Attachment 2 – Performance Standards with Penalties January 2, 2025

In this 2023-20252026-2028 QHP Issuer Contract, Covered California is implementingwill continue to leverage 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 experiencecollaboration across QHP Issuers and with community, data quality and completeness, and oral health, and primary care utilization 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 theeach applicable Plan Year (At-Risk Amount). The amount at risk for each Performance Standard is a percent of the total At-Risk Amount. for each Plan Year. 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 (HMO, PPO, EPO) the Contractor offers. Penalties are weighted by enrollment in theassessed by product for Contractors with multiple products. Covered California has specified belowshall specify 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 20232026-2028	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%
Collaboration	3. Reducing Health Disparities: Disparities Reduction Intervention3. Collaboration Across QHP Issuers and with Community		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%	

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	~~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~~4. Healthcare Evidence Initiative (HEI) Data		~~20~~40%	~~20%~~ ~~20%~~
Oral Health	~~10~~5. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517)	~~0%~~	~~2.~~5%	~~2.5%~~
	~~11~~6. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #~~2528~~3700)	~~0%~~	~~2.~~5%	~~2.5%~~
Utilization and Primary Care	7. Utilization and Primary Care: Overall Engagement with Members		10%	
	8. Utilization and Primary Care: Monitoring Continuity of Care		10%	

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During the term of this Agreement, Contractor shall meet or exceed the Performance Standards identified in this Attachment. If Contractor recently contracted with Covered California for the first time, Contractor shall meet the Alternate Standard, if specified, for each performance standard during its first two Plan Years contracted with Covered California. 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~~.~~ and further specified in methodology documents distributed for the applicable Measurement Year.

Contractor shall monitor and track its performance each month against the Performance Standards and, as requested, 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~~The reporting period for each Performance Standard is 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~~a Performance Standard reported 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.

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 either to Covered California within thirty (30) Days of receiving the Final Contractor Performance Standard Evaluation Report and invoice~~.~~, or, if directed by Covered California, to an alternative entity that Covered California determines is able to support improvement on Performance Standards and Contractor's quality performance identified on the 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~~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**~~Definitions for Performance Standards: 1 – 8 Measurement Year: The Calendar Year that the activity being assessed is performed. Reporting Year: The Calendar Year that performance data is reported to Covered California. Assessment Year: The Calendar Year that performance data is evaluated, and Measurement Year performance level is determined. When used to assess HEI Data submissions, the following definitions shall apply: 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 as per assessment methodology. 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 monthly HEI submission pursuant to the deadlines in the 2026-2028 HEI Data Submission Schedule. Non-Usable: 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. Establish a Baseline: Requested data is submitted to Covered California at a time and in a format specified, allowing Covered California to calculate a performance benchmark of a value greater than zero for comparison in future Assessment Years. Baseline Rate: The performance benchmark established by Covered California using Contractor's data submissions for the applicable Performance Standard.

~~Definitions for~~ **Performance Standards~~: 1 – 7~~ with Penalties**

~~Measurement Year: The Calendar Year that activity being assessed is performed.~~
~~Reporting Year: The Calendar Year that performance data is reported to Covered California.~~
~~Assessment Year: The 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 as of Plan Year 2023,~~ Contractor must ~~meet the target of eighty percent (80%)~~ collect Enrollee self-reported race and ethnicity data for at least eighty percent (80%) of its Covered California Enrollees ~~by Plan Year 2024. Contractor must establish a baseline for collection of self-identified race and ethnicity data by Plan Year 2023.~~during the Plan Year. Contractor must demonstrate compliance by including valid, acceptable, and reasonable 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~~ Contractor must meet or exceed the required threshold at least once when assessed at two points in time in the Assessment Year.

See separate methodology document~~.~~
~~b. "Other", "mixed", "multi-racial", etc. values do apply toward meeting the 80% race~~ for lists of valid and ~~ethnicity~~acceptable standard~~.~~
~~c. "Null", "blank", "missing", "unknown", "not reported", "decline to state", etc.~~ values ~~DO NOT apply toward meeting the 80% race~~ and ~~ethnicity standard~~reasonableness criteria.

