PLAN MANAGEMENT ADVISORY GROUP

November 10, 2016

WELCOME AND AGENDA REVIEW

JAMES DEBENEDETTI, DIRECTOR
PLAN MANAGEMENT DIVISION

AGENDA

AGENDA
Plan Management and Delivery System Reform Advisory Group
Meeting and Webinar
Thursday, November 10, 2016, 10:00 a.m. to 12:00 p.m.

Webinar link: https://attendee.gotowebinar.com/rt/6132192224704601089

I. Welcome and Agenda Review	**10:00 - 10:05 (5 min.)**
II. Covered California Healthcare Evidence Initiative	**10:05 – 10:55 (50 min.)**
III. 2018 Certification Timeline	**10:55 – 11:05 (10 min.)**
IV. 2018 Benefit Design Update	**11:05 – 11:15 (10 min.)**
V. Maternity Hospitals Honor Roll	**11:15 – 11:25 (10 min.)**
VI. Future Topics and Open Forum	**11:25 – 11:50 (25 min.)**
VII. Wrap-Up and Next Steps	**11:50 – 12:00 (10 min.)**

COVERED CALIFORNIA
POLICY, EVALUATION & RESEARCH
HEALTHCARE EVIDENCE INITIATIVE

ISAAC MENASHE
POLICY, EVALUATION & RESEARCH

HEALTHCARE EVIDENCE INITIATIVE: PURPOSE

The Healthcare Evidence Initiative will use utilization and claims data to:

1. Provide actionable information supporting Covered California's operations and policy – improving care, lowering costs, and improving health.
2. Provide evidence to inform public and private policies so that purchasing strategies and benefit designs can improve quality, access, and value throughout the health care delivery system.

HEALTHCARE EVIDENCE INITIATIVE

Covered California is developing and implementing an analytic strategy, represented in the Healthcare Evidence Initiative (HEI) Analytics Plan:

- Use data to the range of services being accessed by enrollees and their experience of care
- Measure effectiveness of the organization's strategies to improve care, lower costs, and improve health
- Measure QHP compliance with quality and performance guarantees
- Deliver actionable information based on organizational priorities

The initiative furthers Covered California's vision:

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

DATA DRIVEN DECISION MAKING

Covered California has a vast number of data points captured and available to meet the organizational analytic, policy-shaping, and program-measurement needs.

With aggregation and analysis of these data points by Truven Health Analytics, data from the Healthcare Evidence Initiative is expected to inform decision-making throughout the organization, from public debate over new benefit designs and QHP contract components, to confidential discussions with each QHP over rates, networks, and product design as part of the re-certification process.

HEALTHCARE EVIDENCE INITIATIVE: ENSURING CONSUMER PRIVACY

- **Protecting consumer privacy:** Data is sent securely by QHPs directly to Truven, consumer identifiers are encrypted, and all data made available to Covered California is aggregated and stripped of personal identifiers in accordance with applicable privacy law.
- **Consumer opt-out:** In October 2016 Covered California made available an "opt-out" option for consumers who wish to request that their information not be included in the Healthcare Evidence Initiative - http://www.coveredca.com/privacy/

Opt-out of the Covered California Healthcare Evidence Initiative

Covered California's Healthcare Evidence Initiative uses data to improve the patient experience of care, and lower costs for consumers. If you are currently enrolled in a Covered California qualified health plan, you may request that information about you and your household members not be used for Covered California's Healthcare Evidence Initiative. While the Healthcare Evidence Initiative is designed to ensure that information about you remains anonymous, your decision to opt-out will prevent information about you or your household from being used for this purpose. Your decision to opt-out will not in any way affect your coverage or your right to receive services through Covered California. Opt-out requests will take effect in the month after they are received from Covered California, and remain in effect for the consumer's case ID into future years. If you'd like to opt-out of the Healthcare Evidence Initiative, please download and submit the written request below.

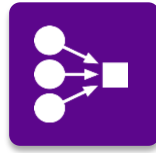
- Opt-Out of the Covered California Health Evidence Initiative (PDF) – Please complete and submit this form if you would like to opt-out of having your household information used for the Covered California Healthcare Evidence Initiative.

