy Executive Director,
Health Equity and Quality Transformation

GUIDING PRINCIPLES: USE OF FUNDS

Centered on goal to improve health outcomes for Covered California enrollees.



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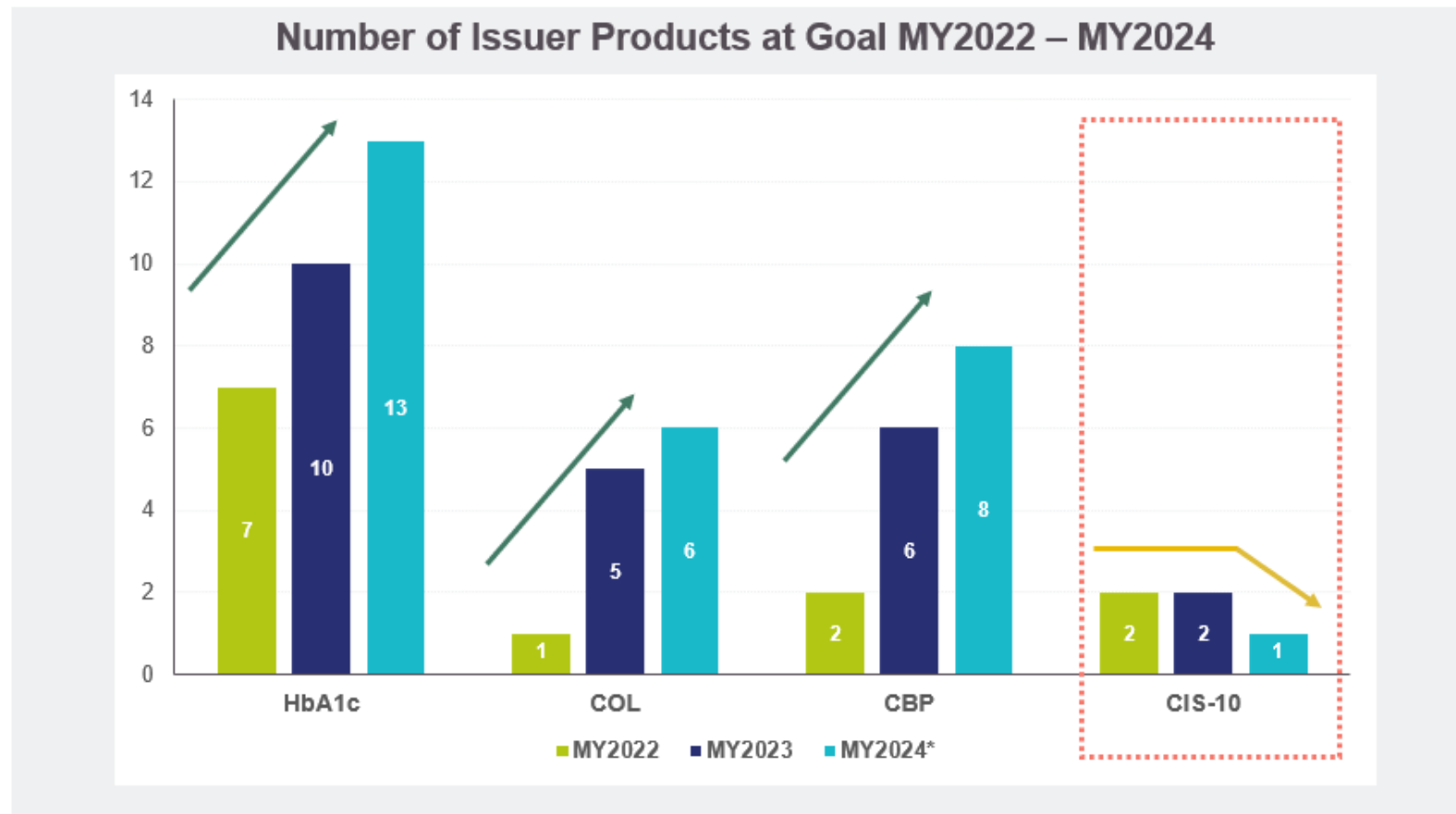
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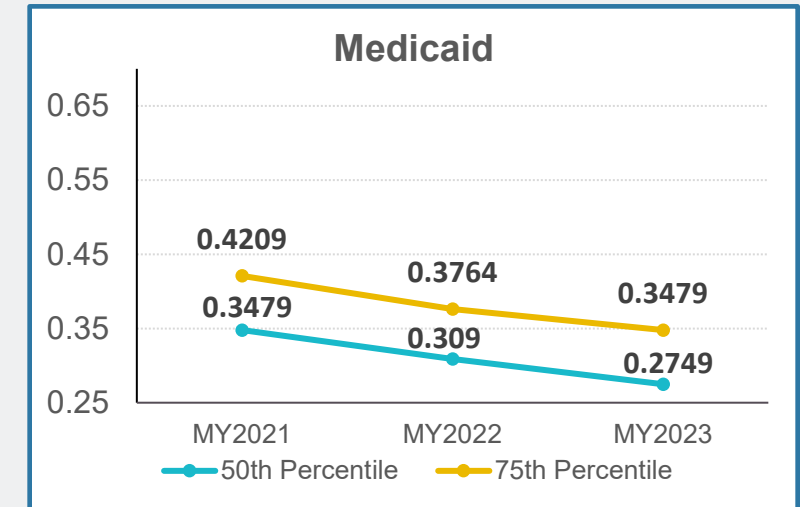
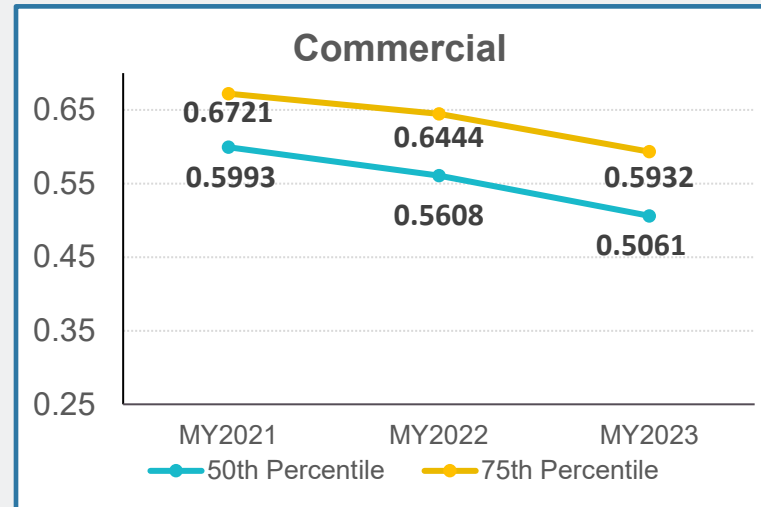
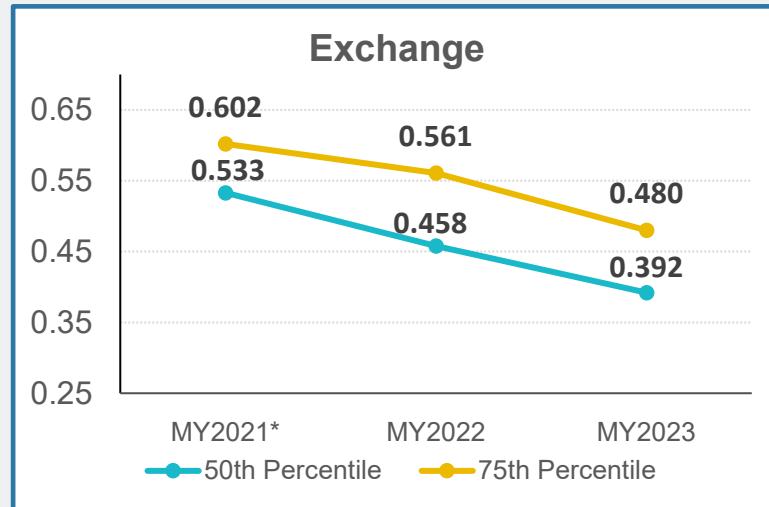
FORWARD PROGRESS ON ALL QTI MEASURES EXCEPT CIS-10

There has been a year-over-year increase in the number of products reaching the QTI goal of the 66th Percentile for HbA1c, COL, and CBP



