



Presentation to Department of Managed Health Care Financial Solvency Standards Board

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Covered California**

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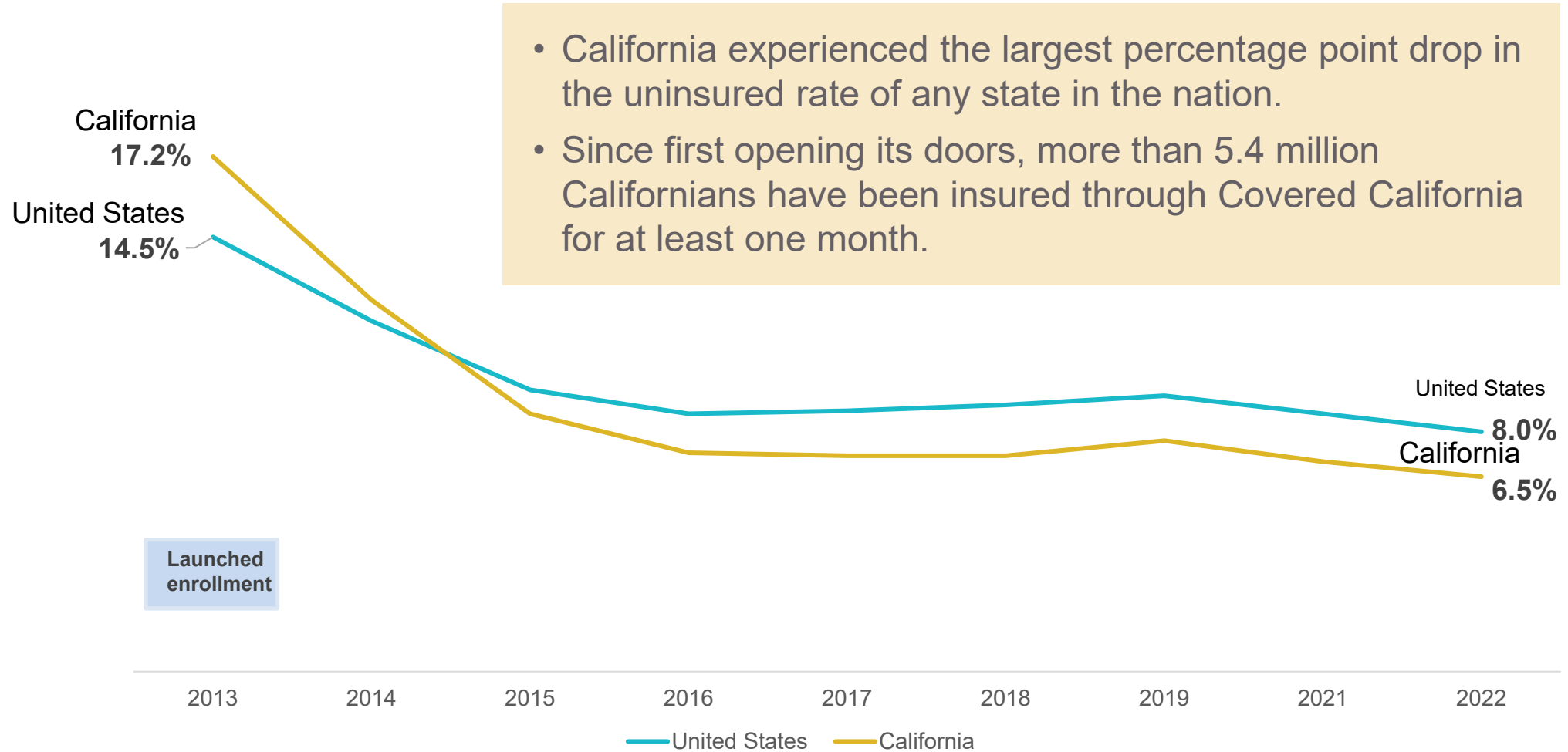
COVERED CALIFORNIA OVERVIEW

WHAT IS COVERED CALIFORNIA?

- Covered California is the State-Based Marketplace under the Affordable Care Act where Californians can shop for health plans and access financial assistance, if they qualify for it.
- The **only** place where eligible Californians can receive federally-funded financial assistance to help pay for healthcare premiums.
- Financial assistance includes tax credits paid in advance to the health plans — also known as **Advanced Premium Tax Credits (APTC)** and cost-sharing reductions.
- Starting in plan year 2024, Covered California is also offering state-funded **Enhanced Cost Sharing Reductions** to lower out of pocket costs for many of our consumers.