HEALTHCARE EVIDENCE INITIATIVE: DATA AND TOOLS

Data Collection from QHPs

- Claim / Encounters
- Enrollment
- Capitation
- Provider
- Plan / Product

Encrypt



Data Aggregation by Truven

- Standardize
- Normalize
- Quality & Performance Measures
- Benchmarks
- Episodes of Care

Data Tools Built by Truven

Encrypted identifiers

Secured Access

Reporting: aggregated and stripped of personal identifiers

Covered California Healthcare Evidence Initiative Analysts

Actionable Intelligence:

- Are members getting the right care at the right time?
- Are members selecting the best plan to meet their health needs?

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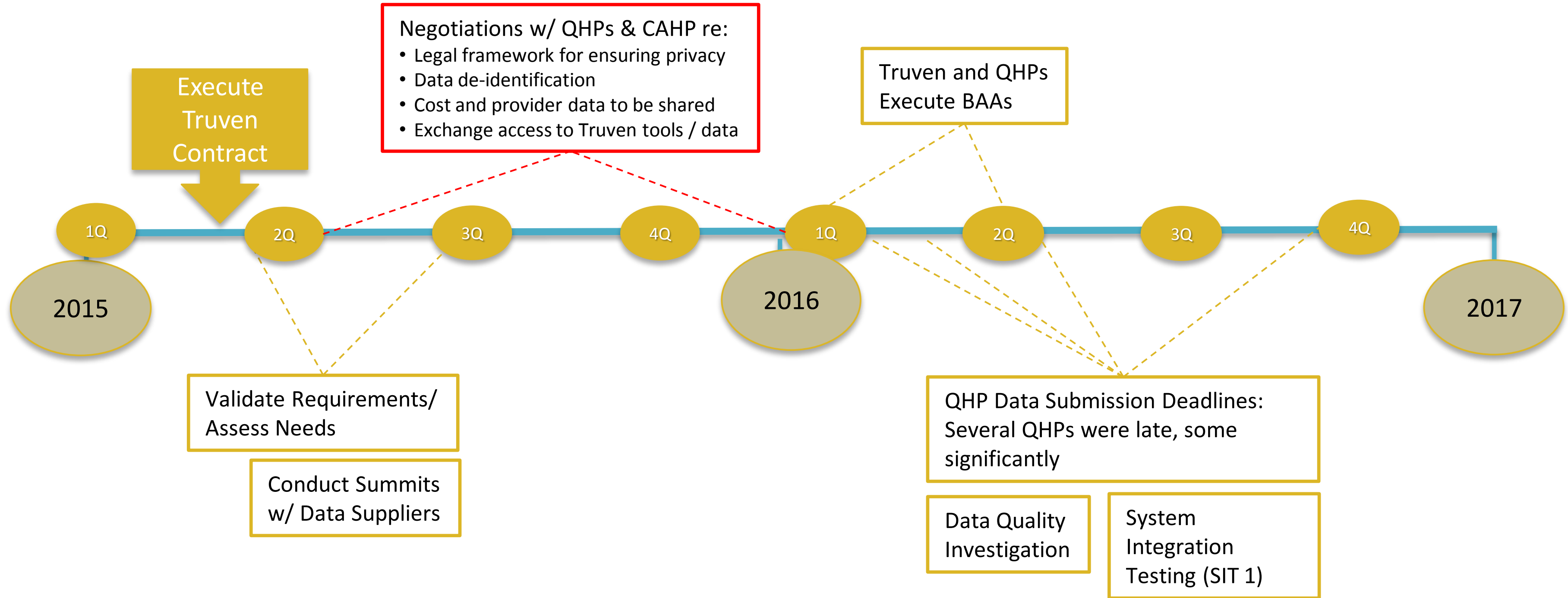
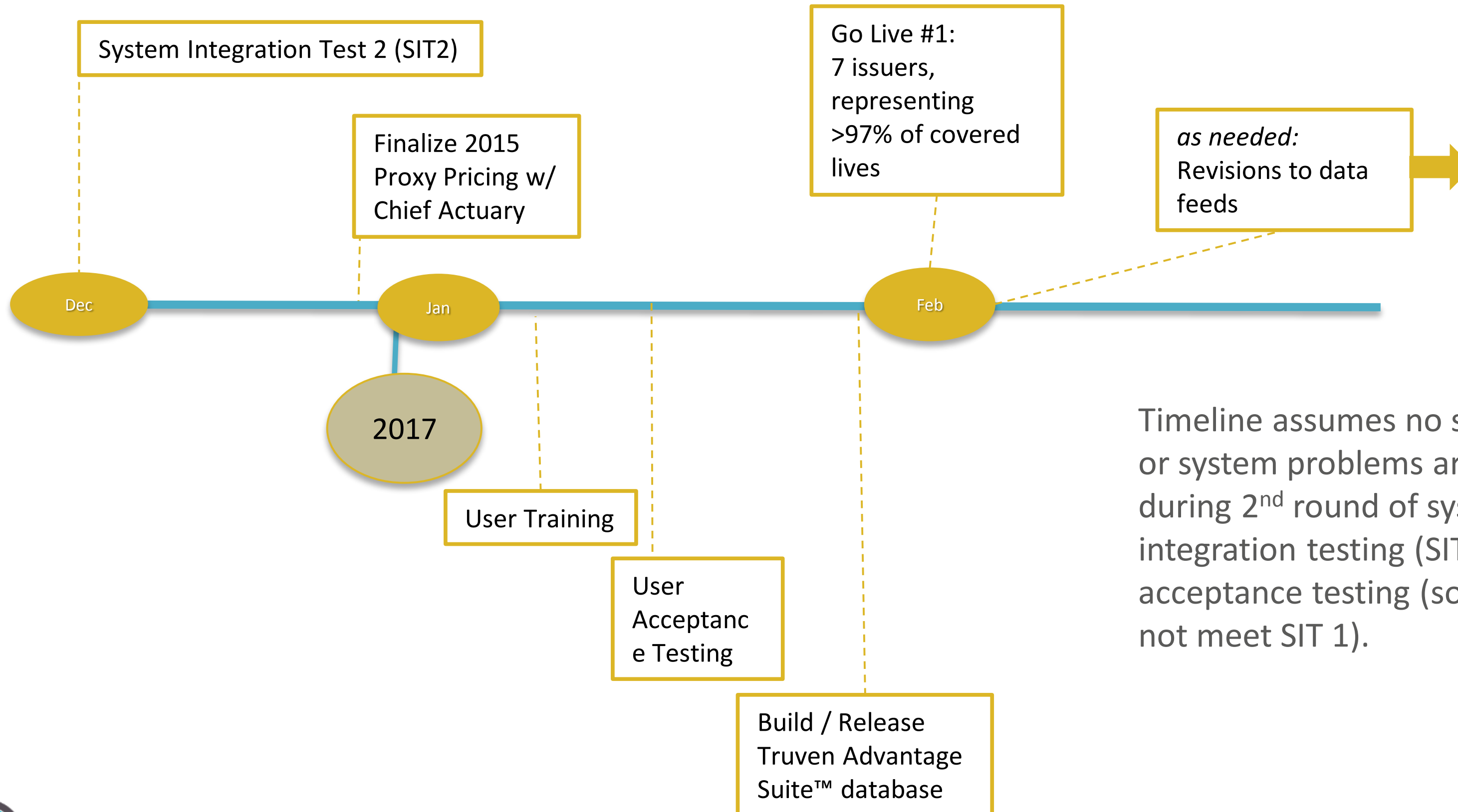
HEI Recent Milestones and Timeline



HEI Status / Timeline – Remaining Implementation Activities



Timeline assumes no significant data or system problems are identified during 2nd round of systems integration testing (SIT 2) or user acceptance testing (some issuers did not meet SIT 1).

