

# Exchange Market Stewardship through Quality

Exchange Policy Committee

March 18, 2025

# Exchange Market Stewardship through Quality

- ▶ Exchange role of steward of individual market<sup>1</sup>
- ▶ Board's plan certification responsibility includes quality criteria
- ▶ Key to market stewardship is ensuring quality plans
  - ▶ Covered California a leader in driving quality outcomes on individual market





# **Beyond Coverage: Improving the Health of All Californians**

*Prepared for Washington Health Benefit Exchange Board Policy Committee*

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# COVERED CALIFORNIA AT A GLANCE

♥ aetnaCVSHealth.

western health

Anthem

VHP Valley Health Plan

blue california

Balance by CCHP

health net.

KAISER PERMANENTE

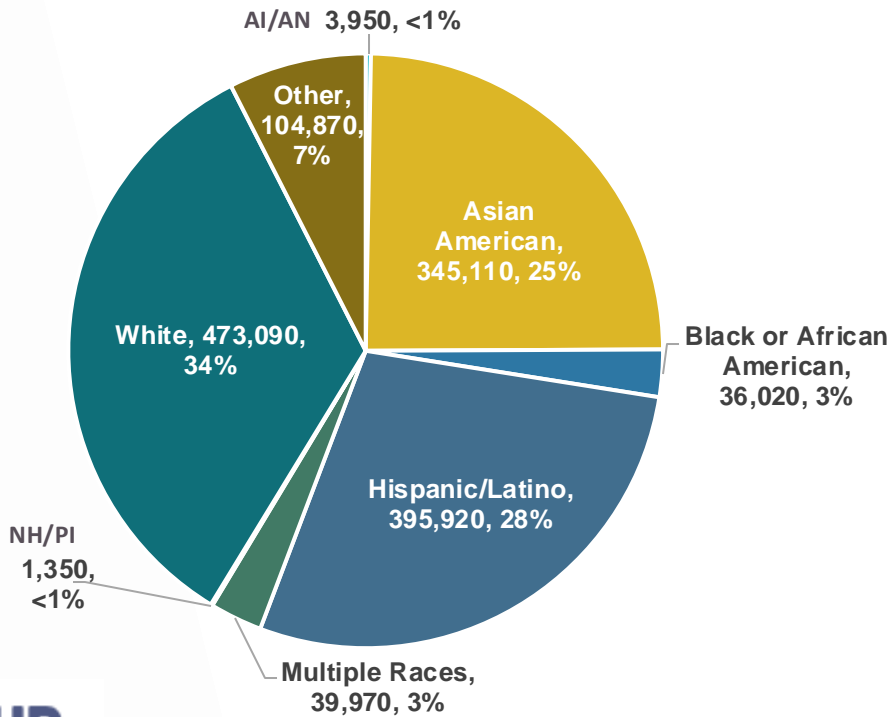
L.A. Care HEALTH PLAN

