



Plan Management Advisory Workgroup Meeting

September 18, 2023

2025 PLAN YEAR AMENDMENT ATTACHMENTS 1, 2, AND 4 PROPOSED REVISIONS

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QHP ISSUER 2025 AMENDMENT TIMELINE FOR ATTACHMENTS 1, 2, AND 4



*Stakeholders
Engagement
Aug. – Sept. 2023*

*Public Comment Period
Sept. 18 to Oct. 16, 2023*

*Public Comment
Response
Nov. 2023*

*Board
Discussion
Jan. 2024*

*Board Approval of
PY 2025 Amendment
March 2024*

PLAN YEAR 2025 AMENDMENT APPROACH

- Covered California is proposing revisions to the Plan Year 2025 Attachments 1, 2, and 4 to clarify or add to the 2023-2025 contract requirements
- Covered California's approach to the Plan Year 2025 amendment includes:
 - Clarifying existing requirements and performance standards
 - Proposing revisions consistent with Covered California's key priority areas for the 2023-2025 contract refresh
 - Continued alignment with other public purchasers and organizations, especially DHCS, CalPERS, and NCQA

SUMMARY OF PROPOSED 2025 REVISIONS (1 of 2)

Attachment 1 Advancing Equity, Quality, and Value

Article 1 - Equity and Disparities Reduction and Article 6 - Certification, Accreditation, and Regulation

- Adding language to address NCQA HEA compliance requirements by year-end 2025 if not already achieved
- Adding language to include NCQA HPA compliance requirements by year-end 2025 if not already achieved
- Updates to the Patient Level Data (PLD) File measures resulting from QRS measures changes

Attachment 2 Performance Standards with Penalties

Healthcare Evidence Initiative (HEI) Data and Patient Level Data (PLD) Submissions Data Submission specific to HEI

- Clarification of requirements in Performance Standard 9
- Discontinuing penalty for PLD data submission

SUMMARY OF PROPOSED 2025 REVISIONS (2 of 2)

Attachment 4 Quality Transformation Initiative (QTI)

- Adding language clarifying administration and use of the Quality Transformation Fund
- Adding language outlining expectation of evaluation of impact and requirement for continuous assessment of success of program

**2025 PLAN YEAR AMENDMENT
ATTACHMENT 1 ADVANCING EQUITY, QUALITY AND VALUE
PROPOSED CONTRACT REVISIONS**

PROPOSED 2025 ATTACHMENT 1 CHANGES

ARTICLE 1 - EQUITY AND DISPARITIES REDUCTION

Notable Changes to Draft Attachment 1	Rationale
<p>1.04.1 Health Equity Accreditation Updated language to address issuers not yet compliant with NCQA HEA requirements by year-end 2023</p>	<p>To clarify 2025 compliance timeline for Contractors who missed earlier requirement to achieve NCQA HEA</p>
<p>1.02.1 Monitoring Disparities: Patient Level Data File (PLD) Updates to measures list</p>	<p>Measures changes resulting from QRS measures updates</p>

PROPOSED 2025 ATTACHMENT 1 CHANGES

ARTICLE 6 - CERTIFICATION, ACCREDITATION, AND REGULATION

Notable Changes to Draft Attachment 1	Rationale
<p>6.01.1 NCQA Health Plan Accreditation Updated language to account for issuers not yet compliant with NCQA HPA achievement requirements by year-end 2024</p>	<p>To clarify 2025 compliance timeline for Contractors who missed earlier requirement to achieve NCQA HPA</p>

**2025 PLAN YEAR AMENDMENT
ATTACHMENT 2 PERFORMANCE STANDARDS WITH PENALTIES
PROPOSED CONTRACT REVISIONS**

PROPOSED 2025 ATTACHMENT 2 CHANGES (1 OF 2)

HEALTHCARE EVIDENCE INITIATIVE (HEI) DATA AND PATIENT LEVEL DATA (PLD) SUBMISSIONS PERFORMANCE STANDARD 9 – DATA SUBMISSION SPECIFIC TO HEI

Notable Changes	Rationale
9.1 - Implementing a standard submission schedule across all carriers; Removed patient level data (PLD) file from standard	Will help Covered CA create one timeline for data receipt and feedback purposes; PLD files were received with minimal engagement required for corrections this year therefore no penalty associated
9.3, 9.4, and 9.5 - Reduced number of provider identifiers required	Simplify performance assessment by referencing only necessary data fields
9.7, 9.8, and 9.9 - Clarifying edits	Edits provide more clarity regarding vendor's current process for completing reconciliation described in these standards