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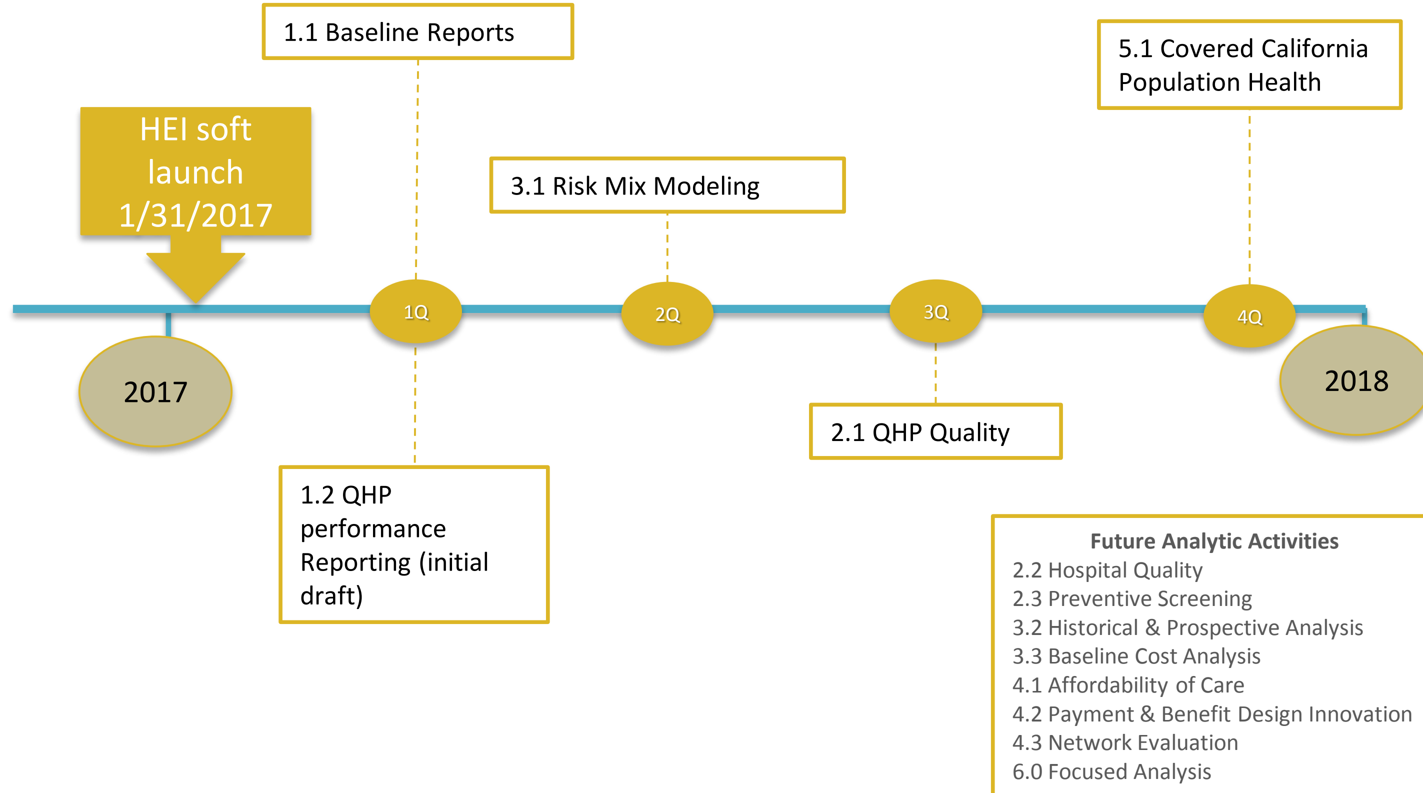
ANALYTICS PLAN: SUMMARY TIMELINE



PROPOSED ANALYTICS FRAMEWORK

Analytic Dimensions

Within all analytic initiatives, Covered California will assess variations in utilization and cost by key analytics dimensions including:

Issuer ◆ Product/network ◆ Region ◆ Race/ethnicity ◆ Language ◆ Gender ◆ Age ◆ Income

