WELCOME AND AGENDA REVIEW

ROB SPECTOR, CHAIR
PLAN MANAGEMENT ADVISORY GROUP
AGENDA

Plan Management and Delivery System Reform Advisory Group
Meeting and Webinar
Thursday, January 9, 2020, 10:00 a.m. to 12:00 p.m.

Webinar link: https://attendee.gotowebinar.com/rt/4171897155750816770

January Agenda Items

I. Welcome and Agenda Review .......................... 10:00 – 10:10 (10 min.)

II. 2021 Health and Dental Benefit Design ............. 10:10 – 10:20 (10 min.)

III. 2021 Certification Update ......................... 10:20 – 10:30 (10 min.)

IV. AB1309 Plan Readiness .............................. 10:30 – 10:50 (20 min.)

V. Overview of Reports: Covered California’s First Five Years:
Improving Access, Affordability and Accountability and
Covered California Holding Health Plans Accountable
For Quality and Delivery System Reform .............. 10:50 – 11:50 (60 min.)

VI. Open Forum ............................................. 11:50 – 12:00 (10 min.)
PROPOSED 2021 STANDARD BENEFIT PLANS DESIGN

ALLIE MANGIARACINO, SENIOR MARKET INSIGHTS ANALYST
PLAN MANAGEMENT DIVISION
2021 BENEFIT DESIGN WORKGROUP UPDATES

The benefits workgroup met three times in fall 2019 to discuss changes to the 2021 benefit designs:

- Cost-share changes to meet AV requirements
  - Staff used the previous year’s Actuarial Value Calculator (AVC) to estimate potential increases to the AV and to determine preferred changes in advance of the release of the new AVC.

- Further development of the Covered California for Small Business (CCSB) standard plan designs to remain marketable in the long term, including creation of a CCSB-only Platinum plan

- Standardizing an annual wellness exam benefit under preventive services

- Updates to CDT codes and cost sharing in the dental copay schedule

The Draft 2021 AVC was released on December 20th. The January 8th workgroup meeting was canceled to allow enough time to conduct additional analysis of the draft AVC methodology in advance of proposing cost-sharing changes.

- The Proposed 2021 Notice of Benefit and Payment Parameters is not yet available. Covered California staff estimated the annual limitation on cost sharing to proceed with benefit modeling.
CHANGES TO THE 2021 AV CALCULATOR (AVC)

- Costs and utilization are based on 2017 individual and small group claims from a national claims database, projected to the 2021 plan year.
  - The 2020 AVC was based on 2015 claims data, projected to 2020.
  - Annual trend factors of 5.4% for medical spending and 8.7% for drug spending are applied to claims from 2018 to 2021.
- Adjustments to the demographic and plan type weights used in constructing the AVC continuance tables (i.e. cost and utilization data for each metal tier)
- Inclusion of a $1 million cap on spending to reduce the effect of the few enrollees with very high spending
- Updates to the algorithm for deductible accumulation
- Removal of adjustments for Bronze selection effects that were applied to previous AV Calculators (this is a critical update with significant impact)
AV INCREASES FROM 2020 TO 2021

Due to the changes to the Bronze cost and utilization data in the AVC, Bronze plans will have high AV increases in 2021. All other metal tiers have lower-than-expected increases or unexpected decreases.

<table>
<thead>
<tr>
<th>AV Target</th>
<th>Deviation Allowance</th>
<th>2020 AV</th>
<th>AV baseline in new AVC</th>
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<tbody>
<tr>
<td>Bronze</td>
<td>HDHP</td>
<td>Standard</td>
<td>Silver</td>
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<tr>
<td>Silver</td>
<td>Silver 73</td>
<td>Silver 87</td>
<td>Silver 94</td>
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<tr>
<td>71.79*</td>
<td>73.88*</td>
<td>87.70*</td>
<td>94.54</td>
</tr>
<tr>
<td>CCSB Silver</td>
<td>Copay</td>
<td>Coins</td>
<td>HDHP</td>
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<tr>
<td>6.483</td>
<td>65.63</td>
<td>71.21*</td>
<td>73.56*</td>
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<tr>
<td>Gold</td>
<td>Copay</td>
<td>Coins</td>
<td>Copay</td>
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<tr>
<td>80</td>
<td>80</td>
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<tr>
<td>Deviation Allowance</td>
<td>+/-2.0%</td>
<td>+/-2.0%</td>
<td>+/-2.0%</td>
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<tr>
<td>2020 AV</td>
<td>78.25</td>
<td>81.84</td>
<td>79.68</td>
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<tr>
<td>AV baseline in new AVC</td>
<td>78.32</td>
<td>82.44</td>
<td>79.94</td>
</tr>
</tbody>
</table>

