Attachment 2 – Performance Standards with Penalties

In this 2023-2025 QHP Issuer Contract, Covered California is implementing the Quality Transformation Initiative as the primary financial incentive for quality and health equity performance and improvement. This Attachment 2 – Performance Standards with Penalties specifies performance standards in the areas of health disparities, payment strategies, enrollee experience, data quality and completeness, and oral health, that are critical to Covered California meeting its mission.

The total amount at risk for Contractor's failure to meet the Performance Standards is equal to 0.2% of the total Gross Premium for the applicable Plan Year (At-Risk Amount). The amount at risk for each Performance Standard is a percent of the total At-Risk Amount. Penalties will be determined on an annual basis at the end of each ~~calendar year~~Calendar Year, based on Contractor's final year-end data for each Performance Standard. Where applicable, performance is assessed for each product (HMO, PPO, EPO) the Contractor offers. Penalties are weighted by enrollment in the product for Contractors with multiple products. Covered California has specified below when the At-Risk Amount or the performance requirements differ by product.

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 2023	Percent of At-Risk Amount 2024	Percent of At-Risk Amount 2025
Health Disparities	1. Reducing Health Disparities: Demographic Data Collection – Enrollee Race and Ethnicity Self-Identification	10%	5%	5%
	2. Reducing Health Disparities: Demographic Data Collection – Enrollee Spoken and Written Language	10% (for reporting)	5%	5%
	3. Reducing Health Disparities: Disparities Reduction Intervention	10%	10%	10%
	4. National Committee for Quality Assurance (NCQA) Health Equity Accreditation	0%	10%	10%
Payment	5. Primary Care Payment	10%	10%	10%
	6. Primary Care Spend	10% (for reporting)	5%	5%
	7. Payment to Support Networks Based on Value	10% (for reporting)	10%	10%
Enrollee Experience	8. Quality Rating System (QRS) QHP Enrollee Experience Summary Indicator Rating	20%	20%	20%

Data	9. Healthcare Evidence Initiative (HEI) Data ~~and Patient Level Data (PLD) Submission~~	20%	20%	20%
Oral Health	10. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517)	0%	2.5%	2.5%
	11. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528)	0%	2.5%	2.5%

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.

~~Covered California will provide Contractor an Initial Contractor Performance Standard Evaluation Report, covering preliminary year end data available, which Covered California will send to Contractor for review no later than February 28th of the following calendar year~~Calendar Year~~.~~

Attachment 2 – Performance Standards with Penalties

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 ~~Measurement~~ Standard Evaluation Report and invoice.

If Contractor does not agree with ~~either~~ the ~~Initial or~~ 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 – 7 Measurement Year: The ~~calendar year~~Calendar Year that activity being assessed is performed. Reporting Year: The ~~calendar year~~Calendar Year that performance data is reported to Covered California. Assessment Year: The ~~calendar year~~Calendar Year that performance data is evaluated, and Measurement Year performance level is determined.		
Performance Standard 1		
1. Reducing Health Disparities: Demographic Data Collection – Enrollee Race and Ethnicity Self-Identification – Attachment 1, Article 1.01		
~~**a) If Contractor was contracted with Covered California in Plan Year 2022,** Contractor must meet the target of eighty percent (80%) Enrollee self-reported race and ethnicity data for Enrollees. Contractor must demonstrate compliance by including valid race and ethnicity attributes for at least 80% of Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.~~ ~~Please note the following specifications:~~ ~~a. See list of acceptable standard values in separate methodology document.~~ ~~b. "Other", "mixed", "multi-racial", etc. values do apply toward meeting the 80% race and ethnicity standard.~~ ~~c. "Null", "blank", "missing", "unknown", "not reported", "decline to state", etc. values DO NOT apply toward meeting the 80% race and ethnicity standard.~~		
~~Measurement Year 2023~~ ~~Contractor does not meet the 80% standard for self-reported racial and ethnic data for Enrollees: **10% penalty**~~ ~~Contractor meets the 80% standard for self-reported racial and ethnic data for Enrollees: **no penalty**~~	~~Measurement Year 2024~~ ~~Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: **5% penalty**~~ ~~Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**~~	~~Measurement Year 2025~~ ~~Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: **5% penalty**~~ ~~Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**~~

ab) If Contractor was not contracted with Covered California in as of Plan Year 20232, Contractor must meet the target of eighty percent (80%) Enrollee self-reported race and ethnicity data for Enrollees by Plan Year 2024. Contractor must establish a baseline for collection of self-identified race and ethnicity data by Plan Year 2023. Contractor must demonstrate compliance by including valid race and ethnicity attributes for at least 80% of Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.

