



August 1, 2022

The Honorable Xavier Becerra
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Re: Covered California Comments on the Notice of Request for Information on the Health and Human Services Initiative to Strengthen Primary Health Care

Dear Secretary Becerra:

Covered California is pleased to submit comments on the Department of Health and Human Services (HHS) request for information (RFI) on what the federal government can do to strengthen primary health care in the United States. Covered California commends HHS for seeking information on how it can improve primary care delivery while also recognizing that providing high-quality and equitable care begins with patient-centered primary care.

Overview of Covered California Actions to Promote Effective Primary Care

The foundation of any high-functioning delivery system is built on team-based, data-driven primary care that is accessible, coordinated, and continuous, supported by payment models that provide sufficient and flexible resources. To deliver on this, Covered California utilizes its contract with Qualified Health Plan (QHP) issuers to require the following:

1. Promote access to and use of primary care: All Covered California enrollees, regardless of the type of plan, are required to have an identified primary care provider (PCP).
2. Promote advanced primary care: QHP issuers must implement a standardized Advanced Primary Care measure set that includes quality and cost-driving utilization measures to assess the prevalence of high-quality, value-based primary care practices within QHP issuers' networks.
3. Payment to support advanced primary care: QHP issuers must increasingly pay primary care providers through shared savings and population-based payment models and begin reporting on primary care spend as a percent of their overall budget in 2023.

Covered California provides the following comments based on our experience and analysis of what efforts are necessary to deliver high-quality primary care for consumers while improving health equity and outcomes.

Question #1: Successful Models or Innovations that Help Achieve the Goal State for Primary Care

1. Promoting the Importance of Primary Care

Universal Primary Care Assignment Paves the Way for Patients to Receive Appropriate Care: To promote access to and use of primary care, Covered California requires QHP issuers – inclusive of HMO, PPO, and EPO products – to ensure all enrollees have a PCP. If an enrollee does not actively select a PCP within 60 days of effectuation, the QHP issuer must assign a PCP. Universal primary care assignment reinforces the concept of PCPs as central to whole person, coordinated, integrated care. Covered California has engaged in consumer education regarding the role of PCPs as a resource for enrollees navigating a complicated healthcare landscape rather than a gatekeeper to needed care.

Starting in 2017, virtually all Covered California enrollees (99%) either selected or were matched with a PCP, and Covered California continues to encourage QHP issuers to educate their enrollees on the importance of a PCP and the role a PCP can play in assisting every enrollee in accessing the right care at the right time.

In future years, QHP issuers will be required to distinguish between enrollees who actively select a PCP and those who are passively assigned a PCP. Our goal is to examine whether there are differences between the two groups in utilization patterns and enrollee satisfaction.

2. Promoting Advanced Primary Care

Covered California has had a longstanding goal of promoting the adoption and expansion of effective primary care through measurement. We recently transitioned from a process-oriented approach to working collaboratively with other California stakeholders to develop a set of outcomes-focused measures.

Patient-Centered Medical Home Recognition Failed to Drive Clear Progress: From 2017-2021, Covered California used Patient-Centered Medical Home (PCMH) recognition to monitor the adoption of advanced primary care within its contracted health plan networks. This approach was determined to be unsuccessful for a few reasons, including the administrative and financial burden on providers, limited evidence that PCMH recognition leads to better outcomes, and lack of PCMH adoption by some high-performing providers.

Advanced Primary Care Measures Spotlight Results over Process: To emphasize improving health outcomes, Covered California has transitioned to measuring the performance of primary care practices using the Advanced Primary Care (APC) measure set. The APC measures were developed through a

collaborative, multi-stakeholder process led by the California Quality Collaborative (CQC), a program of the Purchaser Business Group on Health (PBGH), and the Integrated Healthcare Association (IHA).¹ Covered California is implementing the measure set together with the California Public Employees' Retirement System (CalPERS). In 2022, all contracted QHP issuers were required to pilot the use of the APC measure set, and beginning in 2023, all QHP issuers will be required to implement the APC measure set. The intent is to identify primary care practices providing advanced primary care and understand how those practices are distributed across Covered California's QHP issuer networks. Performance on the APC measure set will also inform future contractual requirements for health plans to address poorer performing practices.

