

In this 2028 – 2030 QDP Issuer Contract, Covered California is implementing in this Attachment 2 – Performance Standards with Penalties specific performance standards in the areas of health disparities, data quality and completeness, and oral health that are critical to Covered California meeting its mission. Except as otherwise specified, the measurement period will be January 1, 2028 – December 31, 2028. The maximum payment obligations collectively will be 2% of Contractor's total Gross Premium per product for Plan Years 2028 – 2030. Covered California for Small Business penalties will not be assessed in 2028 – 2030.

This table represents a summary of the Performance Standards with Penalties which are detailed further in this Attachment:

Performance Standards with Penalties		Percent of At-Risk Amount 2028	Percent of At-Risk Amount 2029	Percent of At-Risk Amount 2030
Data Submission	1. Healthcare Evidence Initiative (HEI) Data Submission	30%	30%	30%
	2. Provider Directory Submission	5%	5%	5%
Oral Health	3. Pediatric Oral Evaluation, Dental Services	5%	5%	5%
	4. Pediatric Topical Fluoride for Children, Dental Services	5%	5%	5%
	5. Pediatric Sealant Receipt on Permanent First Molars	5%	5%	5%
	6. Adult Preventive Services Utilization	25%	25%	25%
	7. Pediatric Member Engagement	5%	5%	5%
	8. Adult Member Engagement	20%	20%	20%

During the term of this Agreement, Contractor shall meet or exceed the Performance Standards identified in this Attachment. Contractor shall be responsible for payment of penalties for Contractor's failure to meet the Performance Standards in accordance with the terms set forth in Article 7 of the Agreement and this Attachment. Contractor shall submit the data required by the Performance Standards by the date specified by Covered California. Some of the data required applies to a window of time. Some of the data represents a point in time. This measurement timing is described in more detail in the sections within this Attachment.

Contractor shall monitor and track its performance each month against the Performance Standards and provide Covered California with a detailed Monthly Performance Report in a mutually agreeable format. Contractor must report on Covered California business only and report Contractor's Enrollees in Covered California for the Individual Exchange separate from Contractor's Enrollees in Covered California for Small Business. Except as otherwise specified below in the Performance Standards Table, the reporting period for each Performance Standard shall be one calendar month. All references to Days shall be calendar days and references to time of day shall be to Pacific Standard Time.

If Contractor fails to meet any Performance Standard in any calendar month (whether or not the failure is excused), Covered California may request and Contractor shall (a) investigate and report on the root cause of the problem; (b) develop a corrective action plan (where applicable); (c) to the extent within Contractor's control, remedy the cause of the performance failure and resume meeting the affected Performance Standards; (d) implement and notify Covered California of measures taken by Contractor to prevent recurrences, if the performance failure is otherwise likely to recur; and (e) make written recommendations to Covered California for improvements in Contractor's procedures.

The total amount at risk for Contractor's failure to meet the Performance Standards is equal to 2.0% of the total Gross Premium for the applicable Plan Year (At-Risk Amount). Penalties will be determined on an annual basis at the end of each Calendar Year, based on Contractor's final year-end data for each Performance Standard. Where applicable, performance is assessed for each product (DHMO, DPPO, DEPO) Contractor offers. Penalties are assessed by product for Contractors with multiple products. Covered California has specified below when the At-Risk Amount or the performance requirements differ by product.

When the results of the Performance Standards are calculated, Covered California will provide Contractor with a Final Contractor Performance Standard Evaluation Report, along with an invoice, within sixty (60) Days of receipt of the

Performance Standards data requirements. Contractor shall remit payment to Covered California within thirty (30) Days of receiving the Final Contractor Performance Standard Evaluation Report and invoice.

If Contractor does not agree with the Final Contractor Performance Standard Evaluation Report, Contractor may dispute the Report in writing within thirty (30) Days of receipt of that Report. The written notification of dispute shall provide a detailed explanation of the basis for the dispute. Covered California shall review and provide a written response to Contractor's dispute within thirty (30) Days of receipt of Contractor's notification of dispute. If Contractor still disputes the findings of Covered California, Contractor may pursue additional remedies in accordance with Section 13.1 of the Agreement.

Contractor shall not be responsible for any failure to meet a Performance Standard if and to the extent that the failure is excused pursuant to Section 13.7 of the Agreement (Force Majeure), or the parties agree that the lack of compliance is due to Covered California's failure to properly or timely perform (or cause to be properly or timely performed) any responsibility, duty, or other obligation under this Agreement, provided that Contractor timely notifies Covered California of the problem and uses commercially reasonable efforts to perform and meet the Performance Standards notwithstanding Covered California's failure to perform or delay in performing.

