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Qualified Health Plan Contract for the Individual Market - December 12, 2024, Update

The following is the draft 2026-2028 Covered California Qualified Health Plan Issuer Contract, Section 4.3.4 Essential Community Providers and Attachment 3 Performance Standards and Expectations, Performance Standard 1.12 Essential Community Providers, updated since the second comment cycle.

4.3.4 Essential Community Providers

a) Contractor must provide reasonable and timely access to Covered Services for Low-income and Medically Underserved populations in each geographic rating region where Contractor's QHPs provide services to Covered California Enrollees, by providing access to Essential Community Providers (ECPs) as specified in this Section. Contractor shall comply with other laws, rules and regulations relating to arrangements with ECPs, as applicable, including those rules set forth at 45 C.F.R. § 156.235. For the purposes of this Section the following definitions shall apply:

- i. "Low-income" populations are individuals and families living at or below 200% of Federal Poverty Level.
- ii. "Medically Underserved" populations are:
 1. Individuals with HIV/AIDS,
 2. American Indians and Alaska Natives,
 3. Individuals living in Maternity Care Target Areas, as published by the Health Resources and Services Administration (HRSA),
 4. Individuals living in designated Health Professional Shortage Areas, as published by HRSA,
 5. Individuals living in designated Medically Underserved Areas, as published by HRSA, and
 6. Individuals belonging to designated Medically Underserved Populations, as published by HRSA.

b) General ECP standard. Contractor shall maintain in its provider network a sufficient number and sufficient geographic distribution of ECPs, as specified below. A Contractor that provides a majority of Covered Services through providers employed by the Contractor or through a single contracted medical group, as determined by Covered California, may instead comply with the Alternate ECP standard, specified in (c).

- i. Provider sufficiency. Contractor's provider network must, at a minimum:
 1. Include a mix of ECPs (hospital and non-hospital) reasonably distributed to serve Low-income and Medically Underserved populations.

2. Include at least one ECP hospital in each county, or, in counties with more than one geographic rating region, one ECP hospital in each geographic rating region, where Contractor's QHPs provide Covered Services to Covered California Enrollees.
 3. Include at least fifteen percent (15%) of ECPs providing primary care services as defined in this Section d) x. in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees.
 4. Include at least fifteen percent (15%) of ECPs providing behavioral health services as defined in this Section d) xi. in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees.
 5. If Contractor is unable to achieve the sufficiency requirements in this Section b) i. 3. and b) i. 4., include at least fifteen percent (15%) of 340B non-hospital providers in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees, and increase Contractor's provider network each Plan Year to achieve the sufficiency requirements in this Section b) i. 3. and b) i. 4. no later than Plan Year 2029. Contractor shall annually provide:
 - a. Documentation of Contractor's good faith efforts to achieve the sufficiency requirements in this Section b) i. 3. and b) i. 4., and
 - b. Documentation each subsequent Plan Year demonstrating increases in Contractor's percentage of contracts to meet the sufficiency requirements in Section b) i. 3. and b) i. 4.
- ii. Sufficient geographic distribution. Covered California shall determine whether Contractor provides sufficient geographic distribution of care based on a consideration of factors, not limited to:
 1. The nature, type, and distribution of Contractor's ECP contracting arrangements in each geographic rating region

where Contractor's QHPs provide Covered Services to Covered California Enrollees;

2. The balance of hospital and non-hospital ECPs in each geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees; and
 3. The extent to which the providers in Contractor's network are accessible to and provide services that meet the needs of Low-income and Medically Underserved populations.
- c) Alternate ECP standard. A Contractor that Covered California determines qualifies under the alternate ECP standard, due to its integrated delivery structure, must satisfy the requirement in (a) by providing services to the Low-income and Medically Underserved populations served by the entities listed in each of the ECP categories in (d). It must demonstrate that it does so in each geographic rating region where Contractor's QHPs provide services to Covered California Enrollees, either through its own system or by offering a contract to at least one ECP outside of its system in each such category.
- d) ECP categories. ECPs shall include the following categories of entities:
- i. Entities that participate in the program for limitation on prices of drugs purchased by covered entities under Section 340B of the Public Health Service Act (42 U.S.C. § 256B ("340B Entities")).
 - ii. Entities that participate in the program described in Public Health Service Act § 1927(c)(1)(D)(i)(IV).
 - iii. Entities that participate in California's Disproportionate Share Hospital (DSH) Program, per the final DSH Eligibility List for the current fiscal year.
 - iv. Federally designated 638 Tribal Health Programs and Title V Urban Indian Health Programs.
 - v. Federally Qualified Health Centers.
 - vi. Community Clinics or health centers either licensed as a "community clinic" or "free clinic", by the State under Health and Safety Code section 1204, subdivision (a), or exempt from licensure under Health and Safety Code section 1206.