Comprehensive Primary Care Must be Integrated with Behavioral Health: Covered California also requires QHP issuers to report how they are promoting primary care and behavioral health integration, in particular through the Collaborative Care Model. The APC measure set intentionally supports this effort by including two behavioral health measures.

Focus on Equity and Disparities Reduction: Covered California has had QHP issuer requirements to collect self-reported race and ethnicity data, with performance penalties tied to rates below 80%. Starting in 2023 we will also be requiring the collection and reporting of language data. Covered California is committed to stratifying and reporting QHP issuer performance on key primary care measures by race, ethnicity, and language, and in the future, by sexual orientation, gender identity, and disability status.

3. Payment to Support Advanced Primary Care

Payment Reform Drives Delivery System Innovations: Covered California believes that sufficient payment through shared savings and population-based payment models is necessary for enabling team-based, data-driven, high-quality care.

Covered California uses the Health Care Payment Learning & Action Network's (LAN) payment framework to require all QHP issuers to report the extent to which contracted PCPs are paid under each LAN category. Covered California also requires QHP issuers to increasingly pay PCPs through alternative payment models (APMs) such as shared savings and population-based payments.

Specifically, Covered California has performance penalties tied² to QHP issuer requirements to meet primary care payment targets for categories 3 or 4. This

¹ Purchaser Business Group on Health, Strengthening Primary Care: A Pilot with Four Large Purchasers < <https://www.pbgh.org/strengthening-primary-care-a-pilot-with-four-large-purchasers/>> (as of July 31, 2022)

² Covered California, 2023-2025 Qualified Health Plan for Individual Market Attachment 2 – Performance Standards with Penalties < https://hbex.coveredca.com/stakeholders/plan-management/library/2023-2025_QHP%20Att%202-Performance%20Standards%20with%20Penalties-Clean-%204-19-22.pdf> (as

approach has seen some success, with slow but incremental progress in primary care payment reform in recent years. Specifically, from 2015 to 2021, Covered California saw an increase from 41% to 53% in capitation-based payments to providers and an increase from 8% to 15% in shared savings-based payments. To build on that success, beginning in 2023 Covered California will require QHP issuers to monitor and report on total primary care spend as a percent of their overall budget.

Covered California Policy is Data-Driven and Evidence-Based: Covered California supported a study of eight issuers and their product offerings, covering 80% of commercially insured adults in California (13.9 million), that found greater investment in primary care is associated with better quality medical care and fewer hospital visits.³ Going forward, Covered California will continue to engage with QHP issuers and other stakeholders to analyze the relationship between the percent of spend on primary care services and impact on quality, cost, and equity. Covered California will use these data to determine whether to set a target or floor for primary care spend in future contract requirements.

Question #2: Barriers to implementing successful models or innovations

Commitment to Investment

A commitment to high-quality primary care requires long-term investments. To drive higher-quality primary care, QHP issuers need to compensate providers at a level that allows them to invest in the systems, people, and processes to provide accessible, high-quality, equitable care.

Through the QHP issuer contract, Covered California requires QHP issuers to report on its primary care payment models using the LAN categories and associated subcategories of fee-for-service with no link to quality and value, fee-for-service with a link to quality and value, APMs built on a fee-for-service structure such as shared savings, and population-based payment.

Covered California recommends that HHS continue to promote primary care APMs that enable providers to invest in needed infrastructure (data, workforce, connections to social service providers) over time.

Reducing Administrative Burden

To reduce the administrative burden on primary care providers, HHS should promote alignment across purchasers and payers on issues such as measure sets and payment models. For example, in the development of Covered California's 2023 QHP issuer contract, we prioritized working with other public

of August 1, 2022). These standards and penalties were previously enshrined in [Attachment 14](#) which was utilized in the Individual Market QHP issuer contract for plan years 2017-2022.