*Final AV includes additive adjustment

**Red text:** AV is outside de minimis range

**Blue text:** AV is within de minimis range
PROPOSED CHANGES TO THE INDIVIDUAL MARKET PLANS

Refer to the handouts “Proposed 2021 Standard Benefit Plan Designs” and “Proposed 2021 Plan Designs_Side-by-Side View”

- **Platinum**: No cost-sharing changes

- **Gold**: Minimal changes to the Coinsurance plan to meet AV requirements, with aligning changes made to the Copay plan
  - Coinsurance plan: Propose changing the high-cost imaging cost share from 20% to a $275 copay to avoid changes to other service cost shares

- **Silver**: Increase the MOOP to the same amount as the Gold plan to preserve metal level stair-step approach to consumer cost sharing

- **Silver CSR**: Minimal changes to Silver 87 to meet AV requirements and no changes to Silver 73 and Silver 94
BRONZE PLANS IN 2021

- The standard Bronze and Bronze HDHP will not meet the AV requirements in California state law (+/-2% de minimis range for standard Bronze and +4/-2% for HDHP).

- The federal AV de minimis range for Bronze plans is +5/-4%.

- If the standard Bronze is designed with the highest cost sharing possible, it will just barely meet the California AV requirement (61.84%).
  - However, this plan would not meet other California-specific requirements on the maximum-allowed MOOP and drug cost sharing.
  - If the plan meets these requirements with cost sharing increased to the highest amount possible, the AV does not meet the California requirement (63.35%).

- The Bronze HDHP is expected to have an AV of 64.6%, pending confirmation of the IRS limits for the maximum-allowed MOOP (expected in May 2020).
PROPOSED CHANGES TO THE CCSB PLANS

Refer to the handouts “Proposed 2021 Standard Benefit Plan Designs” and “Proposed 2021 Plan Designs_Side-by-Side View”

- **Platinum Coinsurance (new CCSB-only plan design):** Add a deductible to align with the market and keep most of the plan the same

- **Platinum Copay (new CCSB-only plan design):** Small increases in copays to remain competitive and reduce renewal increases

- **Gold Coinsurance:** Increase deductible to become more competitive and decrease cost shares slightly for drugs and office visits, while keeping other cost shares the same

- **Gold Copay:** Add the deductible to high-cost imaging and outpatient facility and increased copays slightly to become more competitive with the market, and decrease drug cost shares slightly.

- **Silver Coinsurance:** Keep the plan mostly similar, but increase coinsurance to 35% to be more competitive with the market and eliminate the deductible on generic drugs.

- **Silver Copay:** Increase copays and coinsurance to be more competitive with the market and eliminate the deductible on generic drugs.

- **Silver HDHP:** No cost-sharing changes
PROPOSED CHANGES TO THE STANDARD DENTAL PLANS

Refer to handouts “Proposed 2021 Dental Standard Benefit Plan Designs ” and “Proposed 2021 Dental Copay Schedule”

- Updates to the effective year, date, actuarial value for pediatric dental copay plans
- Updates to CDT codes in the dental copay schedule (additions, deletions, edits)
- Based on workgroup feedback on the draft 2021 Copay Schedule:
  - D4346: Reduced from $220 to $40
  - D4355: Original cost share of $40 maintained
  - D4910: Original cost share of $30 maintained
- Inclusion of page numbers to the dental copay schedule
PREVENTIVE SERVICES

- Covered California proposes no further standardization of the preventive services benefit in the plan designs.

