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Qualified Health Plan Attachment 14 Response to Comments

The following is the Covered California response to comments received after the January Board meeting release of contract documents for the draft 2022 Qualified Health Plan Attachment 14 for the Individual Market.

All documents will be posted to the Plan Management HBEX webpage: https://hbex.coveredca.com/stakeholders/plan-management/.

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A14 Item #	A14 Sub-Section #	Comment	Covered CA Response
2.1		Data reconciliation [...]plans have been working diligently with Covered CA and IBM Watson on AB 929 submissions, and have provided you with detailed information regarding the uniqueness of each plan's data – including the availability of certain data elements. We believe that performance guarantees should be evaluated against this baseline, and penalties should only be assessed in instances where data is not submitted timely or with variances from the mutually agreed-upon parameters. The QHPs remain very concerned about IBM Watson's data reconciliation process. Historically, IBM Watson has asked the QHPs to re-submit historical data because either Covered CA or IBM Watson did not agree with the methodology used by the QHP to populate certain data points. We remain concerned about this practice and would appreciate further discussion about these concerns. We have shared these concerns with you previously; however, another discussion about this topic is needed. Performance guarantees should only be assessed for untimely or file failures.	Covered CA appreciates all of the collaboration being done for the implementation of AB 929 requirements. Covered CA and QHP's must now adhere to the legal requirements of AB 929. For this requirement, Covered CA updated the contract language to include definitions and updated performance standards for clarity; penalties will be assessed based on the performance standard failure.
3.1 & 3.2	QRS Scores	The Plan recommends that Covered CA should look at Medicare and its STAR ratings and its Categorical Adjustment Index as a means of adjusting the attributes of the population such as income in calculating final STAR ratings. We hope Covered Ca will also consider some sort of adjustment.	Thank you for your comment. Covered California will consider your recommendation as we investigate a "social determinants of health" adjuster for 2023 and beyond. Covered California will not make this type of adjustment to the QRS at this time.
3.3	3.3a and 3.3b	3.3a Reducing Health Disparities – Attachment 7, Article 31, Sections 13.01 and 13.02 – 7.5% of At-Risk Amount and; 3.3b) Disparities Reduction Intervention – Attachment 7, Article 1, Sections 1.03 - 7.5% of At-Risk Amount We appreciate that Covered California is tying these new disparities related contract requirements to 7.5% at-risk payment as noted above. We also appreciate the way Covered California has laid out past and future contract expectations so the exact goals and trajectory are clear to stakeholders, including health plans and providers.	Thank you for your comment.
3.4		3.4 Primary Care – Attachment 7, Article 74, Section 4.01 and 4.027.04 - 10% of At Risk Amount We strongly support the performance goals in section 3.4. However we would appreciate additional information as to how Covered California arrived at such different primary care targets for HMOs versus PPOs. We are particularly concerned as this decision seems to be predicated on the troubling notion that PPOs provide less primary care/coordinated care than HMOs.	Covered California developed the proposed performance levels for HMO and PPO/EPO products based on performance over the last several years. We also recognize that HMO and PPO/EPO plans have different contracting mechanisms and varying leverage to change payment structures.

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3.4		3.4 Primary Care % of PCPs paid under new payment strategy; We appreciate allowing for a different target for PPO vs HMO network based products (more than 50% are under a HCP LAN APM Category 3 by the end of 2022). As PPO networks can have many thousands of PCPs who have a small, or sometimes no Covered California members, this PG should be adjusted to reflect a prioritization for providers with a large panel size and/or revenue. Recommendation: For PPO/EPO products, the PG denominator be based on some thresholds of panel size and revenue.	Based on feedback and discussion with issuers, Covered California is lowering the performance levels for 3.4 Primary Care Payment for PPO/EPO products and will adjust the performance levels for HMO products to account for direct contracting.
3.4		3.4 Primary Care % of PCPs paid under new payment strategy; Measurement Year 2022 Proposal; We appreciate allowing for a different target for PPO vs HMO network based products (more than 50% are under a HCP LAN APM Category 3 by the end of 2022). As PPO networks can have many thousands of PCPs who have small, or sometimes no Covered California members, this PG should be adjusted to reflect a prioritization for providers with a large panel size and/or revenue. We recommend that for PPO/EPO products, the PG denominator be based on some thresholds of panel size and significant revenue. Plans are also concerned that due to differences in contracted networks the 50% target may be difficult to obtain in 2022. We recommend setting a 10% threshold to start.	Covered California will maintain the attainment thresholds with staggered penalty amounts for performance standard 3.4 Primary Care Payment. Based on feedback and discussion with issuers, Covered California is lowering the performance levels for 3.4 Primary Care Payment for PPO/EPO products.