IEHHP Inland Empire Health Plan

MOLINA HEALTHCARE

SHARP Health Plan

## Enrollment Reflecting California's Diversity



## Covered California by the Numbers 2024

12 Carriers

1.74 Million Enrollees

88% Subsidized

HMO, PPO and EPO products offered

# OUR VISION AND MISSION

## *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.*



# 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.



# QUALITY CARE

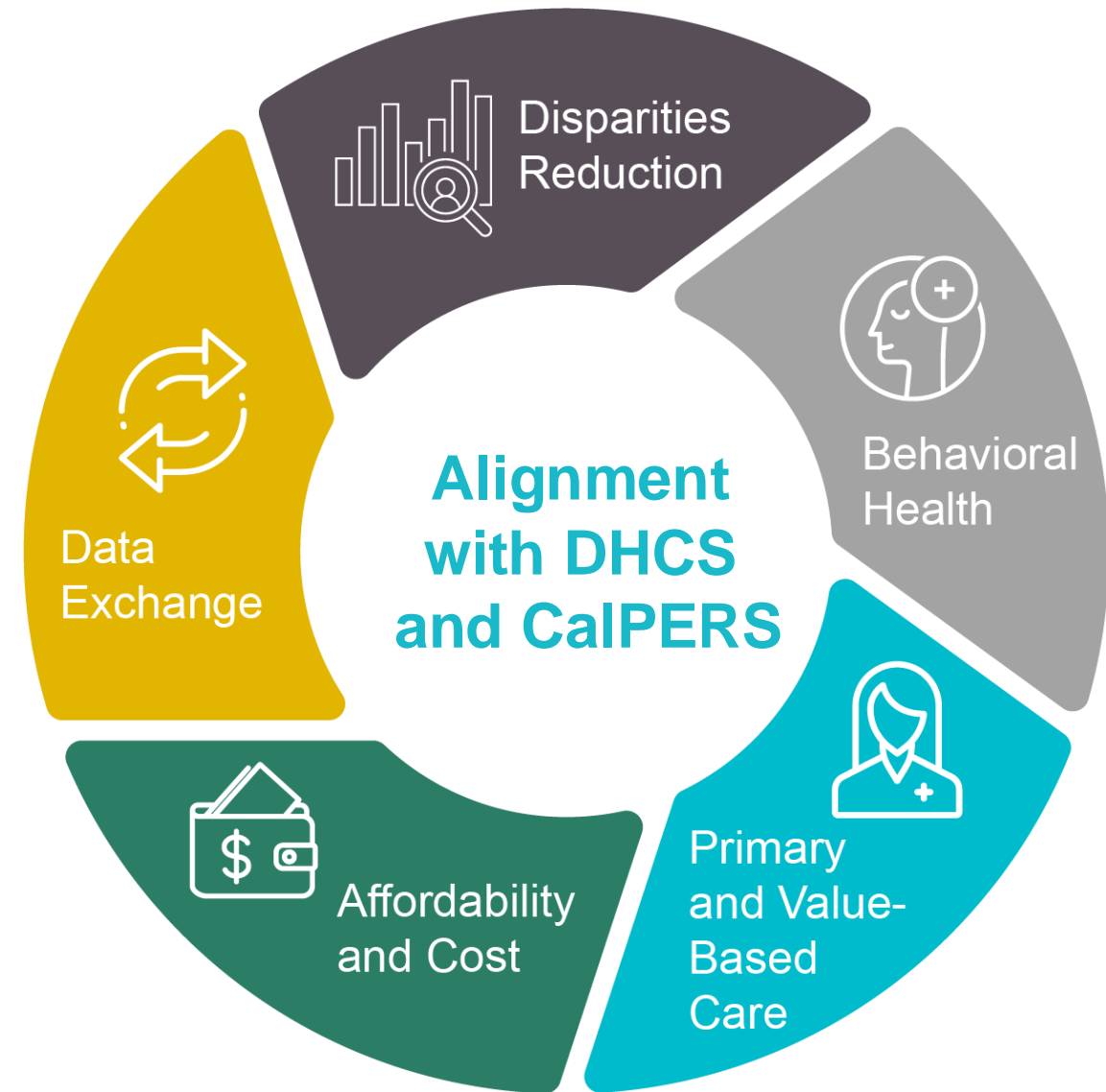
## Quality Care

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.

# COVERED CALIFORNIA: A TRUE ACTIVE PURCHASER

- Negotiation of premiums
- Standardized benefit designs
- Selective contracting for quality (with ability to remove low-performers from the Exchange)
- Certification for new entrants depends on meeting requirements in multiple domains



