



Covered California's First Five Years: Improving Access, Affordability and Accountability

December 2019

Covered California's First Five Years: Overview of Impacts and Detailed Performance Information

This chart pack highlights the results of two extensive reports as of Covered California's efforts to hold itself and its contracted insurers publicly accountable and to inform its contracting for 2022-2024:

- [**Covered California's First Five Years: Improving Access, Affordability and Accountability**](#) – highlights the key strategies undertaken by the state and Covered California and the early results of those efforts.
- [**Covered California Holding Health Plans Accountable for Quality and Delivery System Reform**](#) – highlights Covered California's contracted issuers' efforts to meet the contractual requirements imposed to foster better quality, healthier populations, lower costs, attention to health equity and issuers' efforts to promote changes in how health care is delivered. The report includes data on performance and issues for future consideration that will inform Covered California's work to update its contractual requirements.

Core Principles of the Affordable Care Act: Applied and Working in California

- **Meaningful Coverage for Everyone:** ACA's landmark market reforms to ensure that no one can be turned away from coverage and that once a consumer got coverage, they would have access to affordable high-quality care. These policies contrast to those in the individual market prior to the ACA or to the non-ACA products promoted by the current administration in Washington where consumers can either be rejected from coverage, or, when they did get coverage, get "swiss-cheese" coverage that fails to offer the care they need when care is sought.
- **Address Consumer Affordability:** The expansion of Medicaid provided the potential of coverage for millions of low-income Americans across the country, and the provision of federal premium and cost-sharing subsidies helped bring coverage within reach of millions more. The Act also set forth critical market stabilization policies designed to foster healthy risk and stable enrollment that help lower premiums such as the individual mandate and penalty, an expanded open enrollment period, risk selection protection (reinsurance, risk adjustment and risk corridors), and marketing and navigator programs to promote enrollment. New delivery systems to lower costs both for those enrolled in public programs and those enrolled in the private marketplace.
- **Foster Consumer Choice:** The ACA aims to harness competition and choice in the market in order to improve coverage, affordability, access to care, and consumer satisfaction. Consumer choice relies on plan participation with the need for a stable market that provides health plans some certainty regarding the number and health status of enrollees being a vital element. The Act also set forward policies such as reinsurance and risk adjustment to foster plan participation and ensure choice among consumers.
- **Hold Health Plans and Marketplaces Accountable:** Ensuring accountability among plans is a core principle of the ACA which provides tools to ensure plans spend the majority of premiums on health care and meet quality standards. It also provides flexibility for states, like California, to impose rigorous standards for qualified health plans to benefit consumers.

Covered California — Core Approaches to Lowering Costs, Holding Health Plans Accountable and Promoting Needed Changes in Care Delivery to Benefit all California

- **Create an effective consumer-driven marketplace:** Covered California operates an effective consumer-driven marketplace, creating a level playing field where consumers benefit from meaningful competition and expanded enrollment.
- **Hold health insurers accountable for quality and for advancing delivery reform:** Covered California holds health insurers accountable through its selection of plans to participate in the marketplace and an array of reporting and performance requirements.
- **Align efforts to foster systemic change:** By working with other purchasers, providers and consumers, Covered California has helped catalyze major gains in patient safety, maternity care and in performance measurement for both hospitals and physician practices.
- **Use data and evidence to drive continuous improvement:** Covered California continuously reviews and reflects on what is working to improve care in order to refine future requirements and inform multi-stakeholder collaborations in ways that will increase impact while reducing burdensome, unnecessary requirements.

California Launched New Initiatives in 2020 to Directly Address Affordability — Both Protecting and Going Beyond the Affordable Care Act

California's 2020 Health Care Affordability Programs



- The restoration of the penalty and new state subsidies contributed to the lowest rate change in Covered California's history at 0.8 percent.
- California is the first and only state in the nation to offer financial help to middle-income consumers (earning from 400 to 600 percent of the federal poverty level — an individual earning up to \$75,000 and a family of four earning up to \$154,000)
- State subsidies for middle-income consumers is averaging more than \$460 per month part way through open enrollment.
- State Individual Mandate and Penalty goes into effect January 1, 2020.

Covered California's Framework for Holding Plans Accountable for Quality Care and Delivery Reform

Assuring Quality Care

INDIVIDUALIZED, EQUITABLE CARE

- Health Promotion and Prevention
- Mental Health and Substance Use Disorder Treatment
- Acute, Chronic and Other Conditions
- Complex Care

Effective Care Delivery Strategies

ORGANIZING STRATEGIES

- Effective Primary Care
- Promotion of Integrated Delivery Systems and ACOs
- Networks Based on Value

Sites and Expanded Approaches to Care Delivery

Appropriate Interventions

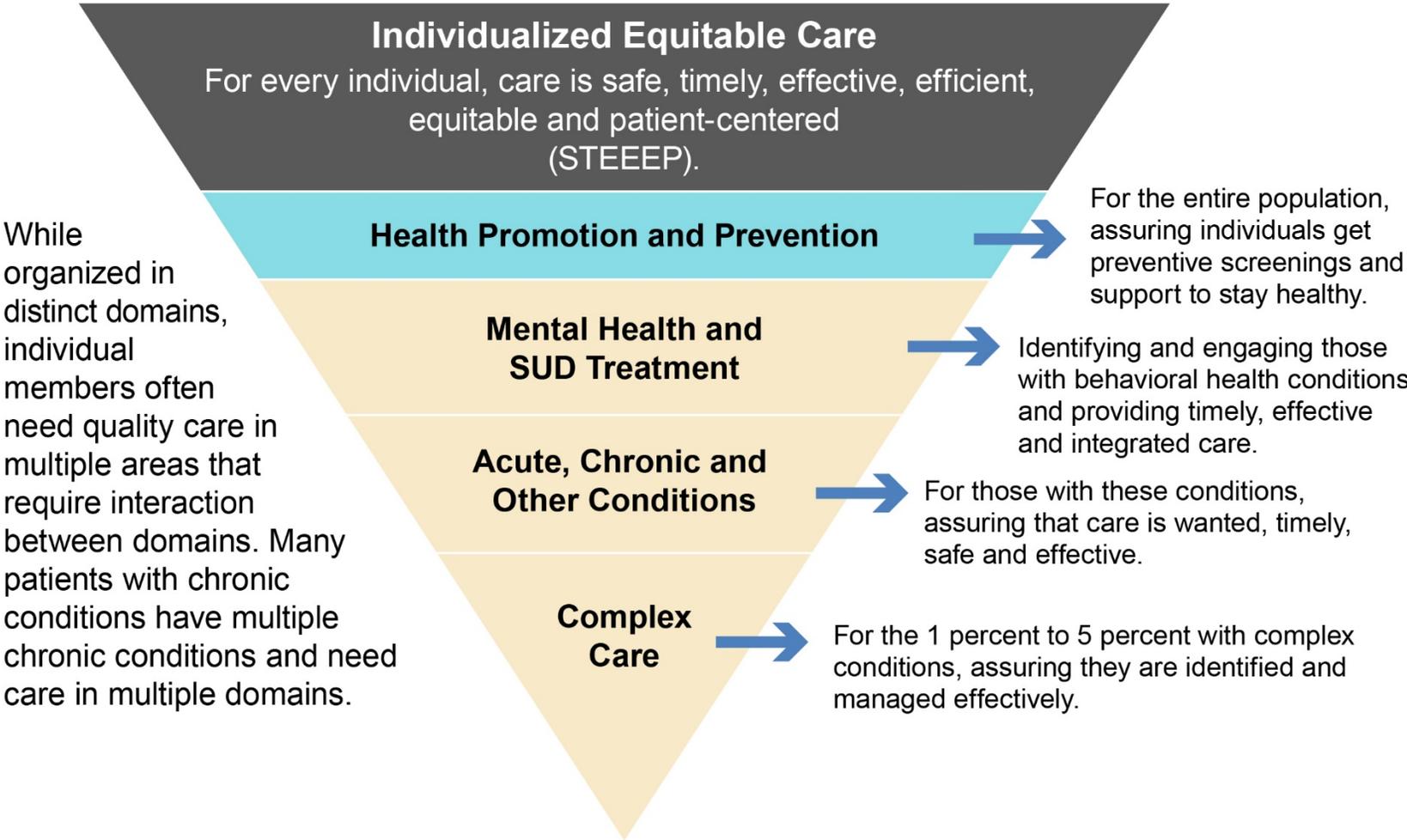
Key Drivers of Quality Care and Effective Delivery

Covered California recognizes that promoting change in the delivery system requires aligning with other purchasers and working with all relevant payers to reform health care delivery in a way that reduces burdens on providers.