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3.4		[We] respectfully requests for Covered California to reintroduce an improvement target along with the attainment target so that either/or can be achieved. Allowing for either an improvement or attainment is a standard among industry programs like IHA. We recommend setting the HMO Expectation targets as follows: • Contractor reports no increase in PCPs contracted under HCP LAN APM Category 3 or Category 4; or reports 0 to <50% of PCPs contracted under HCP LAN APM Category 3 or Category 4: 10% penalty • Contractor reports an increase of more than 0% but less than 5% in the percentage of PCPs contracted under HCP LAN APM Category 3 or Category 4; or reports 50 to <75% of PCPs contracted under HCP LAN APM Category 3 or Category 4: 5% penalty • Contractor reports an increase of more than 5% but less than 10% in the percentage of PCPs contracted under HCP LAN APM Category 3 or Category 4; or reports ≥ 75% of PCPs contracted under HCP LAN APM Category 3 or Category 4: No penalty We recommend setting the PPO Expectation targets as follows: • Contractor reports no increase in PCPs contracted under HCP LAN APM Category 3 or Category 4; or reports 0 to <5% of PCPs contracted under HCP LAN APM Category 3 or Category 4: 10% penalty • Contractor reports an increase of more than 0% but less than 5% in the percentage of PCPs contracted under HCP LAN APM Category 3 or Category 4; or reports 5 to <10% of PCPs contracted under HCP LAN APM Category 3 or Category 4: 5% penalty • Contractor reports an increase of more than 5% but less than 10% in the percentage of PCPs contracted under HCP LAN APM Category 3 or Category 4; or reports ≥ 10% of PCPs contracted under HCP LAN APM Category 3 or Category 4: No penalty	Covered California will maintain the attainment thresholds with staggered penalty amounts for performance standard 3.4 Primary Care Payment. Based on feedback and discussion with issuers, Covered California is lowering the performance levels for 3.4 Primary Care Payment for PPO/EPO products and will adjust the performance levels for HMO products to account for direct contracting.
3.4		We recognize that Covered CA has adjusted the performance standard to establish different performance levels for HMO plans versus PPO/EPO plans. However, the HMO performance level continues to be problematic as it is tied directly to PCP contracts. This ties to both a direct model and a staff model, but does not accommodate a delegated model as the PCP contracting is owned by the PPG, not the health plan, leaving the health plan with limited ability to influence this measure. The removal of credits and the increase in the amount at risk just makes this even more problematic. We would like to suggest that the measure be adjusted to target the PPG payment model rather than the PCP. At the very least, we suggest that the penalty thresholds be reduced.	Covered California will maintain the attainment thresholds with staggered penalty amounts for performance standard 3.4 Primary Care Payment. Based on feedback and discussion with issuers, Covered California will adjust the performance levels for HMO products to account for direct contracting.

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3.5		3.5 Accountable Care Organizations (ACOs) – Attachment 7, Article 84, Section 4.038.01 – 10% of At-Risk Amount As we stated in our earlier letter, given the mixed record of ACOs in reducing costs while improving quality along with the wide variation in types of ACOs, it is worth considering whether this 10 percentage at-risk is appropriate or whether a lower percentage of 4.5% or 5% might be more appropriate which would free up at-risk funds for chronic conditions, preventive health care, etc.	Covered California intends to maintain the 10% at risk for performance standard 3.5 ACOs for HMOs. We are proposing that 3.5 ACOs will no longer be applicable to PPO/EPO products. Instead, Covered California will emphasize 3.4 Primary Care Payment for PPO/EPO products. We continue to promote the use of ACOs and IDSs as mechanisms to improve quality of care and promote integrated care while also aiming to learn more about ACO best practices in 2022 to inform the 2023 refresh requirements.
3.5		[We] respectfully requests for Covered California to reintroduce an improvement target along with the attainment target so that either/or can be achieved. Allowing for either an improvement or attainment is a standard among industry programs like IHA. We recommend setting the HMO Expectation targets as follows: • Contractor reports no increase in membership attributed or assigned to ACOs; or reports 0 to <50% of membership is attributed or assigned to ACOs: 10% penalty • Contractor reports an increase of more than 0% but less than 5% in the percentage of membership attributed or assigned to ACOs; or reports 50 to <80% of membership is attributed or assigned to ACOs: 5% penalty • Contractor reports an increase of more than 5% but less than 10% in the percentage of membership attributed or assigned to ACOs; or reports ≥ 80% of membership is attributed or assigned to ACOs: No penalty We recommend setting the PPO Expectation targets as follows: • Contractor reports no increase in membership attributed or assigned to ACOs; or reports 0 to <5% of membership is attributed or assigned to ACOs: 10% penalty • Contractor reports an increase of more than 0% but less than 5% in the percentage of membership attributed or assigned to ACOs; or reports 5 to <10% of membership is attributed or assigned to ACOs: 5% penalty • Contractor reports an increase of more than 5% but less than 10% in the percentage of membership attributed or assigned to ACOs; or reports ≥ 10% of membership is attributed or assigned to ACOs: No penalty	Covered California will maintain the attainment thresholds with staggered penalty amounts for performance standard 3.5 ACOs for HMO products. Based on feedback and discussion with issuers, Covered California is lowering the performance levels for HMO products. We are also proposing that 3.5 ACOs will no longer be applicable to PPO/EPO products.
3.5		3.5 Accountable Care Organizations (ACOs); We appreciate that Covered California is considering a different target for PPO network participation in ACO's. Consistent with the comments above (3.4), we recommend setting a lower target.	Covered California will maintain the attainment thresholds with staggered penalty amounts for performance standard 3.5 ACOs for HMO products. Based on feedback and discussion with issuers, Covered California is lowering the performance levels for HMO products. We are also proposing that 3.5 ACOs will no longer be applicable to PPO/EPO products.

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3.5		We understand Covered California will be working with the health plans and stakeholders to develop a registry of characteristics that make up an ACO, but there is concern that the most recent thresholds for HMO products may be difficult to meet. We kindly recommend Covered California use the threshold that was initially proposed.	Based on feedback and discussion with issuers, Covered California is lowering the performance levels for 3.5 ACOs for HMO products.
	DQA Measures	We are strongly supportive of the inclusion of the DQA Pediatric Measure Set reporting requirements. The causes of poor oral health are numerous, including an inability to access dental providers, barriers due to limited English proficiency, and the cost of dental insurance. Add to that the fact that dental utilization has dropped significantly during the public health crises. This data will help Covered California and dental plans to more effectively gauge access to and the quality of enrollee dental health services.	Covered CA agrees