Qualified Health Plan Contracting for 2026-2028

Removal from Covered California Policy and Methodology

July 22, 2026

Policy for Removal from Covered California ("25/2/2")

In the 2026-2028 Qualified Health Plan (QHP) Issuer Contract[1] ("contract"), Covered California requires contracted QHP Issuers ("issuers") to demonstrate performance at or above the 25th percentile composite benchmark ("composite benchmark") for the Quality Rating System (QRS) Clinical Quality Management Summary Indicator ("Getting the Right Care") measures for each product (HMO, PPO, EPO, etc.). If the issuer has a product that is offered by Covered California and the product meets the CMS eligibility criteria to report QRS measure scores and receive star ratings for a minimum of two years, the product is subject to assessment under this policy.

Covered California will assess product performance annually. Where an issuer offers more than one product, each product is independently assessed. Performance assessments will be shared with issuers following the completion of each annual assessment and reported publicly.

Measures that receive a "Not Reported" (NR) score on the QRS Proof Sheets are excluded from the composite benchmark and composite score calculations; only measures with a valid, scoreable rate are included. Refer to Table 1 for a full description of reportable measures.

A product enters the two-year Monitoring Period when its performance first falls below the composite benchmark in any given year. If the product fails to meet or exceed the composite benchmark during both years of the Monitoring Period, it enters a two-year Remediation Period, during which the product must meet or exceed the composite benchmark or be decertified for the Plan Year two years following the Remediation Period. A product's Monitoring or Remediation Period status carries forward across assessment years, including across contract periods. For example, a product that does not meet the composite benchmark in Measurement Year (MY) 2025 (Year 1 of the Monitoring Period) will enter the MY2026 assessment in Year 2 of the Monitoring Period and must meet the composite benchmark to avoid entering the Remediation Period (see Figure 1). If a product's performance meets or exceeds the composite benchmark during either the Monitoring or Remediation Period, the product is no longer subject to that period and will be reassessed the following year.

[1] Covered California Qualified Health Plan Issuer Contract for 2026-2028 for the Individual Market, Article 5.2.3 Removal from Covered California and Article 5.2.4 Quality Improvement Plans and Minimum Performance Level Action Plans

Covered California will notify the issuer when a product has entered the Monitoring Period. Upon entering the Remediation Period, Covered California will notify the issuer and specify the Minimum Performance Level (MPL) Action Plan submission deadline. As detailed in Article 5.2.4 of the contract, issuers must submit an MPL Action Plan for each product in the Remediation period, outlining specific annual targets and actions for improving the product's composite score to meet or exceed the composite benchmark. Separately, Covered California may request that an issuer submit an MPL Action Plan outlining specific annual targets and actions to improve individual CMS QRS measure scores that have fallen below the 25th percentile national benchmark for two or more consecutive years. Covered California reserves the right to approve or reject the MPL Action Plan and will work with issuers to monitor progress and ensure improvement efforts do not negatively impact Enrollees.

A product that fails to meet the composite benchmark during both the Monitoring and Remediation Periods (four consecutive years) will be decertified for the Plan Year two years following the Remediation Period. In the event of decertification, Covered California will coordinate with the applicable regulator for the issuer, notify Enrollees that they will need to select a new plan or they will be enrolled in a new plan according to the Covered California renewal hierarchy, and assist Enrollees through the process.

This policy will not be applied in a Covered California rating region where removal of one or more products would lead to fewer than three issuers remaining. Issuers have the right to appeal a decertification decision in accordance with the procedures outlined in the contract.

Figure 1: Example of Removal Timeline for a QHP Issuer Product in Year 1 of the Monitoring Period in MY2025 with No Improvement over the Monitoring and Remediation Periods

Monitoring Period | MY2025 - MY2026		**Remediation Period** | MY2027 - MY2028		**Removal from Covered California**
Plan Year 2026	**Plan Year 2027**	**Plan Year 2028**	**Plan Year 2029**	**Plan Year 2031**
MY2025 Assessment	**MY2026 Assessment**	**MY2027 Assessment**	**MY2028 Assessment**	**Decertification**
Below composite benchmark for a first year. • Year 1 of monitoring. • Issuer notified product has entered the monitoring period.	Below composite benchmark for a second year. • Year 2 of monitoring. • Issuer notified product has entered remediation period. MPL Action Plan submission required.	Below composite benchmark for a third year. • Year 1 of remediation. • Monitors MPL Action Plan progress.	Below composite benchmark for a fourth year. • Year 2 of remediation. • Issuer notified of removal for PY2031 following assessment.	Product no longer offered on Covered California. • Removal does not apply if fewer than three issuers would remain in the rating region following removal.

