



Qualified Health Plan Contracting for 2023-2025
Removal from the Exchange Policy and Methodology
June 10, 2022

Policy for Removal from the Exchange (also known as 25-2-2)

In the 2023-2025 QHP issuer contract¹, Covered California is requiring contracted QHP issuers to demonstrate performance at or above the 25th percentile composite benchmark for the Quality Rating System (QRS) Clinical Quality Management Summary Indicator (also known as “Getting the Right Care”) standard measures for each product (HMO, PPO, EPO, etc.). QHP issuers offering products that fall below the 25th percentile composite benchmark using Measurement Year (MY) 2018 performance for “Getting the Right Care” measures for two consecutive years will be put on notice that the products will be required to improve to meet or exceed the 25th percentile composite benchmark within the immediately subsequent two years or be decertified.

Specifically, if an issuer has one or more products that falls below the Measurement Year 2018 25th percentile composite benchmark for its product-reportable subset of the QRS Clinical Quality Management Summary Indicator measures for two consecutive years (the monitoring period), the product is required to meet or exceed the 25th percentile composite benchmark within the following two years (the remediation period), or it will not be certified for the Plan Year (PY) following the performance assessment of the last year of the remediation period (Figure 1). If an issuer offers more than one product, each product is independently assessed.

Covered California will assess product performance on the QRS Clinical Quality Management Summary Indicator measures on an annual basis. If the product’s performance is newly below the 25th percentile composite benchmark in any given year, it meets criteria for entry into the monitoring period. If the product’s performance meets or exceeds the 25th percentile composite benchmark after one year of the monitoring period, the product is no longer subject to the monitoring period and will be re-assessed the following year. If a product fails to meet the 25th percentile composite benchmark for both years of the monitoring period, Covered California will notify the issuer and specify the remediation period. Performance assessments will be shared with QHP issuers annually and reported publicly.

Issuers will be required to submit a quality improvement plan for each product that enters the remediation period. The plan must detail the action(s) they will take to meet or exceed the 25th percentile composite benchmark within the remediation period. Covered California will monitor and work with issuers to minimize any negative impacts improvement efforts may have on consumers.

¹ Covered California Qualified Health Plan Issuer Contract for 2023 – 2025 for the Individual Market, Article 5.2
https://hbex.coveredca.com/stakeholders/plan-management/library/2023-2025%20QHP_IND_Model%20Contract_Final%20Proposed_Clean_4-19-22.pdf



If a product becomes ineligible for certification because it has failed to meet or exceed the 25th percentile composite benchmark for four consecutive years, Covered California will coordinate with the applicable regulator for the QHP issuer and notify consumers enrolled in the product that they will need to select a new product and assist consumers through the process. Covered California is still developing the timeline and approach for notifying consumers. Covered California will engage issuers, regulators, and stakeholders in the development process.

This removal policy will not be applied in a Covered California rating region where removal of one or multiple products would lead to fewer than three issuers remaining in the region.

Covered California will continue to analyze the impact of demographic and socio-economic factors that affect quality scores for potential adjustments to these quality standards.

Removal from the Exchange Implementation Timeline

If the issuer has a product that was offered by Covered California in 2021 and the product meets the CMS eligibility criteria to report QRS measures scores and star ratings for that year, the product is subject to assessment for this removal policy beginning Measurement Year 2021. Table 1 provides an example timeline for a product that performs below the 25th percentile composite benchmark beginning in 2021 and does not improve performance over the monitoring and remediation periods.

Figure 1: Example Removal Timeline for a Monitoring Period Beginning in 2021 with No Improvement over the Monitoring and Remediation Periods

MONITORING PERIOD		REMEDATION PERIOD		REMOVAL*
Plans that did not meet the benchmark in MY2021 are in a monitoring period for MY2021–MY2022.		Plans that did not meet the benchmark in MY2021–MY2022 are in remediation for MY2023–MY2024.		Plans that did not meet the benchmark in MY2021–MY2024 will not be certified.
PLAN YEAR 2022	PLAN YEAR 2023	PLAN YEAR 2024	PLAN YEAR 2025	PLAN YEAR 2026
MY2021 Assessment Product below MY2018 25 th percentile composite benchmark	MY2022 Assessment Notice to Issuers of Monitoring Period	MY2023 Assessment Notice to Issuers of Remediation Period	MY2024 Assessment Notice to Issuers of Removal from Exchange	Product no longer offered on the Exchange <i>*Removal occurs only if there are three (3) issuers remaining after removal</i>

For products offered in Plan Year 2022 or later, the product is subject to assessment for this removal policy in the first year it meets the CMS eligibility criteria to report QRS measures scores and star ratings.

