



Plan Management Advisory Workgroup

October 2, 2025

AGENDA

Time	Topic	Presenter
10:00 – 10:05	Welcome and Agenda Review	Amy Frith
10:05 – 10:35	2027 QHP and QDP Issuer Model Contract Amendment – Public Comment Period Summary	PMD and EQT
10:35 – 10:50	Hospital Quality Engagement Project	Dr. David Campa
10:50 – 11:30	QHP Issuer Accountability Programs	Mireya Furman Kelly Saephan Joy Dionisio
11:30 – 12:00	Open Forum	

2027 QHP AND QDP ISSUER MODEL CONTRACT AMENDMENT – PUBLIC COMMENT PERIOD SUMMARY

Plan Management Division

STAKEHOLDER ENGAGEMENT

Covered California actively engaged stakeholders and solicited feedback on the draft 2027 Qualified Health and Dental Plan (QHP & QDP) Issuer Contract Amendments for the Individual and Covered California for Small Business (CCSB) markets. The first public comment period for these drafts was held from August 15, 2025, through September 15, 2025.

The Plan Management Division (PMD) will provide a summary of comments submitted for the following model contracts:

- 2026-2028 QHP Individual Issuer Model Contract
- 2024-2027 QDP Issuer Model Contract

Additionally, the Health Equity and Quality Transformation (EQT) Division will deliver updates on stakeholder feedback regarding the following contract attachments:

- QHP Individual & QDP Attachment 1: Advancing Equity, Quality, and Value
- QDP Attachment 2: Performance Standards with Penalties

STAKEHOLDER FEEDBACK – MODEL CONTRACTS

Covered California proposed minimal updates to all Model Contracts, and received limited stakeholder feedback. Few comments were submitted for the QDP and QHP Individual Model Contracts, while no comments were received for the CCSB Contract. Covered California values stakeholder feedback and appreciates all comments received!

Key feedback and responses include:

- **QHP Individual Contract, Section 3.2.1: Enrollment and Marketing Coordination and Cooperation:**
 - A request was made to adjust the expectation of spending at least 0.4% of projected premiums to direct response advertising. Covered California appreciates this feedback and is currently evaluating the language and considering potential updates.
- **QHP Individual and QDP Contracts, Section 3.2.1.2 j) Acceptable payment types for binder and monthly premium payments:**
 - A request was received to make the acceptance of credit cards optional due to associated administrative costs. While Covered California acknowledges these concerns, credit cards remain an important payment option for consumers, enhancing flexibility and access to coverage. No changes will be made to this section.
- **All Model Contracts, Article 10 – Privacy and Security:**
 - Support was expressed for the revised language in Article 10 – Privacy and Security, which addresses Privacy and Security standards.

2027 CONTRACT AMENDMENT DRAFTS & PUBLIC COMMENT

- Response to Comment documents, second draft 2027 QHP and QDP Contract Amendments with updates, and Comment Templates will be posted to HBEX Thursday, **October 9, 2025**:
<https://hbex.coveredca.com/stakeholders/plan-management/contract-listings/2027/>
- Stakeholders will have until COB, **Friday, November 7, 2025**, to provide comments on all contract documents. Comments should be returned to PMDContractsUnit@covered.ca.gov and to EQT@covered.ca.gov

Any questions please email the PMD Contracts Unit

2027 QHP AND QDP ISSUER MODEL CONTRACT AMENDMENT – PUBLIC COMMENT PERIOD SUMMARY

Health Equity & Quality Transformation Division

QDP 2027 ATTACHMENT 1 PUBLIC COMMENT SUMMARY

Attachment 1 (no changes proposed for 2027)

- One Issuer raised concerns about the lack of pregnancy tracking functionality and the burden of manual reporting, risking network erosion.
- One Issuer supported health equity efforts and emphasized education as the key tool for improving dental plan use.
- One Issuer recommended electronic communication to minimize costs, environmental impact, and premium increases.
- One Issuer recommended posting dental plan quality metrics to align with health plan transparency.
- One Issuer suggested medical plans coordinate pregnancy care with clearance forms between obstetricians and dentists.

QDP 2027 ATTACHMENT 2 PUBLIC COMMENT SUMMARY

Attachment 2: Performance Standards

- One Issuer opposed financial penalties, advocating for testing strategies and addressing data gaps.
- Two issuers expressed concerns with year-over-year performance increase requirements for high performing plans; one issuer recommended a threshold of 70% utilization to avoid penalties and also recommended incorporating member education and outreach efforts into performance criteria rather than solely measuring utilization increases.