RECORD DECREASE IN CALIFORNIA'S UNINSURED RATE

Comparing the Rate of Uninsured in California and the United States



*Source: American Community Survey, 2022 -[American Community Survey Accuracy of the Data \(2022\) \(census.gov\)](https://www.census.gov/data/tables/2022/acs/2022-acs-accuracy.html).

The rates for uninsured are shown for populations of all ages.

The American Community Survey (ACS) is an annual demographics survey program conducted by the U.S. Census Bureau. U.S. Census data on California's uninsured rate in 2020 has been delayed due to the pandemic and is not reflected.



2024 COVERED CALIFORNIA HEALTH PLAN COMPANIES

- Covered California provides quality health coverage from private health insurance companies.
- These **12** companies meet all the state and federal requirements for health plans, plus additional contractual requirements set by Covered California.
- Health companies offer one or more of these products: PPO, HMO, and/or EPO; and a wide variety of doctors and hospitals.



2024 FAMILY DENTAL AND VISION COMPANIES



California Dental Network
A DentaQuest company



- All health plans **include** dental care for children at **no extra cost**.
- Adults can purchase a family dental plan when they enroll in a Covered California health insurance plan.
 - There must be at least one adult (age 19 or older) enrolled in a family dental plan for a child in the family to enroll. (Not all adults in the household are required to enroll.) If a family chooses to enroll children in a family dental plan, all children younger than 19 who live in the household must enroll.

<https://www.coveredca.com/individuals-and-families/getting-covered/dental-coverage/family/>



vsp individual
vision plans

SuperiorVision®
A MetLife Company

Children under age 19 get free vision care included with their parent's Covered California health plan.

Adults can enroll directly with one of our two contracted vision companies. Both offer excellent benefits.

<https://www.coveredca.com/vision/adult/>

OPEN ENROLLMENT UPDATE

OPEN ENROLLMENT 2024 - BRIDGING THE GAP

Statewide events in Los Angeles, San Francisco, San Diego, Fresno, and Sacramento featuring:

- ❑ State and local elected officials and offices
- ❑ Covered California board members and executives
- ❑ Advocates and community leaders
- ❑ Navigators and enrollers

Robust coverage in general and multicultural media

- ❑ AAPI, Black/AA, Spanish

Community engagement in regions across state



2024 OPEN ENROLLMENT – CONTINUED ENROLLMENT THROUGH FEBRUARY 9TH

- ❑ By January 31, over 1.78 million Californians selected Covered California plans for 2024 – the highest count yet for an Open Enrollment.
- ❑ New sign-ups increased 16% over 2023, reaching 306,382 plan selections, the highest level for Covered California since 2020.
- ❑ When including the additional 13,169 enrollments through February 9, nearly **1.8 million** enrollees signed up for coverage.

Net Plan Selections	2022 (Count)	2023 (Count)	2024 (Count)	Diff. (2024 v 2023)	
New Enrollment	255,575	263,320	306,382	43,062	16%
Renewals	1,521,867	1,476,040	1,478,271	2,231	0%
Special Enrollment			13,169	13,169	-
Total Plan Selections	1,777,442	1,739,360	1,797,822	58,462	3%

COVERED CALIFORNIA STRATEGIC PLAN

Fiscal Year 2023-24 through 2025-26

COVERED CALIFORNIA'S VISION AND MISSION REMAIN UNCHANGED



Vision

To improve the health of all Californians by assuring their access to affordable, high-quality care.

Mission

To increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

COVERED CALIFORNIA CORE VALUES



We Value People. We respect people for who they are and value their contributions. We seek and embrace diverse perspectives. We create an inclusive and welcoming environment for all through behaviors that show empathy and care for others. We empower individual talent to help create positive impacts for consumers, Californians, and their communities.

We Work Together. We create a culture of trust and shared responsibility. We actively seek opportunities to engage and collaborate with our partners and stakeholders. We are transparent in our decision-making and welcome input.

We Do the Right Thing. We operate with the highest degree of honesty, respect and fairness in everything we do. We take ownership and responsibility for our decisions and hold ourselves and others accountable. We are mindful stewards of the public trust and responsibly manage our resources.

We Innovate. We value curiosity, responsible risk-taking and enthusiastic pursuit of new ideas even at the risk of failure. We are nimble and unafraid of change. We foster creativity that challenges constraints and drives progress.

We Follow Through. We keep our commitments and do what we say we will do. We are results-driven and focus on outcomes that will deliver the highest value to Californians.



Strategic Pillars

The **Pillars** are the ways we achieve our mission and vision.

Affordable Choices

We connect consumers to financial assistance and a choice of affordable plans and providers that give them the best value.

