

Attachment 2 – Performance Standards with Penalties

In this ~~2023-2025~~2026-2028 QHP Issuer Contract, Covered California ~~is implementing~~will 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 experience~~collaboration 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 ~~the each~~ 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 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 <u>2026-2028</u>	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 Intervention <u>3. Collaboration Across QHP Issuers and with Community</u>	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	94. Healthcare Evidence Initiative (HEI) Data		20%	20%	20%
Oral Health	105. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517)	0%	2.5%	2.5%	
	146. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528)	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 is not contracted with Covered California for Plan Year 2026, and executes a contract term of 2027-2028 or 2028, Contractor shall meet the specified Alternate Standard for each performance standard. 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 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)

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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 Standard 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.

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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.

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Performance Standards with Penalties

~~Quality, Equity, And Delivery System Transformation Standards~~

Definitions for Performance Standards: 1 – 7-8

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.

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.

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Performance Standard 1		
1. Reducing Health Disparities: Demographic Data Collection – Enrollee Race and Ethnicity Self-Identification – Attachment 1, Article 1.01		
<p>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. Contractor must demonstrate compliance by including valid, <u>acceptable, and reasonable</u> race and ethnicity attributes for at least 80% of Enrollees in its Healthcare Evidence Initiative (HEI) data submissions.</p> <p>Please note the following specifications:</p> <p>a. See list of acceptable standard values in separate methodology document.</p> <p>b. "Other", "mixed", "multi racial", etc. values do apply toward meeting the 80% race for lists of valid and ethnicity acceptable standard.</p> <p>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.</p>		
<p>Measurement Year 2023</p> <p>Contractor does not establish a baseline for collection of self-identified race and ethnicity data: 10% penalty</p> <p>Contractor establishes a baseline for collection of self-identified race and ethnicity data: no penalty</p>	<p>Measurement Year 2024 Years 2026, 2027, 2028</p> <p>Contractor does not meet <u>or exceed</u> the 80% target for self-reported racial and ethnic data for Enrollees: 510% penalty</p> <p>Contractor meets <u>or exceeds</u> the 80% target for self-reported racial and ethnic data for Enrollees: no penalty</p>	<p>Measurement Year 2025</p> <p>Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: 5% penalty</p> <p>Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: no penalty</p>

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

Please note the following specifications:

~~a. See list of acceptable standard values in Contractor must collect self-reported race and ethnicity data during the second Measurement Year it is contracted with Covered California, and include valid and reasonable race and ethnicity attributes for its Enrollees.~~

~~See 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	Measurement Year 2025
	<p>Contractor does not establish a baseline for collection of self-identified race and ethnicity data: 10% penalty</p> <p>Contractor establishes a baseline for collection of self-identified race and ethnicity data: no penalty</p>	<p>Contractor does not meet the 80% target for self-reported racial and ethnic data for Enrollees: 5% penalty</p> <p>Contractor meets the 80% target for self-reported racial and ethnic data for Enrollees: no penalty</p>

~~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~~

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~~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.~~

		<p>Measurement Year 2025</p> <p>Contractor does not establish a baseline for collection of self-identified race and ethnicity data: 10% penalty</p> <p>Contractor establishes a baseline for collection of self-identified race and ethnicity data: no penalty</p>
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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		
<p>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.</p> <p>See separate methodology document for 2023 lists of valid and must meet the negotiated annual acceptable standard for self-reported spoken or written language in 2024 values and 2025. Contractor must demonstrate compliance by including valid spoken and written language attributes for Enrollees in its Healthcare Evidence Initiative (HEI) data submissions, reasonableness criteria.</p>		
<p>Measurement Year 2023 Years 2026, 2027, <u>2028</u></p> <p>Contractor does not include valid, <u>acceptable, and reasonable</u> spoken and written language attributes for Enrollees in its HEI submissions: 10% penalty</p> <p>Contractor includes valid, <u>acceptable, and reasonable</u> spoken and written language attributes for Enrollees in its HEI submissions: no penalty</p>	<p>Measurement Year 2024</p> <p>Contractor does not meet the negotiated annual standard for self-reported spoken or written language for Enrollees: 5% penalty</p> <p>Contractor meets the negotiated annual standard for self-reported spoken or written language for Enrollees: no penalty</p>	<p>Measurement Year 2025</p> <p>Contractor does not meet the negotiated annual standard for self-reported spoken or written language for Enrollees: 5% penalty</p> <p>Contractor meets the negotiated annual standard for self-reported spoken or written language for</p>