# THE PROBLEM



Proliferation of  
quality measures



Clinician  
administrative  
burden

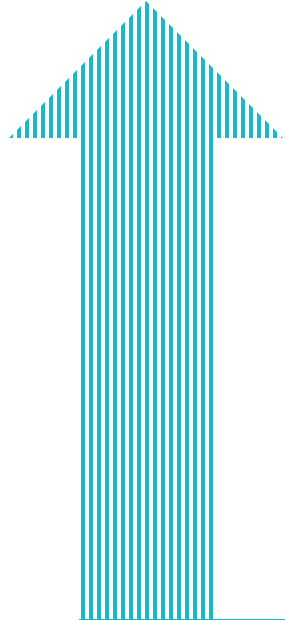


Stagnant or  
worsening quality  
outcomes



Persistent health  
disparities

# 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 66<sup>th</sup> percentile national performance.

# 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

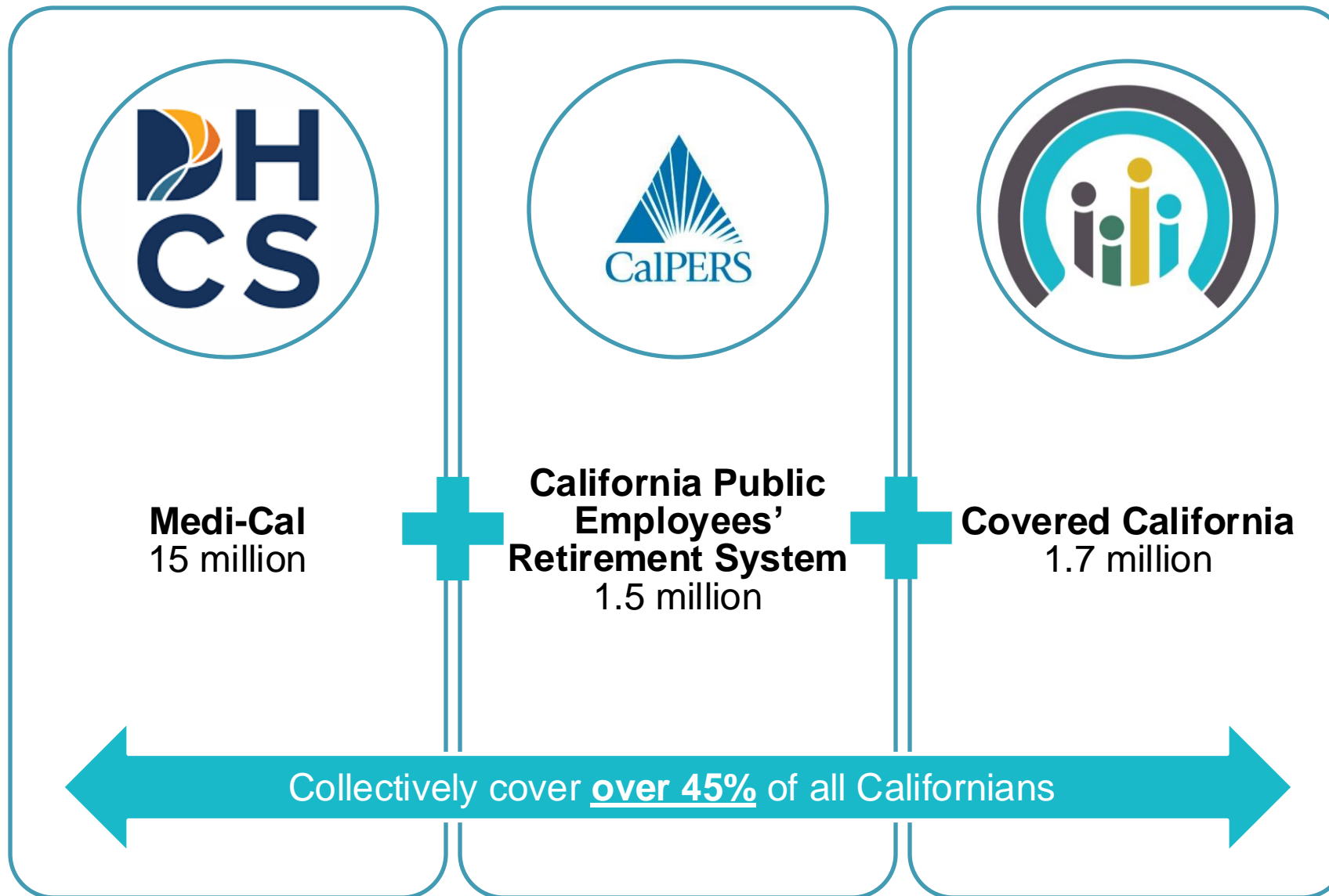
stratified by  
race/ethnicity

Amplify  
through  
Alignment

selected in  
concert with  
other public  
purchasers\*

\*Public purchasers includes CalPERS and DHCS/Medi-Cal

# AN ALIGNED STATE-WIDE APPROACH

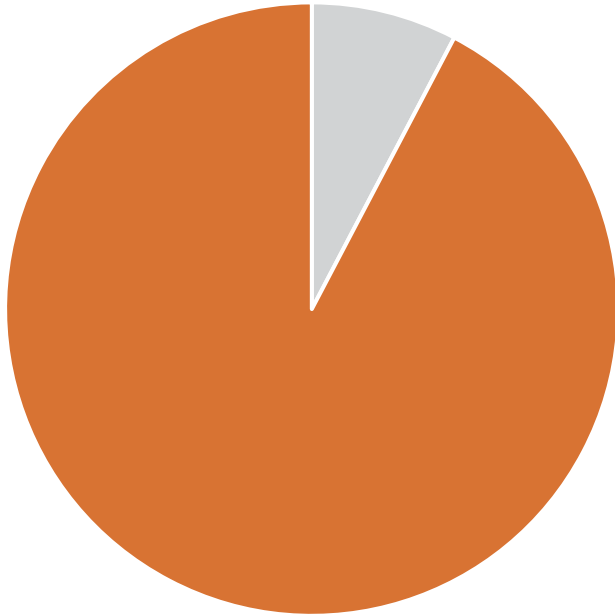


# QTI: A FOCUS ON OUTCOMES MEASURES

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. BP control rates are ~10% lower for Asian, Black and Hispanic people than White counterparts. Black Americans have 4-5 times greater hypertension-related mortality than White counterparts