If Contractor wishes to avail itself of one of these exceptions, Contractor must notify Covered California in its response to the performance report identifying the failure to meet such Performance Standard. This response must include: (a) the identity of the Performance Standard that is subject to the exception, and (b) the circumstances that gave rise to the exception in sufficient detail to permit Covered California to evaluate whether Contractor's claim of exception is valid. Notwithstanding anything to the contrary herein, in no event shall any failure to meet a Customer Satisfaction Performance Standard fall within an exception.

The Parties may adjust, suspend, or add Performance Standards from time to time, upon written agreement of the parties, without an amendment to this contract. Covered California and Contractor shall work together to periodically review and adjust the specific measures consistent with any applicable Federal regulations.

Performance Standards with Penalties	
Quality, Equity, And Delivery System Transformation Standards	
Definitions for Performance Standards: 1 – 8	
<u>Measurement Year</u>: The Calendar Year that activity being assessed is performed. <u>Reporting Year</u>: The Calendar Year that performance data is reported to Covered California. <u>Assessment Year</u>: The Calendar Year that performance data is evaluated, and Measurement Year performance level is determined. <u>Establish a Baseline</u>: Requested data is submitted to Covered California at a time and in a format specified, allowing Covered California to calculate an initial performance measurement of a value greater than zero for comparison in future Assessment Years. <u>Baseline Rate</u>: The initial performance measurement established by Covered California using Contractor's data submissions for the applicable Performance Standard. <u>Performance Gap</u>: The difference between 70% and the Baseline Rate if the Baseline Rate is less than 70%, calculated as follows: Performance Gap = 70% - Baseline Rate.	

Performance Standards with Penalties
Healthcare Evidence Initiative (HEI) Data Submissions
Performance Standard 1
1. Data Submission specific to HEI in Attachment 1, Article 5.02.1 a) Contractor must complete Full and Regular submission of data according to the standards outlined in Attachment 1, Article 5.02.1 and Attachment 1, Article 1.02.1. Definitions for Performance Standard 1: <u>Full and Regular</u>: All files, records, and portions of expected files for the intended period are present; formats match those in specifications or otherwise agreed to by Covered California, its HEI Vendor, and the data supplier; and data volumes, counts, and sums approximate the data supplier's historical patterns, or their deviation can be explained and justified by business circumstances identified by the data supplier. <u>Incomplete</u>: A file or part of a file is missing, or critical data elements are not provided as per assessment methodology. <u>Irregular</u>: Unexpected file or data element formatting, or record volumes or data element counts or sums deviate significantly from historical submission patterns for the data supplier. <u>Late</u>: Contractor does not submit monthly HEI submission pursuant to the HEI Data Submission Schedule submission date. <u>Non-Usable</u>: HEI Vendor cannot successfully include submitted HEI data in its database build or HEI Vendor's or Covered California's analysts determine that critical components of the submitted data cannot be used or relied upon in subsequent analytic work. Measurement Years 2028 – 2030 Incomplete, Irregular, Late, or Non-Usable submission of HEI data: 30% penalty Full and Regular submission of HEI data: no penalty

b) Alternate Standard: Contractor must submit data according to the standards outlined in Attachment 1, Article 5.02.1 and Attachment 1, Article 1.02.1, and participate in data quality meetings with Covered California staff and vendor representatives during the first Measurement Year it is contracted with Covered California.

Contractor must complete Full and Regular submissions of data according to the standards outlined in Attachment 1, Article 5.02.1 and Attachment 1, Article 1.02.1 during the second Measurement Year it is contracted with Covered California.

Contractor does not submit Full and Regular data in the second Measurement Year it is contracted with Covered California. **30% penalty**

Contractor submits Full and Regular data in the second Measurement Year it is contracted with Covered California. **no penalty**

Performance Standards with Penalties		
Provider Directory Submission		
Performance Standard 2		
2. Provider Directory Submission <u>Expectation:</u> Full and regular submission of provider data according to the standards outlined in the Performance Standard contract specific to contract Section 4.4.4. Submissions occur every month pursuant to the submission schedule (Extranet, Plan Home, Resources, Provider Directory Resources, Covered California Provider Data Submission Schedule Current Year).		
Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor does not submit monthly Provider Directory Data in the specified format pursuant to the submission schedule: 5% penalty	Contractor does not submit monthly Provider Directory Data in the specified format pursuant to the submission schedule: 5% penalty	Contractor does not submit monthly Provider Directory Data in the specified format pursuant to the submission schedule: 5% penalty
Contractor submits full and regular Provider Directory Data submission in the specified format pursuant to the submission schedule: no penalty	Contractor submits full and regular Provider Directory Data submission in the specified format pursuant to the submission schedule: no penalty	Contractor submits full and regular Provider Directory Data submission in the specified format pursuant to the submission schedule: no penalty