- Benefit Design
- Measurement for Improvement Choice and Accountability
- Payment
- Patient-Centered Social Needs
- Patient and Consumer Engagement
- Data Sharing and Analytics
- Administrative Simplification
- Quality Improvement and Technical Assistance
- Certification, Accreditation and Regulation

Community Drivers: Workforce, Community-Wide Social Determinants, Population and Public Health

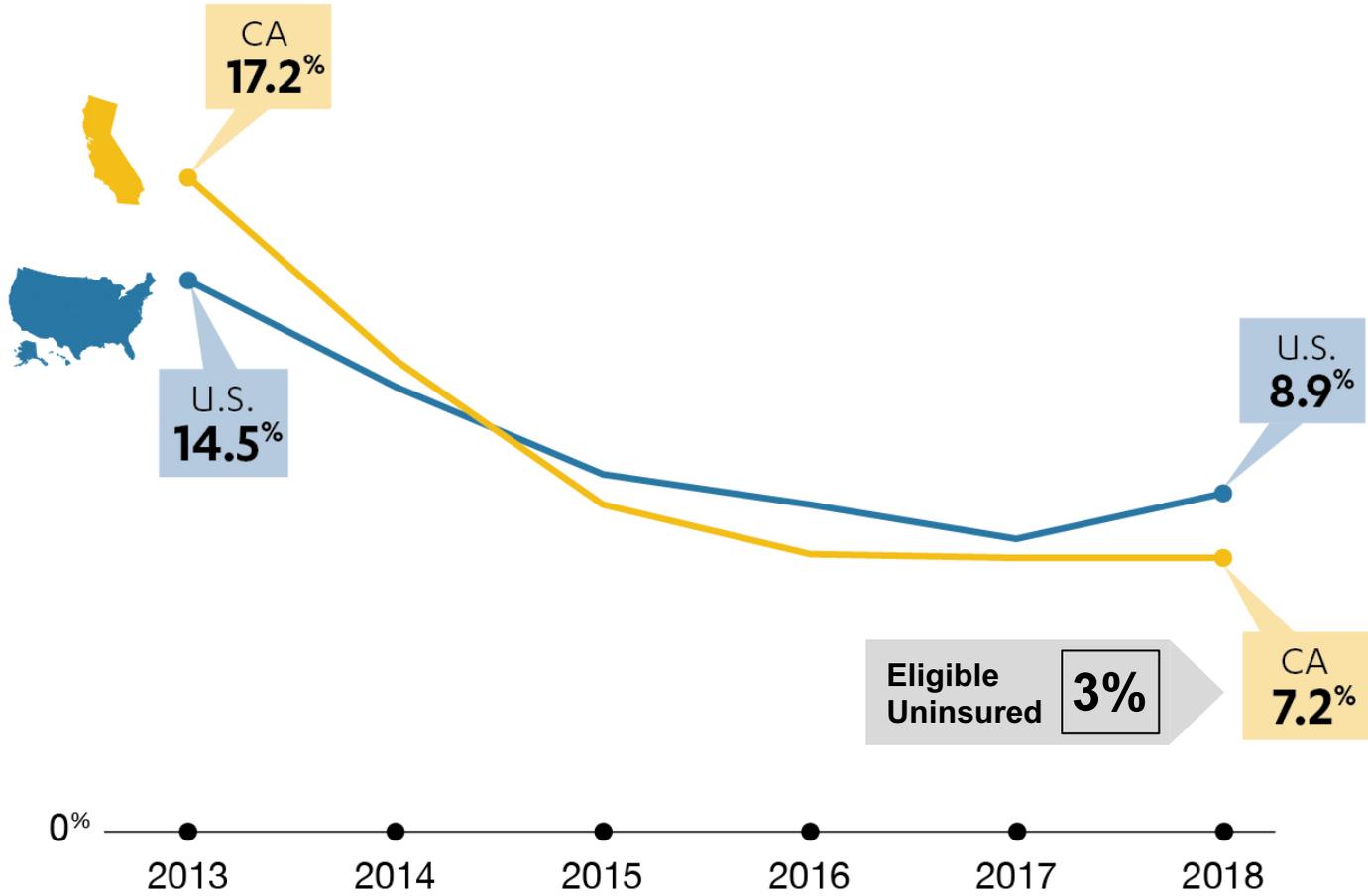
Covered California's Domains for Assuring Contracted Health Plans Deliver Quality Care



Covered California's First Five Years: Major Impacts on Affordability and Accountability

- **Lower Costs:** California has dramatically expanded coverage and Covered California has reduced costs by having a healthier risk mix – saving unsubsidized consumers over \$1,550 in 2018 and saving those consumers and the U.S. Treasury an estimated \$12.5 billion between 2014 and 2018.
- **Satisfied Consumers:** The majority of Covered California enrollees are in plans that have scores on enrollee satisfaction measures with their health plan and their health care above the 50th percentile nationally.
- **Great Quality for Many with Wide Variation for Others:** Kaiser Permanente and Sharp Health Plan are among the highest performers in the nation – being above 90th percentile in many indicators – and provide care to about 35 percent of Covered California enrollees. Among other insurers, select physician organizations score equally well but there is wide variation in overall performance on quality measures pointing to multiple opportunities for improvement.
- **Health Disparities Getting Needed Attention:** Covered California is at the beginning of long-term initiatives to reduce health disparities. Insurers are initiating efforts to address disparities under Covered California requirements that may impact some of their 19.5 million Californians, not just those enrolled in Covered California plans.
- **Collaboration and Alignment:** Improving Care for All Californians: Covered California's collaborative efforts with other payers and purchasers have led to positive systemic changes in care delivery. For example, hospital quality, maternity safety and opioid safety collaborative improvement efforts have led to reductions in hospital associated infections, big drops in number of low-risk C-sections and gains in prevention and treatment of opioid use.
- **Requirements to Change Delivery Are Making a Difference:** Driven by contract requirements and common vision, insurers are expanding their use of Accountable Care Organizations and promoting coordinated care, with 25 percent of Covered California enrollees in these structures as of 2018, far exceeding the national average of 10 percent and the California commercial level.
- **Protecting and Building on the ACA:** California restored the penalty and in doing so contributed to a 0.8 percent premium increase in 2020 and implemented the first-in-the-nation financial help to middle class Californians, going beyond the ACA “cliff” of 400 percent Federal Poverty Level with early data on this eligible receiving over \$460 per month to reduce their costs.