ONGOING CHALLENGES WITH CHILDHOOD VACCINATION

National CIS-10 Trends



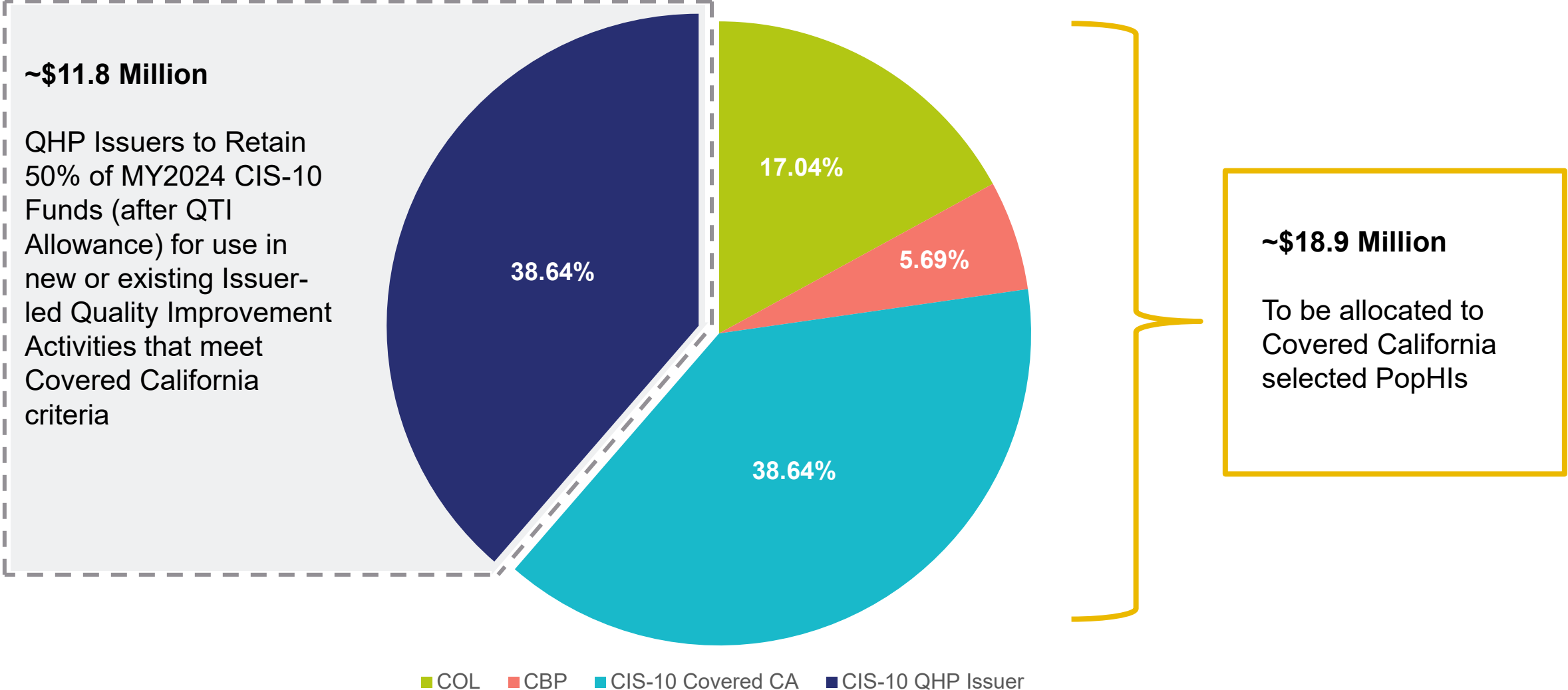
Factors that contribute to low performance on CIS-10 measure:

- ❑ Caregiver vaccine fatigue after COVID-19
- ❑ Healthcare systems are struggling with access in primary care and declines in usual source of care persist
- ❑ CDC allowable catch-up schedule is not fully captured in CIS-10 measure specifications
- ❑ Parental refusal of selected vaccines

*MY2021 Only reported, not scored

ESTIMATED 2026 QTI PAYMENT

MY2024 QTI Funds by Measure



PROPOSED 2026 POPULATION HEALTH INVESTMENTS

2025 PopHI Budget: **\$15.9M** → 2026 Estimated PopHI Budget: **\$18.9M**



1

Beyond Covered by Covered California: Child Savings Account Program – *Returning with Proposed Modifications*

- ❑ Rolling over funds to make the program multi-year to allow full encumbrance and allow families longer participation.
- ❑ Refine outreach strategies using insights on timing and messaging from 2025 PopHI implementation.



2

Beyond Covered by Covered California: Grocery Support Program – *Returning with Proposed Modifications*

- ❑ Considering expanded funding to meet demonstrated need and unmet demand in 2025.
- ❑ Use survey data to assess transportation and food access challenges, informing future refinements.
- ❑ Exploring removing the chronic illness filter to include increase eligibility, especially among non-English households.



3

Covered California Equity and Practice Transformation – *Returning with Proposed Modifications*

- ❑ Use CHCF-supported evaluation (E-LAB) to assess long-term capacity-building, impact and outcomes.
- ❑ Explore integration with HPPP PopHI to connect practice transformation with upstream workforce development strategies.

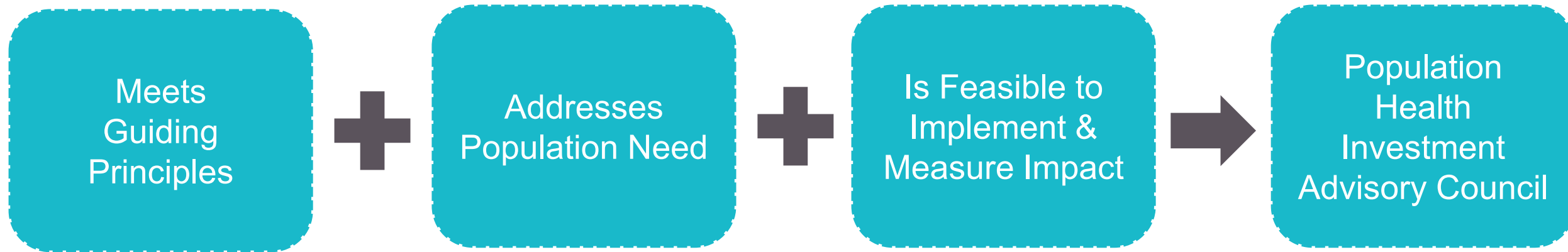


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Health Professions Pathways Program - *New*

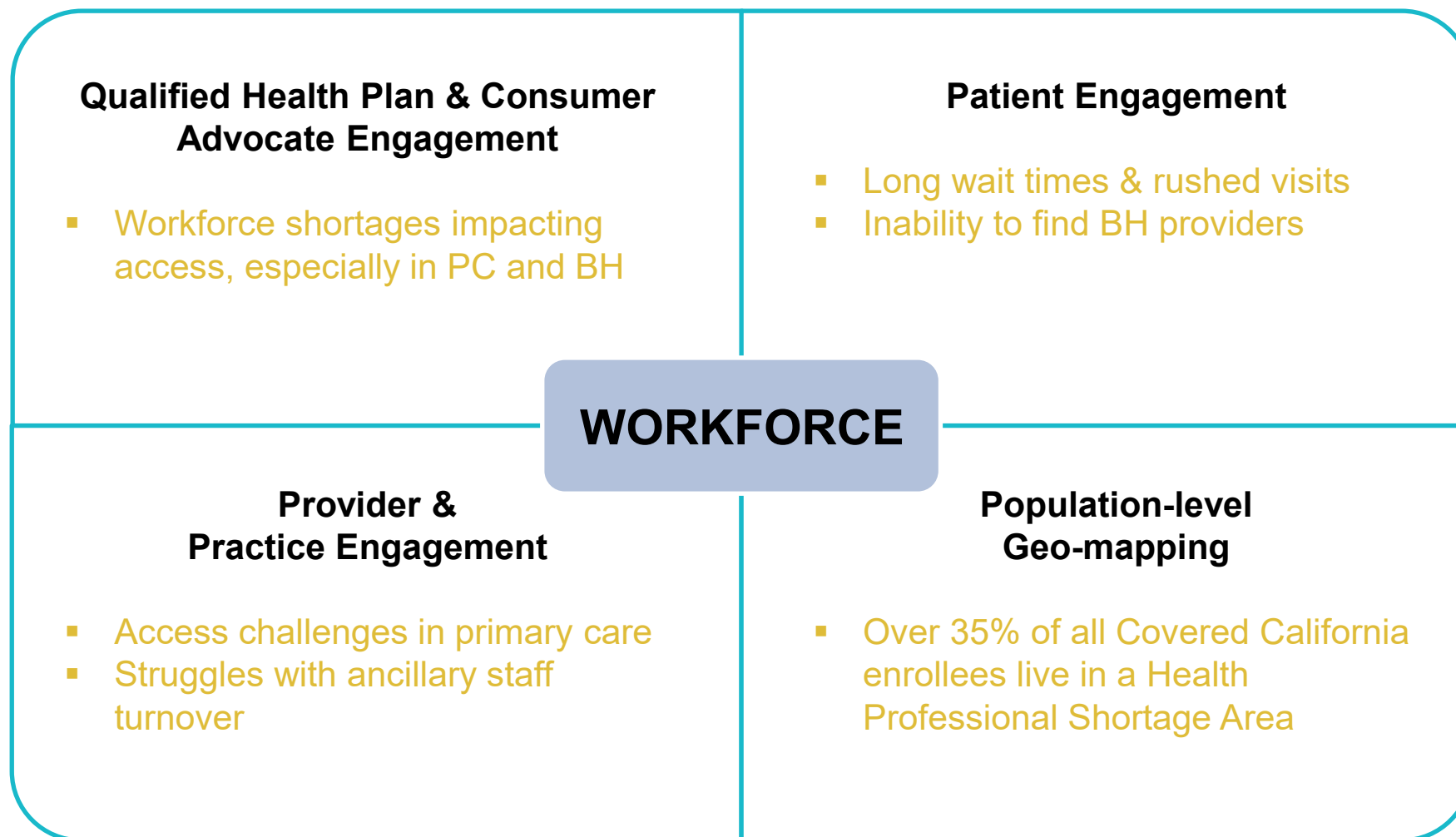
- ❑ Targets California workforce by focusing on select health professional shortage areas which most impact Covered California members.
- ❑ Leverage HCAI's HPPP infrastructure to invest in a health workforce that reflects Covered California's diversity while addressing shortages and inequities.

