



2023 Qualified Health Plan Certification New Entrant Selective Contracting Policy and Methodology

Policy for New Entrant Selective Contracting for the Exchange

In alignment with its mission to improve health care quality, lower costs and reduce health disparities, Covered California only contracts with QHP issuers to participate in the Exchange who demonstrate clear value to its consumers in terms of access, quality, and cost. To ensure that new entrant applicants are held to similar quality standards as existing products offered by currently contracted QHP issuers and to meet the guidelines for the selection and oversight of QHP issuers as described in section 1.3 of the [QHP Certification Application](#), Covered California has developed the proposed methodology described below to assess the likely quality performance of new entrant applicants' proposed products. Specifically, this assessment of quality performance supports the selection guideline of "Encourage 'Value' Competition Based upon Quality, Service, and Price." The proposed provider networks of new entrant applicants may be evaluated using provider organization quality data and health plan quality data.

For the Plan Year 2023 QHP certification process, any QHP issuers contracted with Covered California at the time of application will be referred to as "currently contracted applicants." Any applicants that are not contracted with Covered California at the time of application will be referred to as "new entrant applicants." All applicant data submissions required in the QHP certification process are not subject to public release.

Methodology for Assessing Health Plan Quality

Covered California proposes to review the [National Committee for Quality Assurance \(NCQA\) Health Plan Report Cards](#) to assess the overall quality of new entrant applicants. This data summarizes health plan performance by product (HMO, PPO, EPO) in commercial and Medicaid markets in California using Healthcare Effectiveness Data and Information Set (HEDIS) measure results, Consumer Assessment of Healthcare Providers and Systems (CAHPS) measure results, and NCQA Accreditation standards scores.

Although it is not specific to performance in the Exchange market, this data can provide a high-level assessment of how the applicant's products perform in other California markets.



Methodology for Assessing Provider Organization Quality

Covered California proposes to work with the [Integrated Healthcare Association \(IHA\)](#) to evaluate the quality performance of provider organizations (POs) – medical groups and independent practice associations – offered in each proposed provider network for new entrant applicants and currently contracted applicants. IHA collects PO quality data on a specified set of measures through its [Align. Measure. Perform. \(AMP\) program](#). IHA works with the California Office of the Patient Advocate (OPA) to publicly report AMP PO quality performance results each year.

New entrant applicants and currently contracted applicants will indicate the contracted POs in-network for each of their proposed products (HMO, PPO, EPO, Other) using the IHA PO list. Based on the list of contracted POs for each product, IHA intends to profile the quality of POs using the AMP Measurement Year 2019 data by Covered California rating region. Covered California is proposing use of Measurement Year 2019 data due to the impact of the COVID-19 pandemic on Measurement Year 2020 and because Measurement Year 2021 data will not be available at the time of this analysis.

Covered California and IHA intend to compute each PO's all-commercial quality score using the IHA Clinical Achievement Score (CAS) composite to evaluate the quality of POs for each product for new entrant applicants and currently contracted applicants.

This analysis enables Covered California to assess the overall quality performance of the POs with which new entrant applicants are contracting and compare this assessment to the overall quality performance of POs contracted with currently contracted applicants.

Covered California may review the quality performance of applicants' POs during the confidential negotiation process.

Note on Hospital Quality

Covered California expects new entrant applicants and currently contracted applicants to curate and manage their hospital networks and improve quality and cost performance across network hospitals. Covered California is proposing to work with [Cal Healthcare Compare](#), California hospitals, and QHP issuers to profile and monitor contracted hospital quality performance.