PROPOSED QDP 2027 ATTACHMENT 2 CHANGES

Notable Changes to Draft Attachment 2	Rationale
Performance Standard 3 - Pediatric Oral Evaluations, Dental Services Introduce performance threshold of 70%, above which annual improvement not subject to financial penalty.	Continued improvement more difficult to achieve at higher performance; performance rates of 70% and higher reflect meaningful care delivery to members.
Performance Standard 4 – Pediatric Topical Fluoride for Children, Dental Services Introduce performance threshold of 70%, above which annual improvement not subject to financial penalty.	Continued improvement more difficult to achieve at higher performance; performance rates of 70% and higher reflect meaningful care delivery to members.
Performance Standard 5 - Pediatric Sealant Receipt on Permanent First Molars Introduce performance threshold of 70%, above which annual improvement not subject to financial penalty.	Continued improvement more difficult to achieve at higher performance; performance rates of 70% and higher reflect meaningful care delivery to members.
Performance Standard 6 – Adult Preventive Dental Services Utilization Introduce performance threshold of 70%, above which annual improvement not subject to financial penalty.	Continued improvement more difficult to achieve at higher performance; performance rates of 70% and higher reflect meaningful care delivery to members.

PROPOSED QHP 2027 ATTACHMENT 2 CHANGES

Notable Changes to Draft Attachment 2	Rationale
Performance Standard 5 - Pediatric Oral Evaluations, Dental Services Introduce performance threshold of 70%, above which annual improvement not subject to financial penalty.	Continued improvement more difficult to achieve at higher performance; performance rates of 70% and higher reflect meaningful care delivery to members.
Performance Standard 6 – Pediatric Topical Fluoride for Children, Dental Services Introduce performance threshold of 70%, above which annual improvement not subject to financial penalty.	Continued improvement more difficult to achieve at higher performance; performance rates of 70% and higher reflect meaningful care delivery to members.

HOSPITAL QUALITY IMPROVEMENT

Dr. David Campa

Senior Medical Director, Quality and Equity

HOSPITAL QUALITY IMPROVEMENT: HOSPITAL FEEDBACK

To date, we have met with **10 trusted and experienced hospital representatives**. Representatives represent a cross section of all CA hospitals. High level summary of their feedback is included below:

Vision	Measures	WIIFM
<ul style="list-style-type: none">• Expressed support for initial vision and asked for more details on what is in and out of scope and what hospital participation would look• Recommended increased focus on “lives and costs” saved• Look forward to truly co-designing next steps	<ul style="list-style-type: none">• Burnt out on hospital acquired infections (HAIs), but see the ease of this as a first step• Great deal of interest in care transitions/ readmissions• Other areas of interest: mortality, sepsis, patient reported outcomes, patient experience	<ul style="list-style-type: none">• Alignment across health plan contracts• Alignment with existing initiatives• Platform to collaborate with health plans to close care gaps• Predicative analytics• Tap into statewide resources to support improvement when needed

HOSPITAL QUALITY IMPROVEMENT: PLAN FEEDBACK

To date, we have met with **11 currently contracted health plan issuers**. High level summary of feedback is included below:

Vision	Measures	WIIFM
<ul style="list-style-type: none">• Support for a unified statewide hospital quality vision, aligning key stakeholders to drive durable improvement and avoid fragmented efforts.• Plans described the proposed roadmap as “<i>great</i>” and “<i>very ambitious</i>.”• Appreciation for a phased approach that builds statewide scale while aligning across stakeholders.• Recognition that a statewide initiative could bring weight, consistency, and collective pressure to improve hospital quality.• Some plans emphasized that top-performing hospitals can help lift others (“<i>all teach, all learn</i>”).	<ul style="list-style-type: none">• Start small: focus on actionable, high-impact measures, avoid complexity.• Align with contracts and standards (Leapfrog, HEDIS, CMS) to cut duplication.• Ensure relevance across all hospital types, including smaller/specialty facilities.• Prioritize ROI and clinical value, in favor of simple, transparent achievable measures.• Strong enthusiasm for moving toward digital reporting for more timely, actionable data.• Plans want to see clear consensus on measures, hospital outreach strategy, and coordination with other quality programs to avoid overlap.• Preference to align with measure stewards (Leapfrog, Hospital Quality Institute [HQI], Centers for Medicare & Medicaid Services [CMS] Hospital-Acquired Condition [HAC] Reduction Program, Health Services Advisory Group [HSAG]).	<ul style="list-style-type: none">• Plans highlighted that better hospital performance should translate to lower costs and improved patient experience.• Unified standards streamline compliance, meet state requirements, and cut admin burden.• Shared best practices and tools from top-performing hospitals.• Lower avoidable costs and deliver sustained ROI despite funding limits.• Stronger leverage and engagement: the “FOMO effect” drives participation.• Plans gain a voice in shaping measures and strategies through collaboration.• Explicit request to fold in performance incentives (P4P/value-based payments) to drive hospital engagement

HOSPITAL QUALITY ALIGNMENT: NEXT STEPS

This **roadmap** reflects our shared commitment to improving hospital quality across California. By starting with focused alignment and building on what works, we aim to create a scalable, data-driven model that delivers better outcomes, greater value, and lasting impact for the communities we serve.