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		<p>Covered California Enrollees: no penalty</p>
<p>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.</p>		
	<p>b) Alternate Standard: Contractor must collect spoken and written language data during the <u>first Measurement Year 2024</u></p> <p>Contractor does not <u>it is contracted with Covered California, and</u> include valid spoken <u>and/or</u> written language attributes for <u>its</u> Enrollees in <u>its</u> HEI <u>data</u> submissions: 10% penalty.</p> <p>Contractor includes valid <u>must collect</u> spoken and written language data <u>during the second Measurement Year</u> it is contracted with <u>Covered California, and include valid and reasonable spoken or written data</u> attributes for <u>its</u> Enrollees in its HEI submissions: no penalty.</p> <p><u>See separate methodology document for lists of valid standard values and reasonableness criteria.</u></p>	<p>Measurement Year 2025</p> <p>Contractor does not <u>meets the</u> negotiated annual standard for self-reported spoken or written language for Enrollees: 5% penalty</p> <p>Contractor meets the <u>negotiated annual standard for self-reported spoken or written language for</u> Enrollees: no penalty</p>
<p>e) 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.</p>		

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		<p>Measurement Year 2025</p> <p>Contractor does not include valid spoken and written language attributes for Enrollees in its HEI submissions: 10% penalty</p> <p>Contractor includes valid spoken and written language attributes for Enrollees in its HEI submissions: no penalty</p>
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<p>Performance Standards with Penalties</p>
<p>Quality, Equity, And Delivery System Transformation Standards</p>
<p>Performance Standard 3</p>
<p>3. Reducing Health Disparities: Disparities Reduction Intervention Collaboration Across QHP Issuers and With Community – Attachment 1, ArticleArticles <u>1.03, 2.01, 2.02, 2.03, 2.04, 3.01, 3.05, 4.01, 4.02</u></p>

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<p>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:</p>		
<p>Measurement Year 2023</p>	<p>Measurement Year 2024</p>	<p>Measurement Year 2025</p>
<p>Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty</p> <p>Contractor meets disparity reduction target: no penalty</p>	<p>Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty</p> <p>Contractor meets disparity reduction target for identified disparity measure: no penalty</p>	<p>Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty</p> <p>Contractor meets disparity reduction target for identified disparity measure: no penalty</p>
<p>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. a) Contractor must annually attend and engage in 80% or more of equity focused learning sessions, working groups, and community engagement activities, specified by Covered California during the Plan Year.</p> <p>Such specified events may include: hosted learning sessions, working groups, clinical leaders’ forums and roundtables, performance meetings, and carrier calls designated by the Health Equity and Quality Transformation Division. Additionally, Contractor-led collaborative QHP Issuer and community engagement activities submitted and approved by Covered California may count toward this requirement.</p>		
<p>Measurement Year 2023 Years 2026, 2027, 2028:</p>	<p>Measurement Year 2024</p>	<p>Measurement Year 2025</p>