Please note the following specifications:
a. See list of acceptable standard values in separate methodology document.
b. "Other", "mixed", "multi-racial", etc. values do apply toward meeting the 80% race and ethnicity standard.
c. "Null", "blank", "missing", "unknown", "not reported", "decline to state", etc. values DO NOT apply toward meeting the 80% race and ethnicity standard.

Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
Contractor does not establish a baseline for collection of self-identified race and ethnicity data: **10% penalty**	Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: **5% penalty**	Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: **5% penalty**
Contractor establishes a baseline for collection of self-identified race and ethnicity data: **no penalty**	Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**	Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**

b) If Contractor was first contracted with Covered California in Plan Year 2024, Contractor must meet the target of eighty percent (80%) Enrollee self-reported race and ethnicity data for Enrollees by Plan Year 2025. Contractor must establish a baseline for collection of self-identified race and ethnicity data by Plan Year 2024. Contractor must demonstrate compliance by including valid race and ethnicity attributes for at least 80% of Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.

Please note the following specifications:
a. See list of acceptable standard values in separate methodology document.
b. "Other", "mixed", "multi-racial", etc. values do apply toward meeting the 80% race and ethnicity standard.
c. "Null", "blank", "missing", "unknown", "not reported", "decline to state", etc. values DO NOT apply toward meeting the 80% race and ethnicity standard.

	Measurement Year 2024 Contractor does not establish a baseline for collection of self-identified race and ethnicity data: **10% penalty** Contractor establishes a baseline for collection of self-identified race and ethnicity data: **no penalty**	Measurement Year 2025 Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: **5% penalty** Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**
c) If Contractor was first contracted with Covered California in Plan Year 2025, Contractor must establish a baseline for collection of self-identified race and ethnicity data by Plan Year 2025. Contractor must demonstrate compliance by including valid race and ethnicity attributes for at least 80% of Enrollees in its Healthcare Evidence Initiative (HEI) data submissions. Please note the following specifications: a. See list of acceptable standard values in separate methodology document. b. “Other", "mixed", "multi-racial", etc. values do apply toward meeting the 80% race and ethnicity standard. c. “Null”, “blank”, "missing", “unknown”, "not reported", "decline to state", etc. values DO NOT apply toward meeting the 80% race and ethnicity standard.		
		Measurement Year 2025 Contractor does not establish a baseline for collection of self-identified race and ethnicity data: **10% penalty** Contractor establishes a baseline for collection of self-identified race and ethnicity data: **no penalty**

Performance Standards with Penalties		
Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 2		
2. Reducing Health Disparities: Demographic Data Collection – Enrollee Spoken and Written Language – Attachment 1, Article 1.01 ~~Contractor must include valid spoken and written language attributes for Enrollees in its HEI submissions for 2023 and must meet the negotiated annual standard for self-reported spoken or written language in 2024 and 2025. Contractor must demonstrate compliance by including valid spoken and written language attributes for Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.~~		
a) If Contractor was contracted with Covered California as of Plan Year 2023, Contractor must include valid spoken and written language attributes for Enrollees in its HEI submissions for 2023 and must meet the negotiated annual standard for self-reported spoken or written language in 2024 and 2025. Contractor must demonstrate compliance by including valid spoken and written language attributes for Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.		
Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
Contractor does not include valid spoken and written language attributes for Enrollees in its HEI submissions: **10% penalty** Contractor includes valid spoken and written language attributes for Enrollees in its HEI submissions: **no penalty**	Contractor does not meet the negotiated annual standard for self-reported spoken or written language for Enrollees: **5% penalty** Contractor meets the negotiated annual standard for self-reported spoken or written language for Enrollees: **no penalty**	Contractor does not meet the negotiated annual standard for self-reported spoken or written language for Enrollees: **5% penalty** Contractor meets the negotiated annual standard for self-reported spoken or written language for Covered California Enrollees: **no penalty**

