Plan Management Advisory Workgroup

April 11, 2024

AGENDA

Time	Topic	Presenter
10:00 – 10:05	Welcome and Agenda Review	Rick Krum
10:05 – 10:25	2025 State Affordability Subsidy Program Design	Katie Ravel
10:25– 10:35	2025 Standard Benefit Design Updates	Melanie Droboniku
10:35 – 10:50	Population Health Investment (PopHI) Advisory Council	Monica Soni/Joy Dionisio
10:50 – 11:05	PopHI Implementation Planning	Monica Soni/Joy Dionisio
11:05 – 11:15	Essential Community Providers (ECP) Project	Lizzeth Romero
11:15 – 11:30	2026 QHP Issuer Model Contract Update	Taylor Priestley
11:30 – 12:00	Open Forum	All

2025 California Enhanced Cost-Sharing Reduction Benefit Designs

Katie Ravel
Director - Policy, Eligibility, and Research

2025 CALIFORNIA ENHANCED COST-SHARING REDUCTION BENEFIT DESIGNS

PLANNING FOR 2025 CALIFORNIA ENHANCED COST-SHARING REDUCTION PROGRAM

- The California Enhanced Cost-Sharing Reduction (CSR) Program began in Plan Year 2024 with a budget of $82.5 million.
- Governor’s FY 24-25 budget includes an appropriation of $165 million for the Plan Year 2025 affordability program.
- In 2024, state funding allowed Covered California to eliminate deductibles for lower income enrollees up to 250% of the federal poverty level (FPL), simplify benefit designs, and reduce out-of-pocket costs.
- The draft 2025 California Enhanced CSR Program will continue support for those eligible for the program today and expand eligibility above the current 250% FPL threshold.

2025 CALIFORNIA ENHANCED CSR PROGRAM BENEFITS

Benefit	Silver 73		CA Enhanced CSR Silver 73		Silver 87		CA Enhanced CSR Silver 87		Silver 94		CA Enhanced CSR Silver 94	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible												
Medical Deductible		$5400**		$0		$1400**		$0		$0		$0
Drug Deductible		$350**		$0		$350**		$0		$0		$0
Coinsurance (Member)		30%		30%		20%		20%		10%		10%
MOOP		$7350**		$6,100		$3050**		$3,000		$1300**		$1,150
ED Facility Fee		$350		$350		$150		$150		$50		$50
Inpatient Facility Fee	X	30%		30%	X	20%		20%	X	10%		10%
Inpatient Physician Fee		30%		30%		20%		20%		10%		10%
Primary Care Visit		$35		$35		$15		$15		$5		$5
Specialist Visit		$85		$85		$25		$25		$8		$8
MH/SU Outpatient Services		$35		$35		$15		$15		$5		$5
Imaging (CT/PET Scans, MRIs)		$325		$325		$100		$100		$50		$50
Speech Therapy		$35		$35		$15		$15		$5		$5
Occupational and Physical Therapy		$35		$35		$15		$15		$5		$5
Laboratory Services		$50		$50		$20		$20		$8		$8
X-rays and Diagnostic Imaging		$95		$95		$40		$40		$8		$8
Skilled Nursing Facility	X	30%		30%	X	20%		20%	X	10%		10%
Outpatient Facility Fee		30%		30%		20%		20%		10%		10%
Outpatient Physician Fee		30%		30%		20%		20%		10%		10%
Tier 1 (Generics)		$20**		$15		$8**		$5		$3		$3
Tier 2 (Preferred Brand)	X	$55		$55	X	$25		$25		$10		$10
Tier 3 (Nonpreferred Brand)	X	$85		$85	X	$45		$45		$15		$15
Tier 4 (Specialty)	X	20%		20%	X	15%		15%		10%		10%
Tier 4 Maximum Coinsurance		$250		$250		$150		$150		$150		$150
Maximum Days for charging IP copay												
Begin PCP deductible after # of copays												
Actuarial Value												
2025 AV (Draft 2025 AVC)		**73.93†**		**79.52/77.55**		**87.97†**		**88.86**		**94.74**		**95.07**

KEY:		
	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2024
		Decreased member cost from 2024
		Enhanced member cost from 2024
		Does not meet AV
		Within .5 of upper de minimis
		Securely within AV

COVERED CALIFORNIA

2025 CALIFORNIA ENHANCED CSR PROGRAM ELIGIBILITY EXPANSION

- Program eligibility will be expanded for 2025. All enrollees on a subsidized application with income above 200% FPL will be eligible for a Silver 73 plan.
- American Indian/Alaska Native members with income above 300% will have the enhanced Silver 73 design.

Household Income Eligibility by Percentage of FPL	2025 California Enhanced CSR Program Plan
100% up to 150%	Silver 94
Above 150% up to 200%	Silver 87
Above 200% up to 250%	Silver 73
Above 250%	Silver 73
American Indian/Alaska Native Above 300%	Silver 73

CHANGE IN SILVER PLAN DEDUCTIBLES OVER TIME

Silver Plan Variant by Income as a Percent of FPL	2021	2022	2023	2024 Proposed	Reduced member cost with California Enhanced CSR Program: 2024 Adopted	Reduced member cost with California Enhanced CSR Program: 2025 Proposed
Silver 94 for enrollees up to 150% FPL *about $22,590 for a single person and $46,800 for a family of four*	$75 inpatient $0 pharmacy	$75 inpatient $0 pharmacy	$75 inpatient $0 pharmacy	$75 inpatient $0 pharmacy	**$0**	**$0**
Silver 87 for enrollees up to 200% FPL *about $30,120 for a single person and $62,400 for a family of four*	$1,400 inpatient $100 pharmacy	$800 inpatient $0 pharmacy	$800 inpatient $25 pharmacy	$800 inpatient $50 pharmacy	**$0**	**$0**
Silver 73 for enrollees up to 250% FPL *about $37,650 for a single person and $78,000 for a family of four*	$3,700 inpatient $275 pharmacy	$3,700 inpatient $10 pharmacy	$4,750 inpatient $30 pharmacy	$5,400 inpatient $150 pharmacy	**$0**	**$0**
Silver 70 for enrollees above 250% FPL *starting at about $37,650 for a single person and $78,000 for a family of four*	$4,000 inpatient $300 pharmacy	$3,700 inpatient $10 pharmacy	$4,750 inpatient $85 pharmacy	$5,400 inpatient $150 pharmacy	$5,400 inpatient $150 pharmacy	**$0**