- vii. State-owned family planning service sites or governmental family planning sites not receiving Federal funding under special programs, including Title X of the PHS Act, unless they have lost their status under that section, or sections 340(B) or 1927 of the PHS Act due to violations of Federal law.
 - viii. Pediatric oral services providers.
 - ix. Recipients of the Department of Health Care Access and Information's Community-Based Organization (CBO) Behavioral Health Workforce Grant Program.
 - x. Medi-Cal primary care providers located in quartiles 1 and 2 of the California Healthy Places Index.
 - xi. Medi-Cal behavioral health providers located in quartiles 1 and 2 of the California Healthy Places Index.
- e) Covered California will post a non-exhaustive list of ECPs annually. If Contractor believes an entity it contracts with falls within one or more of the ECP categories, but the entity does not appear on Covered California's published list, Contractor may request approval from Covered California to include the entity as an ECP.
- f) Covered California will annually publish a report on Contractor's efforts to achieve compliance with the requirements in Section 4.3.4. This report will include, but is not limited to, an assessment of Contractor's ability to meet the provider sufficiency requirements in this Section b) i., and if applicable, Contractor's documented approach to achieving the provider sufficiency requirements for ECPs providing primary care and behavioral health services, submitted in Section b) i. 5.
- g) Reporting requirements for Contractors under the General ECP standard are contained within the required monthly provider data submission pursuant to Section 4.4.4. Contractor must provide a provider data file to Covered California upon request for the purpose of determining compliance with the ECP standard. This file is separate and distinct from the files provided to the Integrated Health Care Association's Symphony Provider Directory as described in Section 4.4.5.
- h) Reporting requirements for Contractors under the Alternate ECP standard are contained within the annual Application for Certification. Contractor must provide access maps to demonstrate the extent to which it provides services

to the Low-income and Medically Underserved populations served by the entities listed in each of the ECP categories.

- i) Notice of changes to ECP network. Contractor shall notify Covered California with respect to any change as of and throughout the term of this Agreement to its ECP contracting arrangements, geographic distribution, percentage coverage, ECP classification type (e.g., 340B), and other information relating to ECPs within thirty (30) business days of any change in ECP contracts. Contractor shall notify Covered California of any pending change in its ECP contracting arrangements at least sixty (60) Days prior to any change or immediately upon Contractor's knowledge of the change if knowledge is acquired less than sixty (60) Days prior to the change, and shall cooperate with Covered California in planning for the orderly transfer of plan members.
- j) Indian Health Care Providers. For Contractor's provider contracts entered into on or after January 1, 2015, Contractor shall reference the Centers for Medicare & Medicaid Services "Model QHP Addendum for Indian Health Care Providers" ("Addendum").

Contractor is encouraged to adopt the Addendum whenever it contracts with those Indian health care providers specified in the Addendum. Adoption of the Addendum is not required; it is offered as a resource to assist Contractor in including specified Indian providers in its provider networks.

Attachment 3 - Performance Standards and Expectations

<p>Covered California will create an Annual Report of Performance Standards and Expectations, displaying Contractor's final Plan Year 2026 performance in Performance Standards and Expectations, Standards 1.1 - 1.11, to be posted publicly on Covered California's website. Covered California will continue public reporting of its service level performance metrics.</p>			
Performance Standard	Performance Requirements	Contractor Must Submit Data by the 10th of the following month	Measurement Period
	<p>providers in each applicable geographic rating region and demonstrate increases in Contractor's provider network each Plan Year to achieve these sufficiency requirements.</p> <p>Or meet Alternate Standard Contractor requirements. Refer to Section 4.3.4.</p>		

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Certification Application Qualified Health Plan Individual Market December 12, 2024, Update

The following is the draft Plan Year 2026 Covered California Certification Application Qualified Health Plan Individual Market, Section 17.4/18.4/19.4/20.4 Essential Community Providers and the draft Plan Year 2026 Qualified Health Plan Covered California Small Business (CCSB) Market, Section 16.4/17.4/18.4/19.4 Essential Community Providers, updated since the second comment cycle.