~~Measurement Year 2023~~	Measurement ~~Year 2024~~Years 2026, 2027, 2028	~~Measurement Year 2025~~
~~Contractor does not establish a baseline for collection of self-identified~~	Contractor does not meet or exceed the 80% target for self-reported racial and ethnic data for Enrollees: ~~5~~10**% penalty**	~~Contractor does not meet the 80% target for self-reported racial and~~

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~~race and ethnicity data: **10% penalty**~~ ~~Contractor establishes a baseline for collection of self-identified race and ethnicity data: **no penalty**~~	Contractor meets or exceeds the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**	~~ethnic data for Enrollees: **5% penalty**~~ ~~Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: **no penalty**~~
b) ~~If~~Alternate Standard: Contractor ~~was~~must collect self-reported race and ethnicity data during the first Measurement Year it is contracted with Covered California and include valid race and ethnicity attributes for its Enrollees in ~~**Plan Year 2024,**~~ HEI data submissions. Contractor must ~~meet the target of eighty percent (80%)~~collect Enrollee self-reported race and ethnicity data for ~~Enrollees by Plan~~at least eighty percent (80%) of its Covered California Enrollees during the second Measurement Year ~~2025. Contractor must establish a baseline for collection of self-identified race and ethnicity data by Plan Year 2024.~~it is contracted with Covered California. Contractor must demonstrate compliance by including valid, acceptable, and reasonable race and ethnicity attributes for at least 80% of Enrollees in its ~~Healthcare Evidence Initiative (HEI)~~HEI data submissions. ~~Please note the following specifications:~~ ~~a.~~ Contractor must meet or exceed the required threshold at least once when assessed at two points in time in the Assessment Year. See ~~list of acceptable standard values in~~ separate methodology document~~.~~ for lists of valid standard values and reasonableness criteria. ~~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~~or Written Language – Attachment 1, Article 1.01		
a) ~~If Contractor was contracted with Covered California as of Plan Year 2023,~~ Contractor must include valid ~~spoken~~, acceptable, and reasonable spoken or 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~~. Contractor's data submissions must demonstrate compliance ~~by including~~ at least once when assessed at two points in time in the Assessment Year. See separate methodology document for lists of valid ~~spoken and written language attributes for Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.~~ and acceptable standard values and reasonableness criteria.		
Measurement ~~Year 2023~~Years 2026, 2027, 2028 Contractor does not include valid, acceptable, and reasonable spoken ~~and~~or written language attributes for Enrollees in its HEI submissions: **10% penalty** Contractor includes valid, acceptable, and reasonable spoken ~~and~~or written language attributes for Enrollees in its HEI submissions: **no penalty**	~~Measurement Year 2024~~ ~~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~~	~~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~~

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	~~language for Enrollees: **no penalty**~~	~~language for Covered California Enrollees: **no penalty**~~
b) ~~If Contractor was first contracted with Covered California in Plan Year 2024,~~Alternate Standard: Contractor must ~~include valid~~collect spoken and written language ~~attributes for Enrollees in its HEI submissions for 2024~~data during the first Measurement Year it is contracted with Covered California, and ~~must meet the negotiated annual standard for self-reported spoken~~ include valid spoken or written language attributes for its Enrollees in ~~2025.~~ HEI data submissions. Contractor must ~~demonstrate compliance by including valid~~collect spoken and written language data during the second Measurement Year it is contracted with Covered California, and include valid, acceptable, and reasonable spoken or written data attributes for its Enrollees ~~in its Healthcare Evidence Initiative (HEI).~~ Contractor's data submissions~~.~~ must demonstrate compliance at least once when assessed at two points in time in the Assessment Year. See separate methodology document for lists of valid standard values and reasonableness criteria.		
	~~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**~~

Performance Standards with Penalties		
Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 3		
3. Reducing Health Disparities: Disparities Reduction Intervention – Attachment 1, Article 1.03		
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.		
Measurement Year 2023 Contractor does not meet disparity reduction target for identified disparity measure: **10% penalty** Contractor meets disparity reduction target: **no penalty**	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**	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**
b) If Contractor was first contracted with Covered California in Plan Year 2022, 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.		
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**	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	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**

	health disparity intervention proposal approved by Covered California: **no penalty**	
c) If Contractor was first contracted with Covered California in Plan Year 2023 or 2024, 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.		
	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 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**~~

Performance Standards with Penalties		
~~Quality, Equity, And Delivery System Transformation Standards~~		
Performance Standard 43		
~~4. National Committee for Quality Assurance (NCQA) Health Equity Accreditation~~ **3. Collaboration Across QHP Issuers and With Community – Attachment 1, ~~Article~~Articles 1.~~0~~403, 2.01.3, 2.03.4, 3.05.2, 4.02.2, 4.02.4, 4.02.6** ~~Contractor must achieve and maintain NCQA Multicultural Health Care Distinction (MHCD) or Health Equity Accreditation.~~		
~~a) If Contractor was Contracted with Covered California as of Plan Year 2023,~~ ~~Contractor must meet the performance levels as specified below:~~		
~~Measurement Year 2023~~ ~~No assessment.~~	~~Measurement Year 2024~~ **a)** Contractor ~~fails~~must host or attend QHP Issuer collaboration and community engagement activities approved by Covered California in at least six of the following seven required focus areas during the Plan Year: 1. Disparities Reduction 2. Access to ~~achieve or maintain NCQA~~Behavioral Health ~~Equity Accreditation by January~~Services 3. Substance Use Disorders 4. Use of Generative Artificial Intelligence 5. Payments to Support Networks Based on Value 6. Hospital Quality, Value, and Safety 7. Comprehensive Pregnancy and Postpartum Care Contractor hosted collaborative QHP Issuer and community engagement activities must meet criteria specified by Covered California and must be submitted to and approved by Covered	~~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~~