- To ensure communication of the preventive services benefit is clear and consistent, Covered California will work with issuers, DMHC, and CDI on EOC language.
  - “Wellness exams are covered” is a marketing message, and we want to ensure this statement is accurate across all issuers.
NEXT STEPS

- Covered California will submit comments on the changes to the 2021 AVC to CMS prior to the January 21st deadline to communicate the challenges with meeting AV requirements for Bronze plans.

- Covered California will meet with stakeholders and regulators to determine options for offering a Bronze plan in 2021 that will meet California requirements.

- The plan designs proposed today are preliminary, pending review and comments by stakeholders, release of the final 2021 AVC, and Milliman’s AV certification.

- To suggest changes to the plan designs proposed today, prior to the January Board meeting, submit comments to allie.mangiaracino@covered.ca.gov by COB Monday, January 13th.

- Plan Management will continue to accept comments after the January Board meeting and will make changes as necessary prior to presenting the plan designs for Board action in March.
QUALIFIED HEALTH PLAN AND QUALIFIED DENTAL PLAN CERTIFICATION

Plan Year 2021 Qualified Health Plan (QHP) and Qualified Dental Plan (QDP) Certification Applications open to:

- Individual Marketplace
  - Existing or New Issuers offering QHPs or QDPs
  - Medi-Cal Managed Care Plans

- Covered California for Small Business
  - Existing or New Issuers offering QHPs or QDPs

Currently Contracted Applicants
- For Sections 1-17, QHP and QDP Carriers contracted for Plan Year 2020 will continue to complete a simplified Certification Application for Plan Year 2021.
PUBLIC COMMENT

• We received 38 public comments for all four Applications.

• Approximately one-third of the comments were technical in nature: question numbering issues, word count, formatting, and updates to section instructions.

• AB 929 affected Section 12: Healthcare Evidence Initiative. The Applications’ data requirements have been updated to include member-level and off-exchange data elements. Plan Management is working with the QHP Issuers to address any data reporting challenges. Plan Management will provide data requirement resources to aid in responses to required questions.

• Please see the accompanied attachment “Public Comment Summary” which represents comments concerning or resulting in Application content changes.
## PROPOSED 2021 QHP CERTIFICATION MILESTONES

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
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<tbody>
<tr>
<td>Release draft 2021 QHP &amp; QDP Certification Applications</td>
<td>December 2019</td>
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<tr>
<td>Draft application comment periods end</td>
<td>December 2019</td>
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<tr>
<td>Plan Management Advisory: Benefit Design &amp; Certification Policy recommendation</td>
<td>January 2020</td>
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<tr>
<td>January Board Meeting: Discussion of Benefit Design &amp; Certification Policy recommendation</td>
<td>January 2020</td>
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<tr>
<td>Letters of Intent Accepted</td>
<td>February 2020</td>
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<tr>
<td>Final AV Calculator Released*</td>
<td>February 2020</td>
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<tr>
<td>Applicant Trainings (electronic submission software, SERFF submission and templates*)</td>
<td>February 2020</td>
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<tr>
<td>March Board Meeting: Anticipated approval of 2020 Patient-Centered Benefit Plan Designs &amp; Certification Policy</td>
<td>March 2020</td>
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<tr>
<td>QHP &amp; QDP Applications Open</td>
<td>May 1, 2020</td>
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<tr>
<td>QHP &amp; QDP Application Responses (Individual and CCSB) Due</td>
<td>May - June 2020</td>
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<td>Evaluation of QHP Responses &amp; Negotiation Prep</td>
<td>June 2020</td>
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<tr>
<td>QHP Negotiations</td>
<td>July 2020</td>
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<td>QHP Preliminary Rates Announcement</td>
<td>July 2020</td>
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<td>Regulatory Rate Review Begins (QHP Individual Marketplace)</td>
<td>July 2020</td>
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<tr>
<td>Evaluation of QDP Responses &amp; Negotiation Prep</td>
<td>June – July 2020</td>
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<td>QDP Negotiations</td>
<td>July 2020</td>
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<tr>
<td>CCSB QHP Rates Due</td>
<td>July 2020</td>
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<tr>
<td>QDP Rates Announcement (no regulatory rate review)</td>
<td>August 2020</td>
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<tr>
<td>Public posting of proposed rates</td>
<td>July 2020</td>
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<tr>
<td>Public posting of final rates</td>
<td>September – October 2020</td>
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*Final AV Calculator and final SERFF Templates availability dependent on CMS release
TBD = dependent on CCIIO rate filing timeline requirements
AB 1309 PLAN READINESS