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<p>Contractor does not submit a disparity reduction intervention proposal as specified by<u>attends and engages in fewer than 80% annually of Covered California: specified events and required collaborative QHP Issuer and community engagements: 10% penalty</u></p> <p>Contractor submits a disparity reduction intervention proposal as specified by<u>attends and engages in greater than or equal to 80% annually of Covered California: convenings and required collaborative QHP Issuer and community engagements.: no penalty</u></p>	<p>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 health disparity intervention proposal approved by Covered California: no penalty</p>	<p>Contractor does not meet disparity reduction target for identified disparity measure: 10% penalty</p> <p>Contractor meets disparity reduction target for identified disparity measure: no penalty</p>
<p>e) 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.</p>		
	<p style="text-align: center;"><u>Measurement Year 2024</u></p> <p>b) Alternate Standard: Contractor does not submit a disparity reduction intervention proposal as specified by<u>attend and engage in at least 80% of Covered California: specified events and collaborative QHP Issuer, community engagements, and implementation activities designated for newly contracted QHP Issuers. 10% penalty</u></p> <p>Contractor submits a disparity reduction intervention proposal as specified by<u>must attend and engage in 80% of Covered California: specified events and collaborative</u></p>	<p style="text-align: center;"><u>Measurement Year 2025</u></p> <p>Contractor does not meet the quality improvement target for the disparity intervention population based on the health disparities intervention proposal approved by Covered</p>

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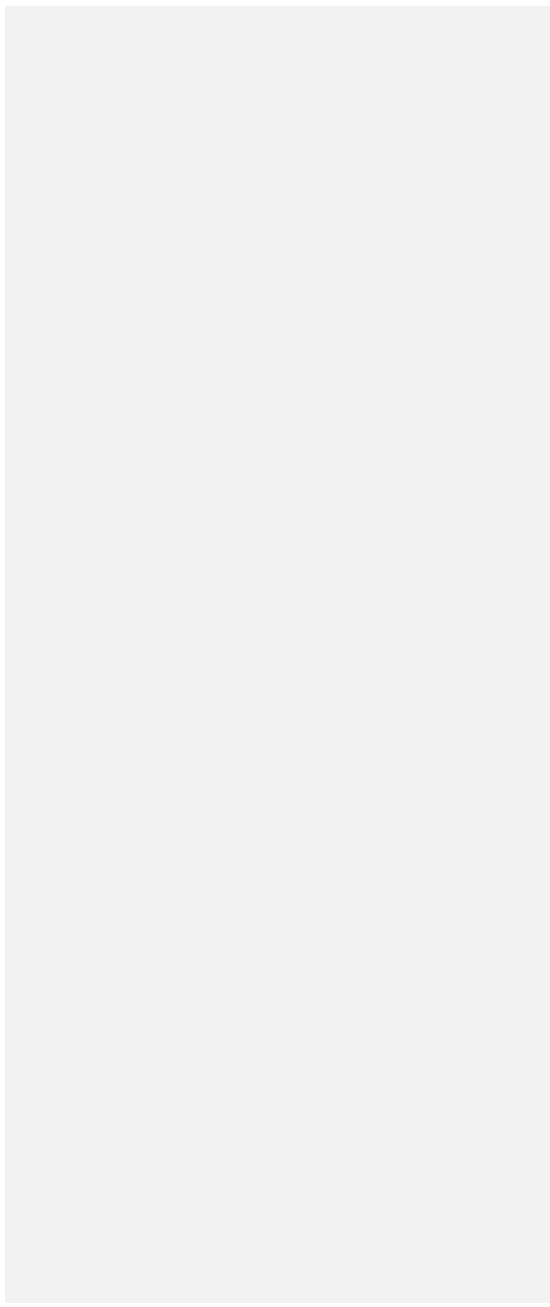
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	<p><u>QHP Issuer, community engagements, and implementation activities designated for newly contracted QHP Issuers.</u> no penalty</p>	<p>California: 10% penalty</p> <p>Contractor meets the quality improvement target for the disparity intervention population based on the health disparities intervention proposal approved by Covered California: no penalty</p>
<p>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.</p>		

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		<p>Measurement Year 2025</p> <p>Contractor does participate in learning activities and meetings as specified by Covered California: 10% penalty</p> <p>Contractor submits a disparity reduction intervention proposal as specified by Covered California: no penalty</p>
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Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 4		
<u>4. Data Submission specific to HEI in Attachment 1, Article 5.02.1</u>		
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>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.</u>		
<u>a) If Contractor was Contracted with Covered California as of Plan Year 2023,</u> Contractor must meet the performance levels as specified below:		
<u>Measurement Year 2023</u>	<u>Measurement Year 2024 Years 2026, 2027, 2028</u>	<u>Measurement Year 2025</u>
No assessment.	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 Incomplete, Late,	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