Build the Framework:

- Build infrastructure to align hospital performance
- Identify measure(s) for testing
- Establish proof of concept

Iterate:

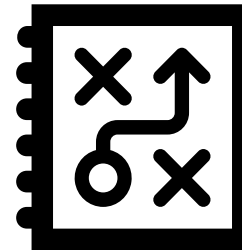
- Create pathway to achieve statewide goals
- Learn from high performers
- Support early adopters
- Accelerate digital measure collection

Innovate

- Expand measures of focus
- Data transparency
- Sustainment activities

Priorities:

- Identify a focused set of measures
- Engage all hospitals across the state
- Tiered strategy by hospital performance
- Align with CA purchasers, agencies, and stakeholders
- Align with regional health plan efforts



All Interested Stakeholders:

Email us: eqt@covered.ca.gov

QHP ISSUER ACCOUNTABILITY PROGRAMS

QUALITY RATING SYSTEM RATINGS FOR PLAN YEAR 2026

Mireya Furman, MPH

Health Equity and Quality Specialist

QUALITY RATING SYSTEM OVERVIEW

The Quality Rating System (QRS) is comprised of the following elements:

- Four ratings are reported for the Ratings Year 2025: a global quality rating and three summary indicator ratings.
- The global quality rating is a roll-up of three summary indicators per the following differential weighting:

Summary Indicators	Weights
Getting the Right Care (HEDIS)	66.7%
Members' Care Experience (CAHPS)	16.7%
Plan Services for Members (HEDIS and CAHPS)	16.7%

- One to five-star performance classification for each rating based on the static cut points method.
- The Plan Year 2026 ratings, reflecting clinical care and member experience in Measurement Year 2024, are displayed on CoveredCA.com starting on October 2025.

PY 26 QRS RATINGS AND SUMMARY INDICATORS OVERVIEW

Global Ratings:

- Sharp and Kaiser have consistently maintained their Global Ratings of 4 and 5 Stars, respectively, for four years in a row.
- Eight QHPs have held steady with ratings of 3 Stars.
- One contracted QHP earned a Global Rating, following a previous “No Quality Rating” due to insufficient data.

Getting the Right Care:

- Sharp and Kaiser consistently rated at 4 and 5 Stars, respectively, for this indicator since 2017.
- Nine QHPs did not have a change in rating for this summary indicator.
- One QHP achieved a significant milestone, elevating its rating to 3 Stars after consistently maintaining a two-star rating.
- One QHP previously rated a “No Quality Rating” due to insufficient data earned a 3-Star Rating.

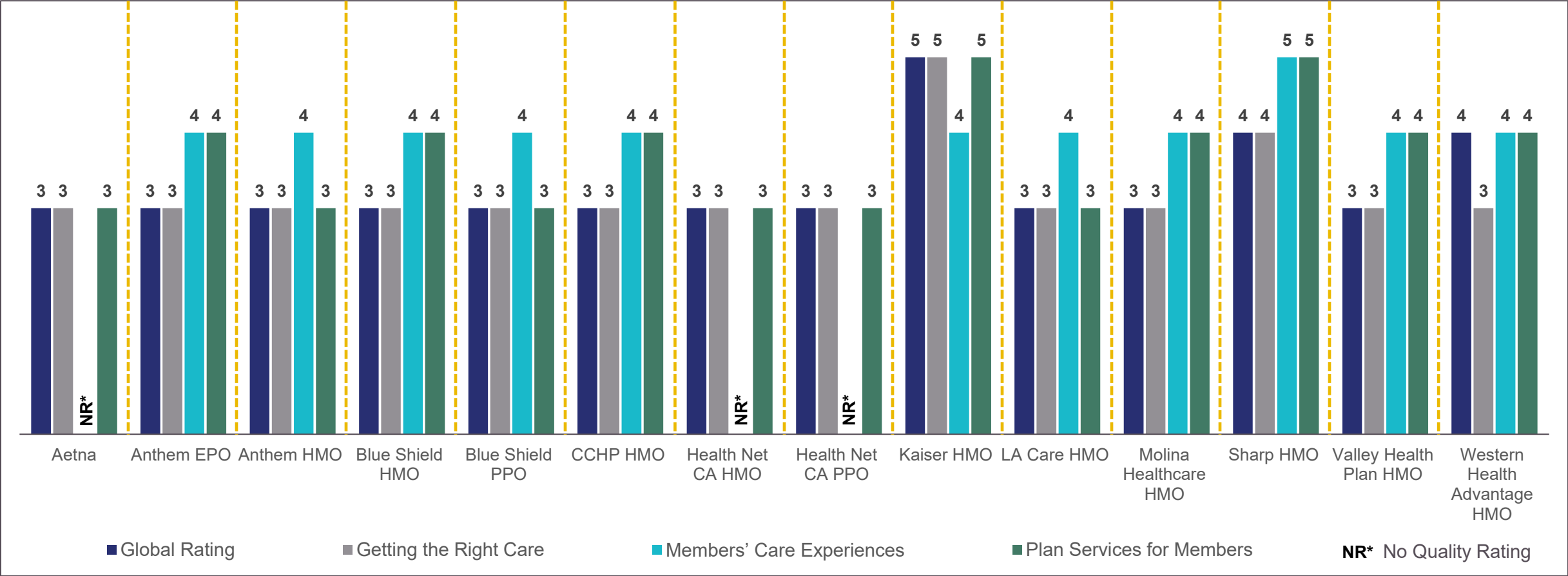
Members’ Care Experience:

- Three QHPs’ ratings decreased to 4 stars, while two previously unrated QHPs achieved 4-star ratings.
- Five QHPs maintained 4- or 5-star ratings, while two QHPs lacked sufficient data and were not rated for a fourth consecutive year.

Plan Services for Members:

- Nine QHPs retained current ratings, while four QHPs saw a one star drop, falling from five to four or four to three stars.

PY2026 QRS GLOBAL & SUMMARY INDICATOR RATINGS

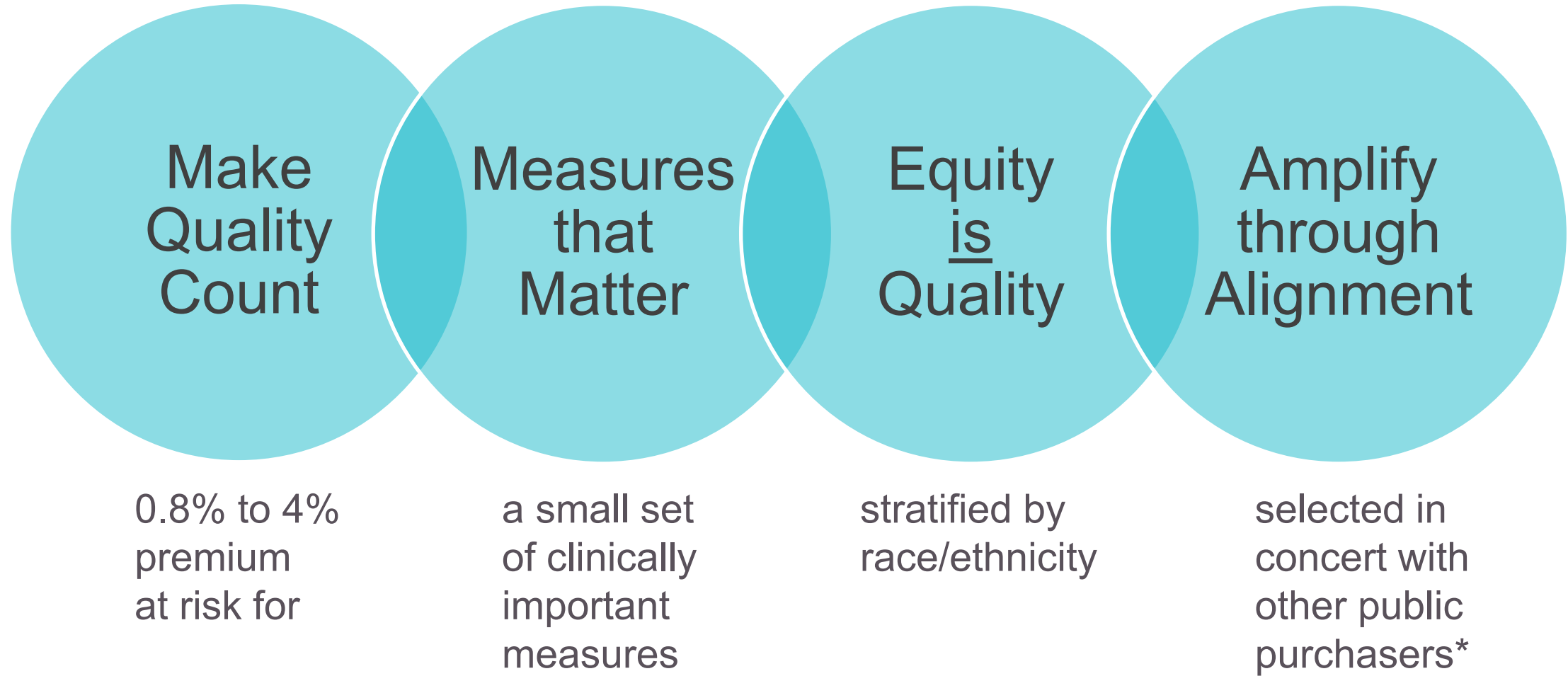


*NR- No quality rating means the issuer lacked sufficient data for a QRS score.