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. It is 2x more prevalent among Black, AI/AN, and Hispanic people than Whites. Diabetes death was 3x higher among Black and NH/PI than White counterparts
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. Black Americans are 20% more likely to get colorectal cancer and 40% more likely to die from it than others. Screening reduces the risk of developing and dying from CRC cancer by 60-70%
Childhood Immunizations	Childhood immunizations prevent 10.5m diseases annually. Black, Hispanic, AI/AN children have lower vaccine coverage than White children. For every \$1 spent on immunizations, there is as much as \$29 in savings

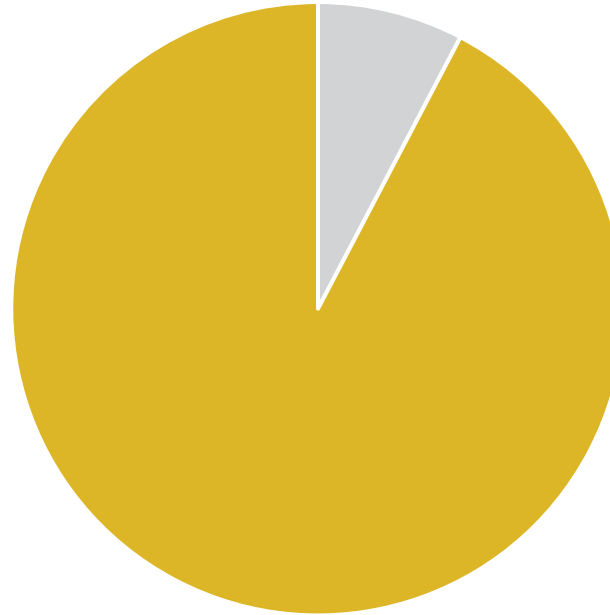
# YEAR 1 OF QTI LEADS TO IMPROVEMENTS IN CHRONIC DISEASE CONTROL AND CANCER SCREENING RATES