POPULATION HEALTH INVESTMENTS: SELECTION CRITERIA



POPULATION NEEDS ASSESSMENT

Consensus that workforce challenges hinder achievement of quality outcomes



CONSUMER ADVOCATE ENGAGEMENT

Goal: To receive feedback from Consumer Advocates on what barriers they perceive to most strongly impact achievement of quality care for members and how to advance health and wellness

Method: 1:1 meeting series, plan management advisory group, written comment opportunities

Themes and Learning

- ❑ Recommend working across siloes to bridge programs available in DHCS/Medi-Cal and other state departments given fluidity of enrollment and mixed family status
- ❑ Need to continue to **hold QHP issuers accountable for full spectrum of responsibilities, which includes access**, quality, and equity
- ❑ Address underlying financial barriers, not limited to just cost of coverage, but also related financial burden of access and other immediate health related social needs
- ❑ Ensure place-based and regional investments are not a proxy for addressing racial and ethnic inequities
- ❑ Increase transparency of quality and equity reporting at issuer level and across purchaser programs

QHP ISSUER ENGAGEMENT

Goal: To inventory current interventions deployed and remaining challenges plans face while striving for the 66th percentile for QTI measures

Method: 1:1 meeting series, carrier calls, plan management advisory group, written comments

Themes and Learning

- ❑ Significant new investments made in quality (new departments, staff, vendors), although some work did not ramp up until 2023 therefore impact not yet seen
- ❑ New senior and executive leadership commitment given financial impact
- ❑ Several new vendors launched, some with good success, but others without desired impact
- ❑ Increased incentive dollars utilized at member level targeting eligible members
- ❑ **Impacted or limited provider availability and workforce shortages**
- ❑ Increased in-home services (in-home lab testing and colorectal cancer screening mailers)
- ❑ Provider contracts with additional dollars or increased weighting of measures
- ❑ New infrastructure for direct to member outreach as well as enhanced data exchange
- ❑ Concern that plans are being held accountable for “non-compliant” members or families and that plans should be held harmless

PROVIDER ENGAGEMENT

Goal: To gain insights into the challenges and barriers practices face in delivering quality care for Covered California members for consideration in Population Health Investment selection

Method: 1:1 listening sessions with practices with large volumes of attributed Covered California members

Themes and Learning

- ❑ Payor-agnostic practice patterns and workflow
- ❑ **Challenges with access for patients in primary care, pediatrics, and ancillary services for preventive screenings**
- ❑ **Struggles with workforce turnover: provider, nursing staff, and ancillary staff such as technicians and front and back office**
- ❑ Sub-optimal data exchange, lack of interoperability & inconsistent electronic medical record use, especially in small, independent practices
- ❑ Desire to engage with community-based organization to address health-related social needs, but varying levels of capacity and maturity

PATIENT ENGAGEMENT

Goal: To gain insights into the challenges and barriers members face in managing their health conditions that will inform selection of Population Health Investments

Method: Outbound calls made to members with a diagnosis of diabetes and/or hypertension to gather qualitative feedback on successes and challenges with chronic disease management

Themes and Learning

- ❑ Attempts to adopt healthier habits, although barriers like affordability or time often hinder their efforts
- ❑ Rising out of pocket and premium costs pose significant financial challenges for some members
- ❑ Difficulties finding culturally sensitive care or desired providers
- ❑ **Challenges with access including rushed consultations and long wait time for appointments**
- ❑ Personal barriers experienced that prevent some members from obtaining food, such as changes in the economy and current job situations
- ❑ Attempts to try to save money or ration food on a weekly basis
- ❑ Barriers related to transportation, such as not having enough money for gas or needing to take a bus distances to go grocery shopping
- ❑ Additional financial concerns and advocacy for funds to help support utility bills and/or rent
- ❑ Members concluded that additional monetary support in the range of \$100-\$200 / month would be most beneficial

CALIFORNIA'S GROWING PRIMARY CARE CRISIS AND WORKFORCE DISPARITIES

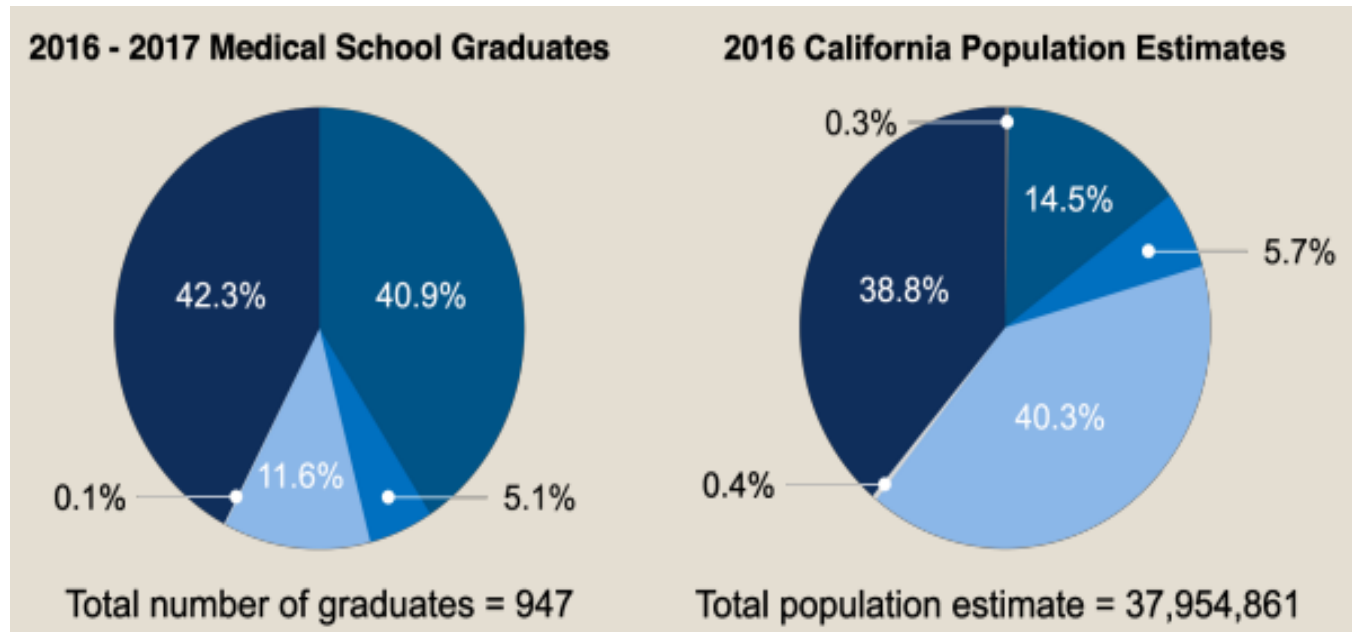
Critical Shortage of PCPs

- ~7 million Californians live in HPSAs
- Aging population and growing demand will worsen shortages; **projected gap of 4,100 PCPs by 2030**

Persistent Racial and Linguistic Gaps

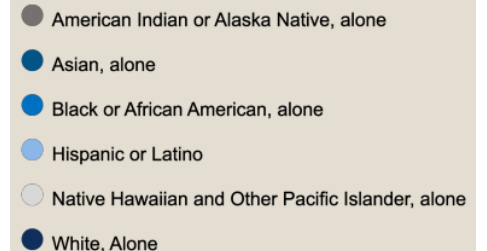
- Latino physicians are severely underrepresented – would take **five (5) centuries** to reach parity if trends continue.

Figure 1. Share of California medical school graduates vs. California's population by race and ethnicity for 2016-2017.



Note: The total state population estimate excludes non-Hispanic/Latino and Hispanic/Latino populations who reported "some other race alone" or "two or more races".