³The California Health Care Foundation, Investing in Primary Care: Why It Matters for Californians with Commercial Coverage

< <https://www.chcf.org/resource/primary-care-matters/commercial-study/> > (as of July 29, 2022).

purchasers such as CalPERS and the Department of Health Care Services (DHCS, which administers Medi-Cal) to both maximize impact and reduce administrative burden. Aligning across purchasers and payers ensures that health plans and providers can focus resources on improving health outcomes and reducing disparities rather than on implementing different programs or measures for each purchaser or payer.

Covered California also emphasized alignment when working with CQC and IHA on the development of the APC measure set, specifically emphasizing aligning the measure set with the performance measure sets used by purchasers including the Centers for Medicare and Medicaid Services (CMS), other California state purchasers, and other state purchasers such as Washington.

The existing APC measure set also informs other Covered California performance improvement initiatives. Specifically, the APC measure set includes all four clinical conditions and three of the four measures that Covered California is using in its Quality Transformation Initiative⁴, a program that puts a percent of health plan premium at risk for performance on these four measures. Covered California intentionally chose those three aligned measures to best capitalize on measures and reporting processes already in place.

Question #4: Identify Specific Actions that HHS May Take to Advance the Health of Individuals, Families, and Communities Through Strengthened Primary Health Care

1. Promoting Access to and Use of Primary Care

Universal Primary Care Provider Matching: Covered California recommends that CMS require all issuers participating in CMS programs – whether Medicare Advantage, Medicaid managed care, or Marketplaces – to match members to primary care providers and educate members about the role of primary care providers and how to access primary care.

Education and Awareness: Covered California recommends that CMS develop an educational awareness campaign about the central role and importance of primary care and its benefits to individuals and the healthcare system as a whole.

2. Promoting Advanced Primary Care

Focus on Outcomes Instead of Processes: Covered California recommends that all issuers contracted under CMS programs be required to measure the performance of advanced primary care using pre-determined milestones rather than requiring primary care providers to demonstrate or document the processes or structures they have implemented to achieve improved health outcomes.

⁴ Covered California, 2023-2025 Qualified Health Plan for Individual Market Attachment 4 – Quality Transformation Initiative < https://hbex.coveredca.com/stakeholders/plan-management/library/2023-2025_QHP_IND_Attachment_4_4-19-22_Clean.pdf > (as of August 1, 2022).

Smart Measurement Sets: Covered California recommends that CMS promote and utilize measure sets that are parsimonious and aligned across CMS programs. As mentioned earlier, aligned measure sets decrease the burden on PCPs by focusing on key measures that PCPs can influence to improve health outcomes.

Integrated Behavioral Health: Covered California recommends that CMS support the adoption of integrated behavioral health models such as the Collaborative Care Model through reimbursing for Collaborative Care Model claims codes and including key behavioral health measures in advanced primary care measure sets.

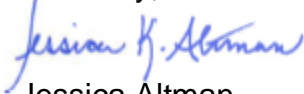
3. Payment Reform to Support Primary Care

Alternative Payment Models: Covered California recommends that CMS require all issuers contracted under CMS programs to increasingly pay PCPs through APMs (LAN Category 2, 3, and 4 or hybrid) that incentivize high-quality, equitable care.

Primary Care Investment: Covered California recommends that CMS require all issuers contracted under CMS programs to report on primary care spending. If the evidence shows that rebalancing to increase primary care spend improves quality, reduces disparities, or drives lower total cost of care, CMS could then set a target or floor for primary care spend in future requirements.

We appreciate your consideration of our comments. If you have any questions or would like more information about the work Covered California is doing to ensure consumers receive high-quality care and that both insurers and providers are implementing the delivery system reforms needed to improve care for all Californians, please feel free to contact us.

Sincerely,



Jessica Altman
Executive Director



Alice Hm Chen, MD, MPH
Chief Medical Officer