Quality Care

We ensure consumers consistently receive accessible, equitable, high-quality care.

Organizational Excellence

We foster a nimble culture of continuous improvement that empowers and motivates our team to deliver on our mission with high standards.

Reaching Californians

We are unwavering in our pursuit to reach Californians and connect them to comprehensive and affordable coverage.

Catalyst for Change

We pioneer new ideas and disseminate our learnings to drive improvement in health care in California and nationally.

Exceptional Service

We provide the highest level of service and exceed our consumers' expectations.

DIVERSITY, EQUITY, INCLUSION

We apply this lens in all our work to improve the health and experience of our consumers and to create and support a workforce reflective of our core values and the people we serve.

What the Strategic Plan means for consumers

- ❑ **Coverage You Can't Miss:** We will reach Californians where and when they need us, while ensuring historically marginalized and hard-to-reach populations aren't left behind.
- ❑ **Coverage That Resonates:** We will construct our efforts for all Californians, deepening our understanding of the needs of our diverse communities and further tailoring our strategies to meet them.
- ❑ **Coverage That's Easy:** We will minimize barriers to coverage by having our system do the work for consumers, rather than consumers having to work for our system.
- ❑ **Coverage For California's Future:** We will maximize our levers to achieve hard-fought progress on affordability, cost, quality, and equity.

QUALITY TRANSFORMATION INITIATIVE (QTI)

