

DELIVERY SYSTEM & PAYMENT STRATEGIES TO DRIVE QUALITY

Section Index

Measure Results (alphabetically)	Slide #	Measure Results (alphabetically)	Slide #
Primary Care Provider Assignment	4	Alternative Payment Strategies By Carrier (cont'd)	--
Alternative Payment Strategies By Carrier	5-17	LA Care Health Plan	12
Anthem	6	Molina Healthcare	13
Blue Shield of CA	7	Oscar	14
CCHP Health Plan	8	Sharp Health Plan	15
Health Net of California	9	Valley Health Plan	16
Health Net Life	10	Western Health Advantage	17
Kaiser Permanente	11	Patient-Centered Medical Homes	18

PRIMARY CARE PROVIDER ASSIGNMENT

	Plan Product	2017	2018	2019
Anthem	HMO	100%	Not Offered	Not Offered
	PPO	100%	Not Offered	Not Offered
	EPO	100%	100%	100%
Blue Shield	HMO	97%	98%	99%
	PPO	98%	99%	100%
CCHP	HMO	100%	99%	100%
Health Net of California	HMO	100%	100%	100%
	HSP	100%	100%	100%
Health Net Life	PPO	Not Offered	100%	100%
	EPO	100%	100%	100%
Kaiser Permanente	HMO	100%	100%	100%
LA Care	HMO	100%	100%	100%
Molina Healthcare	HMO	100%	100%	100%
Oscar Health Plan	EPO	97%	97%	94%
Sharp Health Plan	HMO	100%	100%	100%
Valley Health Plan	HMO	97%	100%	100%
Western Health Advantage	HMO	100%	100%	100%

EFFECTIVE 2017:

Requirement to meet a target of $\geq 95\%$

- Covered California's contract with all health plans requires enrollees to be matched with a primary care provider upon enrollment
- The purpose of this requirement is to make it as easy as possible for consumers to access primary care and navigate to specialty care as necessary with the support of primary care providers
- Enrollees in PPO and EPO plans can still access any provider inside the network and do not need a referral to access specialists
- Starting in 2017, virtually all Covered California enrollees either selected or matched with a primary care provider
- Covered California is currently assessing the impact of this novel effort



A7

DELIVERY SYSTEM & PAYMENT STRATEGIES TO DRIVE QUALITY

ALTERNATIVE PAYMENT STRATEGIES

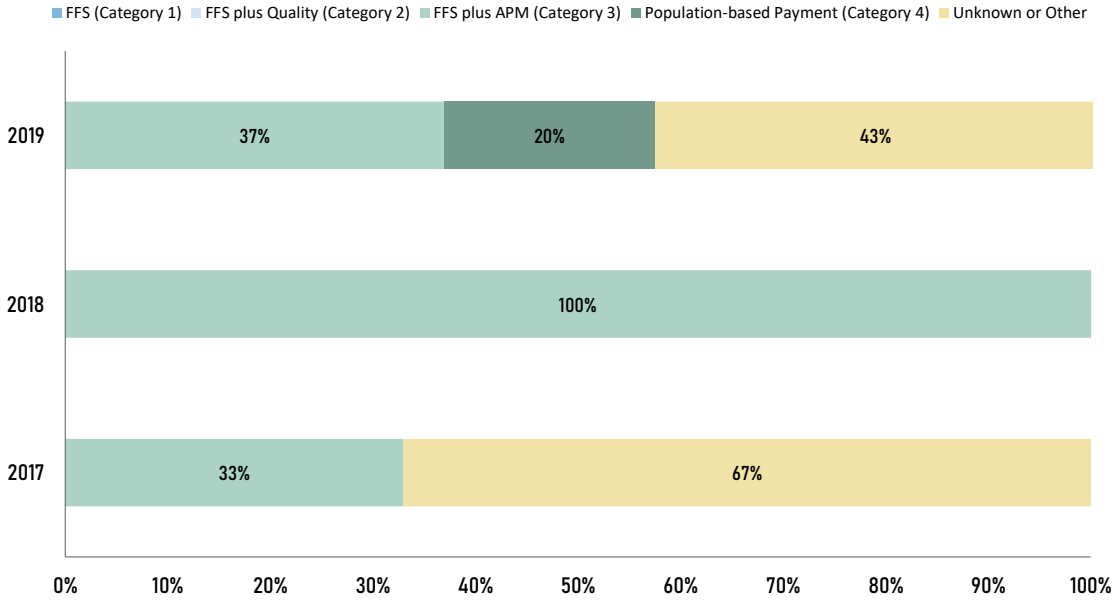
- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Shifting payments from fee for service or volume-based payments to value-based primary care payments creates accountability for providing high-quality, equitable care, and managing the total cost of care
- Expanding value-based primary care payments also helps provide the necessary revenue to fund accessible, data-driven, team-based primary care
- Covered California requires all plans to transition from volume-based payment strategies (Categories 1 and 2) to value-based primary care payments (Categories 3 and 4)
- To meet this requirement, many plans have made progress over the last several years to transition towards more value-based primary care payment
- Eight of 11 health plans have increased the percent of value-based payment for primary care providers between 2017 and 2019

