



November 20, 2017

Seema Verma  
Administrator, Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

RE: Request for Information on Centers for Medicare & Medicaid Services: Innovation  
Center New Direction

Dear Administrator Verma,

Covered California is submitting comments in response to the request for information on the future of the Center for Medicare and Medicaid Innovation. Covered California is the state's health insurance Marketplace, where Californians can find affordable, high-quality health plans.

The mission of the Center for Medicare and Medicaid Innovation (CMMI) is one that involves identifying, developing, testing, and disseminating alternative models of paying for, organizing, and delivering care. Highlighting the importance of improving health care quality at a reduced cost, the Affordable Care Act (ACA) provided the Secretary of Health and Human Services (HHS) the authority to scale new payment approaches nationally that demonstrably reduced costs without adversely affecting quality or improved quality without a significant downside.

### **Covered California's Commitment to Delivery System Reform**

Covered California believes that promoting a delivery system that drives high health care, lowers costs and reduces the highly variable quality of care in the United States is as important as focusing on expanding health coverage. Covered California's health plan 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 to promote better quality and lower cost health care. 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.

Covered California's contracted health plans are committed 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 Services' initiatives, and those of CMMI, 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 CMS 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.

### **CMMI's Future Path: The Need for Continued Alignment with Other Purchasers**

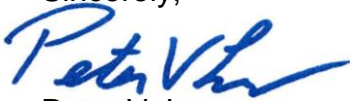
Looking ahead, CMMI should not leave behind the work under current demonstration projects. For example, CMMI has launched initiatives to strengthen primary care value both through supporting clinical transformation to advanced primary care models and the Comprehensive Primary Care Plus (CPC+) model, moving away from a fee-for-service model toward population-based payment with performance bonuses based on standard measures of quality and utilization. Leveraging this work, as of 2017, Covered California required that all enrollees, whether covered by an HMO or PPO, be matched with a primary care physician and requires plans to adopt payment strategies aligned with CPC+. Covered California's intent is to build on the evidence that delivery systems that emphasize the role of the primary care physician as the preferred initial point of entry into the health care system demonstrate higher value. Similarly, Covered California expects health plans to align with the CMMI Accountable Care Organization models.

As CMS begins the next phase for the Innovation Center, it must build on the progress made on improving the health of populations while reducing the cost of care. It is important to consider that as CMMI continues to pursue current initiatives and launch

new ones, the best way for CMS to effectively move the needle on value-based care is through engagement and partnerships with states (both in their management of Medicaid and as major employers), Exchanges, employers and private insurers. Through our strategy to combine coverage expansion with quality improvement and delivery system reform, Covered California is targeting a tipping point for the adoption of innovative reforms affecting the entire population of California. We can only move to impact the delivery system by working with clinicians and the delivery system in concert with CMS and other purchasers.

Thank you for your consideration of our comments. If you have any questions or would like more information, please feel free to contact me.

Sincerely,



Peter V. Lee  
Executive Director

cc: Covered California Board of Directors