CHANGE IN SILVER PLAN COPAYS FOR PRIMARY CARE/URGENT CARE/OUTPATIENT MENTAL HEALTH OVER TIME

					Reduced member cost with California Enhanced CSR Program	
Silver Plan Variant by Income as a Percent of FPL	2021	2022	2023	2024 Proposed	**2024**	**2025 Proposed**
Silver 94 for enrollees up to 150% FPL *about $22,590 for a single person and $46,800 for a family of four*	$5	$5	$5	$5	**$5**	**$5**
Silver 87 for enrollees up to 200% FPL *about $30,120 for a single person and $62,400 for a family of four*	$15	$15	$15	$15	**$15**	**$15**
Silver 73 for enrollees up to 250% FPL *about $37,650 for a single person and $78,000 for a family of four*	$35	$35	$45	$50	**$35**	**$35**
Silver 70 for enrollees above 250% FPL *starting at about $37,650 for a single person and $78,000 for a family of four*	$40	$35	$45	$50	$50	**$35**

CHANGE IN SILVER PLAN COPAYS FOR GENERIC PRESCRIPTIONS OVER TIME

					Reduced member cost with California Enhanced CSR Program	
Silver Plan Variant by Income as a Percent of FPL	2021	2022	2023	2024 Proposed	**2024**	**2025 Proposed**
Silver 94 for enrollees up to 150% FPL *about $22,590 for a single person and $46,800 for a family of four*	$3	$3	$3	$3	**$3**	**$3**
Silver 87 for enrollees up to 200% FPL *about $30,120 for a single person and $62,400 for a family of four*	$5 ($100 Rx Ded)	$5 (No Rx Ded)	$5 ($25 Rx Ded)	$6 ($50 Rx Ded)	**$5**	**$5**
Silver 73 for enrollees up to 250% FPL *about $37,650 for a single person and $78,000 for a family of four*	$16 ($275 Rx Ded)	$15 $10 Rx Ded)	$16 ($30 Rx Ded)	$19 ($150 Rx Ded)	**$15**	**$15**
Silver 70 for enrollees above 250% FPL *starting at about $37,650 for a single person and $78,000 for a family of four*	$16 ($300 Rx Ded)	$15 ($10 Rx Ded)	$16 ($85 Rx Ded)	$19 ($150 Rx Ded)	$19 ($150 Rx Ded)	**$15**

PROGRAM PAYMENT PARAMETERS

- Payment parameters for the 2025 California Enhanced CSR program will be consistent with 2024:
  - Covered California will make a per member per month (PMPM) payment to compensate carriers for the difference between the federal cost-sharing reduction benefit and the state benefit.
  - An interim payment of 60 percent of the PMPM rate will be made regularly throughout the year.
  - Carriers will reconcile the interim payments and the actual utilization of medical services following the end of the plan year.
  - 2025 PMPM values appear below and will be adopted through the Program Design Document.

Household Income Eligibility by Percentage of FPL	2025 California Enhanced CSR Plan	2025 Average Statewide Marginal PMPM Payment	2025 Average Statewide Interim PMPM Payment (60%)
100% up to 150%	Silver 94	$0.34	$0.20
Above 150% up to 200%	Silver 87	$4.13	$2.48
Above 200% up to 250%	Silver 73	$14.13	$8.48
Above 250%	Silver 73	$23.06	$13.84
American Indian/Alaska Native Above 300%	Silver 73	$23.06	$13.84

PROGRAM BUDGETING

- Consistent with 2024 budgeting approach, Covered California is ensuring a fiscally-prudent program design in recognition of the fixed $165 million appropriation by developing a program budget using our “high” enrollment forecast adjusted for several potential drivers of additional enrollment that may materialize due to the generosity of the 2025 program:
  - Switching of existing membership from non-Silver to Silver plans;
  - Enhanced take-up by individuals transitioning from Medi-Cal;
  - Individuals switching from off-exchange coverage to Covered California to take advantage of the new cost-sharing reduction benefits.
- Using this enrollment forecasting approach, program benefits for 2025 are estimated to cost $164 million and support approximately 1.3 million enrollees in Silver plans.

Note: under the standard “high” and other forecast scenarios, Covered California could have remaining funds that would stay within the Health Care Affordability Reserve Fund.

OVERVIEW OF THE PROGRAM DESIGN PROVISIONS FOR CALIFORNIA ENHANCED CSR PROGRAM

- The 2025 California Enhanced CSR Program Design Document specifies the following elements for the proposed program:

  1. Establishes income eligibility for the California Enhanced CSR program.
  2. Specifies the qualified health plan (QHP) features of the California Enhanced CSR variants.
  3. Establishes per member per month payment rates, payable to the QHP issuers, for each plan design that will be offered through the California Enhanced CSR program and a QHP issuer payment reconciliation process.
  4. Defines key terms related to the California Enhanced CSR program.

- Covered California staff will finalize payment methodology needed for Program Design Document and request approval at the August Board meeting.