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		<p><u>or Non-useable submission of HEI data: 40% penalty</u></p> <p><u>Full and Regular submission of HEI data: no penalty</u></p>	<p>throughout 2025: 10% penalty</p> <p>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</p>
<p><u>b) If Contractor was first Contracted with Covered California in Plan Year 2024, Contractor must meet the performance levels as specified below:</u></p>			
<p><u>Measurement Year 2023</u></p> <p>No assessment.</p>	<p><u>Measurement Year 2024</u></p> <p>No assessment</p>	<p><u>b) Alternate Standard: Contractor does not submit Full and Regular data in its second Measurement Year 2025</u></p> <p>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% contracted with Covered California. 40% penalty</p> <p>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 Contractor submits Full and Regular data in its second Measurement Year contracted with Covered California. no penalty</p>	

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Quality, Equity, And Delivery System Transformation Standards		
Performance Standard 5		
<u>5. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517)</u>		
5. Primary Care Payment – Attachment 1, Article 4.01.3		
<p>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.</p> <p>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.</p>		
Measurement Year 2023 <u>2026</u>	Measurement Year 2024-2027	Measurement Year 2025 <u>2028</u>
<p>Contractor demonstrates that less than 40% of primary care clinicians are contracted under HCP-LAN APM Category 3 or Category 4: 10% penalty</p> <p>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</p> <p>Contractor does not Establish a Baseline for this measure: 5% penalty</p>	<p>Contractor demonstrates that an increase of less than 45% of primary care clinicians are contracted under HCP-LAN APM Category 3 or Category 4: 10% over the Baseline Rate: 5% penalty</p> <p>Contractor demonstrates that 45% to less than 55% an increase of primary care clinicians are contracted under HCP-LAN APM Category 3 or Category 4: 7.5% penalty</p>	<p>Contractor demonstrates that that an increase of less than 50% of primary care clinicians are contracted under HCP-LAN APM Category 3 or Category 4: 10% penalty 15% over the Baseline Rate: 5% penalty</p> <p>Contractor demonstrates that 50% to less than 60% an increase of primary care clinicians are contracted under HCP-LAN APM Category 3 or Category 4: 7.5% penalty</p>

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<p>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</p> <p>Contractor demonstrates that 60% or more primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4 Establishes a Baseline for this measure: no penalty</p>	<p>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</p> <p>-10 Contractor demonstrates that 65% or more primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4 over the Baseline Rate: no penalty</p>	<p>-15 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</p> <p>Contractor demonstrates that 70% or more of primary care clinicians are contracted under HCP LAN APM Category 3 or Category 4 over the Baseline Rate: no penalty</p>
<p>b) Alternate Standard: Contractor must Establish a Baseline for this measure in the second Measurement Year it is contracted with Covered California.</p> <p><u>Contractor does not Establish a Baseline for this measure during its second Measurement Year contracted with Covered California: 5% penalty.</u></p> <p><u>Contractor Establishes a Baseline for this measure during its second contracted year: no penalty.</u></p>		