ALTERNATIVE PAYMENT STRATEGIES



PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4

ANTHEM



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:

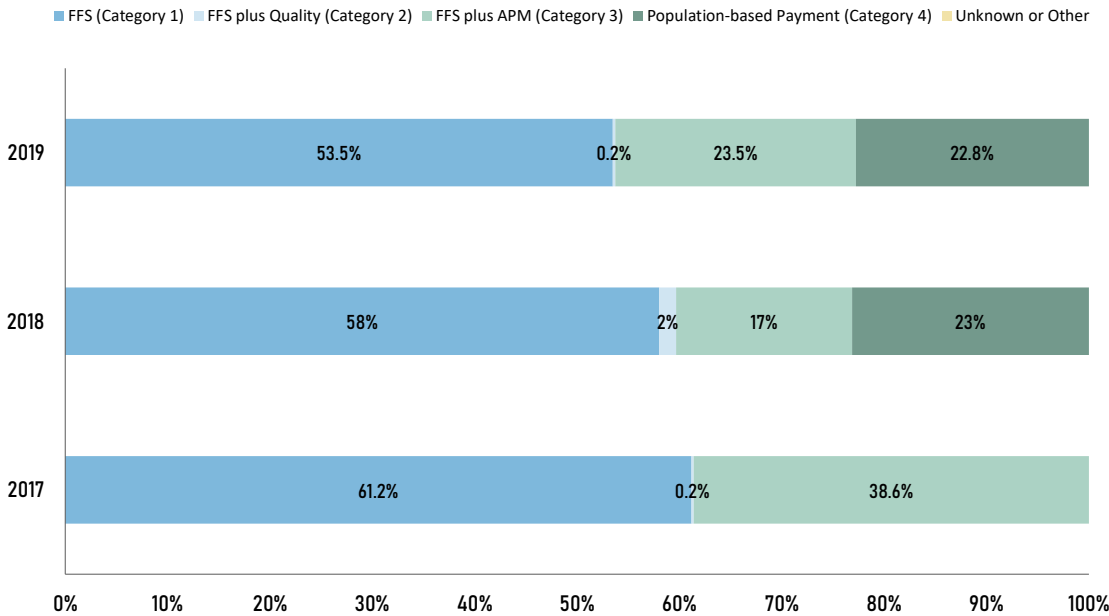
- Category 1: fee for service with no link to quality and value
- Category 2: fee for service with a link to quality and value
- Category 3: alternative payment models built on a fee for service structure such as shared savings
- Category 4: population-based payment

- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES



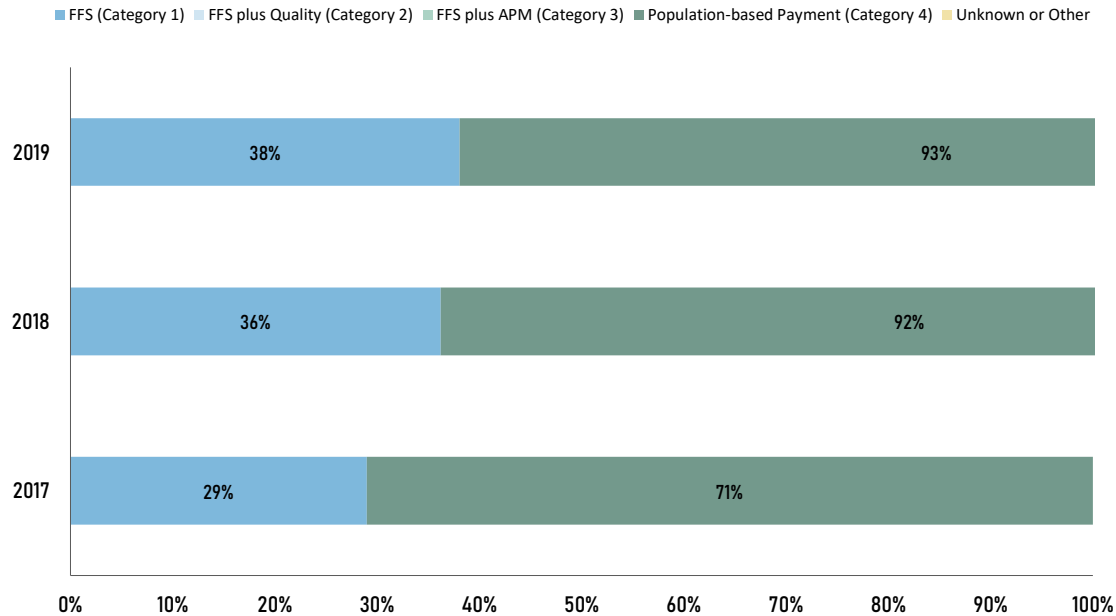
PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
BLUE SHIELD OF CA



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4 CCHP HEALTH PLAN

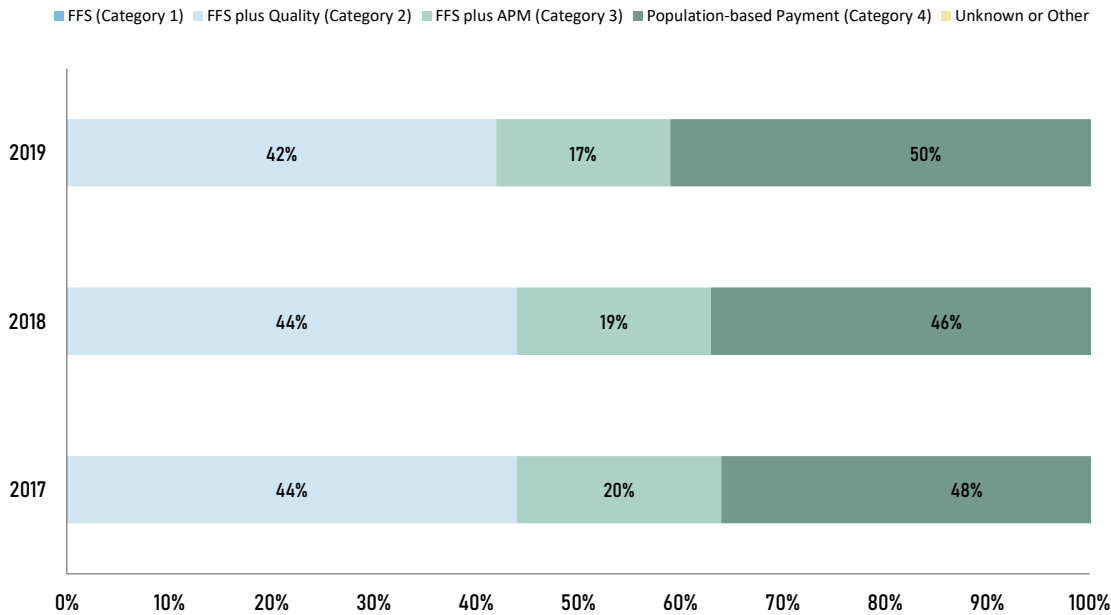


- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)
- CCHP reports overlapping payment models based on how PCPs contract with CCHP and provider organizations like medical groups