Coverage Expansion Having Dramatic Effects in California

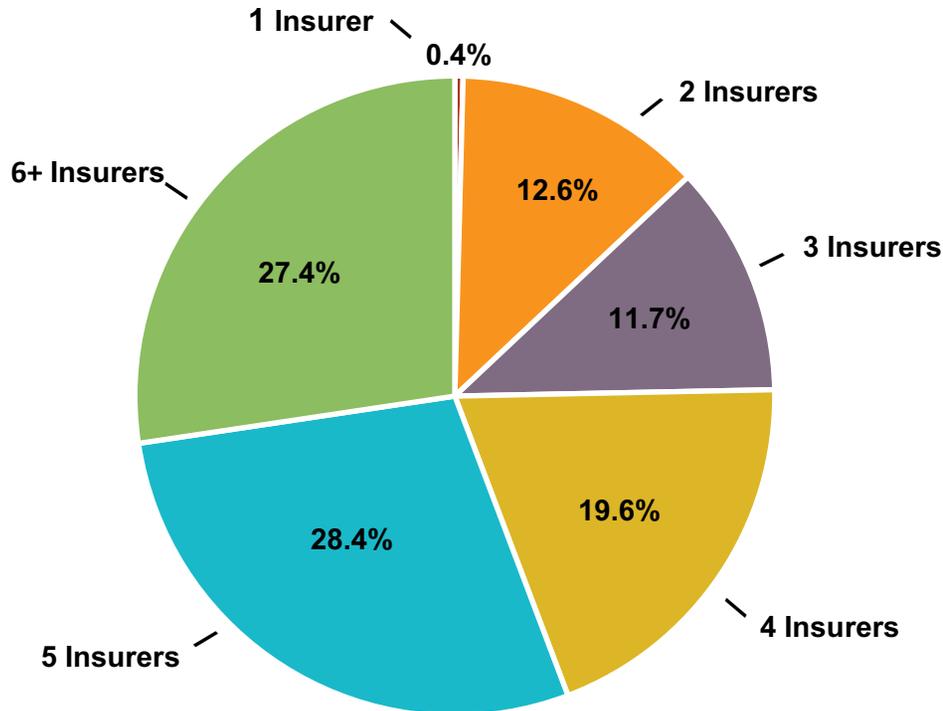


- More than 3.7 million Californians have gained health care coverage since 2013.
- When you exclude individuals who are ineligible for coverage, California's "eligible uninsured" rate is roughly 3 percent.
- California's drop of 10 percentage points since 2013 is the largest of any state in the nation.

Source: U.S.Census Bureau: Health Insurance in the United States: 2019

The Individual Market in California: Stability and Robust Competition Putting Consumers in the Drivers Seat

Number of Health Insurers Available to Covered California Consumers



Source: Covered California

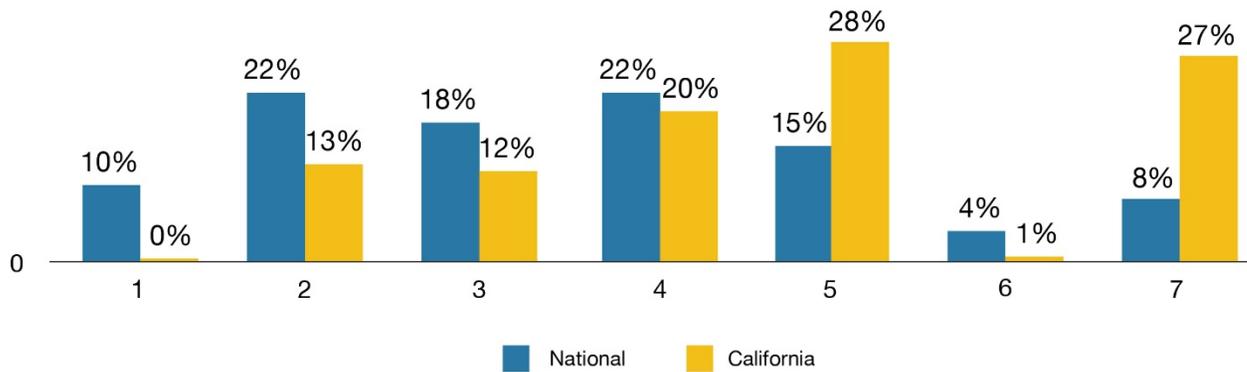
Data includes plan selections for 2020 Open Enrollment as of December 8, 2019. Open Enrollment is currently still in progress. In the category of 6+ insurers, 26.7% of enrollees have seven insurers to choose from and 0.7% have six insurers.

Note: the number of health plans available reflects the different insurance companies. In each region, all insurers offer the same patient-centered benefit designs across the four standard ACA metal tiers: bronze, silver, gold and platinum (with the addition of standard catastrophic coverage and variations of silver for consumers eligible for Cost Sharing Reductions that lower eligible consumers' out-of-pocket costs).

- California has had continuous participation from 10 insurers since 2014 and now has 11 competing for enrollment.
- With 87 percent of consumers having three or more companies to choose from — insurers know consumers can and do shop for the best value. The result is plans priced as low as possible to gain enrollment.
- Covered California negotiates with insurers each year and requires they all offer the same patient-centered benefit designs meaning that for most consumers their deductible never applies to out-patient services — which all get first dollar coverage. Consistent benefit designs also means consumers can shop on an “apples-to-apples” basis when picking their plan.
- Covered California contracts with a mix of health insurance companies, including some that are non-profit, for-profit and locally accountable public plans serving specific geographic areas. Because health care is local — in some areas local insurers both garner significant enrollment and put competitive pressure on those plans serving broader areas.

Comparison of California to National Exchange Enrollees by Number of Insurers – 2020