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Performance Standard 6		
<u>6. Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528)</u>		
<u>6. Primary Care Spend – Attachment 1, Article 4.01.3</u>		
<p>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.</p> <p>a) Contractor shall Establish a Baseline and meet or exceed the specified performance standard for the Pediatric Topical Fluoride for Children, Dental Services (TFL-CH-A) (NQF #2528) measure.</p>		
Measurement Year 2023 <u>2026</u>	Measurement Year 2024 <u>2027</u>	Measurement Year 2025 <u>2028</u>
<p>Contractor does not report on its total primary care spend and the percent of spend within each HCP LAN APM category: 10 <u>Establish a Baseline :</u> 5% penalty</p> <p>Contractor reports on its total primary care spend and the percent of spend within each HCP LAN APM category <u>Establishes a Baseline for this measure:</u> no penalty</p>	<p>Contractor does not report on its total primary care spend and <u>demonstrates an increase of less than 10% over the percent of spend within each HCP LAN APM category</u> <u>Baseline Rate: 5%</u> penalty</p> <p>Contractor reports on its total primary care spend and <u>demonstrates an increase of 10% or more over the percent of spend within each HCP LAN APM category</u> <u>Baseline Rate: no</u> penalty</p>	<p>Contractor does not meet <u>demonstrates an increase of less than 15% over the negotiated annual standard for total primary care spend</u> <u>Baseline Rate: 5%</u> penalty</p> <p>Contractor meets <u>demonstrates an increase of 15% or more over the negotiated annual standard for total primary care spend</u> <u>Baseline Rate: no</u> penalty</p>

Attachment 2 – Performance Standards with Penalties

b) Alternate Standard: Contractor must Establish a Baseline for this measure in the second Measurement Year it is contracted with Covered California.

Contractor does not Establish a Baseline for this measure during its second Measurement Year contracted with Covered California: **5% penalty.**

Contractor Establishes a Baseline for this measure during its second Measurement Year contracted with Covered California: **no penalty.**

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Attachment 2 – Performance Standards with Penalties

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		
<p>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.</p>		
Measurement Year 2023	Measurement Year 2024	Measurement Year 2025
<p>Contractor does not report on its total network spend and the percent of spend within each HCP LAN APM category: 10% penalty</p> <p>Contractor reports on its total network spend and the percent of spend within each HCP LAN APM category: no penalty</p>	<p>Contractor does not report on its total network spend and the percent of spend within each HCP LAN APM category: 10% penalty</p> <p>Contractor reports on its total network spend and the percent of spend within each HCP LAN APM category: no penalty</p>	<p>Contractor does not meet the negotiated annual standard for the percent of network spend within each HCP LAN APM category: 10% penalty</p> <p>Contractor meets the negotiated annual standard for the percent of network spend within each HCP LAN APM category: no penalty</p>

Attachment 2 – Performance Standards with Penalties

Performance Standards with Penalties
Quality, Equity, And Delivery System Transformation Standards
Performance Standard <u>87</u>
7. Utilization and Primary Care: Overall Engagement with Members - Attachment 1, Article 4.01.2
8. Quality Rating System (QRS) QHP Enrollee Experience Summary Indicator Rating
<p>a) Contractor must meet a minimum performance threshold of three stars or above on the QRS QHP Enrollee Experience Summary Indicator rating.</p><p>QHP Issuers are required by CMS annually to collect <u>monitor</u> 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 <u>increase the portion of Covered California in accordance Enrollees with Attachment 1, Article 5.01.1.</u> QRS ratings include an overall rating and three summary indicator ratings <u>twelve months</u> of Clinical Quality Management, QHP Enrollee Experience, and Plan Efficiency, Affordability & Management rated on a scale of <u>continuous enrollment with at least one to five stars.</u></p><p>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.</p><p>Contractor will still be subject to an assessment of penalty or no penalty for <u>medical or prescription drug claim</u> each measurement year if Covered California issues a rating and CMS does not issue a rating (as was done for Measurement Plan 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.</p>
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.

Attachment 2 – Performance Standards with Penalties

<p>1 Star: 20% performance penalty. 2 Stars: 10% performance penalty. 3-5 Stars: no penalty.</p>		
<p>Performance Standards with Penalties</p>		
<p>Healthcare Evidence Initiative (HEI) Data Submissions</p>		
<p>Performance Standard 9</p>		
<p>9. Data Submission specific to HEI in Attachment 1, Article 5.02.1 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.</p> <p>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 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 Covered California's analysts determine that critical components of the submitted data cannot be used or relied upon in subsequent analytic work.</p>		
<p><u>Measurement Year 2026</u></p>	<p><u>Measurement Years 2023, 2024, 2025</u> <u>Year 2027</u></p>	<p><u>Measurement Year 2028</u></p>
<p><u>Contractor does not Establish a Baseline: 10% penalty</u></p>	<p><u>Contractor demonstrates an increase in utilization of less than 5% over the Baseline Rate: 10% penalty</u></p>	<p><u>Contractor demonstrates an increase in utilization of less than 10% over the Baseline Rate: 10% penalty</u></p>