Product performance will be assessed annually. If the product’s performance meets or exceeds the 25th percentile composite benchmark during either the monitoring or remediation period, the product is no longer subject to the monitoring or remediation period and will be re-assessed the following year.



Removal from the Exchange Methodology

Covered California will calculate the 25th percentile composite benchmark using Measurement Year 2018 performance of all exchange products nationwide on the QRS Clinical Quality Management Summary Indicator measures. This is the fixed baseline benchmark throughout the contract period.

Each year, Covered California will compare each product's composite score on the QRS Clinical Quality Management Summary Indicator measures to the 25th percentile composite benchmark. If the product's composite score is below the 25th percentile composite benchmark, this will begin the monitoring period for the product. Table 1 provides a detailed description of the methodology.

Table 1: Removal from the Exchange Methodology

Methodology		Description
1.	Measurement Year 2018 is the baseline year for the 25 th percentile composite benchmark	Measurement Year 2018 measure scores will be used to calculate the 25 th percentile composite benchmark. This is the fixed baseline benchmark throughout the contract period.
2.	25 th percentile composite benchmark calculation	<p>To define the 25th percentile composite benchmark, Covered California identifies and assigns the measure score that equates to the 25th percentile for each of the QRS Clinical Quality Management Summary Indicator measures using the QRS national percentile data. An unweighted average of these QRS national measure scores is computed to establish the 25th percentile composite benchmark.</p> <p>For products missing one or more measure scores, the 25th percentile composite benchmark will be computed using only those measures that match the product's reportable set, omitting any missing measures.</p>



3.	Annual assessment begins Measurement Year 2021	If the issuer has a product that was offered by Covered California in 2021 and the product meets the CMS eligibility criteria to report QRS measures scores and star ratings for that year, the product is subject to assessment for this removal policy beginning Measurement Year 2021. Product performance will be assessed annually.
4.	Reportable measure scores will be used to calculate each product's clinical composite score	<p>Covered California will compute a clinical composite score for each product as the unweighted average of the reportable measure scores using the product-reportable measures included in the QRS Clinical Quality Management Summary Indicator measure set.</p> <p>The product's clinical composite score is compared to the matched QRS 25th percentile composite benchmark score to determine if the 25th percentile composite benchmark is achieved.</p>
5.	The inclusion or exclusion of measures in the percentile benchmark and each product's clinical composite score is determined per the CMS QRS guidelines on reportable measures	Covered California will follow the CMS QRS guidelines on reportable measures to determine the inclusion or exclusion of measures in the 25 th percentile composite benchmark and each product's clinical composite score, beginning with Measurement Year 2021. For example, Measurement Year 2021 QRS reportable measures that were also QRS reportable measures in the baseline benchmark year (Measurement Year 2018) are used in the scoring.
6.	Measures are weighted equally	All measures that comprise the QRS Clinical Quality Management Summary Indicator are equally weighted in calculating the 25 th percentile composite benchmark and each product's clinical composite score.