QUALITY TRANSFORMATION INITIATIVE

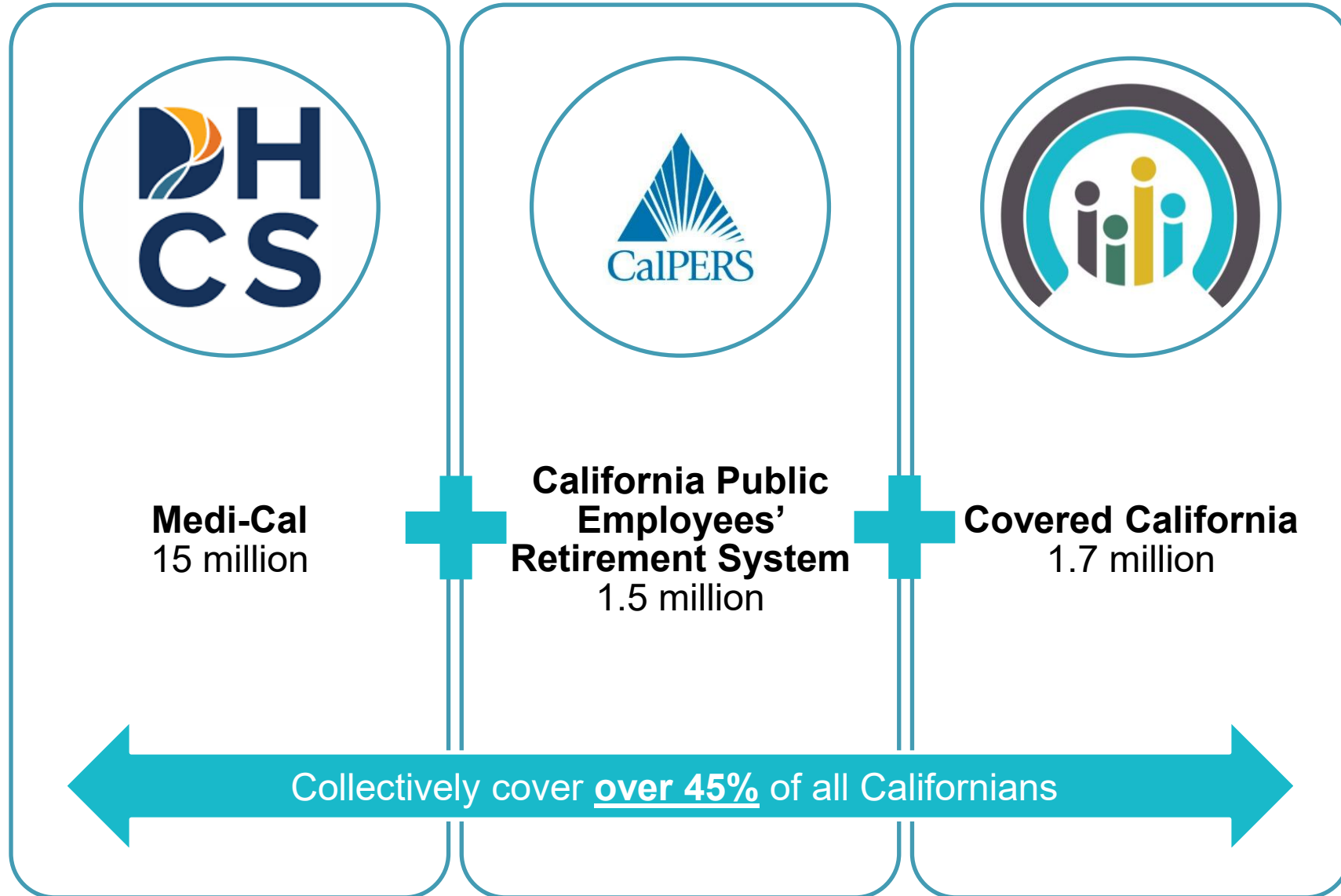
Measurement Year 2024 | Year 2 Results

QUALITY TRANSFORMATION INITIATIVE



*Public purchasers includes CalPERS and DHCS/Medi-Cal

AN ALIGNED STATE-WIDE APPROACH



EQUITY-CENTERED OUTCOMES MEASURES

Core Measures	Clinical Context
Blood Pressure	Key risk factor for cardiovascular disease (heart attacks and strokes) & the leading cause of death in the United States. BP control rates are ~10% lower for Asian, Black and Hispanic people than White counterparts. Black Americans have 4-5 times greater hypertension-related mortality than White counterparts
Diabetes (A1c control)	~50% Californians have prediabetes or diabetes, which is a leading cause of blindness and amputation and key risk factor for cardiovascular disease. It is 2x more prevalent among Black, AI/AN, and Hispanic people than Whites. Diabetes death was 3x higher among Black and NH/PI than White counterparts
Colorectal Cancer Screening	Cancer is the second leading cause of death after heart disease, and colorectal cancer is the second leading cause of cancer death after lung cancer. Black Americans are 20% more likely to get colorectal cancer and 40% more likely to die from it than others. Screening reduces the risk of developing and dying from CRC cancer by 60-70%