KEY DATES FOR PROGRAM DISCUSSION & APPROVAL

Date	Activity
April 11	2025 Program Design presented to Plan Management Advisory Group
April 18	Board Meeting: (1) action on 2025 Standard Benefit Designs and (2) discussion of 2025 Program Design
May 16	Board Meeting: action on 2025 Program Design contingent on state budget approval

2025 PROGRAM DESIGN APPROVAL STEPS

- Covered California Board adopts 2025 California Enhanced CSR Program Design Document contingent upon state budget approval
- Covered California provides notification of the Program Design to the Joint Legislative Budget Committee (JLBC)
- Program is effective 10 days after notification to JLBC

PY2025 Patient-Centered Benefit Designs

Melanie Droboniku
Interim Deputy Director, Plan Management Division

PY2025 PATIENT CENTERED BENEFIT DESIGNS

2025 PATIENT CENTERED BENEFIT DESIGNS

- Covered California proposes to hold Enhanced Benefit Designs steady from PY2024
  - Reverting to the PY2024 designs allowed us to extend the Enhanced Silver 73 plan to all Silver enrollees above 250% FPL, all AI/AN Silver enrollees above 300% FPL
- Proposed Benefit Designs have been entered in Final AV Calculator; no changes to calculated AV

PY2025 PATIENT-CENTERED BENEFIT DESIGNS – INDIVIDUAL & FAMILY

Benefit	Individual-only Platinum Coinsurance		Individual-only Platinum Copay		Individual-only Gold Coinsurance		Individual-only Gold Copay		Individual-only Silver		CA Enhanced CSR Silver 73		CA Enhanced CSR Silver 87		CA Enhanced CSR Silver 94		Bronze		Bronze HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible																				$6,650
Medical Deductible										$5,400		$0		$0		$0		$5,800		
Drug Deductible										$50		$0		$0		$0		$450		
Coinsurance (Member)		10%		10%		20%		20%		30%		30%		20%		10%		40%		0%
MOOP		$4,500		$4,500		$8,700		$8,700		$8,700		$6,100		$3,000		$1,150		$8,850		$6,650
ED Facility Fee		$150		$150		$330		$330		$400		$350		$150		$50	X	40%	X	0%
Inpatient Facility Fee		10%		$225		30%		$350	X	30%		30%		20%		10%	X	40%	X	0%
Inpatient Physician Fee		10%		---		30%		---		30%		30%		20%		10%	X	40%	X	0%
Primary Care Visit		$15		$15		$35		$35		$50		$35		$15		$5		$60	X	0%
Specialist Visit		$30		$30		$65		$65		$90		$85		$25		$8	X	$95	X	0%
MH/SU Outpatient Services		$15		$15		$35		$35		$50		$35		$15		$5		$60	X	0%
Imaging (CT/PET Scans, MRIs)		10%		$75		25%		$75		$325		$325		$100		$50	X	40%	X	0%
Speech Therapy		$15		$15		$35		$35		$50		$35		$15		$5		$60	X	0%
Occupational and Physical Therapy		$15		$15		$35		$35		$50		$35		$15		$5		$60	X	0%
Laboratory Services		$15		$15		$40		$40		$50		$50		$20		$8		$40	X	0%
X-rays and Diagnostic Imaging		$30		$30		$75		$75		$95		$95		$40		$8	X	40%	X	0%
Skilled Nursing Facility		10%		$125		30%		$150	X	30%		30%		20%		10%	X	40%	X	0%
Outpatient Facility Fee		10%		$75		30%		$130		30%		30%		20%		10%	X	40%	X	0%
Outpatient Physician Fee		10%		$20		30%		$60		30%		30%		20%		10%	X	40%	X	0%
Tier 1 (Generics)		$7		$7		$15		$15		$18		$15		$5		$3		$19	X	0%
Tier 2 (Preferred Brand)		$16		$16		$60		$60	X	$60		$55		$25		$10	X	40%	X	0%
Tier 3 (Nonpreferred Brand)		$25		$25		$85		$85	X	$90		$85		$45		$15	X	40%	X	0%
Tier 4 (Specialty)		10%		10%		20%		20%	X	20%		20%		15%		10%	X	40%	X	0%
Tier 4 Maximum Coinsurance		$250		$250		$250		$250		$250		$250		$150		$150		$500*		
Maximum Days for charging IP copay				5				5												
Begin Specialist deductible after # of copays																		3		
Actuarial Value																				
2025 AV		**91.90**		**91.58**		**81.46**		**81.64**		**71.59†**		**79.22**		**88.86**		**95.07**		**63.61†**		**64.88**

KEY		
	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment included in AV
		Increased member cost from 2024
		Decreased member cost from 2024
		Enhanced member cost
		Does not meet AV
		Within .5 of upper de minimis
		Securely within AV

PY2025 BENEFIT DESIGNS - CCSB

Benefit	CCSB-only Platinum Coinsurance		CCSB-only Platinum Copay		CCSB-only Gold Coinsurance		CCSB-only Gold Copay		CCSB-only Silver Coinsurance		CCSB-only Silver Copay		CCSB-only Silver HDHP	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible														$2,850
Medical Deductible						$350		$250		$2,500		$2,500		
Drug Deductible						$0		$0		$300		$300		
Coinsurance (Member)		10%		10%		20%		20%		35%		35%		25%
MOOP		$4,500		$4,500		$7,800		$7,800		$8,600		$8,750		$7,500
ED Facility Fee		$200		$150	X	20%	X	$250	X	35%	X	35%	X	25%
Inpatient Facility Fee		10%		$250	X	20%	X	$600	X	35%	X	35%	X	25%
Inpatient Physician Fee		10%		---	X	20%		--	X	35%		35%	X	25%
Primary Care Visit		$15		$20		$25		$35		$55		$55	X	25%
Specialist Visit		$30		$30		$50		$55		$90		$90	X	25%
MH/SU Outpatient Services		$15		$20		$25		$35		$55		$55	X	25%
Imaging (CT/PET Scans, MRIs)		10%		$100		20%	X	$250	X	35%	X	$300	X	25%
Speech Therapy		$15		$20		$25		$35		$55		$55	X	25%
Occupational and Physical Therapy		$15		$20		$25		$35		$55		$55	X	25%
Laboratory Services		$15		$20		$25		$35		$55		$55	X	25%
X-rays and Diagnostic Imaging		$30		$30		$65		$55		$90		$90	X	25%
Skilled Nursing Facility		10%		$150	X	20%	X	$300	X	35%	X	35%	X	25%
Outpatient Facility Fee		10%		$100		20%	X	$300	X	35%	X	35%	X	25%
Outpatient Physician Fee		10%		$25		20%		$35		35%		35%	X	25%
Tier 1 (Generics)		$10		$5		$15		$15		$20		$19	X	25%
Tier 2 (Preferred Brand)		$25		$20		$50		$40	X	$75	X	$85	X	25%
Tier 3 (Nonpreferred Brand)		$40		$30		$80		$70	X	$105	X	$110	X	25%
Tier 4 (Specialty)		10%		10%		20%		20%	X	30%	X	30%	X	25%
Tier 4 Maximum Coinsurance		$250		$250		$250		$250		$250		$250		$250*
Maximum Days for charging IP copay				5				5						
Begin PCP deductible after # of copays														
Actuarial Value														
2025 AV		**91.27**		**90.47**		**79.08**		**80.52**		**69.45†**		**69.07†**		**71.21**