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Attachment 2 – Performance Standards with Penalties

<p><u>Contractor shall Establish a Baseline for Enrollee utilization of services: no penalty</u></p>	<p>1. Contractor demonstrates incomplete, irregular, late, or non-useable submission of HEI data: 3% penalty</p> <p>Full and regular submission according to the formats specified and useable by Covered California pursuant to <u>(a) an increase of 5% or more over the 2023-2025 HEI Data Submission Schedule: no penalty</u></p> <p>2. Inpatient facility medical claim admissions to California general acute care hospitals for which Covered California Baseline Rate or its HEI Vendor cannot identify and match at least 95% to the current list of California healthcare facilities licensed by California Department (b) a Baseline Rate of Public Health, Licensing and Certification: <u>Licensed Healthcare Facility Listing – Datasets – California Health and Human Services Open Data Portal</u>: 3% penalty</p> <p>Contractor's submission meets or exceeds the 95% identification and matching standard: no penalty</p>	<p><u>Contractor demonstrates (a) an increase of 10% or more over the Baseline Rate or (b) a Baseline Rate of over 80%: no penalty</u></p>
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Attachment 2 – Performance Standards with Penalties

	<p>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</p> <p>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</p> <p>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</p> <p>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</p>	
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Attachment 2 – Performance Standards with Penalties

	<p>Contractor's submission meets or exceeds the 98% capitation services indicator field threshold: no penalty</p> <p>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</p> <p>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</p> <p>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</p> <p>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</p>	
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Attachment 2 – Performance Standards with Penalties

	<p>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</p> <p>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</p> <p>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</p>	
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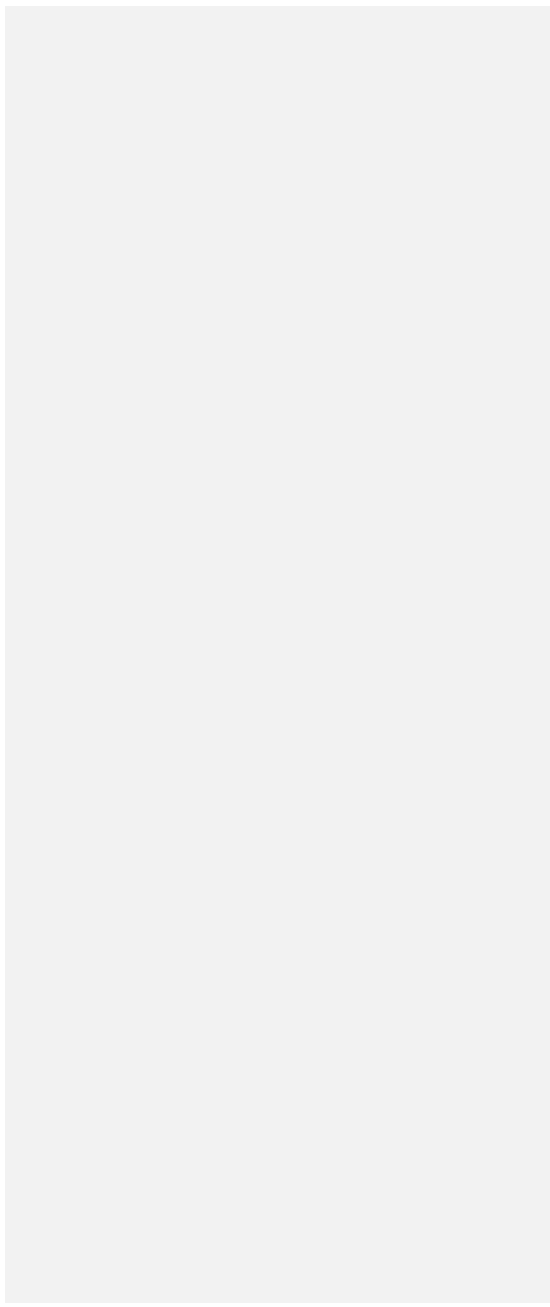
Attachment 2 – Performance Standards with Penalties