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	California in advance to count toward this requirement. Additionally, unless otherwise specified in Attachment 1, ~~2024,~~an event that addresses one or ~~expiration date of previous MHCD or~~more of the focus areas that Covered California's Health Equity ~~Accreditation, or fails to maintain accreditation throughout 2024: **10% penalty**~~and Quality Transformation Division determines meets specified criteria, including, hosted learning sessions, working groups, and forums and roundtables, may count toward this requirement. ~~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** ~~Contractor must meet threshold for required activities which will be assessed once in the Assessment Year. See separate methodology document for activity submission and evaluation process.	~~date of previous MHCD or Health Equity Accreditation, and maintains accreditation throughout 2025: **no penalty**~~

~~**b) If** ~~Measurement Years 2026, 2027, 2028:

Contractor ~~**was first Contracted with**~~hosts or attends QHP Issuer collaboration and community engagement activities approved by Covered California in ~~**Plan Year 2024,** ~~fewer than six of the seven focus areas: **10% penalty**

Contractor ~~must meet the performance levels as specified below: ~~hosts or attends QHP Issuer collaboration and community engagement activities approved by Covered California in at least six of the seven focus areas: **no penalty**

~~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~~

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		~~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**~~**b) Alternate Standard:** Contractor must host or attend Covered California specified events and collaborative QHP Issuer, community engagements, and qualifying implementation activities to meet Attachment 1 requirements approved by Covered California in at least six out of the following seven required focus areas during the Plan Year: 1. Disparities Reduction 2. Access to Behavioral Health Services 3. Substance Use Disorders 4. Use of Generative Artificial Intelligence 5. Payments to Support Networks Based on Value 6. Hospital Quality, Value, and Safety 7. Comprehensive Pregnancy and Postpartum Care Contractor hosted collaborative QHP Issuer and community engagement activities must meet criteria specified by Covered California and must be submitted to and approved by Covered California in advance to count toward this requirement. Additionally, unless otherwise specified in Attachment 1, an event that addresses one or more of the focus areas that Covered California's Health Equity and Quality Transformation Division determines meets specified criteria, including, hosted learning sessions, working groups, and forums and roundtables, may count toward this requirement. Contractor must meet threshold for required activities which will be assessed once in the Assessment Year.

		See separate methodology document for activity submission and evaluation process. Contractor does not host or attend activities in six out of seven of the focus areas: **10% penalty** Contractor hosts or attends activities in six out of seven of the focus areas: **no penalty**

Performance Standards with Penalties		
~~**Quality, Equity, And Delivery System Transformation Standards**~~		
Performance Standard ~~5~~4		
4. Data Submission specific to HEI in Attachment 1, Article 5.02.1		
~~**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.~~ **a)** 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. Contractor must meet threshold for data submissions for each calendar month during the Measurement Year.		
Measurement Years 2026, 2027, 2028 Incomplete, Late, or Non-useable submission of HEI data: **40% penalty** Full and Regular submission of HEI data: **no penalty**		
~~Measurement Year 2023~~ ~~Contractor demonstrates that less than 40% of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **10% penalty**~~	~~Measurement Year 2024~~ ~~Contractor demonstrates that less than 45% of primary care clinicians are contracted under HCP LAN APM Category~~	~~Measurement Year 2025~~ ~~Contractor demonstrates that that less than 50% of primary care clinicians are contracted under HCP LAN APM Category~~