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 3		
3. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517) a) Contractor shall Establish a Baseline and meet or exceed the specified performance standard for the Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517) measure. Performance is assessed for each product offered. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its oral health measures. As specified, Contractor's data submissions must Establish a Baseline in the Assessment Year or meet or exceed the required Performance Gap reduction in the Assessment Year. If Contractor meets or exceeds a 70% performance threshold for this metric, Contractor's performance will not be subject to financial penalties for failing to show annual improvement. Performance at or above the 70% threshold in Measurement Years 2029 or 2030 will require reporting and monitoring but will not be subject to penalties for failing to meet the annual improvement target.		
Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor Establishes a Baseline Rate for this measure using HEI data. If the Baseline Rate is less than 70%, Contractor establishes a Performance Gap. Contractor does not Establish a Baseline Rate: 5% penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty

Contractor Establishes Baseline Rate: no penalty		
b) Alternate Standard: Contractor must submit pediatric dental data during the first Measurement Year it is contracted with Covered California. Contractor must Establish a Baseline and Performance Gap, if applicable, in the second Measurement Year it is contracted with Covered California. Contractor must demonstrate compliance with data submissions in the first Assessment Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and Performance Gap, if applicable, in the Assessment Year. Contractor does not Establish a Baseline during the second Measurement Year it is contracted with Covered California: 5% penalty.		

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 4		
4. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528) a) Contractor shall Establish a Baseline and meet or exceed the specified performance standard for the Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528) measure. Performance is assessed for each product offered. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its oral health measures. As specified, Contractor's data submissions must Establish a Baseline in the Assessment Year or meet or exceed the Performance Gap reduction in the Assessment Year. If Contractor meets or exceeds a 70% performance threshold, Contractor's performance will not be subject to financial penalties for failing to show annual improvement. Performance at or above the 70% threshold in Measurement Years 2029 or 2030 will require reporting and monitoring but will not be subject to penalties for failing to meet the annual improvement target.		
Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor Establishes a Baseline rate for this measure using HEI data. If the Baseline Rate is less than 70%, Contractor establishes a Performance Gap. Contractor does not Establish a Baseline rate: 5% penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty

Contractor Establishes Baseline rate: no penalty		
b) Alternate Standard: Contractor must submit pediatric dental data during the first Measurement Year it is contracted with Covered California. Contractor must Establish a Baseline and Performance Gap, if applicable, in the second Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and Performance Gap, if applicable, in the Assessment Year. Contractor does not Establish a Baseline during the second Measurement Year it is contracted with Covered California: 5% penalty. Contractor Establishes a Baseline rate during the second Measurement Year it is contracted with Covered California: no penalty.		

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 5		
5. Pediatric Sealant Receipt on Permanent First Molars a) Contractor shall Establish a Baseline and meet or exceed the specified performance standard for the Pediatric Sealant Receipt on Permanent First Molars measure. This measure is specified by the Dental Quality Alliance (DQA). Performance is assessed for each product offered. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its oral health measures. As specified, Contractor's data submissions must Establish a Baseline in the Assessment Year or meet or exceed the Performance Gap reduction in the Assessment Year. If Contractor meets or exceeds a 70% performance threshold, Contractor's performance will not be subject to financial penalties for failing to show annual improvement. Performance at or above the 70% threshold in Measurement Years 2029 or 2030 will require reporting and monitoring but will not be subject to penalties for failing to meet the annual improvement target.		
Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor Establishes a Baseline rate for this measure using HEI data. If the Baseline Rate is less than 70%, Contractor establishes a Performance Gap. Contractor does not Establish a Baseline rate: 5% penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty

Contractor Establishes Baseline rate: no penalty		
b) Alternate Standard: Contractor must submit pediatric dental data during the first Measurement Year it is contracted with Covered California. Contractor must Establish a Baseline and Performance Gap, if applicable, in the second Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and Performance Gap, if applicable, in the Assessment Year. Contractor does not Establish a Baseline during the second Measurement Year it is contracted with Covered California: 5% penalty. Contractor Establishes a Baseline rate during the second Measurement Year it is contracted with Covered California: no penalty.		