b) If Contractor was first contracted with Covered California in Plan Year 2024, Contractor must include valid spoken and written language attributes for Enrollees in its HEI submissions for 2024 and must meet the negotiated annual standard for self-reported spoken or written language in 2025. Contractor must demonstrate compliance by including valid spoken and written language attributes for Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.		
	Measurement Year 2024 Contractor does not include valid spoken and written language attributes for Enrollees in its HEI submissions: **10% penalty** Contractor includes valid spoken and written language attributes for Enrollees in its HEI submissions: **no penalty**	Measurement Year 2025 Contractor does not meet the negotiated annual standard for self-reported spoken or written language for Enrollees: **5% penalty** Contractor meets the negotiated annual standard for self-reported spoken or written language for Enrollees: **no penalty**
c) If Contractor was first contracted with Covered California in Plan Year 2025, Contractor must include valid spoken and written language attributes for Enrollees in its HEI submissions for 2025. Contractor must demonstrate compliance by including valid spoken and written language attributes for Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.		
		Measurement Year 2025 Contractor does not include valid spoken and written language attributes for Enrollees in its HEI submissions: **10% penalty** Contractor includes valid spoken and written language attributes for

		Enrollees in its HEI submissions: **no penalty**

<table>
<tr><th colspan="3">Performance Standards with Penalties</th></tr>
<tr><th colspan="3">Quality, Equity, And Delivery System Transformation Standards</th></tr>
<tr><th colspan="3">Performance Standard 3</th></tr>
<tr><td colspan="3">3. Reducing Health Disparities: Disparities Reduction Intervention – Attachment 1, Article 1.03</td></tr>
<tr><td colspan="3">a) If Contractor was contracted with Covered California in Plan Years 2020, 2021, and 2022, pursuant to Article 1.03 of Attachment 1, Contractor must meet a multi-year disparity reduction target beginning Plan Year 2023 as specified below.</td></tr>
<tr><td>Measurement Year 2023

Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty

Contractor meets disparity reduction target: no penalty</td><td>Measurement Year 2024

Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty

Contractor meets disparity reduction target for identified disparity measure: no penalty</td><td>Measurement Year 2025

Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty

Contractor meets disparity reduction target for identified disparity measure: no penalty</td></tr>
<tr><td colspan="3">b) If Contractor was first contracted with Covered California in Plan Year 2022, ~~but not 2021 or 2020~~, pursuant to Article 1.03 of Attachment 1, Contractor must meet a multi-year disparity reduction target beginning Plan Year 2025 and must meet the performance levels for Plan Year 2023 and 2024 as specified below.</td></tr>
<tr><td>Measurement Year 2023

Contractor does not submit a disparity reduction intervention proposal as specified by Covered California:10% penalty

Contractor submits a disparity reduction intervention proposal as specified by Covered California: no penalty</td><td>Measurement Year 2024

Contractor does not meet the quality improvement target for the disparity intervention population based on the health disparity intervention proposal approved by Covered California:10% penalty
Contractor meets the quality improvement target for the disparity intervention population based on the</td><td>Measurement Year 2025

Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty

Contractor meets disparity reduction target for identified disparity measure: no penalty</td></tr>
</table>