ALTERNATIVE PAYMENT STRATEGIES



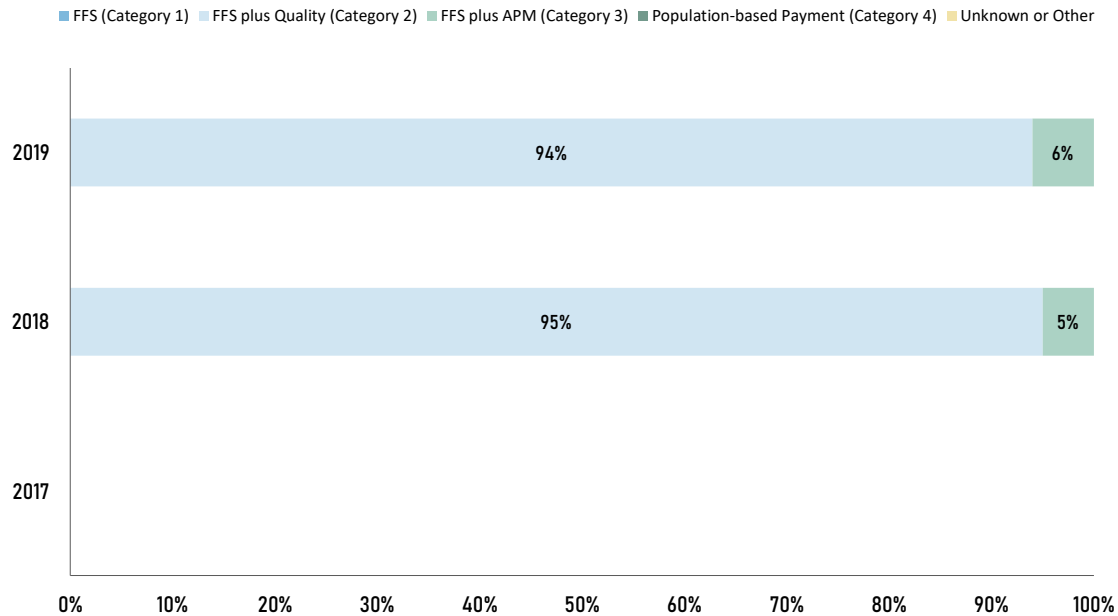
PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
HEALTH NET OF CALIFORNIA



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)
- Health Net reports overlapping payment models based on how PCPs contract with Health Net and provider organizations like medical groups

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4 HEALTH NET LIFE



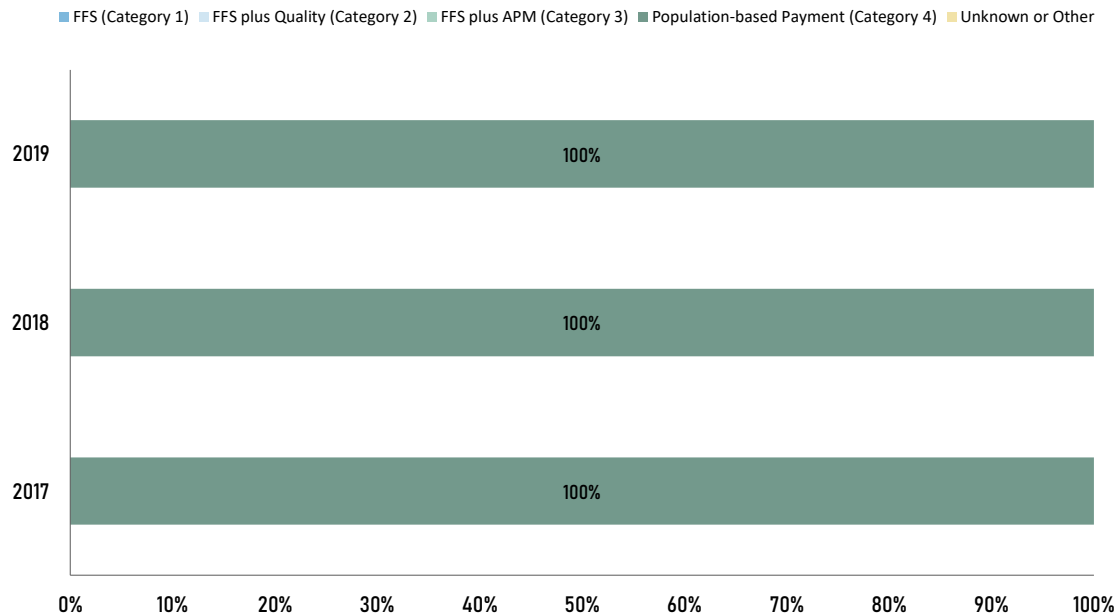
- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:

- Category 1: fee for service with no link to quality and value
- Category 2: fee for service with a link to quality and value
- Category 3: alternative payment models built on a fee for service structure such as shared savings
- Category 4: population-based payment

- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
KAISER PERMANENTE

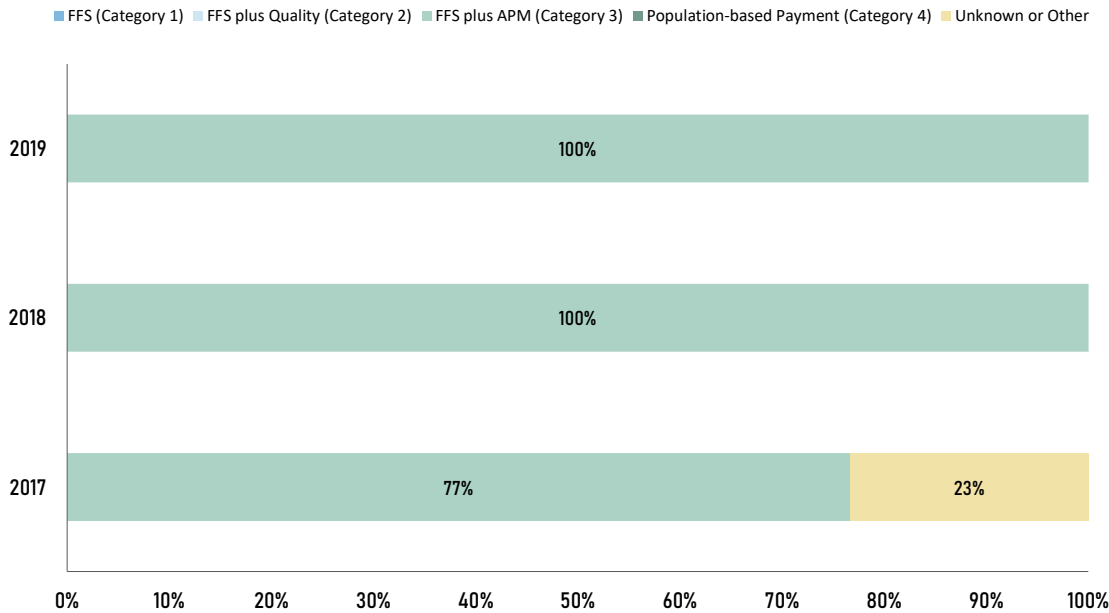


- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES



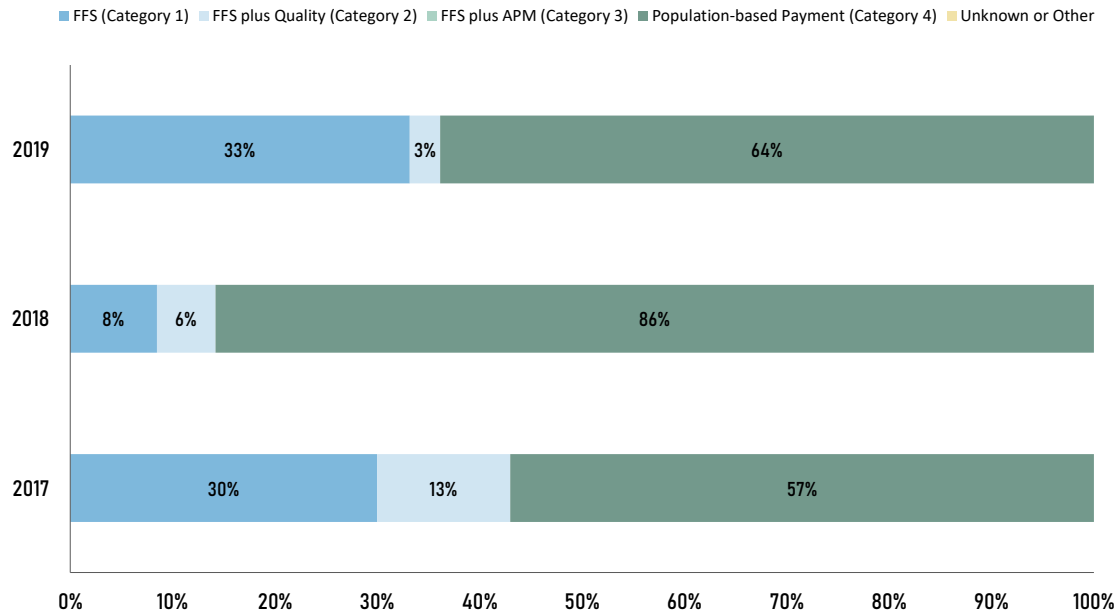
PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
LA CARE HEALTH PLAN