7.	Rounding to nearest hundredth (e.g., 66.66%)	The composite will be rounded to the nearest hundredth (e.g., 66.66%). Unrounded measure scores will be used to calculate the 25 th percentile composite benchmark and each product's clinical composite score.
8.	Half-scale rule	A minimum of 50% or half of the QRS 25 th percentile benchmark measures set measures must be reportable for the product's clinical composite score to be calculated. If the product does not meet the half-scale rule, the product is not subject to assessment for this removal policy for that year.
9.	Composite calculation is mean scoring	The 25 th percentile composite benchmark and each product's clinical composite score are calculated by averaging measure scores. Reportable measure scores are summed and divided by the count of reportable measure scores.
10.	This policy applies to any product that has minimum of 2 years of QRS results (e.g., MY2021 and MY2022)	The product is subject to assessment for this removal policy in the first year it meets the CMS eligibility criteria to report QRS measures scores and star ratings.
11.	Data source: QRS proof sheets as published by CMS through the CMS Marketplace Quality Module within CMS' Health Insurance and Oversight System	The QRS Proof Sheets provide QHP issuers and state Exchange administrators with QRS performance information for each ratings-eligible product, from measure scores through the global QRS star rating. The QRS Proof Sheets will be used as the data source for this assessment.

Removal from the Exchange Measures and Examples

Table 2 indicates the Measurement Year 2021 QRS reportable measures that are also QRS reportable measures in the baseline year of Measurement Year 2018 and will be used to calculate each product's clinical composite score throughout the contract period. Measurement Year 2020 scores are used to calculate each product's clinical composite score as an example.



The table also provides two example scoring assessments – one assessment for a product with all reportable measure scores (Health Plan A) and one assessment for a product with missing measure scores (Health Plan B).

Table 2: Removal from the Exchange Measures (MY2021 Reportable Measures) and Example Assessment

NQF ID #	QRS Clinical Quality Management Summary Indicator Measures	Health Plan A		Health Plan B	
		MY2018 25th Percentile Composite Benchmark	MY2020 Clinical Composite Score	MY2018 25th Percentile Composite Benchmark	MY2020 Clinical Composite Score
		0.50	0.57	0.54	0.60
0105	Antidepressant Medication Management (AMM)	0.59	0.59	0.59	0.56
0576	Follow-up After Hospitalization for Mental Illness (FUH) 7-Day*	0.29	0.45	NR	NR
2372	Breast Cancer Screening (BCS)	0.65	0.68	0.65	0.63
0032	Cervical Cancer Screening (CCS)	0.48	0.54	0.48	0.46
0034	Colorectal Cancer Screening (COL)	0.47	0.49	0.47	0.44
0018	Controlling High Blood Pressure (CBP)	0.54	0.55	0.54	0.44
0541	Proportion of Days Covered (PDC): RAS Antagonists	0.73	0.73	0.73	0.80
0541	Proportion of Days Covered (PDC): Statins	0.68	0.66	0.68	0.76
0541	Proportion of Days Covered (PDC): Diabetes All Class	0.68	0.70	0.68	0.81
0055	Comprehensive Diabetes Care (CDC): Eye Exam (Retinal) Performed	0.41	0.46	0.41	0.54
0575	Comprehensive Diabetes Care (CDC): Diabetes Hemoglobin A1c (HbA1c) Control (<8.0%)	0.52	0.62	0.52	0.60
1517	Prenatal and Postpartum Care (PPC): Postpartum Care	0.66	0.71	0.66	0.96
1517	Prenatal and Postpartum Care (PPC): Timeliness of Prenatal Care	0.77	0.80	0.77	0.82
0033	Chlamydia Screening in Women (CHL)	0.40	0.50	0.40	0.54



0039	Flu Vaccinations for Adults Ages 18-64 (FVA)	0.43	0.51	0.43	0.49
0027	Medical Assistance with Smoking and Tobacco Use Cessation (MSC)	0.48	0.60	0.48	0.51
1388	Annual Dental Visit (ADV)	0.16	0.19	0.16	0.10
1407	Immunizations for Adolescents (IMA) Combination 2	0.17	0.27	NR	NR
0024	Weight Assessment and Counseling for Nutrition and Physical Activity for Children and Adolescents (WCC)	0.59	0.53	0.59	0.69
1392	Well-Child Visits in the First 15 Months of Life (W15)	0.66	0.72	NR	NR
1768	Plan All-Cause Readmissions O/E Ratio (PCR) (reversed-scored)	0.23	0.59	NR	NR

**FUH 7-day will be excluded from assessment for MY2021 because CMS suspended the measure for MY2021 given the transition that adds the 30-day component to the existing 7-day component measure. FUH 7-day will be included in the assessment for MY2022.*