KEY		
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		Decreased member cost from 2024
		Does not meet AV
		Within .5 of upper de minimis
		Securely within AV

COVERED CALIFORNIA

PROPOSED PY2025 CDT CODE CHANGES

Code deletion from designs proposed in February Board Meeting due to Carrier feedback:

- D1301: Immunization counseling

NEXT STEPS

- Final presentation of PY2025 Patient Centered Benefit Designs will be made to the Covered California Board of Directors at the April 18 meeting

- Materials to be distributed via ProposalTech after the Board meeting:
  - Milliman AV Certification, including final AV Screenshots
  - Dental AV Certification, Dental Benefit Designs and Dental Copay Schedule

Quality Transformation Initiative: Updates

S. Monica Soni, MD
Chief Medical Officer,

Joy Dionisio, MPH
Senior Equity and Quality Specialist

Population Health Investment Advisory Council

POPULATION HEALTH INVESTMENT ADVISORY COUNCIL

The Council is a **trusted advisory body** consisting of stakeholders and subject matter experts selected by Covered California who support **successful deployment of PopHIs** to improve the quality of healthcare and to reduce health disparities for Covered California enrollees.

- Advise Covered California in the **selection of initial Population Health Investments** (PopHIs, pronounced “Poppy”).
- Guide and **inform program design features** of selected PopHIs, such as: member eligibility, program operations, and key performance indicators and evaluation approaches.
- Establish a forum that **supports successful deployment** of PopHIs through expert and trusted counsel.

The PopHI Advisory Council **does not have decision making authority**, and Covered California is not bound to adopt any of the PopHI Advisory Council’s recommendations, but the input shared is critical to sculpting both design and implementation.

POPULATION HEALTH INVESTMENT ADVISORY COUNCIL

Membership:

The Advisory Council consists of 10 to 12 members plus Ex Officio, including the following:

- Qualified Health Plan Issuers (2-3)
- California-based Government Officials (2)
- Consumer Advocates, Thought Leaders, and Experienced Professionals (4-6)
- California-based Providers (2-3)
- Ex Officio (2)
    - California Department of Health Care Services
    - California Public Employees' Retirement System

Participants:

- **Tomás Aragón, MD, DrPH -** Director and State Public Health Officer, California Department of Public Health
- **Palav Babaria, MD, MPH -** Deputy Director & Chief Quality and Medical Officer, QPHM, Department of Health Care Services
- **Corrin Buchanan, MPP -** Deputy Secretary for Policy and Strategic Planning, CalHHS
- **Tracy M. Imley, MD -** Regional Assistant Medical Director, Quality and Clinical Analysis, Southern California Permanente Medical Group
- **Amanda Johnson -** Deputy Director, State and Population Health Group, CMS Innovation Center
- **Edward Juhn, MD, MBA, MPH -** Chief Quality Officer, Inland Empire Health Plan
- **Julia Logan, MD -** Chief Clinical Director, Clinical Policy & Programs Division, CalPERS
- **Peter Long, PhD -** Executive Vice President, Strategy and Health Solutions, Blue Shield of California
- **Sarita Mohanty, MD -** President and Chief Executive Officer, The SCAN Foundation
- **Cary Sanders, MPP -** Senior Policy Director, California Pan-Ethnic Health Network
- **Kristof Stremikis, MPP, MPH -** Director, Market Analysis and Insight, California Health Care Foundation
- **Sadena Thevarajah, JD -** Managing Director, Health Begins
- **Raymond Tsai, MD, MS -** Vice President, Advanced Primary Care, Purchaser Business Group on Health

TIMELINE

February 2024

Final PY25 Attachment 4 QTI amendment was approved by the Covered California Board on **Feb 15th**

April 2024

PY25 Attachment 4 QTI adjustments for board adoption are presented at Plan Management Advisory Group (PMAG) on **April 11th**

two-week comment period

May 2024

Final PY25 Attachment 4 QTI adjustments for board adoption will be re-presented at PMAG on **May 9th**

and at the

Covered California May Board Meeting on **May 16th**

June PopHI Meetings

July

August

2024

PopHI will be presented at the PMAG meeting on **Aug 5th** and at the Covered California Board Meeting on **Aug 15th**