PROPOSED 2025 ATTACHMENT 2 CHANGES (2 OF 2)

HEALTHCARE EVIDENCE INITIATIVE (HEI) DATA AND PATIENT LEVEL DATA (PLD) SUBMISSIONS PERFORMANCE STANDARD 9 – DATA SUBMISSION SPECIFIC TO HEI

Notable Changes	Rationale
<p>9.6 - Specify that for EPO and PPO products, allowed amount should align with net payment, coinsurance, copayment, deductible, and third-party amount.</p> <p>Specify that for HMO products, total member months represented in the capitation file should match to total member months represented in the enrollment file.</p> <p>All products will have a minimum threshold for inclusion of a valid capitation services indicator on medical claims, and member cost share amounts on medical and drug claims.</p>	<p>Adjusted performance standard to accommodate financial validation across different product types. The financial data quality standard as previously written was not valid for HMOs.</p> <p>Covered California is seeking to ensure comprehensive approach to total cost of care for all products, inclusion of valid capitation service indicator values and tracking of member cost share amounts.</p>

**2025 PLAN YEAR AMENDMENT
ATTACHMENT 4 QUALITY TRANSFORMATION INITIATIVE
PROPOSED CONTRACT REVISIONS**

S. Monica Soni, MD, Chief Medical Officer
Health Equity and Quality Transformation Division (EQT)

AIMING HIGH: QUALITY TRANSFORMATION INITIATIVE

Make
Quality
Count

0.8% up to
maximum of
4% premium
at risk for...

Measures
that
Matter

...a small set
of clinically
important
measures...