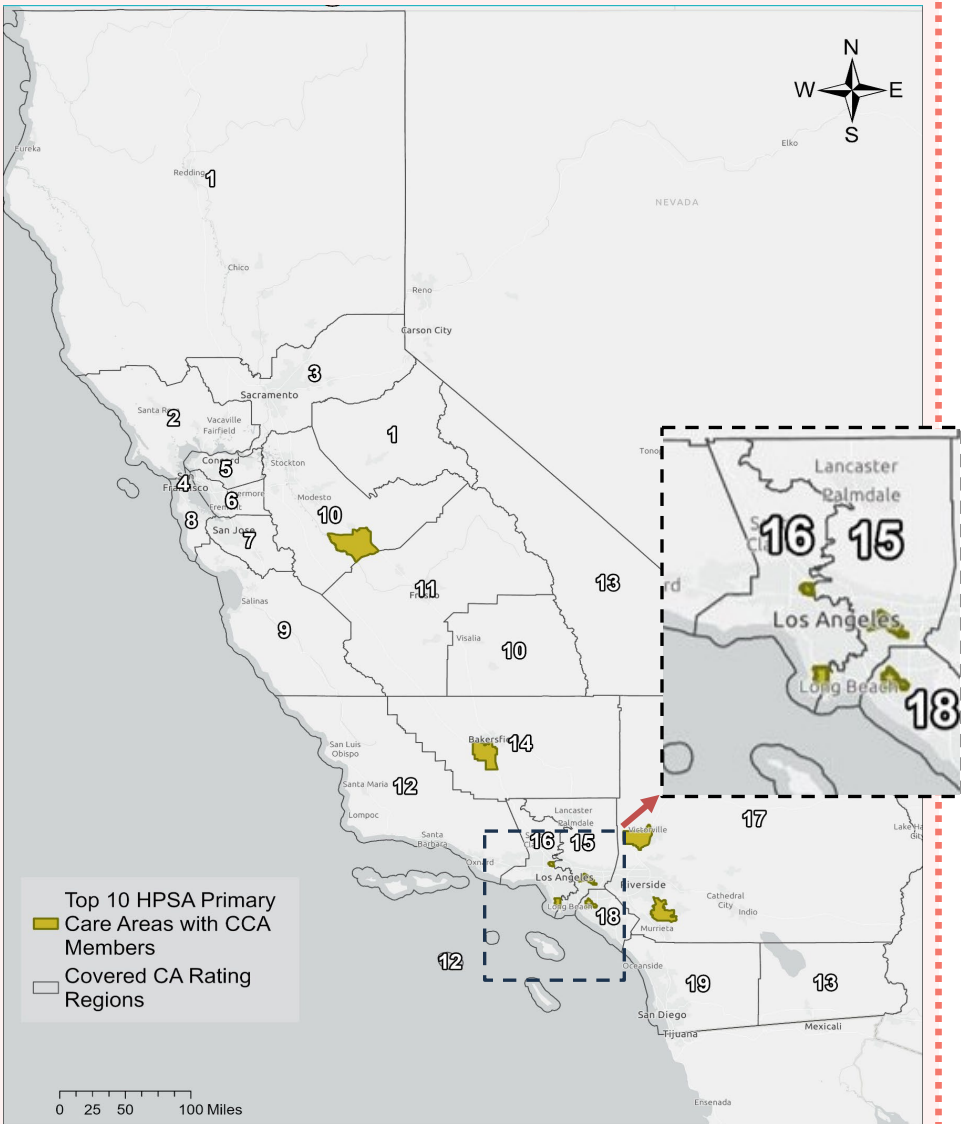
Sources: AAMC Data & Facts Table B-6.1 for total graduates by U.S. Medical School and Race/Ethnicity (alone) (GME year 2016-2017). Data excludes percentage estimates for other race/ethnicity; multiple race/ethnicity; unknown race/ethnicity; and non-U.S. citizens or non-permanent residents. U.S. Census Bureau, 2016 American Community Survey (ACS) 1-Year Estimates for Total Population by Race (Table B02001) and Hispanic or Latino Origin by Race (Table B03002).



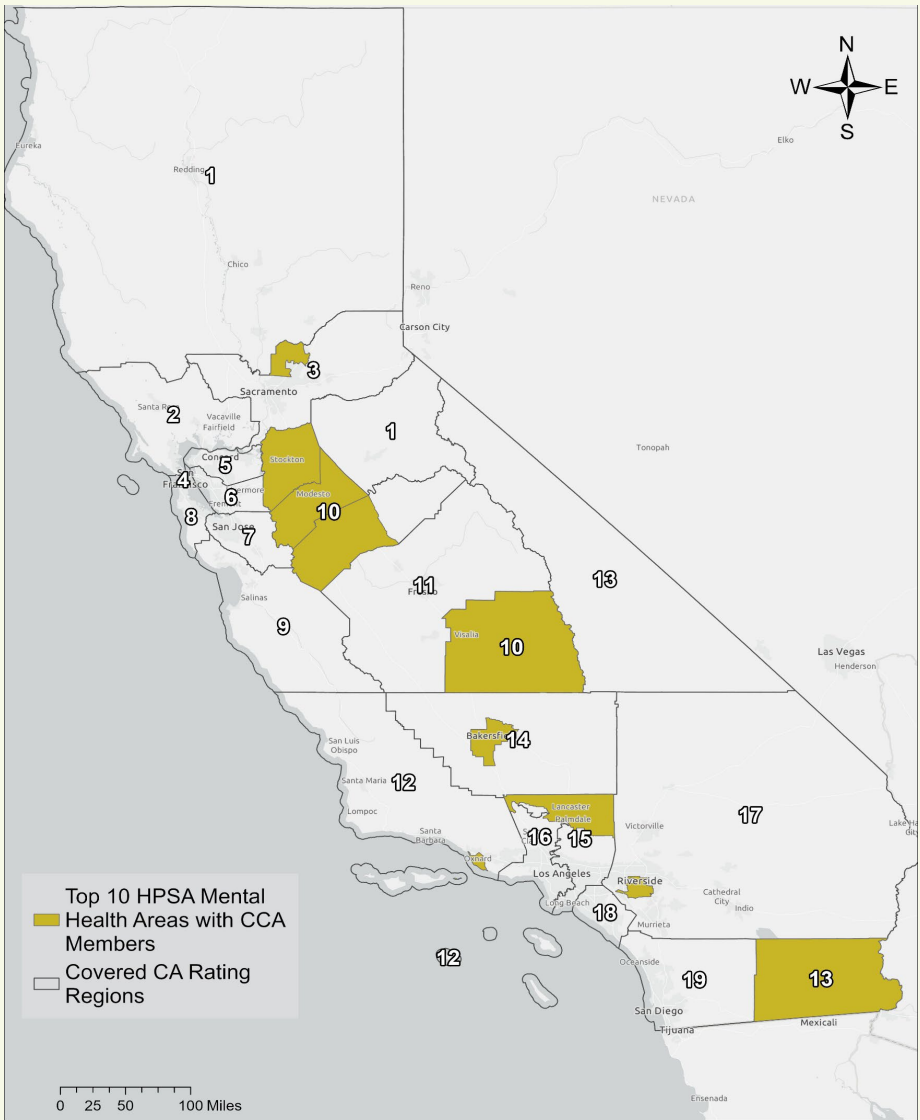
Source: California's Physician Shortage: Brief. In UCLA Latino Policy & Politics Institute.
<https://latino.ucla.edu/wpcontent/uploads/2021/08/LPPI-CPS-Summary.pdf>

IMPACT OF WORKFORCE SHORTAGES ON CCA ENROLLEES

Primary
Care
HPSAs with
Highest
Count of
Covered
California
Members



Mental
Health
HPSAs with
Highest
Count of
Covered
California
Members



Analysis includes Covered California members identified as enrolled & pending from 2024 pulled from CalHEERS on 6/5/25

COVERED CALIFORNIA MEMBERS LIVING WITHIN A HPSA

Over 35% of all Covered California enrollees live in a Health Professional Shortage Area.