EQUITY & QUALITY PRINCIPLES AND STRATEGIC FOCUS AREAS

Quality is central

Equity is quality

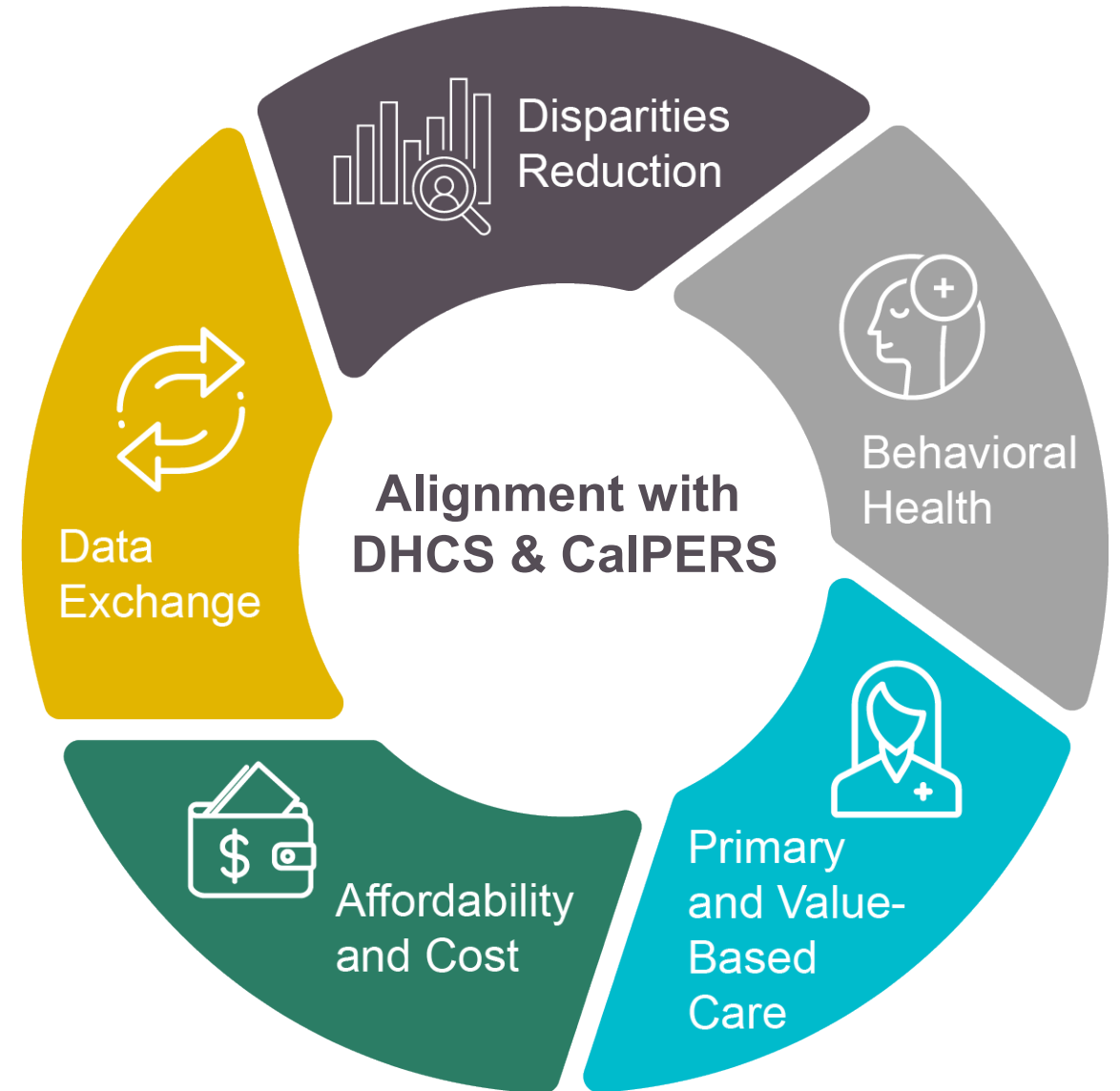
Measures that matter

Make quality count

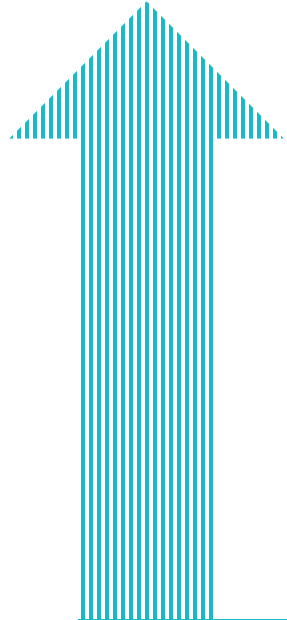
Amplify through alignment

Promote public good

Care about cost