For QHP IND: 17.4/18.4/19.4/20.4 Essential Community Providers (ECP)
For QHP CCSB: 16.4/17.4/18.4/19.4 Essential Community Providers (ECP)

All questions are required for all Applicants. All questions should be answered at the product level.

Applicant must provide reasonable and timely access for Low-income and Medically Underserved populations in each geographic rating region where Applicant's QHP proposals will provide services, by providing access to Essential Community Providers (ECPs) under criteria specified in this section. Applicants with an integrated delivery structure, as determined by Covered California using criteria in question XX.4.3, may qualify for assessment under an alternative standard.

For the purposes of this Section the following definitions shall apply:

- “Low-income” populations are individuals and families living at or below 200% of Federal Poverty Level.
- “Medically Underserved” populations are defined as:
 1. Individuals with HIV/AIDS,
 2. American Indians and Alaska Natives,
 3. Individuals living in Maternity Care Target Areas, as published by the Health Resources and Services Administration (HRSA),
 4. Individuals living in designated Health Professional Shortage Areas, as published by HRSA,
 5. Individuals living in designated Medically Underserved Areas, as published by HRSA, and
 6. Individuals belonging to designated Medically Underserved Populations, as published by HRSA.
- Essential Community Providers include providers in the following categories:
 1. Entities that participate in the program for limitation on prices of drugs purchased by covered entities under Section 340B of the Public Health Service Act (42 U.S.C. § 256B (“340B Entities”).
 2. Entities that participate in the program described in Public Health Service Act § 1927(c)(1)(D)(i)(IV).
 3. Entities that participate in California’s Disproportionate Share Hospital (DSH) Program, per the final DSH Eligibility List for the current fiscal year.
 4. Federally designated 638 Tribal Health Programs and Title V Urban Indian Health Programs.
 5. Federally Qualified Health Centers.
 6. Community Clinics or health centers either licensed as a “community clinic” or “free clinic”, by the State under Health and Safety Code section 1204, subdivision (a), or exempt from licensure under Health and Safety Code section 1206.
 7. State-owned family planning service sites or governmental family planning sites not receiving Federal funding under special programs, including Title X of the PHS Act, unless they have lost their status under that section, or sections 340(B) or 1927 of the PHS Act due to violations of Federal law.
 8. Pediatric oral services providers.

9. Recipients of the Department of Health Care Access and Information's Community-Based Organization (CBO) Behavioral Health Workforce Grant Program.
10. Medi-Cal primary care providers located in quartiles 1 and 2 of the California Healthy Places Index.
11. Medi-Cal behavioral health providers located in quartiles 1 and 2 of the California Healthy Places Index.

Covered California's published Consolidated Essential Community Provider List is available at: <http://hbex.coveredca.com/stakeholders/plan-management/ecp-list/>.

XX.4.1 Applicant must demonstrate that its QHP proposals meet requirements for provider sufficiency of its Essential Community Provider (ECP) network. Covered California will use Applicant's provider network data submission to assess Applicant's ECP network. All the criteria below must be met.

1. Applicant must demonstrate a mix of ECPs (hospital and non-hospital) reasonably distributed to serve Low-income and Medically Underserved populations; **AND**
2. Applicant must include at least one ECP hospital (including 340B hospitals, Disproportionate Share Hospitals, critical access hospitals, academic medical centers, county, and children's hospitals) per each county, or, in counties with more than one geographic rating region, one ECP hospital in each geographic rating region where the QHP provides Covered Services to Covered California Enrollees. **AND**
3. Applicant must demonstrate contracts with at least fifteen percent (15%) of Medi-Cal primary care providers located in quartiles 1 and 2 of the California Healthy Places Index in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees. Covered California will calculate the percentage of contracted primary care ECPs located in each geographic rating region. All primary care ECP service sites shall be counted in the denominator, in accordance with the most recent version of Covered California's Consolidated ECP list.
4. Applicant must demonstrate contracts with at least fifteen percent (15%) of Medi-Cal behavioral health providers located in quartiles 1 and 2 of the California Healthy Places Index in each applicable geographic rating region where Contractor's QHPs provide Covered Services to Covered California Enrollees. Covered California will calculate the percentage of contracted behavioral health ECPs located in each geographic rating region. All behavioral health ECP service sites shall be counted in the denominator, in accordance with the most recent version of Covered California's Consolidated ECP list.
5. If Applicant is unable to achieve the sufficiency requirements in XX.1.3 and XX.1.4 Applicant must demonstrate contracts with at least fifteen percent (15%) of 340B non-hospital providers in each applicable geographic rating area where Contractor's QHPs provide Covered Services to Covered California Enrollees, and provide documentation of good faith efforts Contractor is taking or will take to achieve the sufficiency requirements in XX.1.3 and XX.1.4. Covered California will calculate the percentage of contracted 340B entities located in each geographic rating region. All 340B entity service sites shall be counted in the denominator, in accordance with the most recent version of Covered California's Consolidated ECP list.