Share of Exchange Enrollees by Number of Issuers Available in 2020*

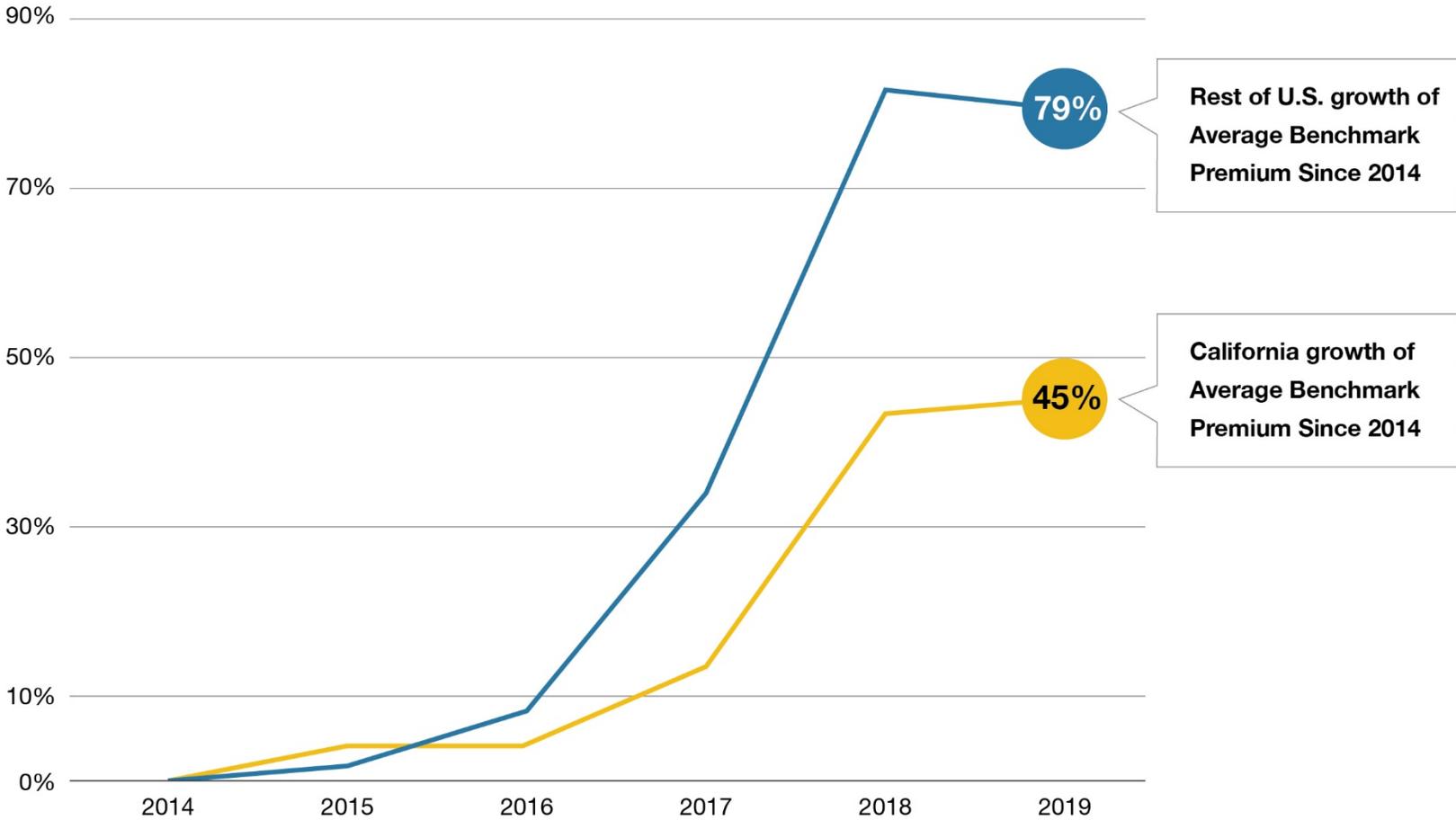


* Since national data includes CA; the share of enrollees with more carriers appears higher than it would nationally if CA were excluded.

Source: National data are from KFF analysis of Healthcare.gov and state rate filings at the county level weighted by 2019 enrollment. California data are from Covered California available products at the zip code level, weighted by 2020 enrollment (through 12/08/2019).

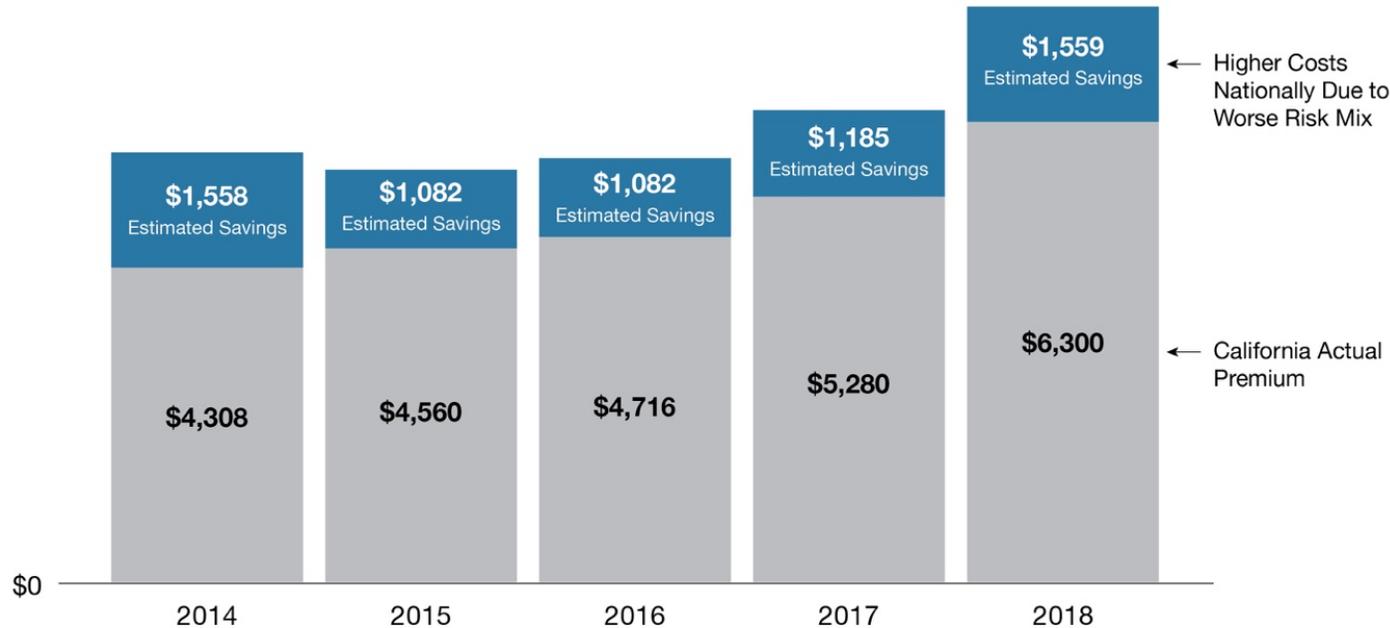
- Nationally, the number of issuers participating in exchanges has seen dramatic fluctuation over the past five years. While one-in-ten exchange enrollees will be in markets with only one insurer in 2020, that represents a dramatic decrease from 2018, when 26 percent of enrollees had only one insurer.
- California’s individual marketplace has been marked by stability and broad choice of insurer, with ten health plans participating in the exchange marketplace from 2014 through 2020, and a total of eleven plans now in the market.
- Economic analysis has demonstrated the effect of increased competition on lowering individual market costs – in California 87 percent of enrollees can choose from at least three insurers, with 56 percent having five or more.

California and National Benchmark Premium Growth — 2014 to 2019



Source: Covered California analysis of CMS Data. Retrieved from <https://www.cms.gov/>.

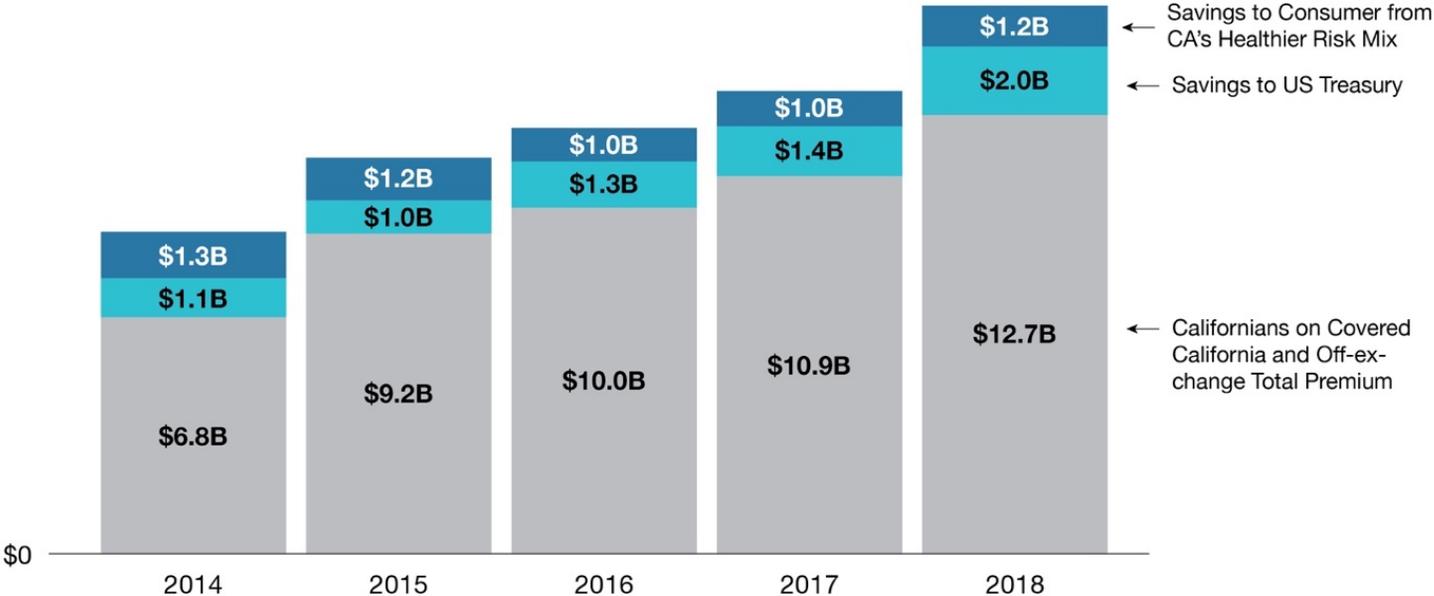
California's Healthier Risk Mix Leading to Lower Premium for Unsubsidized Insureds



Note: In the period from 2014 to 2018, the cumulative average premium increase in California was one-third lower than the increase for the rest of the US: relative to 2014, the average premium in 2018 was 76 percent higher in the rest of the US, compared to 46 percent in California. In 2018, a large average premium increase was driven by the gross premium for the Covered California Silver tier (the most commonly chosen tier) increased by an additional 12.5% due to the elimination of the Cost-Sharing Reduction (CSR) payments from Centers for Medicare and Medicaid Services (CMS).