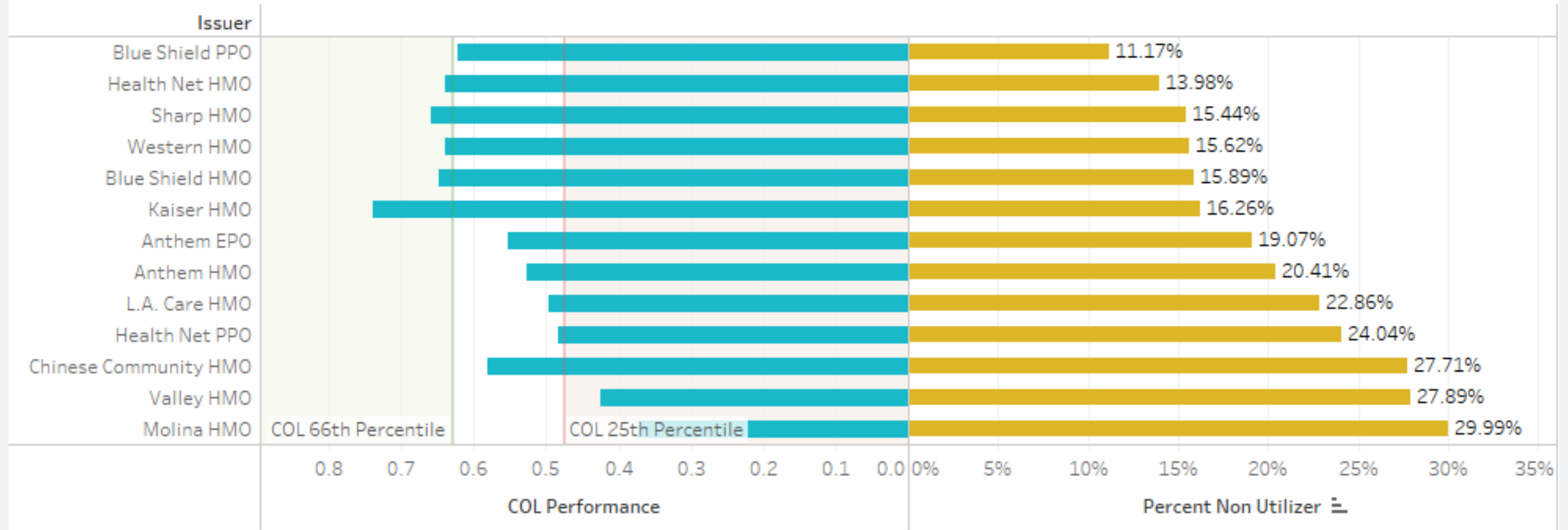
HPSA Designation	Count of Unique Members	Percent of Total Members
Primary Care	263,298	16.60%
Mental Health Care	486,414	30.68%
HPSA Member (Any HPSA)	558,874	35.25%
HPSA Member (Both HPSAs)	190,838	12.04%

Analysis includes Covered California members identified as enrolled & pending from 2024 pulled from CalHEERS on 6/5/25

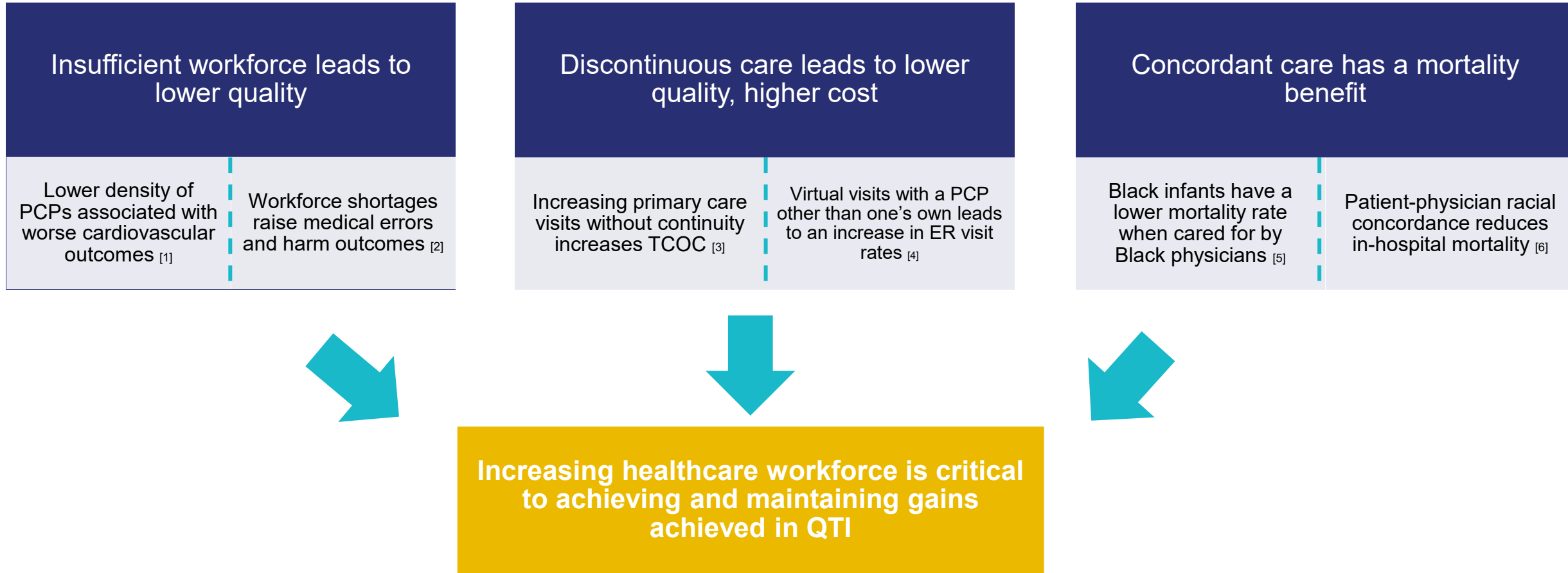
ACCESS TO PRIMARY CARE IS KEY DRIVER OF QTI MEASURE PERFORMANCE

COL

MY2023 QTI Colorectal Cancer Screening rates >66th percentile track with higher utilization rates