MAKING QUALITY COUNT: CONTRACT PROVISIONS ON QUALITY



**Establish a Floor
&
Aim High**

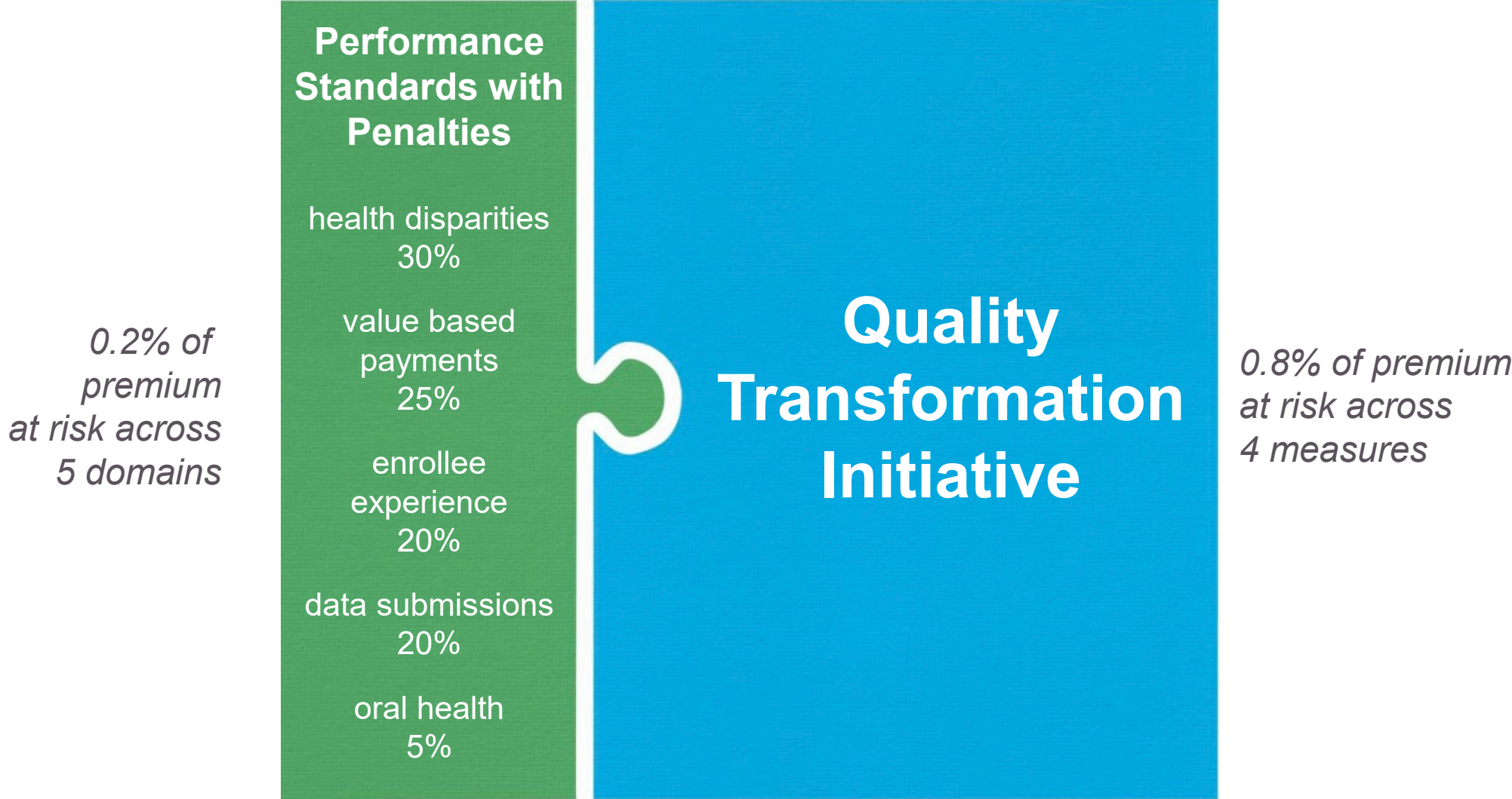
For existing carriers: “25/2/2” allows for selective contracting and removal from marketplace for consistent poor performance on quality measures.