## CBP



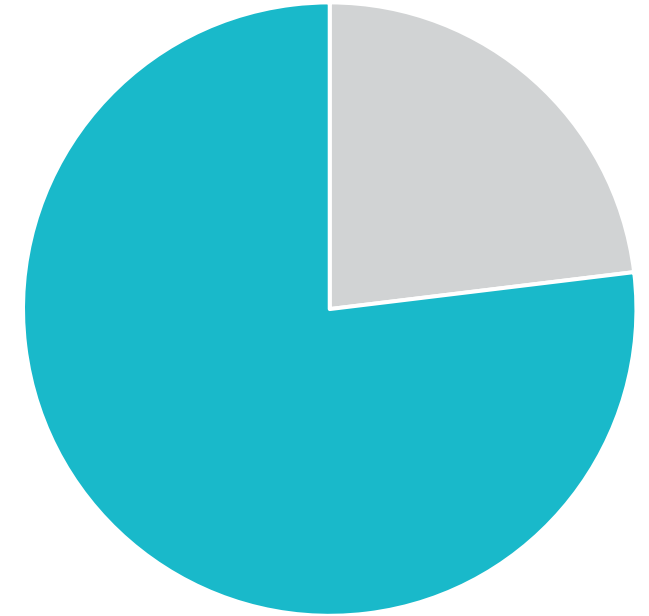
**12 of 13** Issuer products had an **increase** in score for **controlling blood pressure**

## HbA1c <8%



**12 of 13** Issuer products had an **increase** in score for **diabetes management**

## COL



**10 of 13** Issuer products had an **increase** in score for **colorectal cancer screening**

# YEAR 1: COVERED CALIFORNIA-WIDE IMPACT OF QTI

## Diabetes Control (A1c <8)

**10/13** Issuer Products performed at or above the MY2021 66<sup>th</sup> percentile, accounting for **86% of members** in the measured population