	<p>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</p> <p>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</p>	
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Attachment 2 – Performance Standards with Penalties

	values at appropriate and accurate proportions over 80%: no penalty	
<p><u>b) Alternate Standard:</u> Contractor must Establish a Baseline for utilization in the second Measurement Year it is contracted with Covered California.</p> <p><u>Contractor does not Establish a Baseline for utilization during its second Measurement Year contracted with Covered California: 5% penalty.</u></p> <p><u>Contractor Establishes a Baseline for this measure during its second Measurement Year contracted with Covered California: No penalty.</u></p>		

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Attachment 2 – Performance Standards with Penalties

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 108		
8. Utilization and Primary Care: Monitoring Continuity of Care - Attachment 1, Article 4.01.2		
10. Pediatric Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517)		
a) Contractor must <u>meet/monitor</u> the <u>specified performance standard/continuity of care index</u> for the <u>Pediatric-Oral Evaluation, Dental Services (OEV-CH-A) (NQF #2517) measure</u>.		
Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year/Enrollees and Establish a Baseline. Contractor must plan and implement efforts to <u>generate/improve</u> its <u>pediatric-oral health/continuity of care index</u>, if it does not achieve a continuity of care index of at least 0.7%. The <u>continuity of care index</u> 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/Enrollees with continuous enrollment for 12 months with two or more primary care visits with any primary care clinician.		
Measurement Year <u>2023/2026</u>	Measurement Year <u>2024/2027</u>	Measurement Year <u>2025/2028</u>
No assessment. <u>Contractor establishes a Baseline of less than 0.7% and does not report to Covered California on planned improvement activities: 10% penalty</u>	Contractor <u>establishes/has</u> a Baseline Rate for this measure using HEI data. <u>Contractor of less than 0.7% and does not establish baseline rate: 2.5</u>	Contractor <u>has a Baseline Rate of less than 0.7% and</u> demonstrates an increase in continuity of care of less than 10% over the Baseline Rate: <u>2-5/10% penalty</u>
<u>Contractor reviews Baseline Rate and (a) reports to Covered California on planned improvement activities or (b)</u>	<u>implement and report to Covered California on continuity of</u>	Contractor demonstrates (a) an increase of 10% or more over the Baseline Rate or (b) <u>if the baseline</u>

Attachment 2 – Performance Standards with Penalties

<p><u>achieves a continuity of care index of at least 0.7%: no penalty</u></p>	<p><u>care improvement activities: 10% penalty.</u></p> <p><u>Contractor establishes baseline rate: no penalty</u></p> <p><u>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%: no penalty.</u></p>	<p>rate is 0%, demonstrates an absolute <u>Baseline Rate of at least 0.7%: no penalty</u></p>
<p><u>b) Alternate Standard:</u> <u>Contractor establishes a Baseline of less than 0.7% and does not report to Covered California on planned improvement activities during its second Measurement Year contracted with Covered California: 10% penalty</u></p> <p><u>Contractor reviews Baseline Rate and (a) reports to Covered California on planned improvement activities or (b) achieves a continuity of care index at least 0.7% during its second Measurement Year contracted with Covered California. No penalty</u></p>		

Attachment 2 – Performance Standards with Penalties

Performance Standards with Penalties		
Oral Health Standards		
Performance Standard 11		
<p>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.</p> <p>Contractor shall submit the required Covered California Healthcare Evidence Initiative (HEI) Data for each measurement year to generate its pediatric oral health measures.</p> <p>After baseline rates are established in Measurement Year 2024, Covered California may amend the 10% improvement performance levels for Measurement Year 2025, if appropriate.</p>		
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