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
MOLINA HEALTHCARE



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:

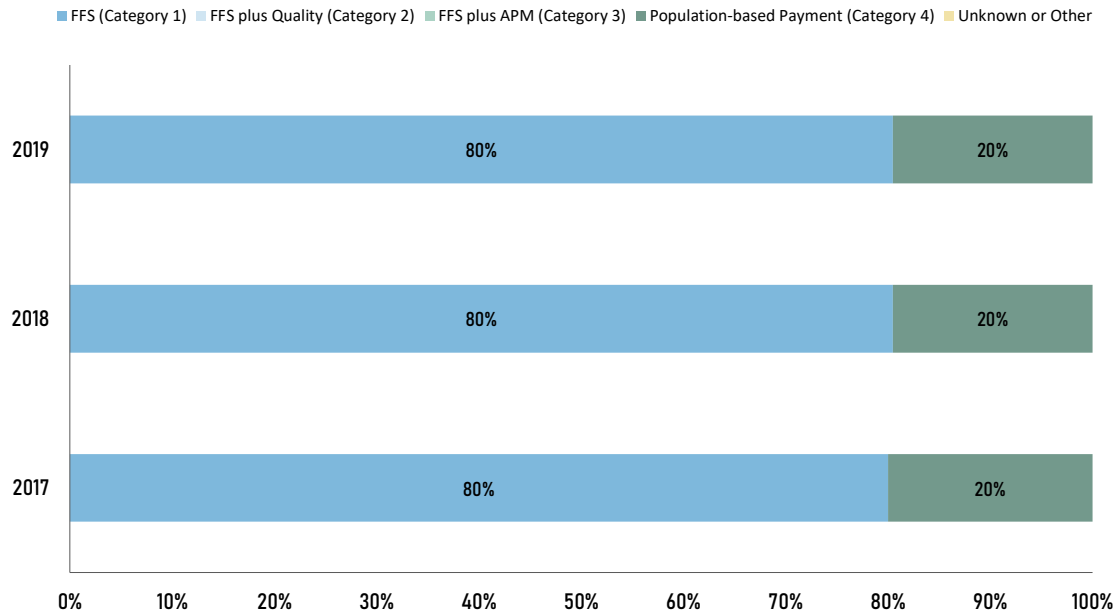
- Category 1: fee for service with no link to quality and value
- Category 2: fee for service with a link to quality and value
- Category 3: alternative payment models built on a fee for service structure such as shared savings
- Category 4: population-based payment

- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4

OSCAR



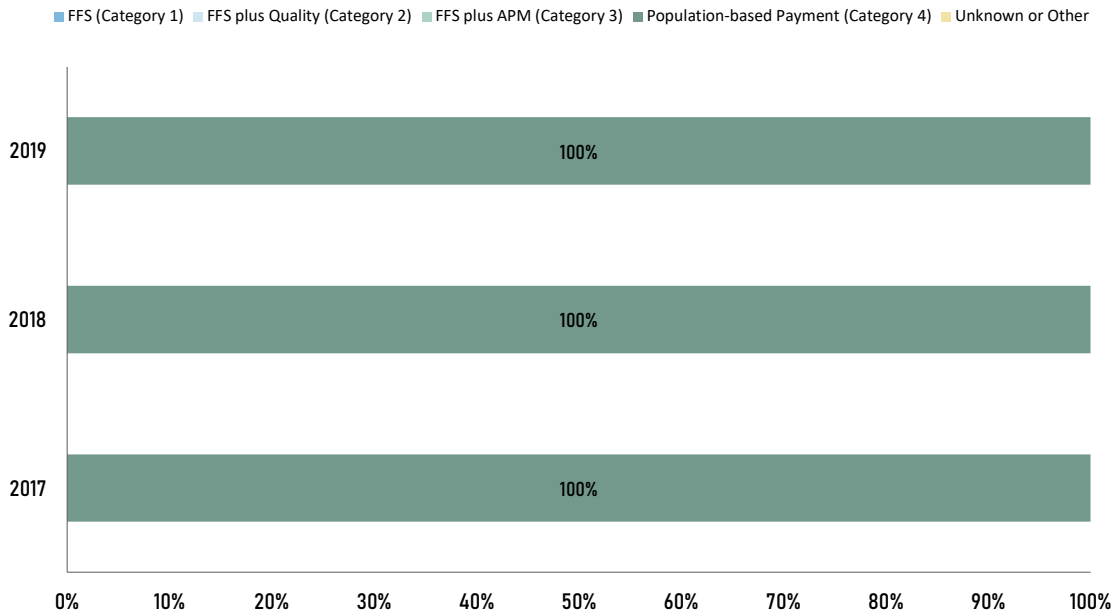
- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:

- Category 1: fee for service with no link to quality and value
- Category 2: fee for service with a link to quality and value
- Category 3: alternative payment models built on a fee for service structure such as shared savings
- Category 4: population-based payment

- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
SHARP HEALTH PLAN



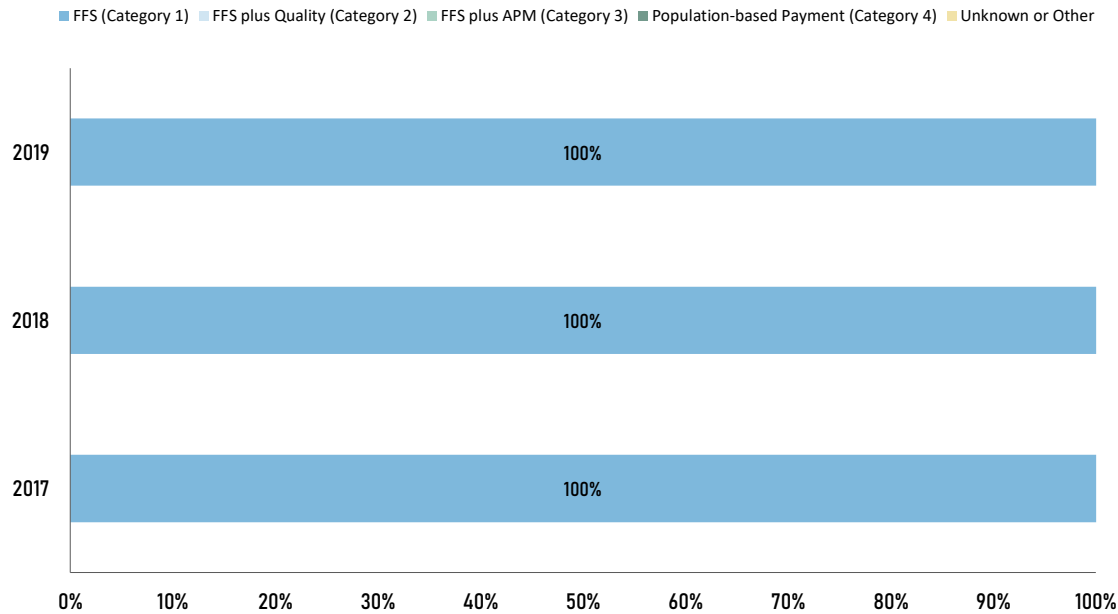
- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:

- Category 1: fee for service with no link to quality and value
- Category 2: fee for service with a link to quality and value
- Category 3: alternative payment models built on a fee for service structure such as shared savings
- Category 4: population-based payment

- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

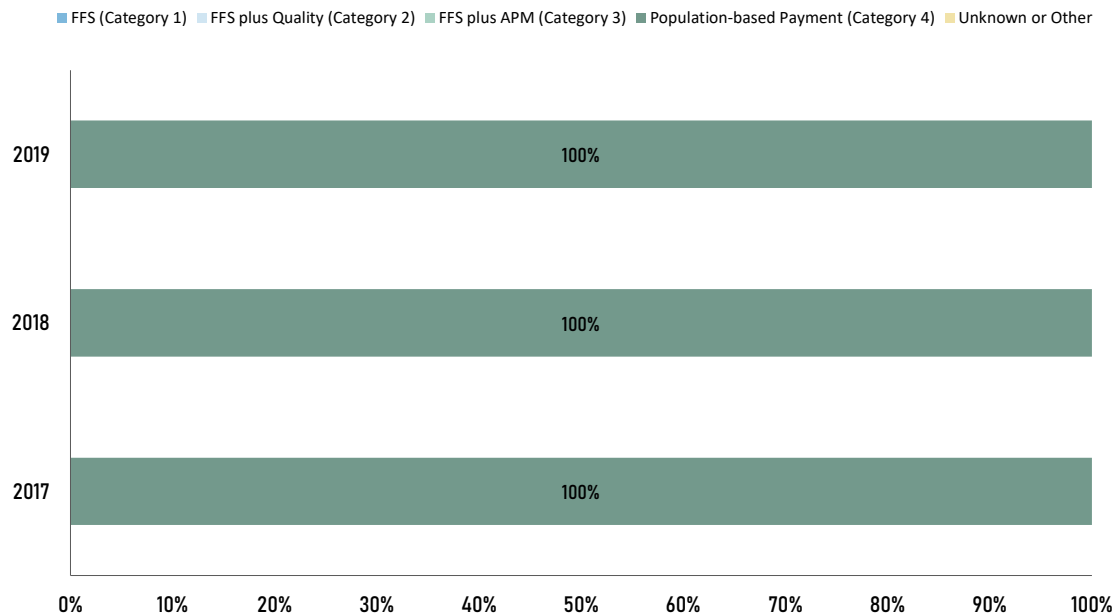
PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
VALLEY HEALTH PLAN



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

ALTERNATIVE PAYMENT STRATEGIES

PERCENTAGE OF PCPS PAID USING HCP LAN CATEGORIES 1-4
WESTERN HEALTH ADVANTAGE



- Covered California uses the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories to track health plan payment models for primary care providers (PCPs). The categories are:
 - Category 1: fee for service with no link to quality and value
 - Category 2: fee for service with a link to quality and value
 - Category 3: alternative payment models built on a fee for service structure such as shared savings
 - Category 4: population-based payment
- Covered California requires all plans to transition from volume-based payment strategies (blue, Categories 1 and 2) to value-based primary care payments (green, Categories 3 and 4)

PATIENT-CENTERED MEDICAL HOMES



	Plan Product	2017	2018	2019
Anthem		8%	10%	13%
Blue Shield	HMO	1%	2%	7%
	PPO	5%	14%	13%
CCHP	HMO	0%	0%	0%
Health Net of California	HMO	2%	3%	3%
Health Net Life	PPO	Not Offered	1%	2%
	EPO	5%	3%	2%
Kaiser Permanente	HMO	100%	100%	100%
LA Care	HMO	18%	14%	11%
Molina Healthcare	HMO	4%	7%	14%
Oscar Health Plan	EPO	0%	0%	1%
Sharp Health Plan	HMO	15%	66%	63%
Valley Health Plan	HMO	15%	15%	43%
Western Health Advantage	HMO	13%	13%	24%
All Plans		32%	40%	21%
All Non-Kaiser Permanente		6%	11%	15%

- While virtually all primary care provided in Kaiser Permanente is delivered by patient-centered medical home-recognized practices, outside of this system, enrollment served by PCMHs increased from 3 percent to 15 percent between 2016 and 2019
- However, Sharp and Valley accounted for much of the improvement
- PCMHs have been shown to drive process improvements but improvement in outcomes is more varied
- For future contracts, Covered California will transition away from PCMH requirements to outcomes-based measures that drive primary care quality