Launch PopHI Advisory Council

March 2024

April PopHI Meeting 2024

May PopHI Meeting 2024

August 2024

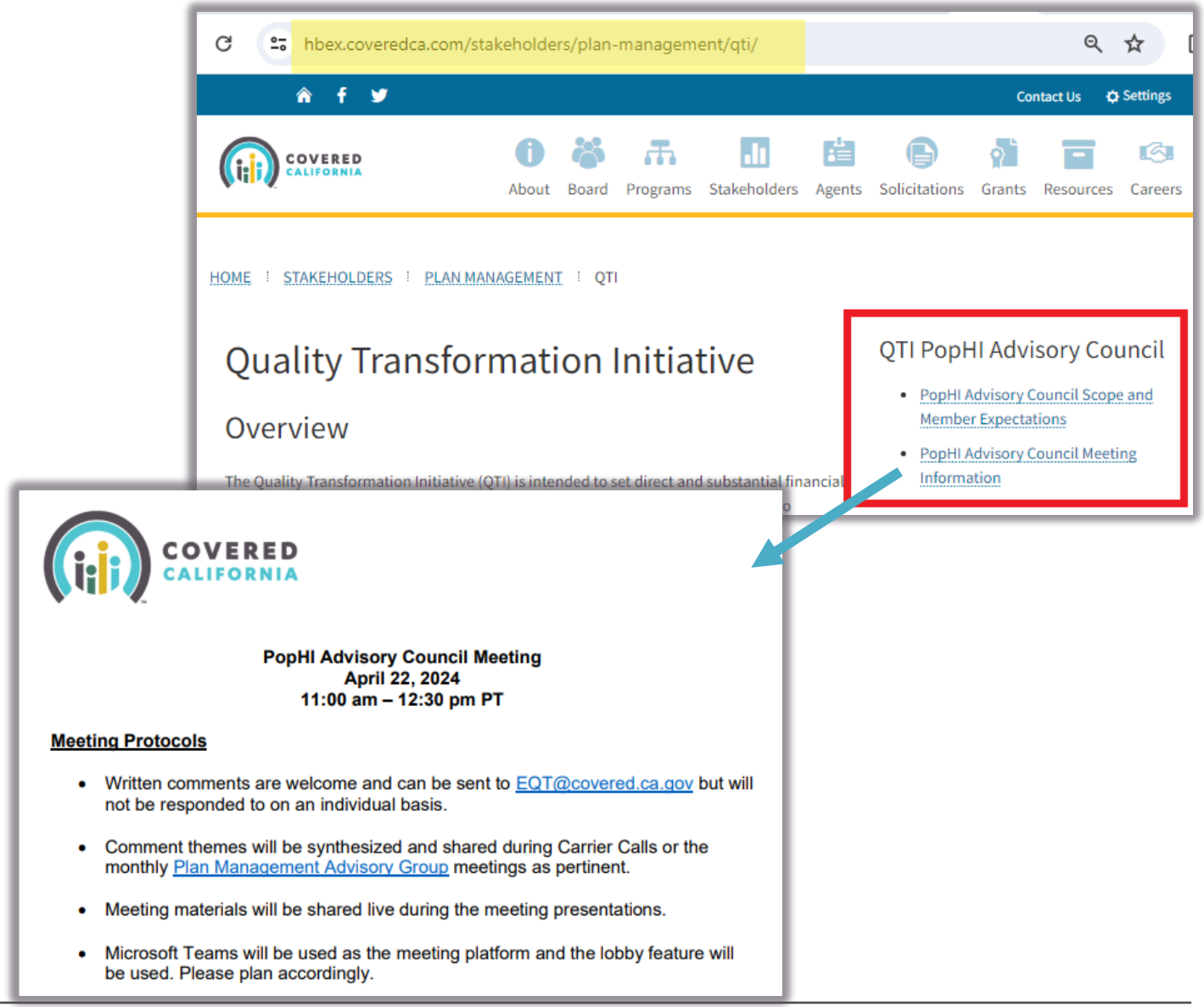
ADVISORY COUNCIL MEETING SERIES

- First Meeting
  - April 22, 2024
  - 11:00 am – 12:30 pm PT

- Second Meeting (Tentatively Scheduled)
  - May 20, 2024
  - 12:30 pm – 2:00 pm PT

- Information about the PopHI Advisory Council and how to join the monthly meetings can be found at https://hbex.coveredca.com/stakeholders/plan-management/qti/

- Upcoming meeting details and how to attend will be updated monthly, following the completion of every meeting



Population Health Investment Implementation Planning

GUIDING PRINCIPLES: USE OF FUNDS

Centered on goal to improve health outcomes for Covered California enrollees

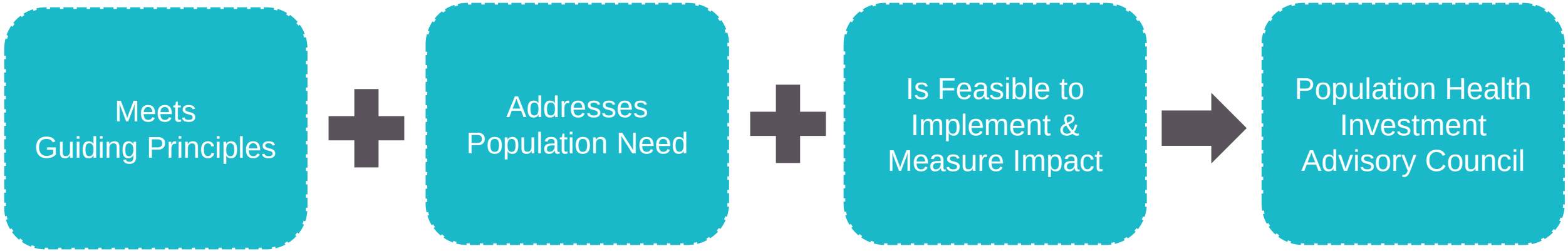
Equity First: funds should preferentially focus on geographic regions or communities with the largest identified gaps in health and quality among California subpopulations

Direct: use of funds should lead to measurable improvements in quality and outcomes for enrollees that are related to QTI Core Measure performance

Evidence-based: use of funds should be grounded in approaches that have established evidence of success in driving improvements in quality or outcomes

Additive: funds should be used to advance quality in a currently underfunded arena.

POPULATION HEALTH INVESTMENTS: SELECTION CRITERIA



A prioritized list of Population Health Investments will be presented at Plan Management Advisory Workgroup and Covered California Board in 2024

POPHI: YEAR 1 AND 2 FOUNDATIONAL ELEMENTS

High-Impact	Covered CA Oversight	Feasible and Measurable	Alignment
• 4-5 investments • Selected by Covered California • Informed by the Advisory Council • Focused on areas identified through Population Needs Assessment • Not duplicative of the work of QHP Issuers or delivery system	• PopHI will be selected by Covered California • Program design including eligibility, enrollment, regions, etc. will be done by Covered California and include input from Advisory Council and stakeholders • Aim to spend funds in same year collected	• Reports will be shared with Issuers • Formal quantitative and qualitative evaluation of impact with partners • Example outcomes: health seeking behaviors, self-efficacy, financial toxicity, delay in treatment due to cost, global health and well-being	• Continued partnership with DHCS and CalPERS • Synergies with DHCS/Medi-Cal work, especially for Community Reinvestment and Equity and Practice Transformation

POPULATION HEALTH INVESTMENTS: MECHANISM OF FUNDING

Covered California discussed options for how QHP issuers could transfer funds to the PopHI sponsoring organizations:

1. Directive for QHP issuers to retain the funds and fund organizations sponsoring Population Health Investments
2. Funds flow from QHP to vetted Third party who then funds organizations sponsoring Population Health Investments

THEMES FROM Q1 2024 QHP ENGAGEMENT SESSIONS

Operational Efficiency: Desire to reduce administrative burden associated with both direct funding and a third party

Financial Stewardship: QHP issuers are cognizant of the need to maximize the funds available for direct investment in PopHIs, regardless of the preferred funding mechanism

Reducing Redundancy: Given the QHP issuers' experiences and success in direct work with members, interest in leveraging the plans' existing frameworks and relationships in initiatives

Economies of Scale: Interest in investments that work across issuers, lines of business and siloes

Trust: All issuers showed a willingness to explore new funding mechanisms and collaborative efforts aimed at enhancing population health

Facilitation: QHP issuers highly value the role of CCA in facilitating contracting, reporting, and oversight processes to reduce administrative burden

UPDATES TO ATTACHMENT 4: 2025 AMENDMENT

To capture additional feedback from Issuers on preferred mechanism of administration of QTI payments, the following updates have been made:

- **1.04 Administration of QTI Payments:** revised to document the process of transmitting QTI payments with two options, either to a third party or retained by Contractor as directed by Covered California.
- **1.05.2 Population Health Investments Implementation Plan:** Contractors follow PopHI Directives for implementation, which will include specific payment directions from Covered California. Covered California may request additional information during implementation, emphasizing enhanced oversight.

UPDATES TO ATTACHMENT 4: 2025 AMENDMENT

To capture additional feedback from Issuers on preferred mechanism of administration of QTI payments, the following updates have been made:

Attachment 4	Current	Key Updates
1.04 Administration of QTI Payments	Covered Ca will manage collection and administration of funds, including specifying how funds are allocated and will select from the following methods: 1. Funds transmitted to and retained by Covered Ca 2. Funds transmitted to and retained by a Covered Ca contracted entity 3. Funds retained by Contractor as used as expressly approved by Covered Ca	Covered Ca will direct Contractor's use and transmission of QTI payments to Population Health Investments (PopHIs) using one of the following methods: 1. Funds transmitted and retained by an entity as directed by Covered Ca 2. Funds retained by contractor and used as expressly directed by Covered Ca
1.05.2 Population Health Investments Implementation Plan	Contractor must receive written approval of any proposed PopHIs established pursuant to contract. Implementation plan must include: 1. How contractor will implement PopHI 2. Estimated funds necessary to implement PopHI	• Contractor will submit a written implementation plan based on PopHI Directive • Covered Ca reserves the right to request additional information and documentation regarding approved implementation plan

POPHI DIRECTIVES TIMELINE

Final PY25 Amendment will be presented at Covered California May Board meeting

May 2024

Aug 2024

Proposed PopHI will be presented at the August Covered California Board meeting

QHP issuers will be required to start establishing contracts with PopHI

Fall 2024

Oct – Nov 2024

QTI Performance Reports Released

Covered California prepare and release QTI performance reports 90 days of CMS publication of final QRS scores

QTI performance reports will include PopHI directives along with summary of QRS scores on the QTI measure set for each product

Dispute Process

QHP issuers may dispute QTI performance Report within 60 days of receipt

Payment Deadline

QHP issuers have 60 days upon receipt of final QTI performance reports to follow instructions in the PopHI directives for QTI payments.

If there is dispute, payment is due 30 days after resolutions

Dec – Jan 2025

Jan – Feb 2025

QTI Payments Flow

Funds will be transmitted from QHP issuers as outlined by PopHI directive

COVERED CALIFORNIA

PUBLIC COMMENT PERIOD

- Feedback on updates to Attachment 4: 2025 Amendment would be appreciated by April 25, 2024

- Please send questions and comments at EQT@covered.ca.gov

Essential Community Providers (ECP) Project

Lizzeth Romero
Equity & Quality Specialist

Essential Community Providers (ECP) Project

ESSENTIAL COMMUNITY PROVIDER (ECP) PROJECT INITIAL PHASE

Objective: Examine Covered California's ECP standards and determine whether updates to standards should be made.

Approach: Covered California examined federal requirements and benchmarks for State-Based Exchanges (SBEs) and FFEs, in addition to key guidance documents. Evaluated Covered California's ECP policies, as originally adopted by the board, contractual agreements, and certification applications.

Findings and Recommendations

- Covered California's ECP standards should be reassessed and updated.
- Opportunities exist to enhance ECP standards for better health equity and Qualified Health Plan (QHP) accountability; consider enhancing sufficiency standards in line with federal benchmarks to broaden ECP access.

ECP WORK GROUP OVERVIEW

- Covered California engaged Health Management Associates (HMA) to support an internal ECP working group
- Covered California's working group includes Plan Management and Equity & Quality Transformation Divisions, Office of Legal Affairs, and Covered California for Small Business
- The work group meets regularly to address the findings of the internal review
- The work group will produce recommendations and proposed 2026-2028 ECP contract language

HMA conducts:

- Facilitation of ECP Internal Working Group
- Research and compilation of relevant resources
- Internal and external stakeholder engagements
- Drafting individual and small group market contracts and QHP certification application language

TIMELINE AND NEXT STEPS

February 2024 ECP Internal Working Group launched

Summer 2024 ECP Working Group recommendations and draft language prepared for review

August 2024 Plan Management Advisory Group presentation of recommendations and draft contract language

Fall 2024 ECP language included in draft QHP contracts released for public comment

Please submit questions or comments to eqt@covered.ca.gov

Advancing Equity, Quality and Value
2026-2028 QHP Issuer Model Contract Update

Taylor Priestley, Director Health Equity & Quality Transformation (EQT) Division

EQT Approach to 2026-2028 Contract Update

Our approach will be guided by:

- Building on strong foundation of 2023-2025 contract development work
- Prioritizing alignment
- Emphasizing outcomes
- Pursuing administrative simplification