Proposed Analytic Initiatives

Standard Baseline & QHP Dashboard Reports (1)	**Quality & Plan Management** (2)	**Actuarial An[illegible]is & Rate Nego[illegible]ns** (3)
Regular set of repeatable reports organized by critical healthcare quality and cost information, with pre-defined and standardized cost, use, quality, and access measures. Includes QHP-specific reporting with regional and statewide factors.	Measure quality metrics within and across QHPs to support the Quality and Delivery System Reform initiatives. Includes hospital reporting using a broad set of quality, utilization, and cost measures. .	Identify cost drivers, examine provider networks, and measure population health risk to support decisions made during annual rate negotiations.
Benefit, Payment & Network Design Innovation (4)	**Promise of Care** (5)	**Focused Analy[illegible]** (6)
Model variations in benefit designs and the impact on consumers and premiums. Evaluate models of care such as medical homes and Accountable Care Organizations. Assess the opportunity to implement payment models that promote value.	Measure the healthcare experience of enrollees to provide critical decision making information to support improvements and make sure enrollees are getting the right care, at the right time, in the right place.	Special projects internally driven and/or supported by external stakeholders or research partnerships. Initial focus will be based on data most readily transformed and likely more robust across QHPs – such as enrollment, pharmacy and hospital admissions.

ANALYTIC CONSTRAINTS

- Under existing BAAs with QHPs, Protected Health Information (PHI) is secured by Truven and not shared with Covered California: only information that has been de-identified under HIPAA standards can be shared with Covered California
- Covered California staff will have limited access to data / Truven analytic tools, and most analytics may be restricted to Truven
- Availability of Covered California analytic staff and Truven staff
- Quality and integrity of carrier feeds
- Incomplete financial data transparency from some QHPs
- Opt-out population will not be reflected in analytics
- Limited years of experience to report on trends
- CCSB and stand-alone dental feeds phased in at later time

We are committed to working with the QHPs to improve on the quality, completeness, and timeliness of data.

PROPOSED INITIATIVE 1 – STANDARD BASELINE REPORTS

1

The Analytic Plan will augment existing reporting capabilities with reports organized by critical healthcare quality and cost information, with pre-defined and standardized cost, use, quality, and access measures.

Top Analytic Tasks include:

1.1 **Baseline "lay of the land" –** Utilization reports across regions, plans and populations, with appropriate benchmarks (overall Covered California and Truven Health Analytics Western Region Benchmarks).

1.2 **QHP Performance Reports –** Baseline quarterly reports for use in re-certification process.

PROPOSED INITIATIVE 2 – QUALITY & PLAN MANAGEMENT

2

Support Plan Management focus on plan-specific Quality and Delivery System Reform Initiatives

Top Analytic Tasks include:

2.1 QHP Quality – Measure claims-based QHPs quality of care and service performance for existing, scored Healthcare Effectiveness Data and Information Set (HEDIS) and AHRQ Prevention Quality Indicators (PQIs) measures for Covered California enrollees reported by QHPs; construct and report HEDIS administrative only measures for Covered California enrollees; and construct and report other industry-standard measures.

2.2 Hospital Quality – Report the quality performance of contracted network hospitals including; 1) Set of hospital acquired conditions (HACs) and the C-section rates for low risk pregnancies, including complication rates for deliveries; and 2) Highlight centers of excellence (e.g., highest to lowest number of particular procedures by facility).

2.3 Preventive Screening – Report the prevalence rates for cholesterol screening, colon cancer screening, mammograms, cervical cancer screening, well child visits and well-baby visits, by plan group, compared to benchmark values.

PROPOSED INITIATIVE 3 –
ACTUARIAL ANALYSIS & RATE NEGOTIATIONS

3

Identify cost drivers, examine provider networks, and measure population health risk to support decisions made during annual re-certification and rate negotiations.

Top Analytic Tasks include:

3.1 Risk Mix Modeling – Assess enrollee risk among participating QHPs and distribution across metal levels to support rate negotiations.

3.2 Historical Analysis – Assess product-level premium, claims costs, utilization and covered population's illness severity – analyze historical and prospective costs to support premium rate development and contract negotiation. Use data to validate QHP rate justifications.

3.3 Baseline Cost Analysis – Total and Per Member Per Month (PMPM) spend for 2014, 2015, and 2016 compared to total premium intake. Include regional variations in costs (population-wide vs. plan specific).

Based on available financials and Truven supplied financial factors.