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 6		
6. Adult Use of Preventive Services a) Contractor shall Establish a Baseline and meet or exceed the specified performance standard for the Use of Preventive Services for adult members. This measure is specified by Covered California as the percentage of adult members who received any preventive dental service during the plan year. Performance is assessed for each product offered. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its oral health measures. As specified, Contractor's data submissions must Establish a Baseline in the Assessment Year or meet or exceed the required increase over the Baseline Rate or performance threshold in the Assessment Year. If Contractor meets or exceeds a 70% performance threshold, Contractor's performance will not be subject to financial penalties for failing to show annual improvement. Performance at or above the 70% threshold in Measurement Years 2029 or 2030 will require reporting and monitoring but will not be subject to penalties for failing to meet the annual improvement target.		
Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor Establishes a Baseline rate for this measure using HEI data. If the Baseline Rate is less than 70%, Contractor establishes a Performance Gap. Contractor does not Establish a Baseline rate: 25% penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 25% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 25% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty

Contractor Establishes Baseline rate: no penalty		
b) Alternate Standard: Contractor must submit adult dental data during the first Measurement Year it is contracted with Covered California. Contractor must Establish a Baseline and Performance Gap, if applicable, in the second Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and Performance Gap, if applicable, in the Assessment Year. Contractor does not Establish a Baseline during the second Measurement Year it is contracted with Covered California: 25% penalty.		

Performance Standards with Penalties
Oral Health Standards
Performance Standard 7
7. Pediatric Member Engagement a) Contractor shall Establish a Baseline rate and meet or exceed the specified performance standard for Pediatric Member Engagement. Pediatric Member Engagement means the percentage of pediatric Enrollees under age 19 who receive any covered dental service during the Measurement Year, not limited to preventive services or any other defined subset of clinical services, using Covered California-approved specifications. Performance is assessed for each product offered. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) data for each measurement year to generate its Pediatric Member Engagement rate. As specified, Contractor's data submissions must Establish a Baseline in the Assessment Year or meet or exceed the required increase over the Baseline Rate or performance threshold in the Assessment Year. If Contractor meets or exceeds a 70% performance threshold for this metric in Measurement Year 2028, Contractor's performance will not be subject to financial penalties for failing to show annual improvement.

Attachment 2 - Performance Standards with Penalties

August 13, 2026

Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor Establishes a Baseline rate for this measure using HEI data. If the Baseline Rate is less than 70%, Contractor establishes a Performance Gap. Contractor does not Establish a Baseline rate: 5% penalty Contractor Establishes a Baseline rate: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10% from the baseline rate: 5% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty
b) Alternate Standard: Contractor must submit pediatric dental data during the first Measurement Year it is contracted with Covered California. Contractor must Establish a Baseline and Performance Gap, if applicable, in the second Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and Performance Gap, if applicable, in the Assessment Year. Contractor does not Establish a Baseline during the second Measurement Year it is contracted with Covered California: 5% penalty. Contractor Establishes a Baseline rate during the second Measurement Year it is contracted with Covered California: no penalty.		

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 8		
8. Adult Member Engagement a) Contractor shall Establish a Baseline and meet or exceed the specified performance standard for Adult Member Engagement. Adult Member Engagement means the percentage of adult Enrollees age 19 and over who receive any covered dental service during the Measurement Year, not limited to preventive service or any other defined subset of clinical services, as defined by Covered California approved measure specifications. Performance is assessed for each product offered. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its Adult Member Engagement rate. As specified, Contractor's data submissions must Establish a Baseline in the Assessment Year or meet or exceed the required increase over the Baseline Rate or performance threshold in the Assessment Year. If Contractor meets or exceeds a 70% performance threshold for this metric in Measurement Year 2028, Contractor's performance will not be subject to financial penalties for failing to show annual improvement.		
Measurement Year 2028	Measurement Year 2029	Measurement Year 2030
Contractor Establishes a Baseline rate for this measure using HEI data. If the Baseline Rate is less than 70%, Contractor establishes a Performance Gap. Contractor does not Establish a Baseline rate: 20% penalty	Contractor demonstrates a Performance Gap reduction of less than 10%: 20% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty	Contractor demonstrates a Performance Gap reduction of less than 10% from the baseline rate: 20% penalty Contractor demonstrates (a) a Performance Gap reduction of at least 10% or (b) a rate of 70% or greater: no penalty

Contractor Establishes a Baseline rate: no penalty		
b) Alternate Standard: Contractor must submit adult dental data during the first Measurement Year it is contracted with Covered California. Contractor must Establish a Baseline and Performance Gap, if applicable, in the second Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and Performance Gap, if applicable, in the Assessment Year. Contractor does not Establish a Baseline during the second Measurement Year it is contracted with Covered California: 20% penalty. Contractor Establishes a Baseline rate during the second Measurement Year it is contracted with Covered California: no penalty.		