2026-2028 Advancing Equity, Quality & Value Contract Update Workstreams

Model Contract *with PMD*	Attachment 1	Attachment 2 *with PMD*	Attachment 4	Workgroups
• Essential Community Providers (ECPs) • Article 5	• Articles 1-6	• Performance standards	• Quality Transformation Initiative	• Contract Update Workgroup

2026-2028 Contract Development Guiding Principles

Equity is quality

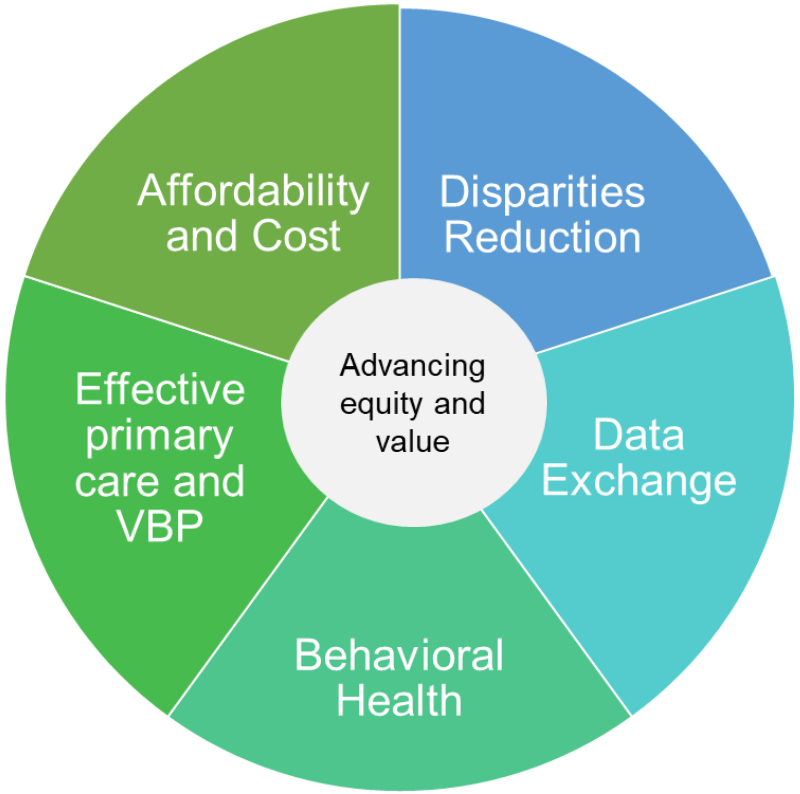
Center the member

Make it easy to do right

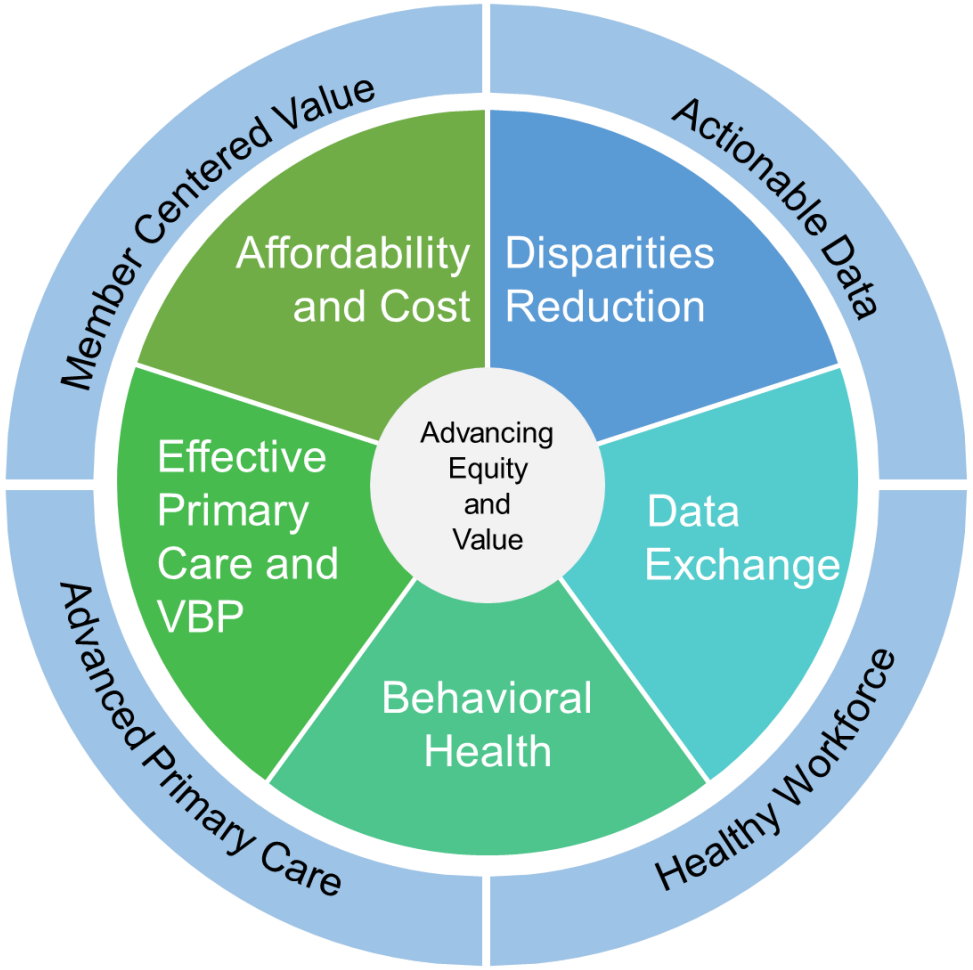
Amplify through alignment

Focused scope for high impact

2026-2028 Strategy Builds Upon 2023-2025 Focus Areas



2023-2025



2026-2028

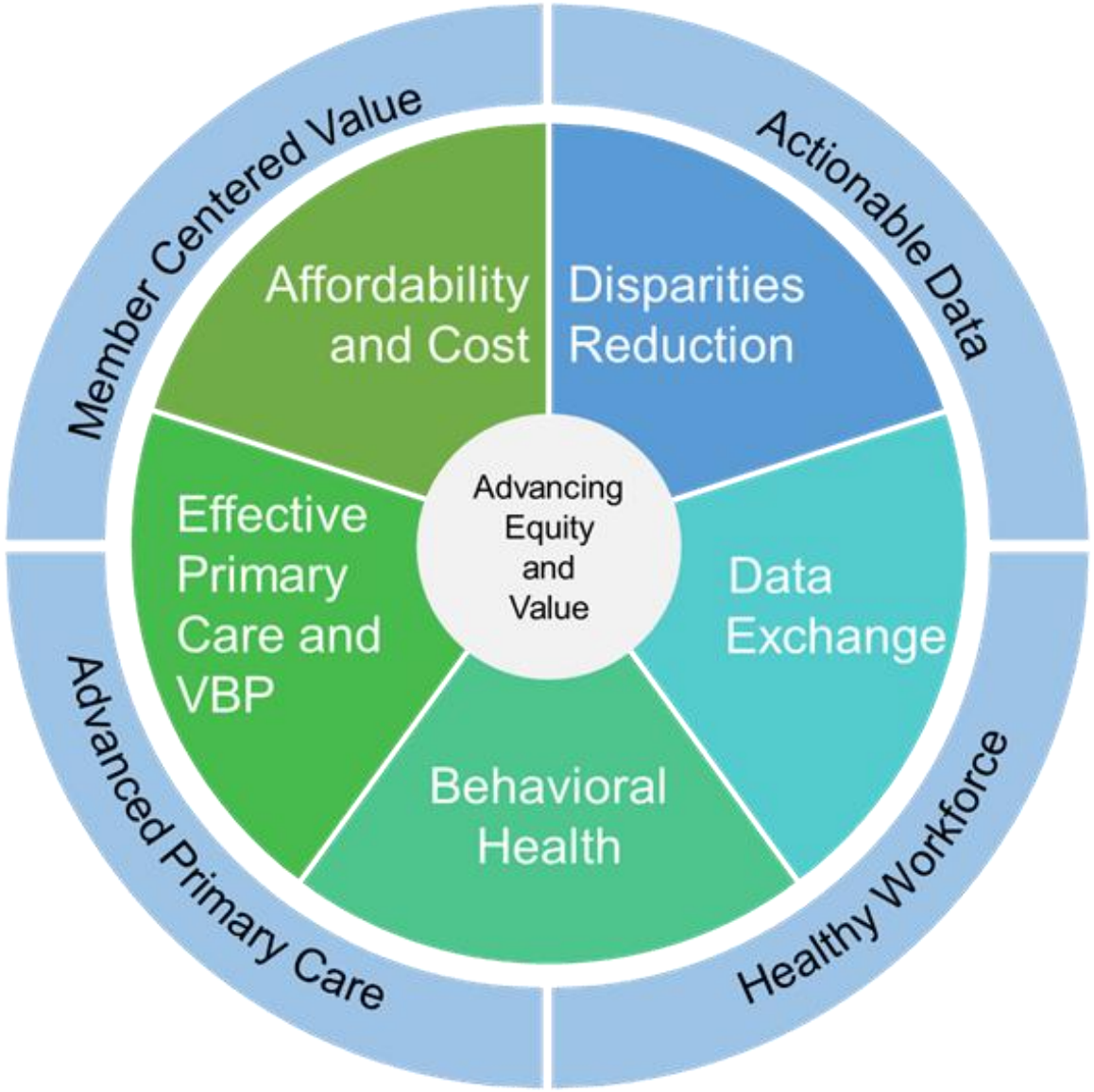
With Bold New Additions

Actionable Data

Healthy Workforce

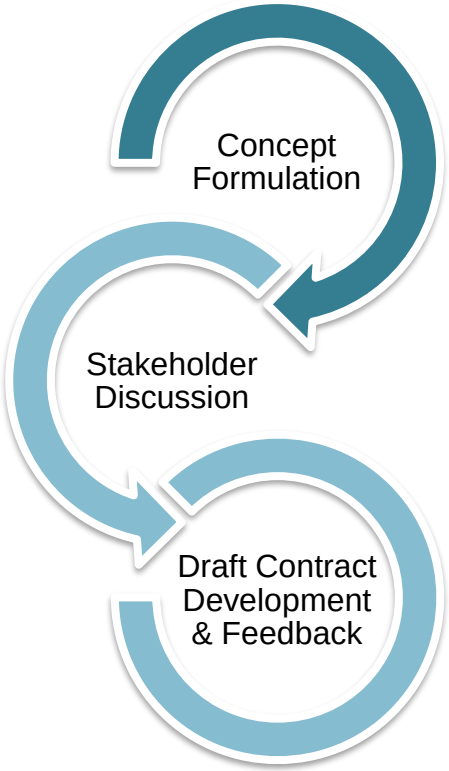
Advanced Primary Care

Member-Centered Value



2026-2028

Proposed Approach for Contract Update Workgroup



- Covered California leadership and staff engage in strategic planning sessions to develop concept proposal for the refresh framework, principles, and priority areas for focus
- Contract Update workgroup
  - Scheduled monthly meetings
  - Forum for large group discussion on proposed changes to Attachments 1, 2 and 4
  - Learning space to share ideas and best practices among stakeholders
  - Participants will review and give feedback on contract proposals and draft contract language
  - Additional focus group meetings on specific priority areas can be scheduled as necessary to help facilitate contract development

2026 QHP Issuer Model Contract Update Timeline

February 2024 Plan Management Advisory meeting – preview timeline

March 2024 – kick off external contract update workgroup

Late summer 2024 – first public comment period

Sept/October 2024 – second public comment period

January 2025 – Board discussion of proposed model contract

March 2025 – anticipated Board approval of proposed model contract

March & April Contract Update Workgroup Topics

Actionable Data: Aligning Data Sharing and Exchange Efforts

Member-Centered Value: Member Experience Measurement

Quality Transformation Initiative (QTI) program updates

Quality Transformation Initiative Health Equity Methodology

Removal from the Exchange “25/2/2” program updates

2026-2028 QHP Issuer Model Contract Feedback

Please submit feedback, questions, and suggestions for future meetings or requests to be added to the Contract Update Workgroup meeting invitations and communications to EQT@covered.ca.gov

Thank you!

OPEN FORUM