Figure 2: Example of Removal Timeline for a QHP Issuer Product in Good Standing in MY2025 and Entering the Monitoring Period in MY2026 with No Improvement

Good Standing	Monitoring Period | MY2026 - MY2027		Remediation Period | MY2028 - MY2029		Removal from Covered California
Plan Year 2026	Plan Year 2027	Plan Year 2028	Plan Year 2029	Plan Year 2030	Plan Year 2032
MY2025 Assessment	MY2026 Assessment	MY2027 Assessment	MY2028 Assessment	MY2029 Assessment	Decertification
Met composite benchmark. • In good standing.	Below composite benchmark for a first year. • Year 1 of monitoring. • Issuer notified product has entered the monitoring period.	Below composite benchmark for a second year. • Year 2 of monitoring. • Issuer notified product has entered remediation period. MPL Action Plan submission required.	Below composite benchmark for a third year. • Year 1 of remediation. • Monitors MPL Action Plan progress.	Below composite benchmark for a fourth year. • Year 2 of remediation. • Issuer notified of removal for PY2031 following assessment.	Product no longer offered on Covered California. • Removal does not apply if fewer than three issuers would remain in the rating region following removal.

25/2/2 Methodology

To address prior limitations and preserve the integrity and accountability of the 25/2/2 program, Covered California will implement a revised benchmark framework beginning with the MY2026 assessment. This framework is consistent with the flexibility provision in Section 5.2.3(d) of the contract, which states: "The benchmark year will be Measurement Year 2024 and will not change during the contract term. However, if new clinical measures with benchmarks after 2024 are introduced, Covered California may revise the 2024 benchmark to include these measures."

Under this framework:

- Existing measures will be evaluated against MY2024 benchmarks, consistent with the established contract benchmark year.
- Updated or newly introduced measures, specifically those without a MY2024 benchmark or that cannot be reliably tied to that benchmark (e.g., where clinical specification changes lead to a break in the continuity of performance data), will be evaluated against the earliest applicable benchmark year for each measure at the time of its introduction.
- Once a measure's benchmark year is established, it will remain fixed for the duration of the contract period.
- If measures are removed from the QRS measure set, they will be removed from the 25/2/2 program accordingly.

This revised benchmark framework ensures that the 25/2/2 program remains a dynamic yet methodologically sound quality accountability tool that adapts to the evolving QRS measure set.

Table 1: Detailed Description of the 25/2/2 Methodology

Methodology Component	Description
Annual Product Performance Assessment	Covered California will assess product performance annually. Where an issuer offers more than one product, each product is independently assessed. The issuer product is subject to assessment after it meets the CMS eligibility criteria to report QRS measure scores and receive star ratings for a minimum of two years. Products that do not meet the CMS eligibility criteria are excluded.
Benchmark Framework	Benchmarks are based on national QRS 25th percentiles and will be fixed throughout the contract period using MY2024 performance. However, if new or updated clinical measures with benchmarks after MY2024 are introduced, Covered California may revise the MY2024 benchmark to include these measures.
Measure Set and Inclusion or Exclusion Criteria	Covered California will continue using the QRS "Getting the Right Care" measure set and follow the CMS QRS guidelines on reportable measures to determine the inclusion or exclusion of measures in the 25/2/2 program. Covered California will implement a rolling addition model to govern measure set changes over the contract period. New or updated measures introduced to the QRS "Getting the Right Care" measure set will be added to the 25/2/2 program using the earliest applicable benchmark year at the time of their inclusion. Measures that are removed from the QRS "Getting the Right Care" measure set will be removed from the 25/2/2 program accordingly.
Reportable Measures	A measure is considered reportable for a given product when the product has a valid, scoreable rate for that measure in accordance with CMS QRS guidelines, including minimum denominator size thresholds and data validity requirements. Only reportable measures are included in the calculation of the composite benchmark and the product's composite score. A measure that receives a "Not Reported" (NR) score on the QRS Proof Sheets will