- California's healthier risk mix of those in the individual market is a product of state policies and Covered California's actions that together result in premiums about 20% lower than what they would be if the state had a risk mix the same as the rest of the nation.
- Better risk mix translates directly to lower costs for **unsubsidized** enrollees, whose average annual premium over the last five years was from \$1,082 to \$1,559 less than what they would have paid if the risk mix had been similar to that seen in the rest of the nation.

California's Lower Costs from Healthy Risk Mix May Have Saved Consumers and the Federal Government over \$12 Billion from 2014 to 2018

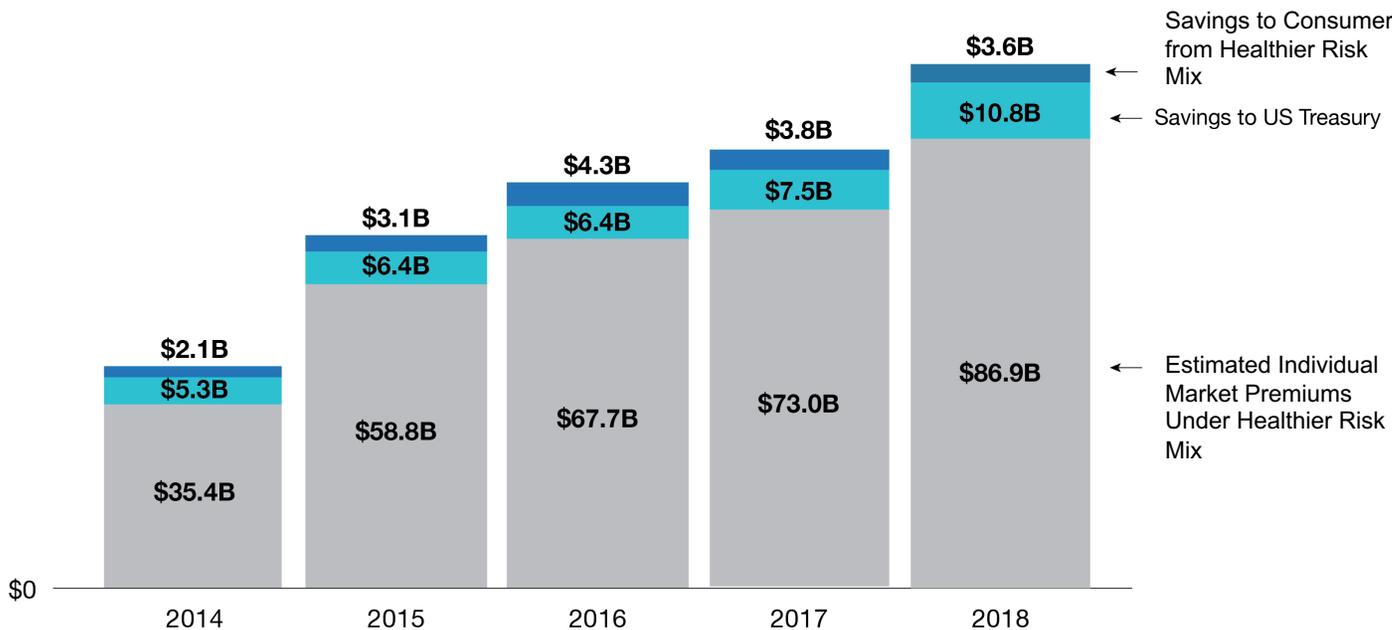


- Over the past five years, Covered California's actions have likely resulted in **\$12.5 billion** in total savings to enrollees and the U.S. Treasury – with about \$6.8 billion accruing to the federal government and \$5.7 billion to California consumers.

For risk score differences, see: Bingham, A., Cohen M., and Bertko J. (2018). National vs. California Comparison: Detailed Data Help Explain the Risk Differences Which Drive Covered California's Success. Health Affairs blog. Retrieved from <https://www.healthaffairs.org/doi/10.1377/hblog20180710.459445/full/>. Covered California analysis of hypothetical savings derived using data from CCIIO ([see risk-adjustment reports](#)) and CMS (effectuated enrollment snapshots, such as [this example](#)), along with Covered California administrative data. Savings were determined by holding observed enrollment constant and estimating hypothetical premiums if the risk mix in California had instead experienced the risk mix observed in the rest of the US for each of the respective years (using the enrollment-weighted average risk score for all states for which risk adjustment data are reported, excluding California).

Consumers and Federal Government Could Have Saved Over \$50 Billion from 2014 to 2018 If Nation Had California's Risk Mix

Average Annual Individual Market Premium for US (excluding CA), With Lower Premiums and Estimated Premium Savings, if rest of US had California's Risk Mix