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~~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**~~ **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 Merative 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 ~~demonstrates that 50% to less than 60% of primary care clinicians are~~does not submit Full and Regular data in the second Measurement Year it is contracted ~~under HCP LAN APM Category 3 or Category 4: **5**~~with Covered California. **40% penalty** Contractor ~~demonstrates that 60% or more primary care clinicians are~~submits Full and Regular data in the second Measurement Year it is contracted ~~under HCP LAN APM Category 3 or Category 4:~~with Covered California. **no penalty**	~~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 65% or more primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4: **no penalty**~~	~~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 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~~5		
5. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517)		
~~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.~~ **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. 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 at least once when assessed at two points in time in the Assessment Year.		
Measurement Year ~~2023~~2026 Contractor does not ~~report on its total primary care spend and the percent of spend within each HCP LAN APM category: 10~~Establish a Baseline: **5% penalty** Contractor ~~reports on its total primary care spend and the percent of spend within each HCP LAN APM category~~Establishes a Baseline: **no penalty**	Measurement Year ~~2024~~2027 Contractor ~~does not report on its total primary care spend and~~demonstrates an increase of less than 10% over the ~~percent of spend within each HCP LAN APM category~~Baseline Rate: **5% penalty** Contractor ~~reports on its total primary care spend and~~demonstrates an increase of 10% or more over the ~~percent of spend within each HCP LAN~~	Measurement Year ~~2025~~2028 Contractor ~~does not meet~~demonstrates an increase of less than 15% over the ~~negotiated annual standard for total primary care spend~~Baseline Rate: **5% penalty** Contractor ~~meets~~demonstrates an increase of 15% or more over the ~~negotiated annual standard for total primary care spend~~Baseline Rate: **no penalty**

	~~APM category~~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 in the second Measurement Year it is contracted with Covered California. Contractor must demonstrate compliance with data submissions at least once when assessed at two points in time in the first Assessment Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline 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 during the second Measurement Year it is contracted with Covered California: **no penalty.**		

Performance Standards with Penalties		
~~Quality, Equity, And Delivery System Transformation Standards~~		
Performance Standard ~~7~~6		
6. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #3700)		
~~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.~~ **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 #3700) measure. 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 at least once when assessed at two points in time in the Assessment Year.		
Measurement Year ~~2023~~2026 Contractor does not ~~report on its total network spend and the percent of spend within each HCP LAN APM category: **10**~~Establish a Baseline: **5% penalty** Contractor ~~reports on its total network spend and the percent of spend within each HCP LAN APM category~~Establishes a Baseline: **no penalty**	Measurement Year ~~2024~~2027 Contractor ~~does not report on its total network spend and the percent~~demonstrates an increase of ~~spend within each HCP LAN APM category:~~less than 10% over the Baseline Rate: **5% penalty** Contractor ~~reports on its total network spend and~~demonstrates an increase of 10% or more over the ~~percent of spend~~	Measurement Year ~~2025~~2028 Contractor ~~does not meet~~demonstrates an increase of less than 15% over the ~~negotiated annual standard for the percent of network spend within each HCP LAN APM category: **10**~~Baseline Rate: **5% penalty** Contractor ~~meets the negotiated annual standard for the percent~~demonstrates an increase of

	~~within each HCP LAN APM category~~Baseline Rate: **no penalty**	~~network spend within each HCP LAN APM category~~15% or more over the 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 in the second Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline 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 during the second Measurement Year it is contracted with Covered California: **no penalty.**		

Performance Standards with Penalties		
~~**Quality, Equity, And Delivery System Transformation Standards**~~		
Performance Standard ~~8~~7		
7. Utilization and Primary Care: Overall Engagement with Members - Attachment 1, Article 4.01.2		
a) Contractor must Establish a Baseline and increase the portion of Covered California Enrollees with continuous enrollment in Contractor's QHP throughout the prior Plan Year with at least one medical or prescription drug claim each Plan Year. 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 threshold at least once when assessed at two points in time in the Assessment Year.		
Measurement Year 2026	Measurement Year 2027	Measurement Year 2028
Contractor does not Establish a Baseline: **10% penalty** Contractor Establishes a Baseline: **no penalty**	Contractor demonstrates an increase in utilization of less than 5% over the Baseline Rate: **10% penalty** Contractor demonstrates (a) an increase of 5% or more over the Baseline Rate or (b) a Baseline Rate of over 80%: **no penalty**	Contractor demonstrates an increase in utilization of less than 10% over the Baseline Rate: **10% penalty** Contractor demonstrates (a) an increase of 10% or more over the Baseline Rate or (b) a Baseline Rate of over 80%: **no penalty**
~~**8. Quality Rating System (QRS) QHP Enrollee Experience Summary Indicator Rating**~~ **b) Alternate Standard:** Contractor must ~~meet a minimum performance threshold of three stars or above on~~monitor 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~~portion of its 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~~with at least one medical or prescription drug claim during the ~~PMPM for individual market only.~~

~~Contractor will still be subject to an assessment of penalty or no penalty for each measurement~~first 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.~~it is contracted with Covered California.