PROPOSED INITIATIVE 4 – BENEFIT, PAYMENT & NETWORK DESIGN INNOVATION

4

Model variations in benefit designs and the impact on consumers and premiums. Provide analysis to evaluate payment and network design innovations for inclusion in plan designs and/or contractual requirements.

Top Analytic Tasks include:

4.1 **Enrollee Affordability of Care –** Determine enrollee out of pocket costs claims experience for individual procedures and services, standard episodes of care, and total PMPM per the claims-based enrollee-specific benefit plan and cost sharing provisions.

4.2 **Payment and Benefit Design Innovations –** Assess value-based pricing (including reference pricing), value-based reimbursement opportunities and value-based insurance design opportunities.

4.3 **Provider Network Evaluation –** Using claims and utilization data, determine usage patterns and effective QHP-specific geographic network adequacy, including the use of Essential Community Providers ("ECPs"), primary care providers (PCPs), and specialty providers.

PROPOSED INITIATIVE 5 – PROMISE OF CARE

5

Report on the healthcare experience of population to support evaluation of improvements and make sure enrollees are getting the right care, at the right time, in the right place.

Top Analytic Tasks include:

5.1 Covered California Population Health – Analyze utilization of Covered California enrollees including:

- Top conditions
- Enrollee risk profile
- High cost/high severity conditions and drugs
- Prescription drug utilization
- Overuse of advanced imaging
- Access to specialists
- Health Disparities - identify vulnerable patient populations and assess vulnerable population access to and quality of care
- Benchmarks - analyze care provided against available benchmarks particularly for populations at high risk

PROPOSED INITIATIVE 6 – FOCUSED ANALYSIS

6

Special projects/research efforts which may be internally driven and/or supported by external stakeholders/research partnerships. Initial focus will be based on data most readily transformed and likely more robust across QHPs – such as enrollment, pharmacy and hospital admissions.

Top Analytic Tasks include:

6.1 Care Continuity – Assess care needs of enrollees new to coverage or transitioning from a previous care provider; particular focus on enrollees whose coverage shifts between Medi-Cal and Covered California.

6.2 Special Enrollment Analysis – Cost and utilization comparison of consumers that enroll under Special Enrollments conditions, including various types of Special Enrollment Period (SEP) enrollees.

6.3 Maternity Care – Maternity/delivery variations and rates of C-section for low-risk / Early Elective Induction (EEIs).

PROTOCOLS and PROCESSES

Covered California is in the process of developing protocols and processes for:

1. Reviewing and refining of the Healthcare Evidence Initiative priority research domains, including gaining input from research and subject-matter experts;

2. Collaborating with expert researchers on specific projects, subject to resource constraints;

3. Responding for request for data, including prioritization, staffing, and cost issues.

COMMENTS

We invite comments and feedback on the proposed analytic framework Healthcare Evidence Initiative and proposed analytic framework.

Please send comments by December 1, 2016 to:

QHP@covered.ca.gov

Please include "Healthcare Evidence Initiative" or "HEI" in the subject line, which will help us group submitted comments quickly in this public inbox.

2018 CERTIFICATION TIMELINE

TAYLOR PRIESTLEY, CERTIFICATION PROGRAM MANAGER
PLAN MANAGEMENT DIVISION

Proposed 2018 QHP/QDP Certification Milestones

Milestone	Date
Release draft 2018 QHP & QDP Certification Applications	December 2017
Plan Management Advisory: Benefit Design & Certification Policy recommendation	January 2017
Draft application comment periods end	January 2017
January Board Meeting: discussion of benefit design & certification policy recommendation	January 2017
Letters of Intent Accepted	February 2017
Final AV Calculator Released*	February 2017
Applicant Trainings (electronic submission software, SERFF submission and templates*)	February 2017
March Board Meeting: anticipated approval of 2018 Standard Benefit Plan Designs & Certification Policy	March 2, 2017
QHP & QDP Applications Open	March 3, 2017
QHP Application Responses (Individual and CCSB) Due	May 1, 2017
Evaluation of QHP Responses & Negotiation Prep	May - June 2017
QHP Negotiations	June 2017
QHP Preliminary Rates Announcement	July 2017
Regulatory Rate Review Begins (QHP Individual Marketplace)	July 2017
QDP Application Responses (Individual and CCSB) Due	April 3 or June 1, 2017
Evaluation of QDP Responses & Negotiation Prep	April or June – July 2017
QDP Negotiations	April or July 2017
CCSB QHP Rates Due	TBD
QDP Rates Announcement (no regulatory rate review)	August 2017
Public posting of proposed rates	TBD
Public posting of final rates	TBD