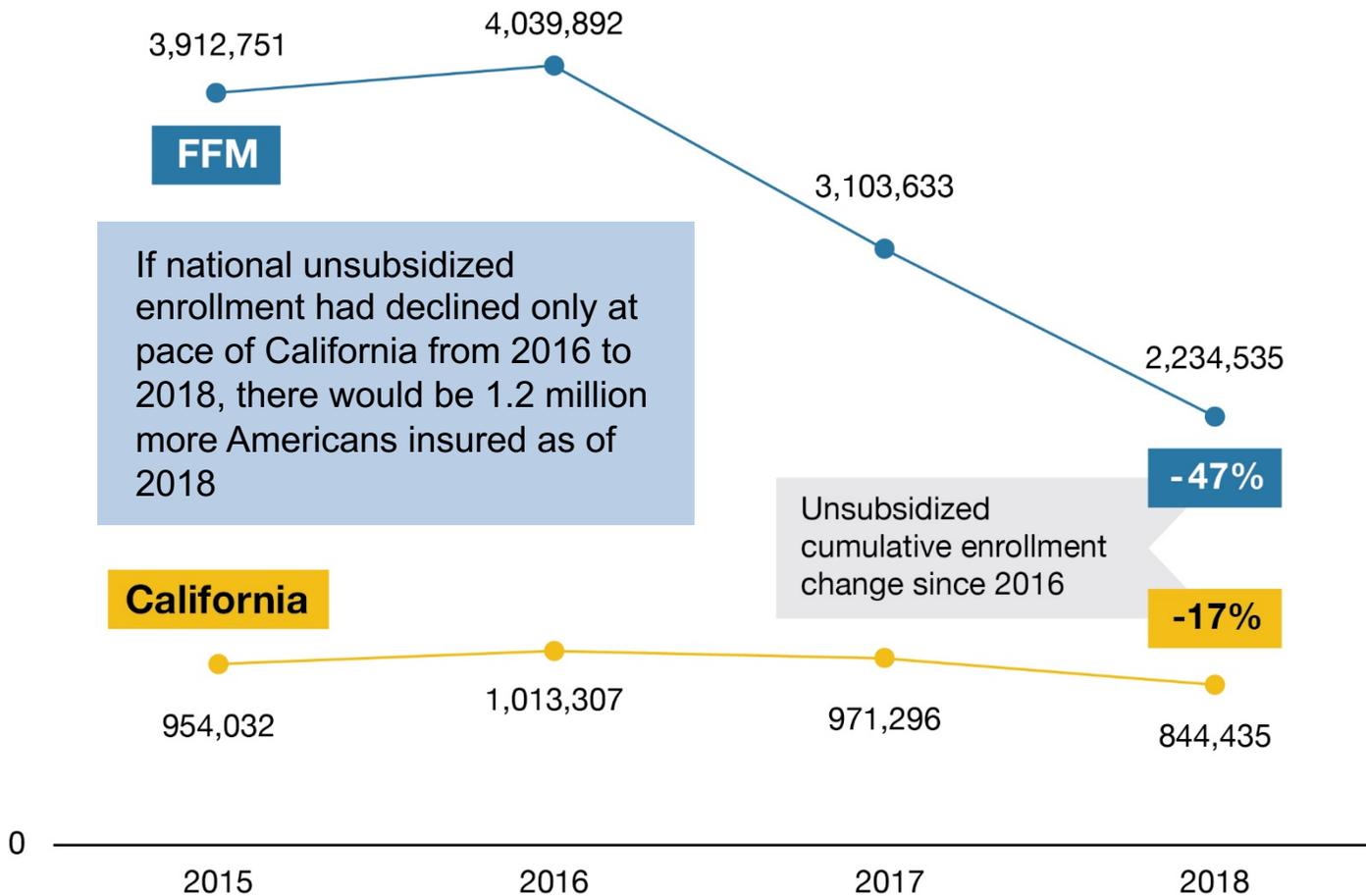


- If the nation had comparable enrollment and risk mix as did California, in 2018 health care costs in individual markets nationally could have been reduced by about **\$14 billion**, reflecting \$11 billion in savings to the federal government and \$3 billion to unsubsidized consumers.
- Across five years, the cumulative savings to consumers directly could have been over \$16 billion, with another \$36 billion saved for the US Treasury, for a combined total estimate of potential savings of **over \$50 billion**.

Note: For risk score differences, see: Bingham, A., Cohen M., and Bertko J. (2018). National vs. California Comparison: Detailed Data Help Explain the Risk Differences Which Drive Covered California's Success. Health Affairs blog. Retrieved from <https://www.healthaffairs.org/doi/10.1377/hblog20180710.459445/full/>. Covered California analysis of hypothetical savings derived using data from CCIO ([see risk-adjustment reports](#)) and CMS (effectuated enrollment snapshots, such as [this example](#)). Savings were determined by holding observed enrollment constant and estimating hypothetical premiums if the risk mix in the rest of the nation had mirrored the risk mix in California for each of the respective years (using the enrollment-weighted average risk score for all states for which risk adjustment data are reported, excluding California).

Change in Unsubsidized Enrollment in Individual Markets: California Compared to the Nation

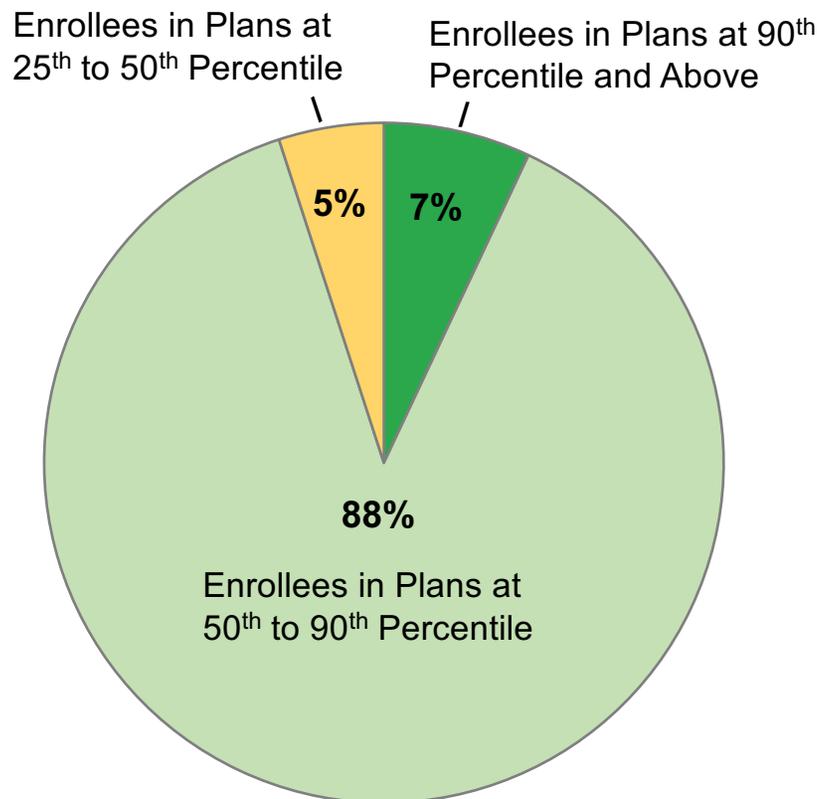
**Unsubsidized Enrollment Trends: 2015 – 2018
FFM and California**



- Based on CMS data, in the period from 2016 to 2018 national coverage for unsubsidized consumer plummeted — dropping 47 percent in those two years.
- In contrast to the national drop, California's unsubsidized enrollment declined only about 17 percent in the same period.
- If the unsubsidized enrollment in the FFM had followed the trends in California since 2016, there would have been 1.2 million more Americans with insurance in 2018.

Source: CMS August 12, 2019 Trends in Subsidized and Unsubsidized Enrollment

Covered California Enrollees' Report Generally High Satisfaction with Their Health Plans



- In 2019, 95% of Covered California enrollees were in plans that ranked above the 50th percentile nationally for enrollee experience related to their health plan (CAHPS “Rating of Health Plan” measure).
- In 2019, 75% of Covered California enrollees are in plans that are ranked above the 50th percentile nationally for consumer satisfaction with their health care (CAHPS “Rating of All Health Care” measure).
- None of the 11 insurers contracted by Covered California performed at or below the 25th percentile nationally for either the Rating of Health Plan or All Health Care CAHPS measure.

Data Source: CMS QRS reporting for all national marketplace plans based on the CAHPS satisfaction with health plan question. Weighted average based on enrollment in products eligible for a QRS score in the individual market.

Strong Performance by Integrated Delivery Systems and Wide Variation Among Other Plans on Clinical Quality Measures

Covered California's Weighted Average Health Plan Performance for Priority Quality Rating System Clinical Quality Measures, 2017-19

	2017	2018	2019
Prevention			
Breast Cancer Screening Ages 50-74	70	72	72
Cervical Cancer Screening Ages 21-64	62	65	64
Colorectal Cancer Screening Ages 50-75	55	58	58
Chronic Illness Care			
Controlling High Blood Pressure	63	66	66
Diabetes: Hemoglobin A1c (HbA1c) Control (<8%)	60	63	64
Behavioral Health			
Alcohol & Drug Disorders: Initiation & Engagement Ages 13+	23	26	25
Antidepressant Medication Management	57	60	61
Follow-up After Hospitalization for Mental Illness	60	53	50
Care Coordination			
All-Cause Hospital Readmissions (Lower is better)	80	74	71

Key: Percentile of U.S. Qualified Health Plan Scores	< 25	25-50	50-90	≥ 90
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- Kaiser Permanente and Sharp Health Plan perform at or above the 90th percentile nationally for most clinical quality measures.
- There is wide variation in performance among other plans with most plans performing between the 90th percentile and the 25th percentile.
- For most candidate priority clinical quality measures, the weighted average performance of contracted plans is between the 90th percentile and 50th percentile.
- The weighted average performance of Covered California's contracted plans has also improved between 2017 and 2019 for most measures.
- The variation in performance among plans highlights the need and opportunity for improvement, especially for the behavioral health measures; and Covered California is actively engaged with plans to assure quality improves.