Covered California will evaluate Applicant's provider network submission to determine if Applicant has achieved provider sufficiency and a balance between hospital and non-hospital requirements. The above are the minimum requirements. For example, in populous counties, one ECP hospital will not suffice if there are concentrations of Low-income and Medically Underserved populations throughout the county that are not served by a single contracted ECP hospital.

Applicant must confirm that its provider network submissions include ECP designations. If Applicant is requesting the alternative standard due to its integrated delivery structure, it shall select not applicable.

Single, Pull-down list.

- 1: Confirmed.
- 2: Not confirmed.
- 3: Not applicable, requesting consideration of alternate standard.

XX.4.2 Applicant must demonstrate that its QHP proposals meet requirements for geographic sufficiency of its Essential Community Provider (ECP) network. Covered California will use Applicant's provider network data submission to assess Applicant's ECP network. All the criteria below must be met.

1. Applicant must demonstrate the nature, type, and distribution of ECP contracting arrangements in each geographic rating region where the QHP provides Covered Services to Covered California Enrollees. **AND**
2. Applicant must demonstrate a balance of hospital and non-hospital ECPs in each geographic rating region where the QHP provides Covered Services to Covered California Enrollees. **AND**
3. Applicant must demonstrate the extent to which providers are accessible to and provide services that meet the needs of Low-income and Medically Underserved populations.

Covered California will evaluate Applicant's provider network submission to determine if Applicant has achieved a sufficient geographic distribution and balance between hospital and non-hospital requirements.

Applicant must confirm that its provider network submissions include ECP designations. If Applicant is requesting the alternative standard due to its integrated delivery structure, it shall select not applicable.

Single, Pull-down list.

- 1: Confirmed.
- 2: Not confirmed.
- 3: Not applicable, requesting consideration of alternate standard.

XX.4.3 Alternate standard. If Applicant provides a majority of covered professional services through providers employed by the Applicant or through a single contracted medical group, it may request to be evaluated under the alternate standard. The alternate standard requires the Applicant to provide services to the Low-income and Medically Underserved populations served by the entities listed in each of the ECP categories listed above and demonstrate that it does so in each geographic rating region where the QHP provides services to Covered California Enrollees, either through its own integrated delivery system or by offering a contract to at least one ECP outside of its system in each such category.

An Applicant requesting consideration under the alternate standard shall submit a written description of the following:

1. Percent of services received by Applicant's members which are rendered by Applicant's employed providers or single contracted medical group; **AND**
2. Degree of capitation Applicant holds in its contracts with participating providers, including the percentage of provider services that are at risk under capitation; **AND**
3. How Applicant's network is designed to ensure reasonable and timely access for Low-income, and Medically Underserved individuals; **AND**
4. Efforts Applicant will undertake to measure how Low-income and Medically Underserved individuals are accessing needed health care services (e.g., maps of low-income members relative to 30-minute drive time to providers; survey of low-income members experience such as Consumer Assessment of Healthcare Providers Systems (CAHPS) "Getting Needed Care" survey).

Applicant must produce access maps to demonstrate the extent to which it provides services to the Low-income and Medically Underserved populations served by the entities listed in each of the ECP categories. If existing provider capacity does not meet the above criteria, Applicant may be required to provide additional contracted or out-of-network care. Applicants are encouraged to consider contracting with identified ECPs to provide reasonable and timely access for Low-income, Medically Underserved communities.

Applicant must confirm whether it is requesting evaluation under the alternative ECP standard.

Single, Pull-down list.

- 1: Confirmed, requesting consideration of alternate standard, explanation and access maps attached,
- 2: Not requesting consideration under the alternate standard.