Childhood Immunizations	Childhood immunizations prevent 10.5m diseases annually. Black, Hispanic, AI/AN children have lower vaccine coverage than White children. For every \$1 spent on immunizations, there is as much as \$29 in savings

YEAR 2 (MY2024) QTI OVERVIEW

Contract Period:

- 2023-2025 Covered California QHP IND Issuer Contract

Measures Assessed:

- Controlling High Blood Pressure (CBP)
- Glycemic Status Assessment for Patients with Diabetes (GSD) Glycemic Status <8.0%
- Colorectal Cancer Screening (COL)
- Childhood Immunization Status (Combo 10)

Issuers Assessed:

- 13 issuer products from 10 issuers

Percent Premium at Risk:

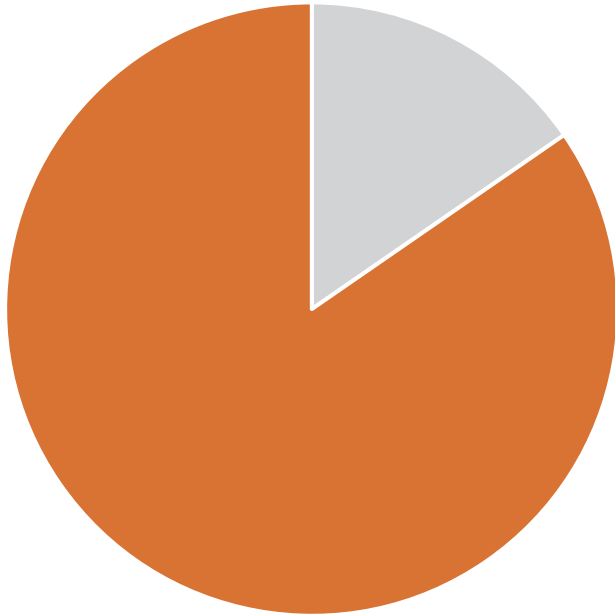
- 1.8% of total Gross Premium per product per measure

QHP Issuers Participating in QTI

PY2023	PY2024	PY2025	PY2026
Anthem	Anthem	Aetna*	Anthem
Blue Shield	Blue Shield	Anthem	Blue Shield
CCHP	CCHP	Blue Shield	CCHP
Health Net	Health Net	CCHP	Health Net
Kaiser	Kaiser	Health Net	IEHP
LA Care	LA Care	Kaiser	Kaiser
Molina	Molina	LA Care	LA Care
Sharp	Sharp	Molina	Molina
VHP	VHP	Sharp	Sharp
WHA	WHA	VHP	VHP
		WHA	WHA

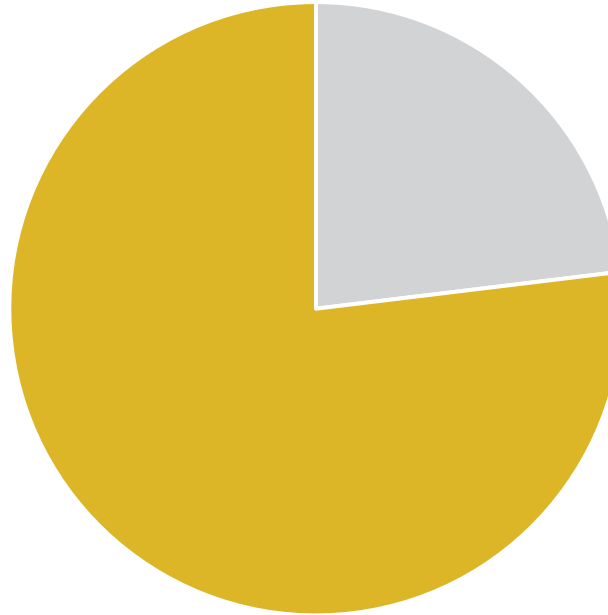
CHRONIC DISEASE CONTROL AND CANCER SCREENING RATES CONTINUE TO IMPROVE IN YEAR 2