	health disparity intervention proposal approved by Covered California: **no penalty**	
c) ~~For~~ If Contractor~~s~~ was first contracted with Covered California in Plan Year 2023 or 2024,~~not described in 3a and 3b above~~, pursuant to Article 1.03 of Attachment 1, Contractor must meet a multi-year disparity reduction target beginning Plan Year 2025 and must meet the performance levels for Plan Year 2024 and 2025 as specified below. ~~Contractor must meet the quality improvement target for the intervention population by Plan Year 2025 based on the intervention proposal and quality improvement target approved by Covered California.~~		
	Measurement Year 2024 Contractor does not submit a disparity reduction intervention proposal as specified by Covered California: **10% penalty** Contractor submits a disparity reduction intervention proposal as specified by Covered California: **no penalty**	Measurement Year 2025 Contractor does not meet the quality improvement target for the disparity intervention population based on the health disparities intervention proposal approved by Covered California: **10% penalty** Contractor meets the quality improvement target for the disparity intervention population based on the health disparities intervention proposal approved by Covered California: **no penalty**
d) If Contractor~~s~~ was first contracted with Covered California in Plan Year 2025, pursuant to Article 1.03 of Attachment 1, Contractor must meet the performance levels for Plan Year 2025 as specified below.		

		Measurement Year 2025 Contractor does participate in learning activities and meetings as specified by Covered California: **10% penalty** Contractor submits a disparity reduction intervention proposal as specified by Covered California: **no penalty**

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<tr><th colspan="3">Performance Standards with Penalties</th></tr>
<tr><th colspan="3">Quality, Equity, And Delivery System Transformation Standards</th></tr>
<tr><th colspan="3">Performance Standard 4</th></tr>
<tr><td colspan="3">4. National Committee for Quality Assurance (NCQA) Health Equity Accreditation – Attachment 1, Article 1.04

Contractor must achieve and maintain NCQA Multicultural Health Care Distinction (MHCD) or Health Equity Accreditation<u>.</u> ~~by year-end 2023.~~</td></tr>
<tr><td colspan="3"><u>a) If Contractor was Contracted with Covered California as of Plan Year 2023,</u> <u>Contractor must meet the performance levels as specified below:</u></td></tr>
<tr><td>Measurement Year 2023

No assessment.</td><td>Measurement Year 2024

Contractor fails to achieve or maintain NCQA Health Equity Accreditation by January 1, 2024, or expiration date of previous MHCD or Health Equity Accreditation, or fails to maintain accreditation throughout 2024: 10% penalty

Contractor achieves NCQA Health Equity Accreditation by January 1, 2024, or expiration date of previous MHCD or Health Equity Accreditation, and maintains accreditation throughout 2024: no penalty</td><td>Measurement Year 2025

Contractor fails to achieve NCQA Health Equity Accreditation by January 1, 2025, or expiration date of previous MHCD or Health Equity Accreditation, or fails to maintain accreditation throughout 2025: 10% penalty

Contractor achieves NCQA Health Equity Accreditation by January 1, 2025, or expiration date of previous MHCD or Health Equity Accreditation, and maintains accreditation throughout 2025: no penalty</td></tr>
<tr><td colspan="3"><u>b) If Contractor was first Contracted with Covered California in Plan Year 2024,</u> <u>Contractor must meet the performance levels as specified below:</u></td></tr>
</table>

Attachment 2 – Performance Standards with Penalties

Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
No assessment.	No assessment	Contractor fails to achieve or maintain NCQA Health Equity Accreditation by January 1, 2025, or expiration date of previous MHCD or Health Equity Accreditation, or fails to maintain accreditation throughout 2025: **10% penalty** Contractor achieves NCQA Health Equity Accreditation by January 1, 2025, or expiration date of previous MHCD or Health Equity Accreditation, and maintains accreditation throughout 2025: **no penalty**

Performance Standards with Penalties		
Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 5		
5. Primary Care Payment – Attachment 1, Article 4.01.3 Contractor must progressively expand and meet a minimum threshold for the number and percent of primary care clinicians paid through the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories of population-based payment (Category 4) or alternative payment models built on fee for service structure such as shared savings (Category 3) for each measurement year. Contractor's payment models must provide the revenue necessary for primary care clinicians to adopt accessible, data-driven, team-based care.		
Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
Contractor demonstrates that less than 40% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **10% penalty** Contractor demonstrates that 40% to less than 50% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **7.5% penalty** Contractor demonstrates that 50% to less than 60% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **5% penalty**	Contractor demonstrates that less than 45% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **10% penalty** Contractor demonstrates that 45% to less than 55% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **7.5% penalty** Contractor demonstrates that 55% to less than 65% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **5% penalty**	Contractor demonstrates that that less than 50% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **10% penalty** Contractor demonstrates that 50% to less than 60% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **7.5% penalty** Contractor demonstrates that 60% to less than 70% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **5% penalty**