IMPACTED HEALTHCARE WORKFORCE LEADS TO WORSE OUTCOMES

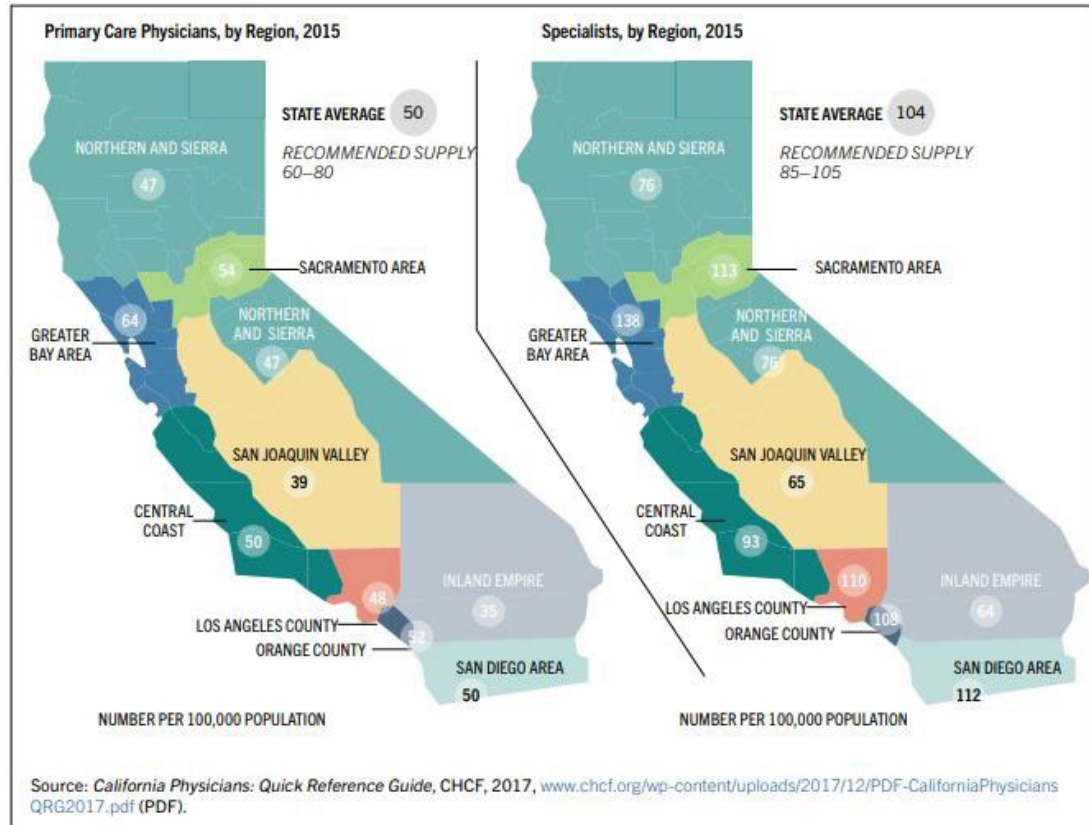


See appendix for references

A LONGSTANDING PROBLEM WILL WORSEN IF WE DON'T CHANGE OUR APPROACH

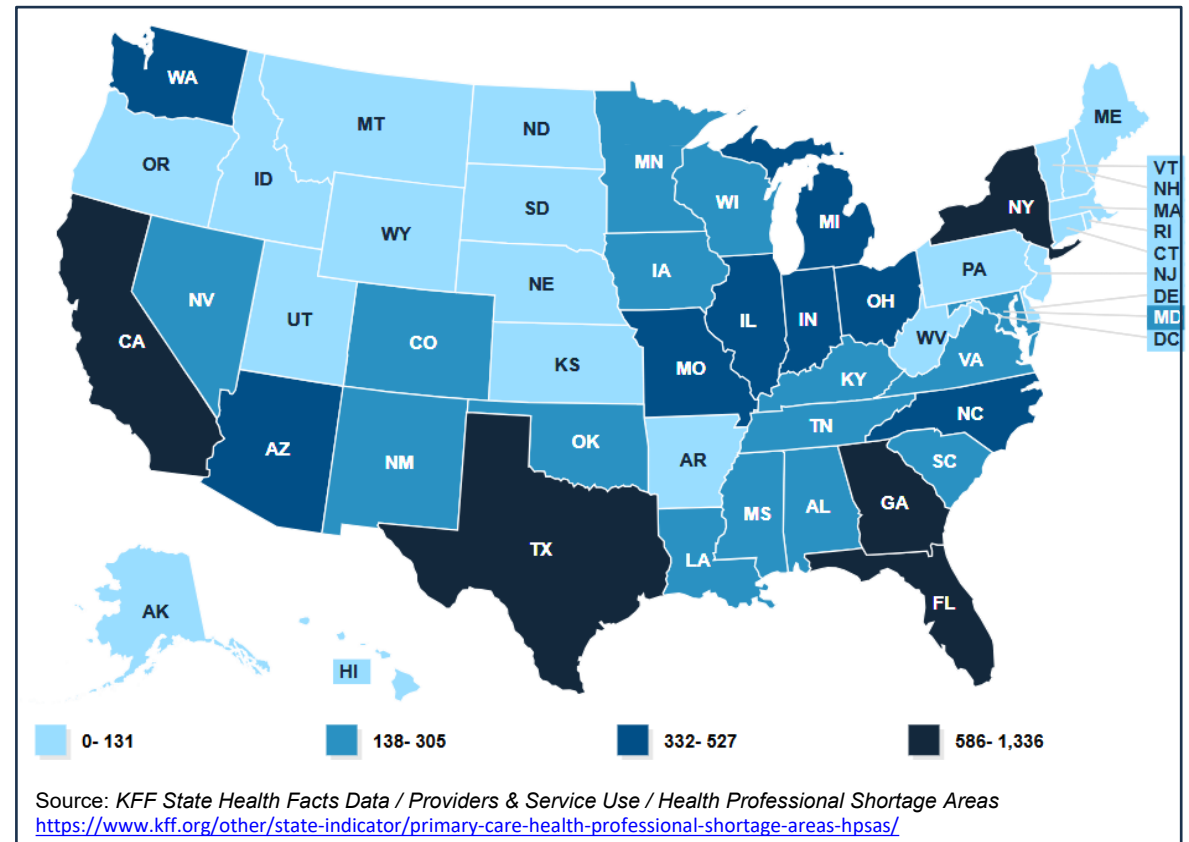
2015: California statewide and regional primary care physician shortages

Figure 2. Supply of Primary Care Physicians and Specialists in California, by Region, 2015



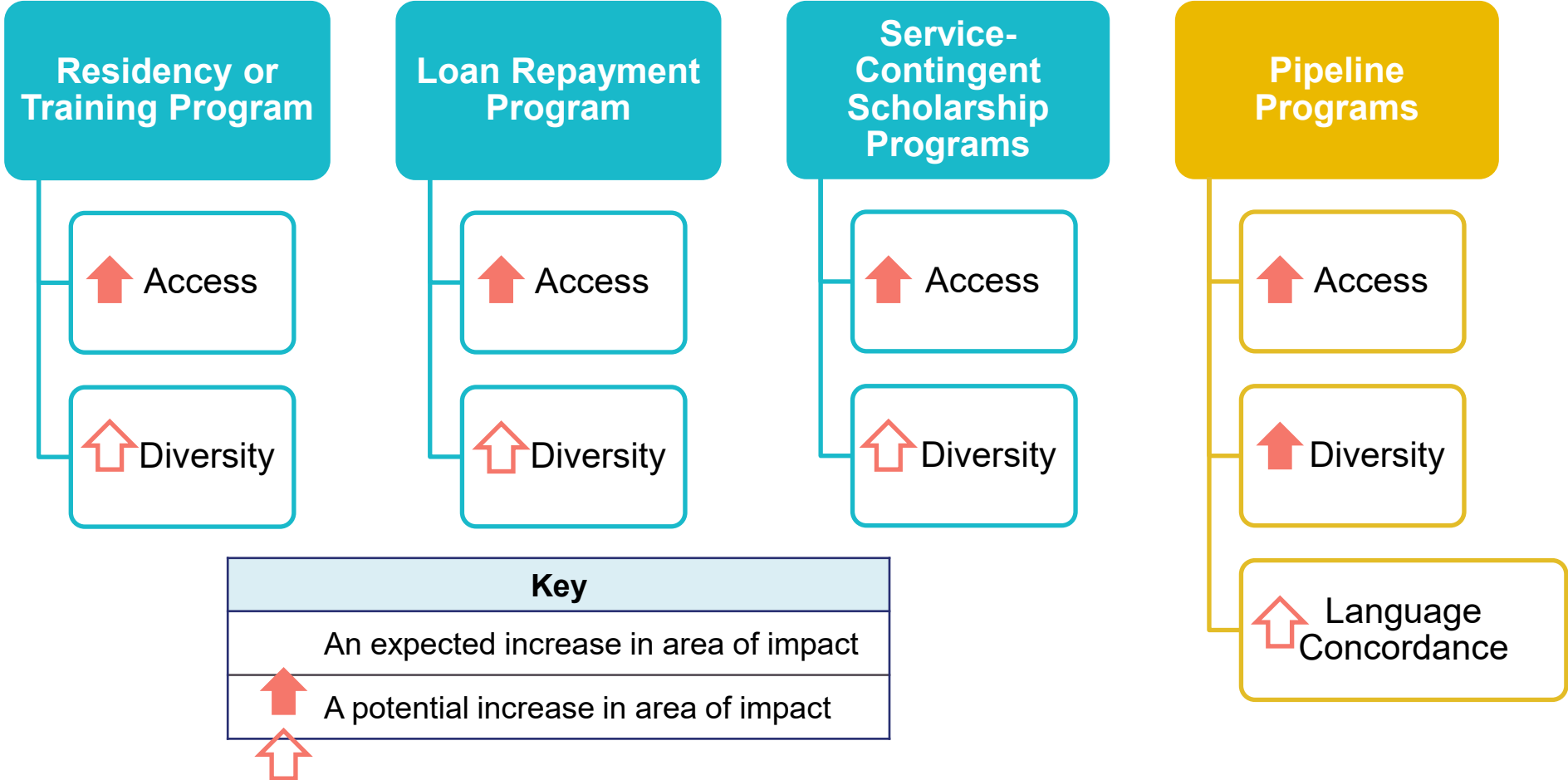
2025: California is one of several states with highest number of PCPs needed

Number of Practitioners Needed to Remove Primary Care HPSA Designations, by State (12/31/24)



CLEAR EVIDENCE SUPPORTING HEALTH WORKFORCE

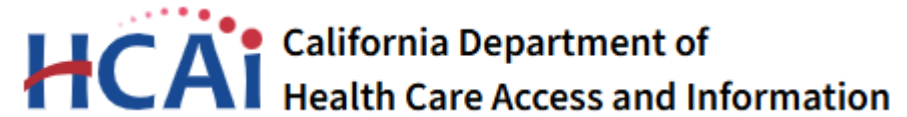
Evidence shows that pipeline programs, known also as career pathway programs, can have a positive impact on access, diversity, and language concordance by targeting support towards students from under-represented backgrounds.



Rittenhouse et. al. (2021). Health Workforce Strategies for California: A Review of the Evidence. California Health Care Foundation. <https://www.chcf.org/wp-content/uploads/2021/04/HealthWorkforceStrategiesReviewEvidenceInfographic.pdf>

HEALTH PROFESSIONS PATHWAY PROGRAM

The Health Professions Pathway Program (HPPP) supports and encourages underrepresented and disadvantaged individuals to pursue health careers to develop a more culturally and linguistically competent healthcare workforce.