Quality Transformation Initiative: assesses quality improvement payments up to 66th percentile national performance.

25-2-2 OVERVIEW

- Issuers must meet quality performance requirements or face removal from the Exchange if requirements are not met.
- **Monitoring Period:** If an issuer has one or more products that falls below the MY2018 25th percentile composite benchmark for its product-reportable subset of the QRS Clinical Quality Management Summary Indicator measures for two consecutive years.
- **Remediation Period:** The product is required to meet or exceed the 25th percentile composite benchmark within the following two years, or it will not be certified for the Plan Year following the performance assessment of the last year of the remediation period.

FINANCIAL INCENTIVES FOR QUALITY AND EQUITY



2023: Total 1% at risk | 2024: Total 2% at risk | 2025: Up to 3% at risk

Quality Transformation Initiative

Make
Quality
Count

0.8% to 4%
premium
at risk for

Measures
that
Matter

a small set
of clinically
important
measures

Equity
is
Quality

stratified by
race/ethnicity

Amplify
through
Alignment

selected in
concert with
other public
purchasers*

*Public purchasers includes CalPERS and DHCS/Medi-Cal

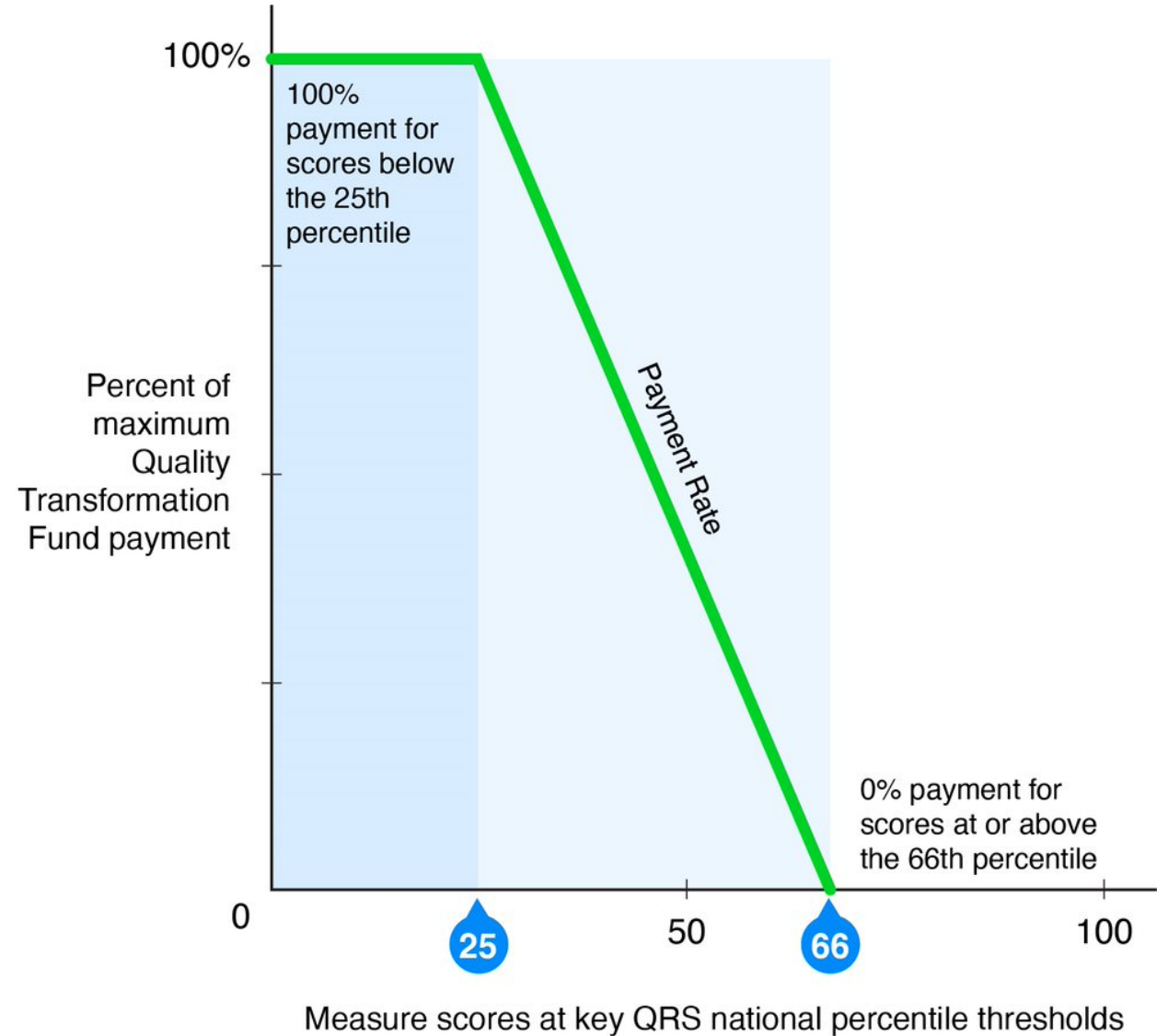
QTI MEASURES

Core Measures*	Clinical Context
Blood Pressure	Key risk factor for cardiovascular disease (heart attacks and strokes), the leading cause of death in the United States
Diabetes (A1c control)	~50% Californians have prediabetes or diabetes, which is a leading cause of blindness and amputation and key risk factor for cardiovascular disease
Colorectal Cancer Screening	Cancer is the second leading cause of death after heart disease, and colorectal cancer is the second leading cause of cancer death after lung cancer. Screening reduces the risk of developing and dying from CRC cancer by 60-70%
Childhood Immunizations	Childhood immunizations prevent 10.5m diseases annually. For every \$1 spent on immunizations, there is as much as \$29 in savings
<i>Reporting only</i>	Depression Screening and Follow-Up for Adolescents and Adults
<i>Reporting only</i>	Medication Treatment for Opioid Use

*All measures will be stratified by race/ethnicity

QTI PAYMENT STRUCTURE

- Premium at risk for payment 0.8% in PY2023, 1.8% in PY2024, & up to 2.8% in PY2025
- Full per measure payment if the measure score is below the 25th national percentile
- Per measure payment at a declining constant rate for each measure score between the 25th and 66th national percentile
- No payment if the measure score is at or above the 66th national percentile