In the second Measurement Year it is contracted with Covered California, Contractor must Establish a Baseline for Covered California Enrollees with continuous enrollment in Contractor's QHP throughout the prior Plan Year with at least one medical or prescription drug claim in the Plan Year.

As required, Contractor's data submissions must Establish a Baseline 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 during the second Measurement Year it is contracted with Covered California: **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 Submissions**~~
Performance Standard ~~9~~8
8. Utilization and Primary Care: Monitoring Continuity of Care - Attachment 1, Article 4.01.2
~~**9. Data Submission specific to HEI in Attachment 1, Article 5.02.1**~~ **a)** Contractor must ~~complete full and regular submission of data according to~~monitor the ~~standards outlined in Attachment 1, Article 5.02.1 and Attachment 1, Article 1.02.1.~~ ~~Definitions~~continuity of care index 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:~~ Enrollees and Establish a Baseline. Contractor must plan and implement efforts to improve its continuity of care index if it does not ~~submit monthly HEI submission pursuant to the 2023-2025 HEI Data Submission Schedule submission date.~~ ~~Non-Usable: HEI Vendor cannot successfully include submitted HEI data in its database build or HEI Vendor's or~~achieve a continuity of care index of at least 0.7 for at least 60% of Enrollees. The continuity of care index measures Covered ~~California's analysts determine~~California Enrollees with continuous enrollment in Contractor's QHP throughout the prior Plan Year with two or more primary care visits with any primary care clinician during that ~~critical components of the submitted data cannot be used or relied upon in subsequent analytic work~~Plan Year. As specified, Contractor's data submissions must Establish a Baseline and demonstrate compliance in the Assessment Year, or meet or exceed the required increase over the Baseline Rate or threshold at least once when assessed at two points in the Assessment Year.

Attachment 2 – Performance Standards with Penalties January 2, 2025

Measurement Year 2026	Measurement ~~Years 2023, 2024, 2025~~Year 2027	Measurement Year 2028
Contractor Establishes a Baseline of less than 0.7 for at least 60% of Enrollees and does not report to Covered California on planned improvement activities: **10% penalty** Contractor Establishes a Baseline and (a) reports to Covered California on planned improvement activities or (b) achieves a continuity of care index of at least 0.7 for at least 60% of Enrollees: **no penalty**	~~1. Incomplete, irregular, late, or non-useable submission of HEI data: **3% penalty**~~ ~~Full and regular submission according to the formats specified and useable by Covered California pursuant to the 2023-2025 HEI Data Submission Schedule: **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%~~	Contractor has a Baseline Rate of less than 0.7 for at least 60% of Enrollees and demonstrates an increase in continuity of care of less than 10% over the Baseline Rate: **10% penalty** Contractor demonstrates (a) an increase of 10% or more over the Baseline Rate or (b) a Baseline Rate of at least 0.7 for at least 60% of Enrollees: **no penalty**

Inserted Cells

Inserted Cells

	~~identification and matching standard: **no penalty**~~ ~~3. Professional medical claim and encounter records submissions with rendering provider taxonomy 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) 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 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~~	

	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 more than 2% of the time: **2% penalty**~~	

	~~Contractor's submission meets or exceeds the 98% matching enrollment threshold: **no penalty**~~ ~~8. Enrollment 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: **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, dispensing fees, and tax amounts: **1% penalty** Contractor's monthly allowed amount total is within 2% of the file's total sum of ingredient cost, dispensing fees, and tax amounts: **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**~~ Contractor has a Baseline Rate of less than 0.7 for at least 60% of Enrollees and does not implement and report to Covered California on continuity of care improvement activities: **10% penalty.** Contractor (a) implements and reports to Covered California on continuity of care improvement activities or (b) achieved a continuity of care index of at least	

	0.7 for at least 60% of Enrollees: **no penalty.**	
b) Alternate Standard: Contractor must monitor continuity of care for its Covered California Enrollees during the first Measurement Year it is contracted with Covered California. As required, Contractor's data submissions must Establish a Baseline and demonstrate compliance in the Assessment Year. Contractor Establishes a Baseline of less than 0.7 for at least 60% of Enrollees and does not report to Covered California on planned improvement activities during the second Measurement Year it is contracted with Covered California: **10% penalty** Contractor Establishes a Baseline and (a) reports to Covered California on planned improvement activities or (b) achieves a continuity of care index of at least 0.7 for at least 60% of Enrollees during the second Measurement Year it is contracted with Covered California. **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	Measurement Year 2024	Measurement Year 2025
No assessment.	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**	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**

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 11		
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.		
Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
No assessment.	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**	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**