HPPP expands and diversifies California's health workforce for underserved areas and populations by supporting the following activities:

- ❑ Pipeline programs that provide comprehensive academic enrichment, career development, mentorship, and advising support to students to pursue health careers
- ❑ Paid summer internships for undergraduate students
- ❑ One-year post-undergraduate fellowships
- ❑ One-year post-baccalaureate scholarships
- ❑ Conference and/or workshop series aimed at informing individuals of opportunities in health professional careers
- ❑ Support and technical assistance to health professional schools and colleges, as well as to student and community organizations active in minority health professional development
- ❑ Research and data analysis in the field of minority and disadvantaged health professional development

PROPOSED POPHI: HEALTH PROFESSIONS PATHWAYS PROGRAM (HPPP)

Proposed PopHl Structure



- ❑ Leverage HCAI's HPPP infrastructure to invest in a health workforce that reflects Covered California's diversity while addressing shortages and inequities



- ❑ Provide grantee organizations with funds to support programs that encourage individuals to pursue health careers through advising/career development programs, summer internships, post undergraduate fellowships, and post baccalaureate scholarships



- ❑ Tailor the grant program to focus on workforce shortage areas where Covered California members reside and health professions that manage the chronic conditions and preventive care measured by QTI



- ❑ Short-term output includes diverse students participating in pathways programs
- ❑ Long-term output includes diverse professionals entering the health workforce to better serve Covered California members

FEEDBACK THEMES TO DATE

4



Health Professions Pathways Program

Advisory Council

- ❑ Acknowledged importance of investing in workforce diversity and culturally/linguistically concordant care to improve access and trust
- ❑ General support for the idea that upstream workforce investments are aligned with Covered California's mission to address systemic barriers to health equity
- ❑ Encouraged further demonstration on direct link to Covered California's members and the QTI measures
- ❑ Some members raised concerns about the long-term nature of workforce investments, asking whether this approach yields meaningful short-term impact for enrollees
- ❑ Suggestions to enhance program focus and design: expanding scope to consider ancillary professions like medical assistants, CHWs, and translators, especially for populations facing language access barriers and recommendation to evaluate program

QHP Issuers

- ❑ Two issuers were concerned that this PopHI would not impact QTI metrics
- ❑ Two issuers requested a formal evaluation to assess long-term workforce diversity outcomes
- ❑ One issuer recommended preferentially expanding PopHI to include member-centered supports such as transportation assistance and community-based outreach to close preventive care gaps
- ❑ One issuer requested funds are returned to QHP issuer preferentially for their own programming

MODIFICATIONS BASED ON FEEDBACK

4



Health Professions Pathways Program

To strengthen alignment with field needs and feedback from QHP Issuers and Advisory Council, Covered California is exploring the following program design changes:

- ❑ Refining Scoring Methodology – Increase scoring for programs focused on **primary care and behavioral health workforce**; exploring allied health workforce needs
- ❑ Adjusting Program Focus – Exploring shifts in investment toward more **downstream opportunities** (e.g., post baccalaureate programs)
- ❑ Reviewing Grant Agreement Terms – Considering **opportunities for grantees** to interact directly with public purchasers, learn about quality metrics such as those in QTI, and engage with in-network primary care practices
- ❑ Launching a Formal Program Evaluation – Covered California plans to fund an external evaluation to **assess long-term impact and effectiveness**

HEALTH PROFESSIONAL INVESTMENTS

Meets
Guiding
Principles



Addresses
Population Need



Is Feasible to
Implement &
Measure Impact

- ✓ *Equity First*
- +/- *Direct*
- ✓ *Evidence-Based*
- ✓ *Additive*

- ✓ *Supports needed workforce investments communicated by all stakeholders*

- ✓ *Utilizes existing infrastructure*
- +/- *Measurement of long-term impact*

MOVING THE NEEDLE ON QUALITY



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

ANNUAL AUDIT ACTIVITIES BOARD REPORT

Kirk Marston, Chief Audit Executive, Office of Audit Services

BACKGROUND & PURPOSE OF THE AUDIT ACTIVITIES REPORT

Background

California Government Code §13886.5	<ul style="list-style-type: none">A state organization’s internal audit office must follow the internal auditing standards set forth by the Institute of Internal Auditors.
The Internal Audit Standards	<ul style="list-style-type: none">The Audit Committee’s responsibilities must be listed within an Internal Audit Charter.The internal audit office must functionally report to the Audit Committee.
Covered California’s Audit Committee	<ul style="list-style-type: none">Comprised of two Board members: Sumi Sousa and Craig Cornett.
Covered California’s Internal Audit Charter	<ul style="list-style-type: none">Renewed and approved during the December 18, 2024 Audit Committee Meeting.The Committee will “communicate with the Board at least annually regarding audit resources, activities, issues, and recommendations.”

Purpose

To assure the Board that the Office of Audit Services and the Audit Committee are promoting effective operations and appropriate oversight at Covered California by reporting on its audit resources, activities, issues, and recommendations for Fiscal Year 2024–25.

FISCAL YEAR 2024-25 INTERNAL AUDITS

Title	Objective	# of Recommendations	# CAPs Implemented	# CAPs In-Progress
CalHEERS Help Desk Ticket Audit	To determine whether the corrective actions for the recommendations pertaining to the CalHEERS help desk ticket process within the 2018 Programmatic Audit were implemented and working as intended to mitigate the risks identified by the external auditor.	0	N/A	N/A
Business Continuity Plan Audit	To determine whether all applicable government-required business continuity program elements are addressed within Covered California's Business Continuity Plan.	1	1	0
Travel Expense Reimbursement Audit	To obtain reasonable assurance that reimbursements of expense claims comply with the state's travel expense regulations.	1	1	0
CalHEERS Manual Override Audit	To assess whether internal controls over CalHEERS manual override functionalities are operating appropriately.	3	1	2
Follow-Up on State Personnel Board's Compliance Review	To assess the progress and effectiveness of corrective actions taken in response to findings identified in the State Personnel Board's Compliance Review Report.	6	0	6
State Privacy Requirements Audit	To assess the Privacy Office's compliance with state privacy requirements protecting consumer personal information.	2	0	2
Patch Management Controls Audit	To verify if the Information Technology Division's management controls of security patches for workstations comply with federal requirements.	In Progress		
Contract Management Audit	To determine whether contracts managed by the Policy, Eligibility, and Research Division are adequately monitored in accordance with policies, procedures, and applicable requirements.	In Progress		
Advertising Contracts Audit	To determine whether advertising contracts are adequately monitored in accordance with policies, procedures, and applicable requirements.	In Progress		

FISCAL YEAR 2024-25 EXTERNAL AUDITS

Title	Objective	# of Recommendations	# CAPs Implemented	# CAPs In-Progress
2024 Programmatic Audit <i>(performed by BerryDunn)</i>	To evaluate Covered California's operations, program compliance, and administrative functions in accordance with 45 Code of Federal Regulations (CFR) Part 155.	6	1	5
FY 2023-24 Financial Statements Audit <i>(performed by Macias, Gini, & O'Connell LLP)</i>	To obtain reasonable assurance regarding whether Covered California's financial statements as a whole are free from material misstatement, whether due to fraud or error.	0	N/A	N/A
Payroll Audit <i>(performed by the State Controller's Office)</i>	To determine if Covered California maintains adequate and effective internal controls over its payroll process, processes payroll and payroll-related disbursements and leave balances accurately and in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures, and administers salary advances in accordance with collective bargaining agreements and state laws, regulations, policies, and procedures.	8	8	0
Duplicate Government Sponsored Health Care Coverage Audit <i>(This is an audit on the Centers for Medicare & Medicaid Services performed by the Government Accountability Office.)</i>	To assess if Covered CA enrollees are also enrolled in other State programs and have dual coverage (e.g., enrollment in other state Medicaid programs, Children's Health Insurance Program, and Exchanges). <i>Note: Covered California was surveyed in support of this audit.</i>	N/A	N/A	N/A

FISCAL YEAR 2024-25 OTHER ACTIVITIES

Title	Objective
Internal Audit Charter	To establish OAS' position with Covered California, define the scope of activities, and outline the roles and responsibilities of OAS and the Audit Committee. – <i>Approved 12/18/2024</i>
CalHEERS Invoice Management Process Advisory Engagement	To identify areas for improvement and provide actionable recommendations to enhance efficiency and accuracy within the CalHEERS invoice management process (performed by BerryDunn; managed by OAS). – <i>In Progress</i>
Improper Payment Pre-Testing and Assessment (IPPTA)	To prepare state-based exchanges for the planned measurement of improper payments. – <i>In Progress</i>
Internal Audit Policies and Procedures Manual Revision	To identify and revise the sections of the Internal Audit Policies and Procedures Manual that require modifications to align with the new <i>Global Internal Audit Standards</i> . – <i>Completed</i>
Quality Assurance and Improvement Program – Internal Assessment of Fiscal Year 2023-24	To assess the efficiency and effectiveness of the Office of Audit Services' practices as well as to evaluate its conformance with the IIA Standards for the period of Fiscal Year 2023-24. – <i>Completed</i>
Annual Risk-Based Internal Audit Plan	To create a risk-based internal audit plan for Fiscal Year 2025-26 that focuses on the organization's processes that have the most risk exposures. – <i>Approved 6/20/2025</i>

FISCAL YEAR 2025-26 INTERNAL AUDIT PLAN

Process Under Review	Audited Business Area(s)	Objective	Associated Strategic Pillar	Start Timeframe	Estimated End Timeframe
<u>Carryover from FY 2024-25 Internal Audit Plan</u>					
Patch Management Controls	Information Technology Division	To verify if the Information Technology Division's management controls of security patches for workstations comply with federal requirements.	Organizational Excellence	FY 2024-25 Quarter 3	FY 2025-26 Quarter 1
Contract Management	Policy, Eligibility, and Research Division	To determine whether contracts managed by the Policy, Eligibility, and Research Division are adequately monitored in accordance with policies, procedures, and applicable requirements.	Affordable Choices	FY 2024-25 Quarter 3	FY 2025-26 Quarter 1
Advertising Contracts	Marketing Division	To determine whether advertising contracts are adequately monitored in accordance with policies, procedures, and applicable requirements.	Reaching Californians	FY 2024-25 Quarter 3	FY 2025-26 Quarter 1