Contractor demonstrates that 60% or more primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **no penalty**	Contractor demonstrates that 65% or more primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **no penalty**	Contractor demonstrates that 70% or more of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **no penalty**

Performance Standards with Penalties		
Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 6		
6. Primary Care Spend – Attachment 1, Article 4.01.3 Contractor must report on total primary care spend, as guided by methodology defined by the Integrated Healthcare Association (IHA), and the percent of spend within each Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) category. Contractor must report the percent of spend within each HCP LAN APM category compared to its overall primary care spend.		
Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
Contractor does not report on its total primary care spend and the percent of spend within each HCP LAN APM category: **10% penalty** Contractor reports on its total primary care spend and the percent of spend within each HCP LAN APM category: **no penalty**	Contractor does not report on its total primary care spend and the percent of spend within each HCP LAN APM category: **5% penalty** Contractor reports on its total primary care spend and the percent of spend within each HCP LAN APM category: **no penalty**	Contractor does not meet the negotiated annual standard for total primary care spend: **5% penalty** Contractor meets the negotiated annual standard for total primary care spend: **no penalty**

Performance Standards with Penalties		
Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 7		
7. Payment to Support Networks Based on Value – Attachment 1, Article 4.03.2 Contractor must report on its network payment models using the Health Care Payment Learning and Action Network Alternative Payment Model (HCP LAN APM) categories of fee for service with no link to quality and value (Category 1), fee for service with a link to quality and value (Category 2), alternative payment models built on a fee for service structure such as shared savings (Category 3), and population-based payment (Category 4). Contractor must report the percent of spend within each HCP LAN APM category compared to its overall budget.		
Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
Contractor does not report on its total network spend and the percent of spend within each HCP LAN APM category: **10% penalty** Contractor reports on its total network spend and the percent of spend within each HCP LAN APM category: **no penalty**	Contractor does not report on its total network spend and the percent of spend within each HCP LAN APM category: **10% penalty** Contractor reports on its total network spend and the percent of spend within each HCP LAN APM category: **no penalty**	Contractor does not meet the negotiated annual standard for the percent of network spend within each HCP LAN APM category: **10% penalty** Contractor meets the negotiated annual standard for the percent of network spend within each HCP LAN APM category: **no penalty**

Performance Standards with Penalties
Quality, Equity, And Delivery System Transformation Standards
Performance Standard 8
8. Quality Rating System (QRS) QHP Enrollee Experience Summary Indicator Rating Contractor must meet a minimum performance threshold of three stars or above on the QRS QHP Enrollee Experience Summary Indicator rating. QHP Issuers are required by CMS annually to collect and submit third-party validated Quality Rating System (QRS) measure data that will be used by CMS to calculate QHP QRS scores and ratings. QHP Issuers must submit QRS measure data to Covered California in accordance with Attachment 1, Article 5.01.1. QRS ratings include an overall rating and three summary indicator ratings of Clinical Quality Management, QHP Enrollee Experience, and Plan Efficiency, Affordability & Management rated on a scale of one to five stars. QRS scores are based on surveys of both individual market and Covered California for Small Business Enrollees for those products offered in both marketplaces. Performance penalties will be calculated using the PMPM for individual market only. Contractor will still be subject to an assessment of penalty or no penalty for each measurement year if Covered California issues a rating and CMS does not issue a rating (as was done for Measurement Year 2019 (Plan Year 2021 QRS). However, if neither Covered California or CMS issues a rating, then Contractor will not be subject to an assessment of penalty or no penalty.
Measurement Years 2023, 2024, 2025 The QHP Enrollee Experience Summary Indicator (Members Care Experience) rating will be based on the QRS performance benchmarks supplied by CMS or adjusted or calculated, as appropriate, by Covered California. 1 Star: **20% performance penalty.** 2 Stars: **10% performance penalty.** 3-5 Stars: **no penalty.**