CBP



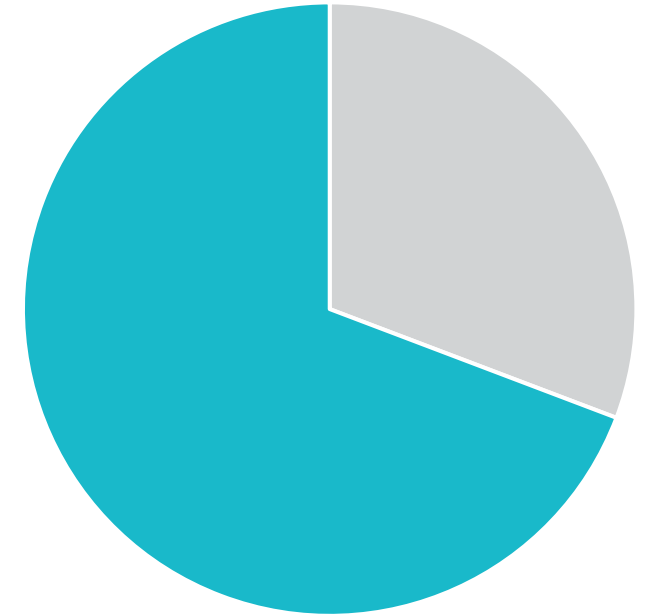
11 of 13 Issuer products had an **increase** in score for **controlling blood pressure**