ROB SPECTOR,
BLUE SHIELD OF CALIFORNIA
IMPACTS AND MITIGATION IDEAS

• Impacted Areas
  □ QHP and Covered CA Service Centers
  □ Brokers and Enrollment Partners
  □ Providers
  □ QHP enrollment processing

• Nature of Impacts
  □ Access to care inquiries
  □ Effective date inquiries
  □ Transaction volume and timing

Mitigation Ideas
□ Messaging / marketing at the end of open enrollment
  ▪ Make initial payment early
  ▪ Use Pay-Now
□ Service center readiness
  ▪ Timing expectations
  ▪ QHP specific information on how to make initial payment
□ Include in broker / enrollment partner outreach
COVERED CALIFORNIA FIRST FIVE YEARS AND HOLDING HEALTH PLANS ACCOUNTABLE REPORT OVERVIEW

JAMES DEBENEDETTI, DIRECTOR
PLAN MANAGEMENT DIVISION
Covered California’s First Five Years: Improving Access, Affordability and Accountability
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.
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.
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

Individualized Equitable Care
For every individual, care is safe, timely, effective, efficient, equitable and patient-centered (STEEEP).

Health Promotion and Prevention
For the entire population, assuring individuals get preventive screenings and support to stay healthy.

Mental Health and SUD Treatment
Identifying and engaging those with behavioral health conditions and providing timely, effective and integrated care.

Acute, Chronic and Other Conditions
For those with these conditions, assuring that care is wanted, timely, safe and effective.

Complex Care
For the 1 percent to 5 percent with complex conditions, assuring they are identified and managed effectively.

While organized in distinct domains, individual members often need quality care in multiple areas that require interaction between domains. Many patients with chronic conditions have multiple chronic conditions and need care in multiple domains.
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.
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

<table>
<thead>
<tr>
<th>Prevention</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>Breast Cancer Screening Ages 50-74</td>
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<td>Cervical Cancer Screening Ages 21-64</td>
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<td>Colorectal Cancer Screening Ages 50-75</td>
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<td>Chronic Illness Care</td>
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<td>Controlling High Blood Pressure</td>
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<td>Diabetes: Hemoglobin A1c (HbA1c) Control (&lt;8%)</td>
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<td>Behavioral Health</td>
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<td>Alcohol &amp; Drug Disorders: Initiation &amp; Engagement Ages 13+</td>
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<td>25</td>
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<tr>
<td>Antidepressant Medication Management</td>
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<tr>
<td>Follow-up After Hospitalization for Mental Illness</td>
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<tr>
<td>Care Coordination</td>
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<tr>
<td>All-Cause Hospital Readmissions (Lower is better)</td>
<td>80</td>
<td>74</td>
<td>71</td>
</tr>
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</table>

Key: Percentile of U.S. Qualified Health Plan Scores
- < 25
- 25-50
- 50-90
- ≥ 90

- 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.
Improvements In Effective Primary Care

- Starting in 2017, virtually all Covered California’s enrollees either selected or were matched with a primary care provider—including all enrollees in PPO model plans.

- While virtually all primary care provided in Kaiser Permanente is delivered by patient-centered medical home-recognized practices, outside of this system, enrollment served by PCMHs increased from 3 percent to 11 percent between 2016 and 2018.