Performance Standards with Penalties
Healthcare Evidence Initiative (HEI) Data ~~and Patient Level Data (PLD)~~ Submissions
Performance Standard 9
9. Data Submission specific to HEI in Attachment 1, Article 5.02.1 ~~Data Submission and PLD in Attachment 1, Article 1.02.1 Monitoring Disparities: Patient Level Data File~~ 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 9 Full and Regular: 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. Incomplete: A file or part of a file is missing, or critical data elements are not provided. Irregular: 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. Late: Contractor does not submit ~~submits data five (5) or more business days later than its scheduled~~ monthly HEI submission pursuant to the 2023-2025 HEI Data Submission Schedule ~~date~~ ~~or annual PLD~~ submission date. Non-Usable: HEI Vendor cannot successfully include submitted HEI data in its database build~~, Covered California cannot successfully include submitted PLD data in its data-mart,~~ 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 2023, 2024, 2025 1. Incomplete, irregular, late, or non-useable submission of HEI ~~or PLD~~ data: **3% penalty** ~~Failure to submit required financials (e.g., allowed, copay, coinsurance, and deductible amounts) or dental claims covered under medical benefits constitutes incomplete HEI submission. Failure to submit a unique person identifier as specified by Covered California and valid race and ethnicity attributes for each person in the denominator constitutes incomplete PLD submission.~~

Full and regular submission according to the formats specified and useable by Covered California pursuant to the 2023-2025 HEI Data Submission Schedule ~~within five (5) business days of the Contractor's scheduled monthly submission date~~: **no penalty**

2. Inpatient facility medical claim admissions to California general acute care hospitals for which Covered California or its HEI Vendor cannot identify and match at least 95% to the current list of California healthcare facilities licensed by California Department of Public Health, Licensing and Certification: Licensed Healthcare Facility Listing - Datasets - California Health and Human Services Open Data Portal: **3% penalty**
   Contractor's submission meets or exceeds the 95% identification and matching standard: **no penalty**

3. Professional medical claim and ~~drug claim~~encounter records submissions with rendering ~~(medical) or ordering (drug)~~ provider taxonomy ~~and type~~ missing or invalid on more than 2% of claim and encounter records submissions: **2% penalty**
   Contractor's submission meets or exceeds the 98% populated and valid threshold: **no penalty**

4. Enrollment submissions with Primary Care Provider (PCP) National Provider Identifier (NPI) ~~and Tax ID Number (TIN)~~ missing or invalid on more than 1% of records: **2% penalty**
   Contractor's submission meets or exceeds the 99% populated and valid threshold: **no penalty**

5. Professional medical and drug claim record submissions with rendering (medical) or ordering (drug) NPI ~~and TIN~~ missing or invalid on more than 1% of ~~claims~~records: **2% penalty**
   Contractor's submission meets or exceeds the 99% populated and valid threshold: **no penalty**

~~6. Medical and drug claim submissions in which a file's allowed amount total varies by more than plus or minus 2% from the file's total sum of net plan payment, coinsurance, copayment, deductible, and third party amounts: **2% penalty**~~
~~Contractor's submission meets or exceeds the 98% summary financial validation threshold: **no penalty**~~

6. For all products, medical claims/encounter file capitation services indicator field missing or invalid on more than 2% of claims and encounters: **0.75% penalty**
Contractor's submission meets or exceeds the 98% capitation services indicator field threshold: no penalty

For PPO and EPO products: Medical claim submissions in which a file's allowed amount total varies by more than plus or minus 2% from the file's total sum of net plan payment, coinsurance, copayment, deductible, and third-party amounts: **0.5% penalty**
Contractor file allowed amount total is within 2% of the file's total sum of net plan payment, coinsurance, copayment, deductible, and third-party amounts: **no penalty**

For HMO products: Capitation file total member months varies by more than plus or minus 2% from the eligibility/enrollment file capitated members total member months for the same measurement period: **0.5% penalty**
Contractor Capitation file total members months is within 2% of the eligibility/enrollment file capitated members total member months for the same measurement period: **no penalty**