HbA1c <8%



10 of 13 Issuer products had an increase in score for **diabetes management**

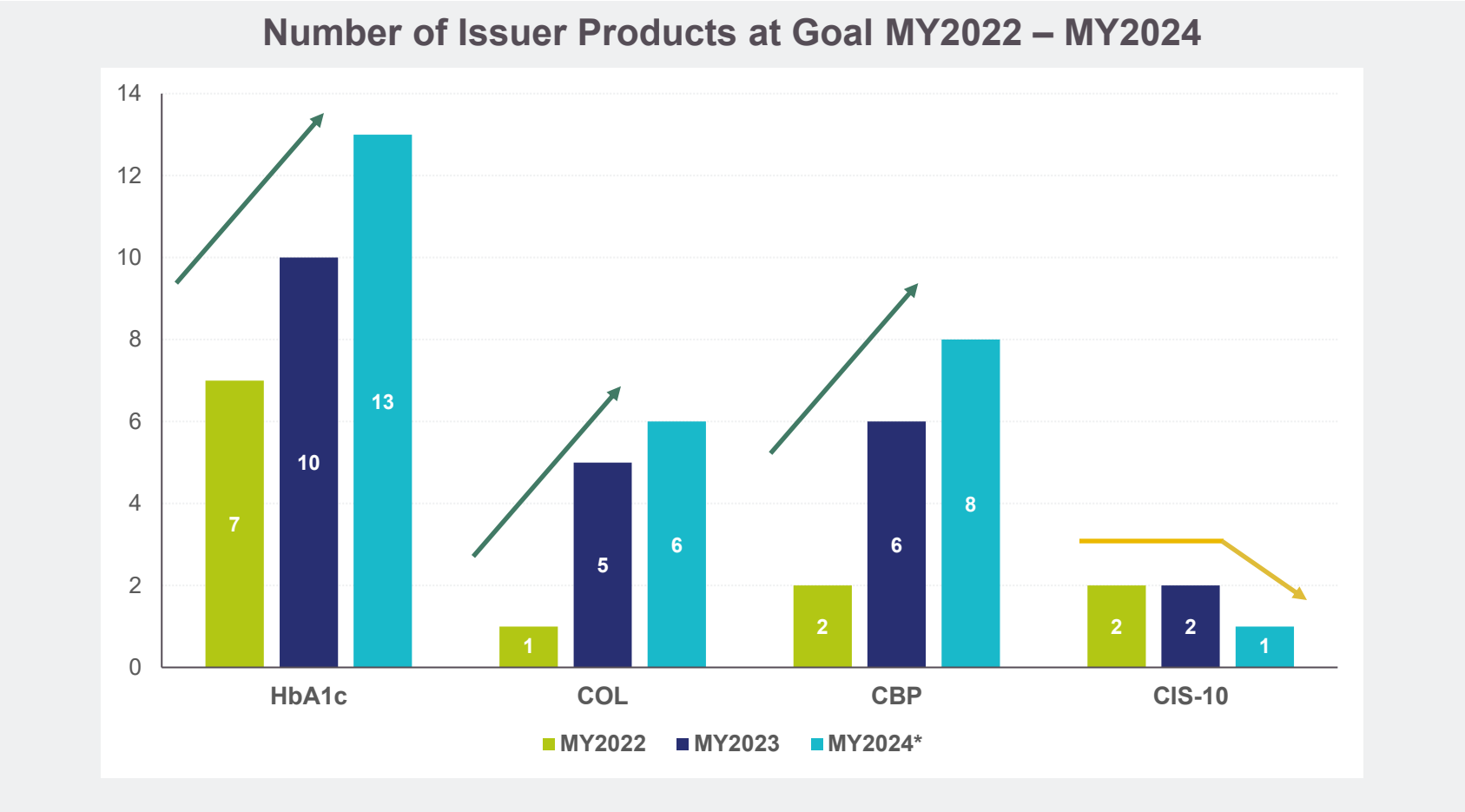
COL



9 of 13 Issuer products had an **increase** in score for **colorectal cancer screening**

FORWARD PROGRESS ON ALL, EXCEPT FOR CIS-10

There has been a year-over-year increase in the number of products reaching the QTI goal of the 66th Percentile for HbA1c, COL, and CBP



For MY2023 and 2024 13 issuer products were eligible for all QTI measures except CIS-10 where only 10 products were eligible

YEAR TWO REAFFIRMS SUCCESS OF QTI, WITH CONTINUED HEADWINDS ON VACCINE UPTAKE

	Performance Improved from MY23 to MY24	Overall CCA % Improvement MY23 to MY24
A1c <8%	10/13	+6.35%
Colorectal Cancer Screening	9/13	+6.23%
Controlling Blood Pressure	11/13	+2.73%
CIS-10*	2/10	-42.61%

YEAR 2: COVERED CALIFORNIA-WIDE IMPACT OF QTI

Diabetes Control (A1c <8)

13/13 Issuer Products performed at or above the MY2021 66th percentile, accounting for **100% of members** in the measured population

Colorectal Cancer Screening (COL)

6/13 Issuer Products performed at or above the MY2021 66th percentile, accounting for **71% of members** in the measured population

Controlling Blood Pressure (CBP)

8/13 Issuer Products performed at or above the MY2021 66th percentile, accounting for **83% of members** in the measured population

ALL PLANS ACHIEVED TARGET FOR DIABETES CONTROL

	HbA1c Control MY2023	HbA1c Control MY2024	HbA1c Delta	COL MY2023	COL MY2024	COL Delta	CBP MY2023	CBP MY2024	CBP Delta
Number of issuer products at goal*	10/13	13/13	+3	5/13	6/13	+1	6/13	8/13	+2
Percentage of members in the measured population at goal	86%	100%	+14%	51%	71%	+20%	63%	89%	+26%

*QTI uses MY2021 national exchange 66th percentile as goal

QTI ADJUSTMENTS BASED ON ISSUER FEEDBACK

CIS10 Allowance Program

- **MY2023 Launch:** Allowed issuers to submit supplemental data for children completing the full vaccine series, even if the 2nd flu shot was given after the 2nd birthday (90 days).
- **MY2024 Expansion:**
 - Now includes **all CIS10 vaccines**
 - New eligibility: Vaccinations accepted up to **180 days post-2nd birthday**.
 - Designed in response to issuer request and to maintain clinical appropriateness.

MY2024 QTI CIS10 PAYMENT ADJUSTMENT

- For Measurement Year (MY) 2024:
 - Issuers may choose to retain 50% of each product's CIS10 QTI payment
 - Funds can support issuer-led quality improvement activities
- The 50% reduction is applied after CIS10 Allowance Program assessed
- Issuers must discuss plans with Covered California before committing funds to ensure alignment with program criteria and goals
- Issuers must submit 2026 mid-year and end-of year reports outlining quantitative accounting of funds spent and a signed attestation of accuracy by QHP issuer leadership
 - Reporting template to be provided by Covered California
- Covered California may continue program in MY2025 depending on issuer adherence to guidelines and impact of funds

PERMISSIBLE USES OF FUNDS

- ✓ Boosting childhood immunization rates and well-child visits
- ✓ Expanding pediatric and adult preventive care access
- ✓ Reducing health disparities among children and vulnerable groups
- ✓ Supporting vaccine outreach and education
- ✓ Strengthening immunization data systems
- ✓ Investing in primary care workforce

EXAMPLES OF ELIGIBLE ACTIVITIES

- Provider incentives for quality improvement
- Training on addressing vaccine hesitancy
- Dedicated staff for pediatric immunization efforts
- Funding positions embedded in primary care practices
- Partnerships with community-based organizations
- Engaging trusted community messengers

ESTIMATED 2026 QTI PAYMENT

MY2024 QTI Funds by Measure