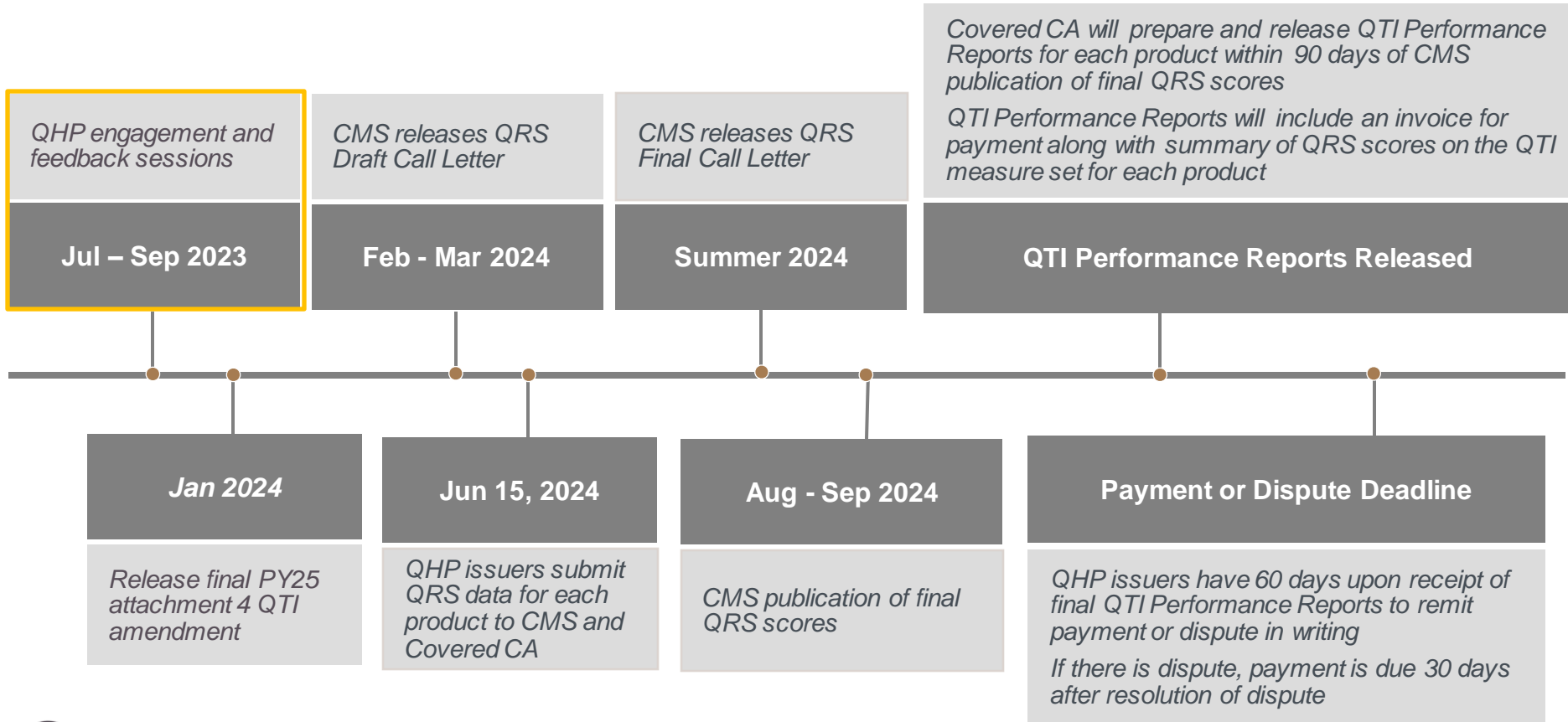
Equity
is
Quality

...stratified by
race/ethnicity...

Amplify
through
Alignment

...selected in
concert with
other public
purchasers.

Timeline for MY 2023



Takeaways From Stakeholder Meetings

Covered California has engaged with stakeholders (DHCS, CalPERS, advocates, QHPs) to inform the next phase of QTI

Overall Themes

- Strong interest in a program that is not QHP-specific but **benefits the broader population** since there is year over year movement of enrollees across QHPs and even lines of business
- Excitement about more **non-traditional approaches** to quality and equity that reduce structural barriers (out of pocket costs, transportation etc.)
- Interest in investing and supporting **front-line workforce**, especially where multiple QHPs have contracts with the same provider group
- Concerns about **growing a gap** with lower performing plans and the members enrolled being left behind
- Unanimous **support for the guiding principles**

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, and



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

PROPOSED 2025 ATTACHMENT 4 CHANGES (1 OF 2)

INTRODUCTION, SECTIONS 1.01, 1.02, AND 1.04

Notable Changes	Rationale
QTI Eligibility Requirements: Consistent with CMS for QRS reporting, QHP Issuers with a minimum of two years of QRS reportable scores will be subject to QTI performance requirements	Provide additional information on QTI eligibility requirements for new entrants
1.01.2 Health Disparities Reduction Requirements: Updated language to specify that QTI disparities methodology will be integrated in 2026 contract	Update to timeline to account for disparities methodology which is being refined alongside other public purchasers
1.02 Benchmarks and Payments to the Quality Transformation Fund: Updated language for MY2025 full measure payment amount (2.8%) as described in Section 5.2.2 of the Agreement	Reinforce the continued need for QHPs to continue to improve performance on measures despite any payments that may be made Confirm the per-measure payment amount for MY2025
1.04 Administration of the Quality Transformation Fund: Covered California shall manage the collection, administration and approved uses of payments	Clarification of administration of the payments

PROPOSED 2025 ATTACHMENT 4 CHANGES (2 OF 2)

SECTIONS 1.05, 1.06, 1.07

Notable Changes	Rationale
1.05 Population Health Investments: Incorporates guiding principles for use of funds, implementation of population health investment, tracking of expenses, and evaluation requirement	Outline of intent to create targeted population health investments following guiding principles
1.06 Unspent Funds: Good faith attempt to use payments made in the same calendar year	Clarification of cycle of funds flow
1.07 Ongoing Assessment of the Quality Transformation Fund: Covered California shall continuously assess the success of the Quality Transformation Fund at achieving measurable quality improvements	Outline expectation for continuous re-assessment of program impact at achieving quality outcomes, especially as amount of premium at risk increases in subsequent years

NEXT STEPS

- ❑ Next phase of stakeholder engagement: Primary care practices and outreach to Covered California enrollees
- ❑ Public comment cycle open from September 18 through October 16, 2023
- ❑ The draft 2025 Attachments 1, 2, and 4 will be presented to the Board in January 2024 for review and discussion
- ❑ Please send questions and comments to pmdcontractsunit@covered.ca.gov