- Several insurers are supporting primary care providers in clinical transformation to advanced primary care, though not meeting PCMH standards. Measurement of primary care performance will likely need to go beyond PCMH recognition process measures to include outcomes.

- While payment strategies to primary care physicians vary widely, significant increases were observed for shared savings and capitation-based payments between 2015 and 2018. By 2018, 10 health insurance companies were initiating deployment of such payment models to primary care physicians.

- One of the biggest barriers to full adoption of advanced primary care is inadequate revenue or resources to support well-rounded care teams.
Covered California Contract Requirements Promoting Integration: High Enrollment in Integrated Delivery Systems and Accountable Care Organizations

- 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.

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

- ACO Enrollment: 2015 - 23% (304,301), 2018 - 25% (349,776)
- IDS Enrollment: 2015 - 25% (330,480), 2018 - 35% (485,670)
- Other Enrollment: 2015 - 52% (678,509), 2018 - 40% (548,544)

Covered California Holding Health Plans Accountable for Quality and Delivery System Reform — December, 2019
Health Equity and Reducing Disparities: Covered California and Its Insurers Launching Major Efforts

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.

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Condition</th>
<th>Target Population</th>
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<tbody>
<tr>
<td>Health Net</td>
<td>Diabetes</td>
<td>Black/African American and Hispanic/Latino</td>
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<tr>
<td></td>
<td>Hypertension</td>
<td></td>
</tr>
<tr>
<td>L.A. Care</td>
<td>Diabetes</td>
<td>Black/African American and American Indian/Alaskan Native</td>
</tr>
<tr>
<td>Kaiser</td>
<td>Diabetes</td>
<td>Black/African American and Hispanic/Latino</td>
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<tr>
<td></td>
<td>Hypertension</td>
<td></td>
</tr>
<tr>
<td>Anthem</td>
<td>Depression</td>
<td>Hispanic/Latino</td>
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Examples of Insurer Disparities Intervention Proposals

Covered California Holding Health Plans Accountable for Quality and Delivery System Reform — December, 2019
Covered California Working with Others — Promoting Dramatic Improvements In Reducing Hospital Associated Infections

- 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

- 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.

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

- Graph showing the percentage of hospitals with C-section rates below 23.9% and above 26% from 2015 to 2019.

Covered California Holding Health Plans Accountable for Quality and Delivery System Reform — December, 2019
ATTACHMENT 7 & MODEL CONTRACT
REFRESH TIMELINE & PROCESS
2022-2024 Attachment 7 & Model Contract Development Timeline


Sept 2020: Post First Draft for Public Comment

Oct-Dec 2020: Public Comment Response

Nov 2020: Draft to Board Meeting

Jan 2021: Board Approval of 2022-2024 Model Contract

Covered California staff continues researching and drafting contract language.

Covered California staff edits and updates draft contract based on public comments and stakeholder feedback.
Process For Updating Covered California’s Expectations

- Covered California staff develops a concept proposal per strategy (e.g. Promotion of Integrated Delivery Systems and ACOs) and receives internal input.
- Covered California staff presents the concept to QHP issuers and stakeholders for feedback. Staff updates the concept proposal based on feedback, receives internal input, and finalizes the concept.
- Covered California staff drafts contract language based on the approved concept, receives internal input, and finalizes the draft contract language.
- Contract language for all strategies and key drivers will be developed through this process.
- The complete draft model contract will be available for public comment Fall 2020.
Next Steps For 2022-2024 Attachment 7 and Model Contract Development

Covered California staff will utilize available resources to inform writing the 2022-2024 Model Contract and Attachment 7

**Stakeholder Engagement**
- Plan Management Advisory
- Attachment 7 Refresh Workgroup
- Advocate & Public Comments
- Health Insurer Engagements

**Public Reports & Data**
- HMA Report
- PwC Report
- IBM/Watson Database
- Covered California First Five Years & Holding Health Plans Accountable Reports

**Other Resources**
- External Consultants & Subject Matter Experts
- Industry Best Practices