For PPO, EPO, and HMO products: Drug claim submissions in which a file's allowed amount total varies by more than plus or minus 2% from the file's total sum of net plan payment, coinsurance, copayment, deductible, and third-party amounts: **0.75% penalty**
Contractor file allowed amount total is within 2% of the file's total sum of net plan payment, coinsurance, copayment, deductible, and third-party amounts: **no penalty**

7. Medical claim, drug claim, or capitation record submissions that do not match to a current or prior enrollment record ~~unaccompanied by corresponding enrollment records~~ more than 2~~1~~% of the time: **2% penalty**
   Contractor's submission meets or exceeds the 9~~8~~9% matching enrollment threshold: **no penalty**

8. Enrollment~~, medical and drug claim, and capitation~~ record submissions for which the HEI Vendor cannot identify and match at least 99% of records to a known insurance product for the data supplier, i.e., HIOS ID and year combination ~~(on- or off-Exchange) or issuer-specific product ID and year combination (off-Exchange)~~: **2% penalty**
   Contractor's submission meets or exceeds the 99% identification and matching threshold: **no penalty**

9. Drug claim submissions in which a file's allowed amount total varies by more than plus or minus 2% from the file's total sum of ingredient cost, ~~and~~ dispensing fees, and tax amounts: **1% penalty**
   Contractor's ~~submission~~ monthly allowed amount total is within 2% of the file's total sum of ingredient cost, dispensing fees, and tax amounts~~meets or exceeds the 98% summary financial validation threshold~~: **no penalty**

10. Drug claim submissions with Drug Payment Tier missing or invalid on more than 1% of claims or with not all expected values (i.e., 1 = Generic, 2 = Brand Formulary, 3 = Brand Non-Formulary, 4 = Specialty Drug, and 5 = ACA Preventive Medication) represented at appropriate and accurate proportions and consistent with Contractor's formulary, as determined by comparison to Contractor's prior period data submissions, comparison to data aggregated from all data suppliers, and consultation with the Contractor: **1% penalty**
    Contractor's submission meets or exceeds the 99% populated and valid threshold and contains expected values at appropriate and accurate proportions: **no penalty**

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 10		
10. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517) Contractor must meet the specified performance standard for the Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517) measure. Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its pediatric oral health measures. After baseline rates are established in Measurement Year 2024, Covered California may amend the 10% improvement performance levels for Measurement Year 2025, if appropriate.		
Measurement Year 2023 No assessment.	Measurement Year 2024 Contractor establishes a baseline rate for this measure using HEI data. Contractor does not establish baseline rate: **2.5% penalty** Contractor establishes baseline rate: **no penalty**	Measurement Year 2025 Contractor demonstrates an increase of less than 10% over the baseline rate: **2.5% penalty** Contractor demonstrates (a) an increase of 10% or more over the baseline rate or (b) if the baseline rate is 0%, demonstrates an absolute rate of at least 10%: **no penalty**

<table>
<tr><th colspan="3">Performance Standards with Penalties</th></tr>
<tr><th colspan="3">Oral Health Standards</th></tr>
<tr><th colspan="3">Performance Standard 11</th></tr>
<tr><td colspan="3">11. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528)
Contractor must meet the specified performance standard for the Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528) measure.

Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its pediatric oral health measures.

After baseline rates are established in Measurement Year 2024, Covered California may amend the 10% improvement performance levels for Measurement Year 2025, if appropriate.</td></tr>
<tr><td>Measurement Year 2023

No assessment.</td><td>Measurement Year 2024

Contractor establishes a baseline rate for this measure using HEI data.

Contractor does not establish baseline rate: 2.5% penalty

Contractor establishes baseline rate: no penalty</td><td>Measurement Year 2025

Contractor demonstrates an increase of less than 10% over the baseline rate: 2.5% penalty

Contractor demonstrates (a) an increase of 10% or more over the baseline rate or (b) if the baseline rate is 0%, demonstrates an absolute rate of at least 10%: no penalty</td></tr>
</table>