Covered California Requirements Mean Virtually All Consumers Have Tools to Assess Costs of Procedures and Treatments

**Cost Transparency Tools
Available**

99%

Utilization

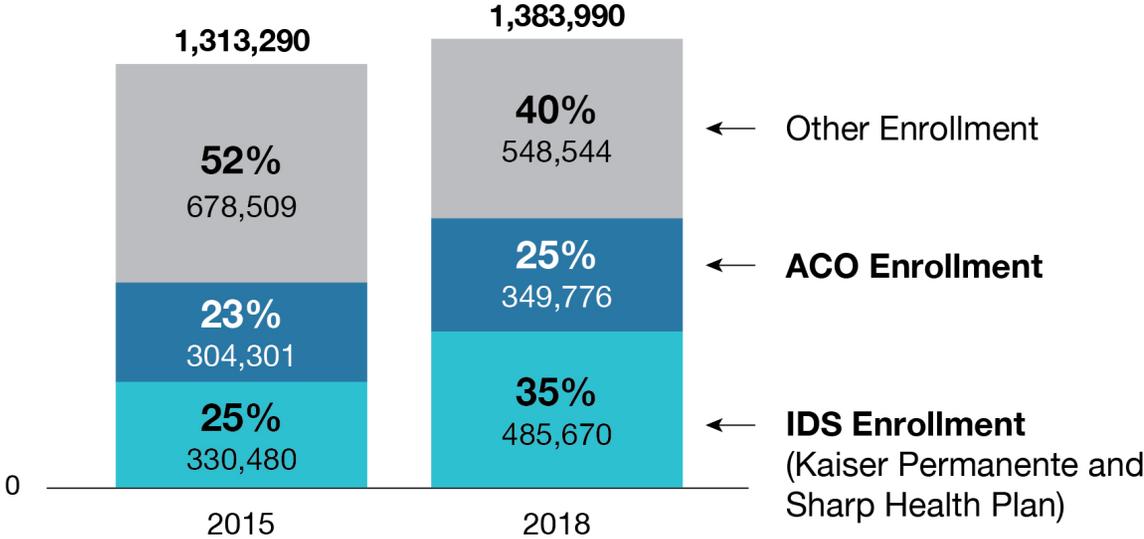
3% – 7.5%



- As part of Covered California’s requirement of insurers to provide consumers with tools to understand costs of care, all enrollees (99 percent) have cost transparency tools of some sort available to them.
- Usage of cost transparency tools varies among insurers, but among three of the insurers with large enrollment the rate of use of these tools ranges from 3 percent to 7.5 percent of covered.
- Covered California is in the process of exploring what is the “right” level of use of these tools and how these tools are supporting better informed consumers choice.

Covered California Contract Requirements Promoting Integration: High Enrollment in Integrated Delivery Systems and Accountable Care Organizations

Covered California Enrollment in ACOs, Integrated Delivery Systems and Other Systems – 2015 and 2018



- Covered California has contractual provisions promoting changes in how its health plans pay for care — moving away from fee-for-service — support primary care and moving to better coordinated and integrated care delivery.
- California has historically high enrollment in health insurance companies based on integrated delivery systems, with 35 percent of all enrollment in Kaiser Permanente and Sharp Health Plan.
- Covered California has pushed other plans to contract with Accountable Care Organizations, which are now serving 25 percent of all enrollment in non-IDS plans.
- Covered California ACO enrollment is more than two times the national average and far higher than the average reported for California.

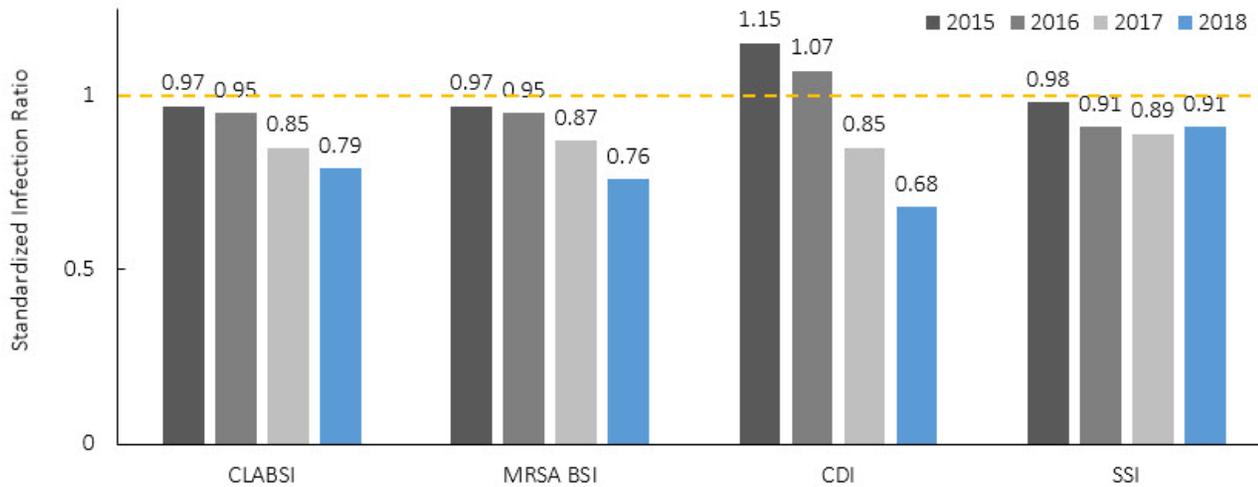
Health Equity and Reducing Disparities: Covered California and Its Insurers Launching Major Efforts

Examples of Insurer Disparities Intervention Proposals		
Insurer	Condition	Target Population
Health Net	Diabetes Hypertension	Black/African American and Hispanic/Latino
L.A. Care	Diabetes	Black/African American and American Indian/Alaskan Native
Kaiser	Diabetes Hypertension	Black/African American and Hispanic/Latino
Anthem	Depression	Hispanic/Latino

- Covered California has contractual requirements of all insurers to measure extent of health disparities in their insured populations and seek to improve care where gaps are found.
- All 11 insurers are analyzing disparities in care across race/ethnicity for patients with diabetes, hypertension, asthma and depression for all of their lines of business (except Medicare) and all are implementing disparities intervention projects in 2020 (see left for examples).
- 93% of Covered California enrollees are in plans that were at or above the 80% requirement for enrollee self-identification of race/ethnicity.
- Over one-third (36%) of Covered California enrollees are in health plans that are recognized with the NCQA Distinction in Multicultural Health Care — Health Net, Kaiser Permanente Southern CA, LA Care, and Molina.

Covered California Working with Others — Promoting Dramatic Improvements In Reducing Hospital Associated Infections

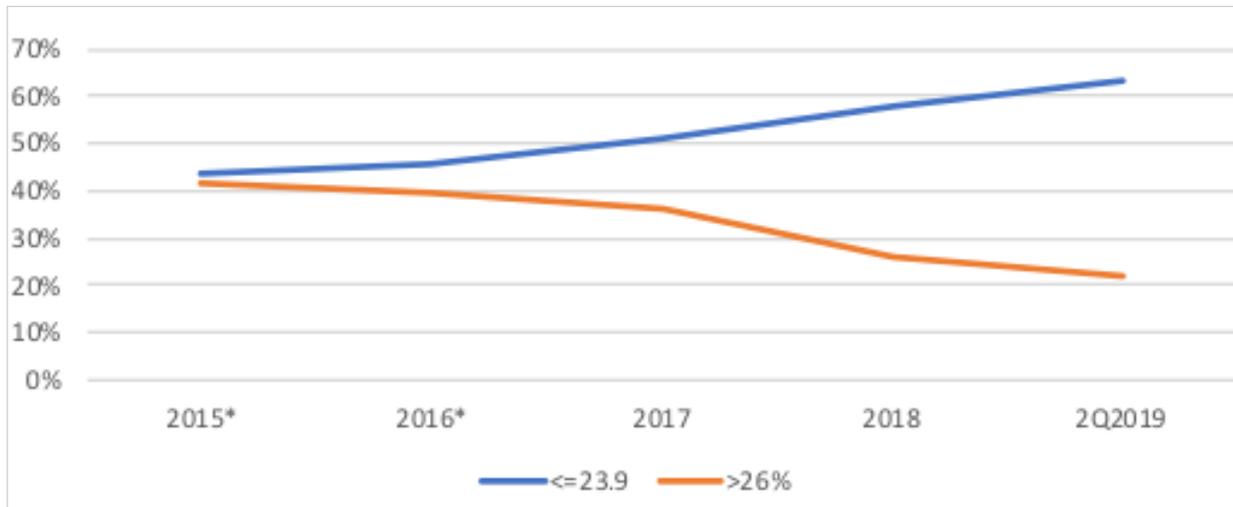
Hospital Associated Infection Incidence in California Hospitals, 2015-18