Methodology Component	Description
	be omitted from both calculations for that assessment year, as an NR designation indicates that a valid, scoreable rate could not be produced for the product and measure.
25th Percentile Composite Benchmark ("composite benchmark")	Covered California will calculate a composite benchmark for each product using the QRS 25th percentile benchmarks for each of the QRS "Getting the Right Care" measures. The 25th percentile benchmarks for the product-reportable measures are summed and divided by the count of product-reportable measures.
Composite Score	Covered California will calculate a composite score for each product. Product-reportable measure scores are summed and divided by the count of product-reportable measures. The product's composite score is compared to its composite benchmark to determine if the composite benchmark is achieved.
Reverse-Scored Measures	Most QRS "Getting the Right Care" measures in the 25/2/2 assessment are scored such that a higher rate reflects better performance. However, certain measures (e.g., the Plan All-Cause Readmissions measure) are scored such that a lower rate reflects better performance. For such measures, Covered California applies reverse scoring to both the measure score and the 25th percentile national benchmark from the QRS Proof Sheets, ensuring the measure aligns with the 'higher is better' scoring convention used for all other clinical measures in the composite score and composite benchmark calculations.
Equal Measure Weighting	All measures are equally weighted in calculating the composite benchmark and each product's composite score.
Rounding to Nearest Thousandth (e.g., 0.666)	The composite will be rounded to the nearest thousandth (e.g., 0.666). Unrounded measure scores will be used to calculate the composite benchmark and each product's composite score.

Methodology Component	Description
Half-Scale Rule	A minimum of 50% of the measures from the QRS 25th percentile benchmark measure set must be reportable for the product's composite score to be calculated. If the product does not meet the half-scale rule, the product is not subject to assessment for this policy for that assessment year.
Data Source	The QRS Proof Sheets will be used as the data source for this assessment.

25/2/2 Measure Set and Benchmarks

Table 2 lists the QRS "Getting the Right Care" measures and associated 25th percentile benchmarks that will be used throughout the contract period to calculate the composite benchmark and each product's composite score.

Table 2: 25/2/2 Measure Set and Benchmarks

CBE ID #	QRS "Getting the Right Care" Measures	25th Percentile Benchmark Year		
		MY2024	MY2025	MY2026
3620	Adult Immunization Status (AIS-E)		x	
N/A	Blood Pressure Control for Patients with Hypertension (BPC-E)		x	
2372	Breast Cancer Screening (BCS-E)		x	
0032	Cervical Cancer Screening (CCS-E)	0.336		
N/A	Child and Adolescent Well-Care Visits (WCV)	0.396		
0033	Chlamydia Screening in Women (CHL)	0.374		
0034	Colorectal Cancer Screening (COL-E)	0.425		
0018	Controlling High Blood Pressure (CBP)	0.631		
0418	Depression Screening and Follow-Up for Adolescents and Adults (DSF-E)	0.334		
0055	Eye Exam for Patient with Diabetes (EED)	0.343		
N/A	Follow-Up After Acute Visits for Asthma (AAF-E)			x
0576	Follow-Up After Hospitalization for Mental Illness (7-Day Follow-Up and 30-Day Follow-Up) (FUH)	0.288		
0059	Glycemic Status Assessment for Patients with Diabetes: Glycemic Status >9.0% (GSD) (reverse-scored)	0.672		

CBE ID #	QRS "Getting the Right Care" Measures	25th Percentile Benchmark Year		
		MY2024	MY2025	MY2026
0004	Initiation and Engagement of Substance Use Disorder Treatment (IET)	0.223		
N/A	Kidney Health Evaluation for Patients with Diabetes (KED)	0.423		
2517	Oral Evaluation, Dental Services (OED)	0.104		
1768	Plan All-Cause Readmissions O/E Ratio (PCR) (reverse-scored)	-0.490		
1517	Prenatal and Postpartum Care (PPC) (Postpartum Care)	0.728		
1517	Prenatal and Postpartum Care (PPC) (Timeliness of Prenatal Care)	0.710		
0541	Proportion of Days Covered (PDC) (Diabetes All Class)	0.706		
0541	Proportion of Days Covered (PDC) (RAS Antagonists)	0.726		
0541	Proportion of Days Covered (PDC) (Statins)	0.675		
N/A	Tobacco Use Screening and Cessation Intervention (TSC-E)			x
0024	Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents (WCC)	0.607		
1392	Well-Child Visits in the First 30 Months of Life (W30)	0.711		

Legend	
	The measure or the benchmark is not applicable because of the following reasons: the measure was not a part of the QRS measure set or measure specification changes led to a break in performance.
x	Benchmark placeholder. Measure is introduced to the QRS measure set and benchmarks are provided in the QRS Proof Sheets.