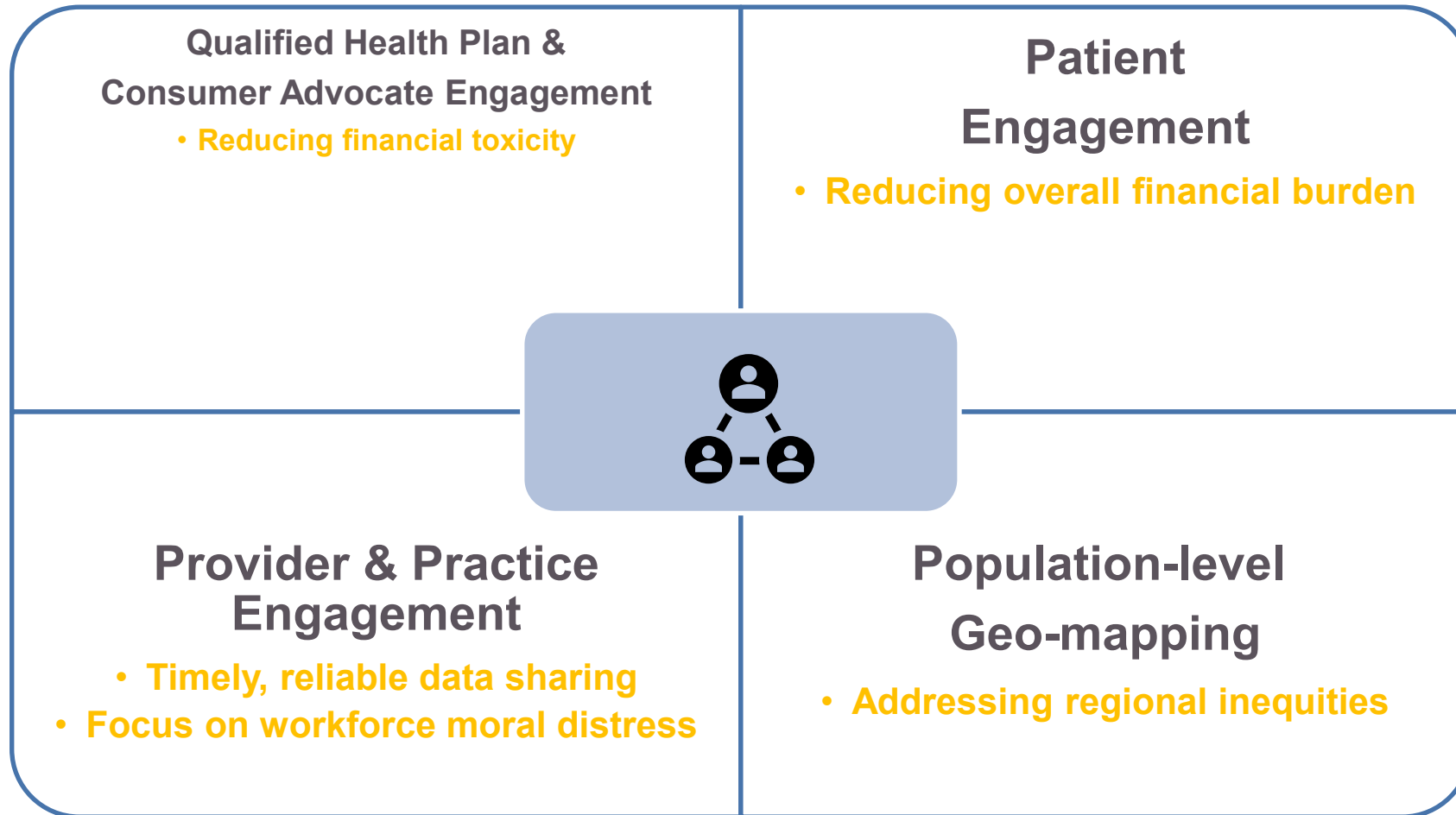
ADMINISTRATION OF QUALITY TRANSFORMATION FUND

The proposed 2025 amendment adds key clarifications around authority, accountability and process for the Quality Transformation Fund.

- ❑ Making payments **does not absolve Contractor of its responsibility** to engage in quality improvement activities to meet or exceed required QTI benchmarks, and engage in other innovative quality improvement strategies
- ❑ **Covered California shall manage the collection and administration** of payments
- ❑ Covered California shall approve use of payments within the Quality Transformation Fund for one or more **Population Health Investments**.
- ❑ Covered California shall engage with stakeholders, including QHP Issuers, in developing **recommendations for Population Health Investments** and program designs.
- ❑ Based on engagement with stakeholders, **Covered California, in its sole discretion, shall establish permissible Population Health Investments** for Contractor to implement as specified below.

POPULATION NEEDS ASSESSMENT

Early themes and indicators of where investment is needed are emerging



GUIDING PRINCIPLES FOR USE OF FUNDS

Centered on goal to improve health outcomes for Covered California enrollees



Equity First: funds should preferentially focus on geographic regions or communities with the largest identified gaps in health and quality among California subpopulations



Direct: use of funds should lead to measurable improvements in quality and outcomes for enrollees that are related to QTI Core Measure performance

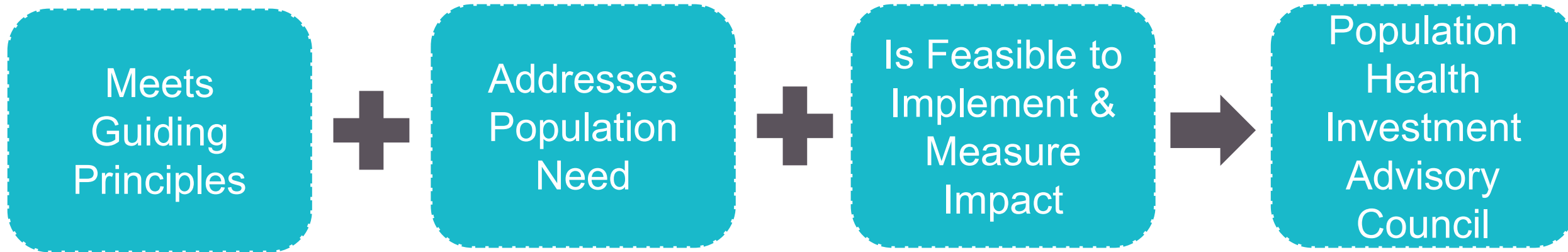


Evidence-based: use of funds should be grounded in approaches that have established evidence of success in driving improvements in quality or outcomes