## Colorectal Cancer Screening (COL)

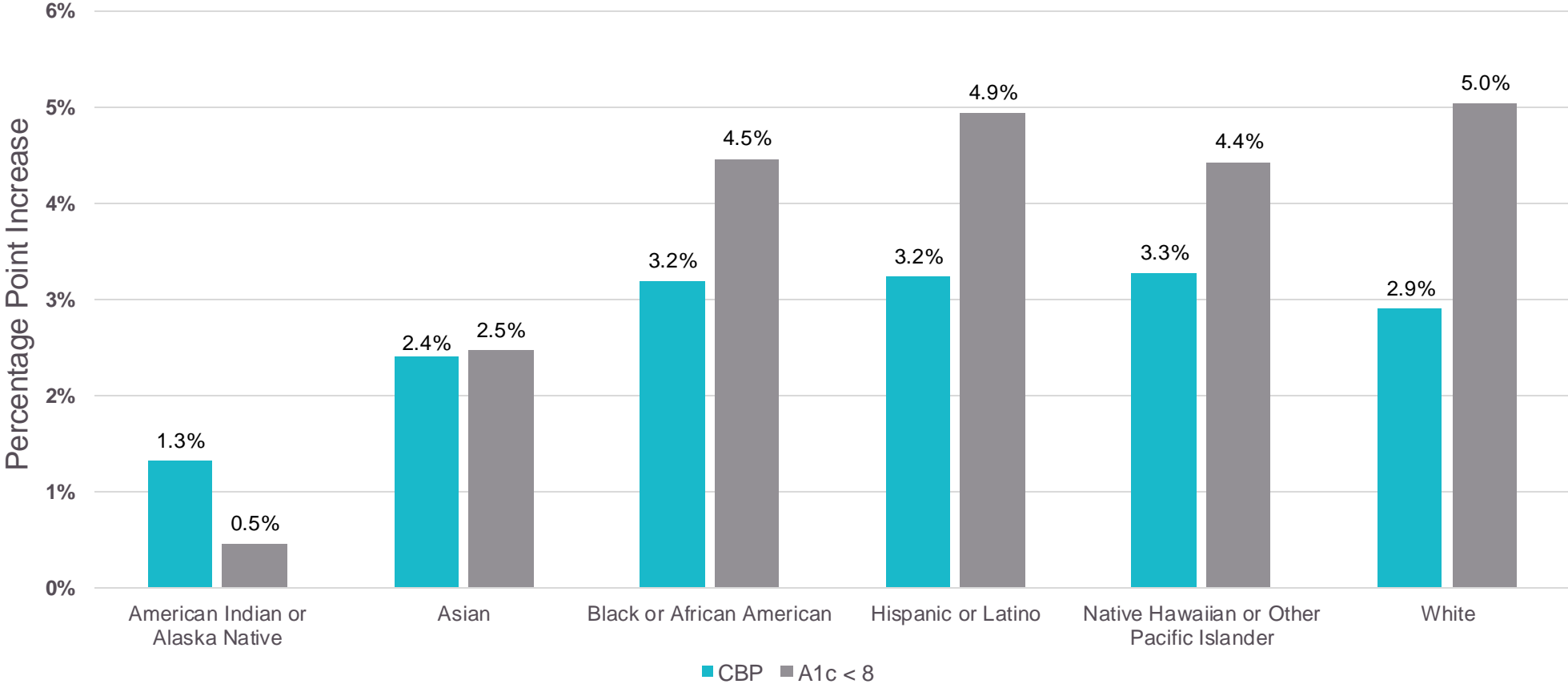
**5/13** Issuer Products performed at or above the MY2021 66<sup>th</sup> percentile, accounting for **51% of members** in the measured population

## Controlling Blood Pressure (CBP)

**6/13** Issuer Products performed at or above the MY2021 66<sup>th</sup> percentile, accounting for **63% of members** in the measured population