FISCAL YEAR 2025-26 INTERNAL AUDIT PLAN

Process Under Review	Audited Business Area	Objective	Associated Strategic Pillar	Intended Start Timeframe	Estimated End Timeframe
Internal Audits for Fiscal Year 2025-26					
FMLA Compliance	Human Resources Branch	To assess HRB's compliance with Family Medical Leave Act (FMLA) leave of absence, notification, and certification procedures, in accordance with state and federal regulations.	Organizational Excellence	FY 2025-26 Quarter 1	FY 2025-26 Quarter 3
Hardware Asset Management	Information Technology Division	To assess the Information Technology Division's effectiveness in managing Covered California's hardware asset tracking and inventory processes.	Exceptional Service	FY 2025-26 Quarter 1	FY 2025-26 Quarter 3
Health Plan Payments	Plan Management Division	To determine whether cost sharing reduction payments made to contracted health plans are accurate and timely.	Affordable Choices	FY 2025-26 Quarter 2	FY 2025-26 Quarter 4
Physical Security	Business Services Branch	To determine whether the Business Services Branch's procedures comply with all applicable regulations to effectively ensure optimal physical security for Covered California's facilities.	Organizational Excellence	FY 2025-26 Quarter 2	FY 2025-26 Quarter 4
Navigator Grant Contracts	Outreach and Sales Division	To assess whether Navigators are effectively monitored to ensure compliance with the performance standards specified in their grant contracts.	Reaching Californians - Affordable Choices	FY 2025-26 Quarter 3	FY 2025-26 Quarter 4
* Agent Agreements	Outreach and Sales Division	To assess whether Agents are effectively monitored to ensure compliance with their agreements.	Reaching Californians - Affordable Choices	FY 2025-26 Quarter 3	FY 2025-26 Quarter 4
* Surge Vendor User Access Audit Follow-Up	Service Center Division	To determine whether the corrective actions taken in response to the recommendations from the 'Service Center Surge Vendor User Access Audit' have been effectively implemented and are operating as intended to mitigate the risks identified by the Office of Audit Services.	Organizational Excellence	FY 2025-26 Quarter 3	FY 2025-26 Quarter 4

FISCAL YEAR 2025-26 INTERNAL AUDIT PLAN

Process Under Review	Requesting Business Area	Objective	Associated Strategic Pillar	Start Timeframe	Estimated End Timeframe
<u>Advisory Engagements for Fiscal Year 2025-26</u>					
Population Health Initiative	Equity & Quality Transformation Division	To evaluate the effectiveness and integrity of the eligibility determination, outreach, and funding processes for the Grocery Support Program and Child Savings Account Program under Covered California's Population Health Initiative.	Quality Care	FY 2025-26 Quarter 1	FY 2025-26 Quarter 2
Employee Engagement Survey	Office of Organizational Culture, Inclusion, & Engagement	To assess the effectiveness and oversight of data collection and follow-up processes related to employee engagement surveys.	Organizational Excellence	FY 2025-26 Quarter 2	FY 2025-26 Quarter 3
Case Inquiry Backlog	Ombuds Office	To assess whether the Ombuds Office's process improvements to address the backlog of case inquiries are working as intended to achieve the desired outcomes.	Exceptional Service	FY 2025-26 Quarter 2	FY 2025-26 Quarter 3



PUBLIC COMMENT

CALL: (877) 336-4440

PARTICIPANT CODE: 6981308

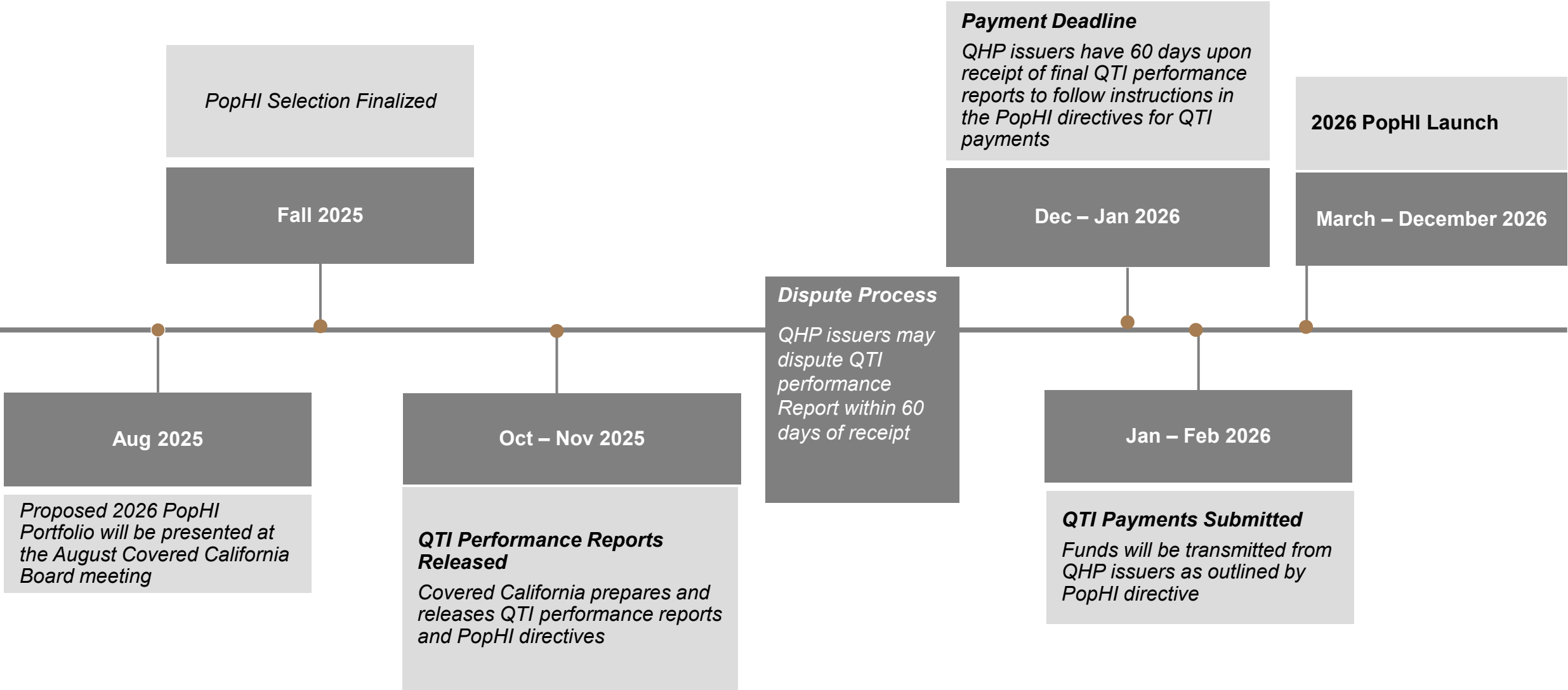
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APPENDIX - PROPOSED 2026 POPULATION HEALTH INVESTMENTS

TIMELINE



REFERENCES

1. Abdul Jabbar AB, Talha KM, Nambi V, Abramov D, Minhas AMK. Primary care physician density and mortality in the United States. J Natl Med Assoc. 2024 Oct;116(5):600-606. doi: 10.1016/j.jnma.2024.10.001. Epub 2024 Oct 16. PMID: 39455301.
2. Ayala R, Tong S. Workforce shortages and their impact on patient safety and outcomes. J Health Ethics Admin. 2025;11(1):e71649. doi:10.22461/jhea.1.71649
3. Sonmez D, Weyer G, Adelman D. Primary Care Continuity, Frequency, and Regularity Associated With Medicare Savings. JAMA Netw Open. 2023;6(8):e2329991. doi:10.1001/jamanetworkopen.2023.29991
4. Lapointe-Shaw L, Salahub C, Austin PC, et al. Virtual Visits With Own Family Physician vs Outside Family Physician and Emergency Department Use. JAMA Netw Open. 2023;6(12):e2349452. doi:10.1001/jamanetworkopen.2023.49452
5. B.N. Greenwood, R.R. Hardeman, L. Huang, & A. Sojourner, Physician–patient racial concordance and disparities in birthing mortality for newborns, Proc. Natl. Acad. Sci. U.S.A. 117 (35) 21194-21200, <https://doi.org/10.1073/pnas.1913405117> (2020).
6. Andrew J. Hill, Daniel B. Jones, Lindsey Woodworth, Physician-patient race-match reduces patient mortality, Journal of Health Economics, Volume 92, 2023, 102821, ISSN 0167-6296, <https://doi.org/10.1016/j.jhealeco.2023.102821>.