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

POPULATION HEALTH INVESTMENTS: SELECTION CRITERIA



A prioritized list of Population Health Investments will be presented at Plan Management Advisory Workgroup and Covered California Board in 2024

EVALUATION OF POPULATION HEALTH INVESTMENTS

Impact of Population Health Investments on quality and equity will be assessed continuously.

- ❑ Covered California shall **continuously assess the success** of the Quality Transformation Fund at achieving measurable quality improvements.
- ❑ Based on outcomes from Population Health Investments, feedback from stakeholders, and availability of funds, Covered California **may consider revising or establishing additional programs, opportunities, and uses for payments** made to the Quality Transformation Fund.
- ❑ If Covered California in its sole discretion determines that Contractor's Population Health Investment has not achieved improvements in quality and outcomes, or otherwise **does not best serve Contractor's enrollees, Covered California may request changes in Contractor's Population Health Investment program design** or may terminate Contractor's Population Health Investment.

QUESTIONS

APPENDIX

Affordable Choices

Affordable Choices

We connect consumers to financial assistance and a choice of affordable plans and providers that give them the best value.

1. Connect as many Californians as possible to financial assistance to maximize take-up of affordable coverage.
2. Ensure that all Californians have robust and meaningful choices and understand their choices of affordable coverage.
3. Research, implement improvements and provide technical assistance to inform the policy dialogue about lowering premiums and out of pocket costs for consumers.
4. Participate in and reinforce the state's efforts to contain costs.

Quality Care

Quality Care

We ensure consumers consistently receive accessible, equitable, high-quality care.

1. Produce measurable, equitable improvements in health outcomes.
2. Hold Qualified Health Plan (QHP) and Qualified Dental Plan (QDP) issuers accountable for consistent, standard levels of quality.
3. Increase access to and support of high quality, diverse providers who practice with cultural humility.
4. Make demonstrable progress in addressing health disparities and increasing health equity.
5. Increase access to and quality of behavioral health care.

Organizational Excellence

Organizational Excellence

We foster a nimble culture of continuous improvement that empowers and motivates our team to deliver on our mission with high standards.

1. Attract, retain, and invest in our team by fostering an inclusive, innovative, and collaborative workplace culture.
2. Maintain and enhance Covered California's trusted brand and reputation through transparency, accountability, security, and sustainability.
3. Optimize data as meaningful information to drive decision-making.
4. Incorporate diversity, equity, and inclusion in everything we do.
5. Provide employees with the tools, training, and support they need to do their jobs well.

Reaching Californians

Reaching Californians

We are unwavering in our pursuit to reach Californians and connect them to comprehensive and affordable coverage.

1. Reach all Californians, including those most in need of coverage through a culturally resonant and linguistically appropriate data-driven approach.
2. Strive to enroll and maintain coverage for as many Californians as possible.
3. Develop a comprehensive community engagement strategy to enhance our ability to reach historically marginalized communities and populations statewide.
4. Utilize data and technology to customize outreach, facilitate enrollment, and minimize gaps in coverage for Californians.
5. Expand efforts to connect California's small business owners and their employees to affordable coverage, either through Covered California for Small Business (CCSB) or the individual marketplace.

Catalyst for Change

Catalyst for Change

We pioneer new ideas and disseminate our learnings to drive improvement in health care in California and nationally.

1. Build and use evidence to empower decision makers and foster innovation in how to deliver affordable coverage and quality care.
2. Enhance the way we share the innovative work Covered California is doing.
3. Increase alignment between and amplify work of partners, including Medi-Cal, the California Public Employees' Retirement System, the California Department of Health Care Access and Information, and the California Department of Managed Health Care, to enhance affordability, coverage, quality, and equity.

Exceptional Service

Exceptional Service

We provide the highest level of service and exceed our consumers' expectations.

1. Provide consumers with a seamless and consistent consumer experience regardless of which channel they use.
2. Make the self-service enrollment process as simple as possible and provide a seamless transition to assistance when needed.
3. Provide clear and understandable information to assist consumers to apply for, use, and maintain coverage, in a culturally resonant and linguistically appropriate way.
4. Increase the consistency and efficiency of consumer interactions with Covered California and enrollment partners.