# QTI: PERFORMANCE INCREASED ACROSS ALL SUBPOPULATIONS FOR BOTH DIABETES AND BLOOD PRESSURE CONTROL

Increase in Performance for CBP and A1c from MY2022 to MY2023



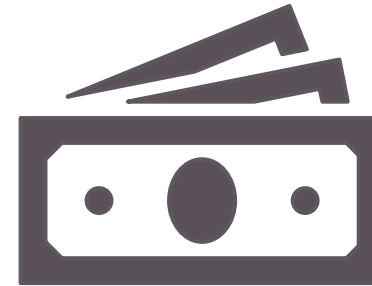
# APPROACHES TO ISSUER ACCOUNTABILITY FOR DISPARITIES REDUCTION



**Dashboards and  
Public Reporting**

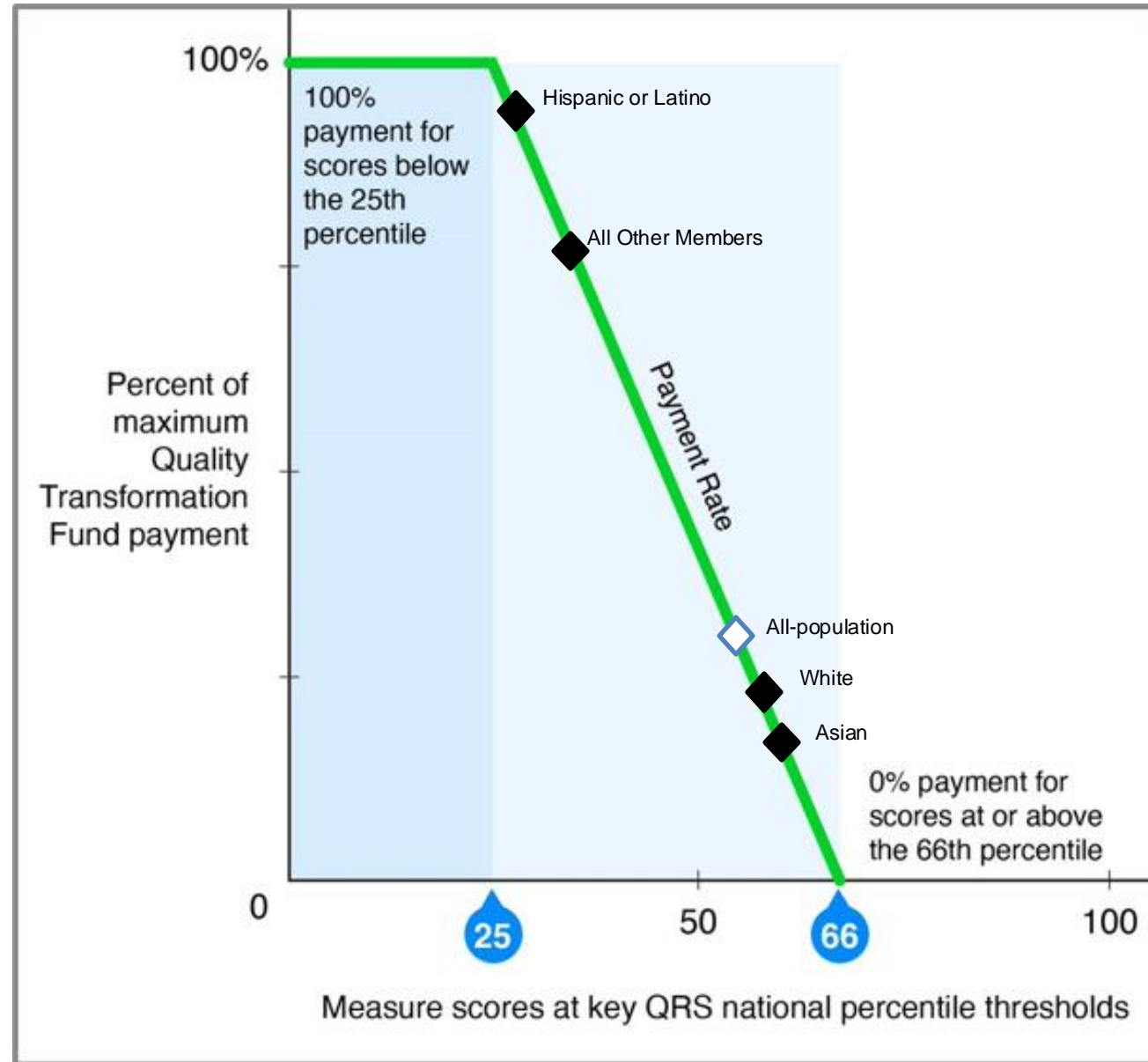


**Improvement  
Plans**



**Financial  
Incentives**

# SAMPLE PLAN DATA: CONTROLLING BLOOD PRESSURE



# REFERENCES AND RESOURCES

- QTI landing page: <https://hbex.coveredca.com/stakeholders/plan-management/qti/>
- "California's Marketplace Innovations: Driving Health Plan Accountability For Quality And Equity": <https://www.healthaffairs.org/content/forefront/california-s-marketplace-innovations-driving-health-plan-accountability-quality-and>
- "The business case for quality: estimating lives saved and harms avoided in a value-based purchasing model": <https://doi.org/10.1093/haschl/qxae052>
- Raise the Bar: State-Based Marketplaces Using Quality Tools to Enhance Health Equity: <https://www.commonwealthfund.org/blog/2024/raise-bar-state-based-marketplaces-using-quality-tools-enhance-health-equity>
- Covered California Annual Plan Performance Report: <https://hbex.coveredca.com/data-research/plan-performance-reports/>



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