



October 6, 2016

Secretary Burwell
Attention: CMS-9934-P
Centers for Medicare & Medicaid Services,
Department of Health and Human Services
P.O. Box 8016
Baltimore, MD 21244-8016

Re: Covered California comments on Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters (NBPP) for 2018; CMS-9934-P (RIN 0938-AS95) – **Request for Comments on Innovation in Qualified Health Plans**

Dear Secretary Burwell,

Covered California is submitting comments in response to the proposed regulations CMS-9934. The comments in this letter pertain to innovative strategies Qualified Health Plans can deploy in providing quality, cost-effective health care that responds to consumers' preferences and needs. Covered California has also submitted comments on the following additional areas: [FFE user fee](#), [standardize options and differential display](#), [direct enrollment and web-based entities](#), and [proposals affecting the Small Business Health Options Program](#).

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 is totally aligned with the broad goals of the Affordable Care Act. Covered California believes that its approach to aligning efforts to promote improvements in the delivery of care is the sort of innovative strategy that HHS, State-based marketplaces and qualified health plans should adopt.

By entering into contractual agreements with Covered California, health plans commit to work with Covered California to develop and implement policies that promote the Triple Aim. Implementation of these initiatives will be designed to positively impact the full membership served by the plans participating in Covered California. In the first three years of enrollment, Covered California set broad goals derived from the Affordable Care Act and required health plans to report how their individual and separate strategies were supporting those goals.

Covered California's contract terms build on the CMS requirement that Qualified Health Plans implement a Quality Improvement Strategy for 2017. From its founding, Covered California has engaged in a multi-stakeholder process with other California purchasers, health plans, providers and consumer advocates to develop a robust set of initiatives. This work culminated in all

eleven contracted health plans adopting a common strategy in partnership with Covered California so that providers have a consistent set of priorities and target metrics to achieve.

Contracted health plans commit to taking concrete steps related to all elements of the quality improvement and delivery system reform strategy including:

- Accountability for quality performance in developing their provider networks for Covered California enrollees;
- Alignment with the Center for Medicare and Medicaid Innovation through promotion and adoption of integrated and coordinated models of care within all products, including in PPOs and EPOs;
- Adoption of value-based standard benefit designs and payment reforms that align with and support integration and coordination of care;
- Tracking, trending and reducing disparities in health outcomes by ethnic/racial group and gender; and
- Improving transparency in enrollee cost share and quality of care in enrollee provider selection.

Across these initiatives, Covered California promotes not only alignment with Medicare's movement to promote value, but also with other purchasers, such as CalPERS, the Department of Health Care Services (which runs California's Medicaid program) and private employers. For more comprehensive details, Covered California welcomes HHS to examine the quality improvement and delivery system reform strategy referenced [here](#) as Attachment 7 of the Covered California 2017 Individual Market QHP Issuer Contract.

By combining coverage expansion with quality improvement and delivery system reform, Covered California is targeting a tipping point for the adoption of many of these reforms affecting the entire population of California.

Thank you and please contact me if you have any questions.

Sincerely,



Peter V. Lee
Executive Director

Enclosure:

Attachment 7 of the Covered California 2017 Individual Market QHP Issuer Contract.

cc: Covered California Board of Directors