- Covered California requirements of contracted insurers to encourage hospital participation in collaborative quality improvement efforts to reduce hospital associated infections has helped increase participation to almost all hospitals in California.
- In the period from 2015 to 2018 there has been a steady drop in hospital associated infections across major areas of concern – benefiting all Californians, regardless of their source of insurance coverage.
- Improvements in care delivery are saving lives — resulting in an estimated 3,300 fewer hospital associated infections and more than 250 lives saved between 2017 and 2018 compared to performance between 2016 and 2017.

Covered California Working with Others — Promoting Better Childbirths and Fewer Avoidable C-sections

Hospitals with C-Sections Rates Below 23.9 Percent or Above 26 Percent Reported to the California Maternal Quality Care Collaborative, 2018



- Covered California — joined PBGH, Medi-Cal and CalPERS — to require contracted insurers to encourage hospitals to participate in the California Maternal Quality Care Collaborative (“CMQCC”) which has greatly decreased avoidable C-sections.
- As of 2018, nearly 95 percent of California hospital births occur at hospitals that participate in CMQCC initiatives.
- Improvement in deliveries throughout California mean that about 7,200 low-risk C-sections were avoided in the period from 2015 to 2018.

Meaningful Coverage for Everyone

The Affordable Care Act, Recent Federal and State Actions and California’s Responses

Key ACA Provisions	
<ul style="list-style-type: none"> • Guaranteed Issue and Renewal • Protections for Pre-Existing Conditions • Standard Comprehensive Benefits • No Annual or Lifetime Limits on Benefits • Standardizes value of coverage by tiers 	
Recent Federal Policy Actions to Undo the ACA	California Policy Actions to Reinforce and Protect the ACA
<ul style="list-style-type: none"> • Promote plans and arrangements such as short-term plans, health care sharing ministries, association health plans that can exclude consumers based on health status and pre-existing conditions, set coverage limits, exclude benefits, and not cover all essential health benefits. • Proposals to eliminate automatic renewal, forcing consumers to reapply for coverage each year. 	<ul style="list-style-type: none"> • Ban the sale of short-term plans • Require agents certified by Covered California to disclose comparison of protections of ACA coverage and risks of health care sharing ministries • Prohibit small businesses and self-employed with no employees from enrolling in Association Health Plans. • Require Patient-Centered Benefit Designs not only covering all essential health benefits but enhancing value and access to care by eliminating deductibles for outpatient services for most enrollees.

Address Consumer Affordability

The Affordable Care Act, Recent Federal and State Actions and California's Responses

Key ACA Provisions	
<ul style="list-style-type: none"> • Medicaid Expansion • Financial Support to Help Americans Afford Coverage • Individual Mandate and Penalty 	<ul style="list-style-type: none"> • Open Enrollment Period • Navigator Program and federal marketing and outreach • Enacted federal reinsurance
Recent Federal Policy Actions to Undo the ACA	California Policy Actions to Reinforce and Protect the ACA
<ul style="list-style-type: none"> • Promote policies that may encourage barriers to Medicaid enrollment, i.e., work requirements • Nullified the individual mandate by reducing the penalty to \$0 effective 2019. • Eliminated direct funding for the ACA-required Cost-Sharing Reductions subsidy program • Cut Marketing and Outreach (including Navigator funding) • Maintain a short six-week open enrollment period • No reinstatement of federal reinsurance. • There has been continued support for payment changes and CMMI <ul style="list-style-type: none"> ○ Primary Care First ○ Care for advanced kidney disease ○ Care for patients with cancer 	<ul style="list-style-type: none"> • Expanded Medicaid • Established new state subsidies for low- and middle-income Californians to make coverage more affordable. • Restored the penalty • Established an effective workaround to elimination of federal cost-sharing reduction funding. • Significant investments in Marketing and Outreach to promote stable enrollment, foster a healthy risk mix, and lower premiums. • Longer open enrollment period running through Jan. 31 and earlier coverage effective date. • Covered California support for payment reform <ul style="list-style-type: none"> ○ ACOs ○ Advanced Primary Care ○ Maternity ○ Hospital Quality

Foster Consumer Choice

The Affordable Care Act, Recent Federal and State Actions and California’s Responses

Key ACA Provisions

Enacted policies, including federal reinsurance and risk adjustment, to foster markets large and healthy enough to be stable and have robust carrier competition.

Recent Federal Policy Actions to Undo the ACA	California Policy Actions to Reinforce and Protect the ACA
<ul style="list-style-type: none"> • No reinstatement of federal reinsurance program requiring states to use their own resources to establish and maintain state reinsurance. • Fostered instability and uncertainty: <ul style="list-style-type: none"> ○ Elimination of direct funding for cost-sharing reductions. ○ Reduction of individual mandate penalty to \$0. ○ Encouraging and promoting enrollment in non-ACA compliant plans which can result in less healthy risk in the market and can add costs when consumers cannot get care covered. ○ Cut marketing and outreach funding 	<ul style="list-style-type: none"> • Require standardized patient-centered benefit designs both on Covered California and in the off-Exchange market, that mean (1) for most enrollees no deductible applies to almost all out-patient care and services; and (2) consumers can make apple-to-apple plan comparisons. • Negotiate with plans premiums, network design and other key areas. • Conduct robust marketing and work with contracted carriers to target marketing investments. • Help plans understand the risk mix and to price right to foster competition, affordability, and value.

Hold Health Plans Accountable

The Affordable Care Act, Recent Federal and State Actions and California’s Responses

Key ACA Provisions

Medical Loss Ratio

Quality Improvement Strategy: Allows Exchanges to accept any willing plan to contract to offer coverage in the marketplace, but allows Exchanges to set requirements and standards for plans.

Recent Federal Policy Actions to Undo the ACA	California Policy Actions to Reinforce and Protect the ACA
<ul style="list-style-type: none"> • Permit plans to lower the medical loss ratio under certain circumstances and allow plans to spend more on administration, less on health care. • Level of oversight or guidance on meeting quality domain standards is unclear though existing law requires plans to focus on disparities and select a Quality Improvement Strategy from a list of quality domains. • Continues to allow any plan to participate in a marketplace irrespective of value brought to the market. 	<ul style="list-style-type: none"> • Selective contracting with plans – requiring rigorous standards and demonstration of market value. Rejects QHP applicants that do not meet standards or bring value to consumers. • Active negotiation with plans. • Help plans understand the risk mix and to price right. • Required network design changes • Require all QHPs to meet rigorous quality standards • Required QHPs to adopt aligned Quality Improvement Strategies in the areas of provider quality, addressing disparities, and supporting advancing primary and integrated care. Strategies selected in collaboration with stakeholders, along with Covered California guidance and oversight of implementation and results. • Promote hospital and maternity quality