*Final AV Calculator and final SERFF Templates availability dependent on CMS release

TBD = dependent on CCIIO rate filing timeline requirements

BENEFIT DESIGN UPDATE

ALLIE MANGIARACINO, SENIOR QUALITY ANALYST
PLAN MANAGEMENT DIVISION

2017 PLANS IN THE DRAFT 2018 AV CALCULATOR: 11/10 UPDATE

The DRAFT 2018 AV Calculator and payment notice were released on August 29, 2016

- Uses 2015 claims from individual and small group market, trended to 2018 (3.25% medical trend, 11.5% drug trend)
- Includes claims from HMO, PPO, and EPO (previous calculator only used PPO claims)
- Projects to the anticipated 2018 demographic distribution for the expected enrolled population.
- **All Silver AV values (minus CCSB HDHP) have been updated after working with CCIIO and Milliman.**

	Bronze		Silver				CCSB Silver		
	HDHP	Standard	Silver	Silver 73	Silver 87	Silver 94	Copay	Coins	HDHP
AV Target	60	60	70	73	87	94	70	70	70
Deviation Allowance	+5/-2.0%*	+5/-2.0%*	+/-2.0%	+/-1.0%	+/-1.0%	+/-1.0%	+/-2.0%	+/-2.0%	+/-2.0%
2017 AV	**61.96**	**61.93**	**71.53**	**73.67**	**87.48**	**94.12**	**71.25**	**71.56**	**71.31**
2018 AV	**61.38**	**61.19**	**73.21**	**75.65**	**88.06**	**90.68**	**72.45**	**72.89**	**71.66**

	Gold		Platinum	
	Copay	Coins	Copay	Coins
AV Target	80	80	90	90
Deviation Allowance	+/-2.0%	+/-2.0%	+/-2.0%	+/-2.0%
2017 AV	**81.23**	**80.86**	**90.28**	**89.72**
2018 AV	**76.81**	**81.02**	**85.51**	**90.16**

Red text: AV is outside de minimis range (need to make plan less rich)

Blue text: AV is within de minimis range

Green text: AV is outside de minimus range (need to make plan more rich)

* Expanded de minimis allowed when at least one major service is covered before deductible

2018 BENEFIT DESIGN WORK GROUP: STILL ADDRESING (RECAP)

On the following topics more discussion is planned to answer additional questions.

- Design cost tradeoffs to meet needed AV changes while upholding guiding principles considering administration/operations.
- Pharmacy benefit coverage of vaccines
  - New Medi-Cal policy requires inclusion of adult immunizations, as defined by Advisory Committee on Immunization Practices, on formulary (as medical and pharmacy benefit) in order to expand access.
- Pharmacy tiering
  - Anthem proposal to offer tiered networks prioritizing large chain pharmacies that are able to offer drug discounts. Non-preferred pharmacies would cost slightly more, but would still be in network. Savings would be passed on as .5% premium reduction.
- Clarification/cleanup: For example, office-based procedure cost; MH/SU items/services in 3 visits rule

2018 BENEFIT DESIGN WORK GROUP: TO BE ADDRESSED (RECAP)

The following topics, are planned discussion for future meetings.

- Prediabetes programs
- Pain management therapy – access and channels
  - In light of the opioid epidemic, and recent research on opioid addictiveness, low therapeutic ratio and lack of documented effectiveness in treatment of chronic pain, Covered California will assess plan access to alternative pain management services such as physical therapy and acupuncture. (http://www.chcf.org/topics/opioid-safety)
- Tobacco cessation – removal of day limit
- Home health copay (per day vs. per visit)

Next meeting is on 11/14 from 10:00 AM – 12:00 PM. For more information email Allie.Mangiaracino@covered.ca.gov

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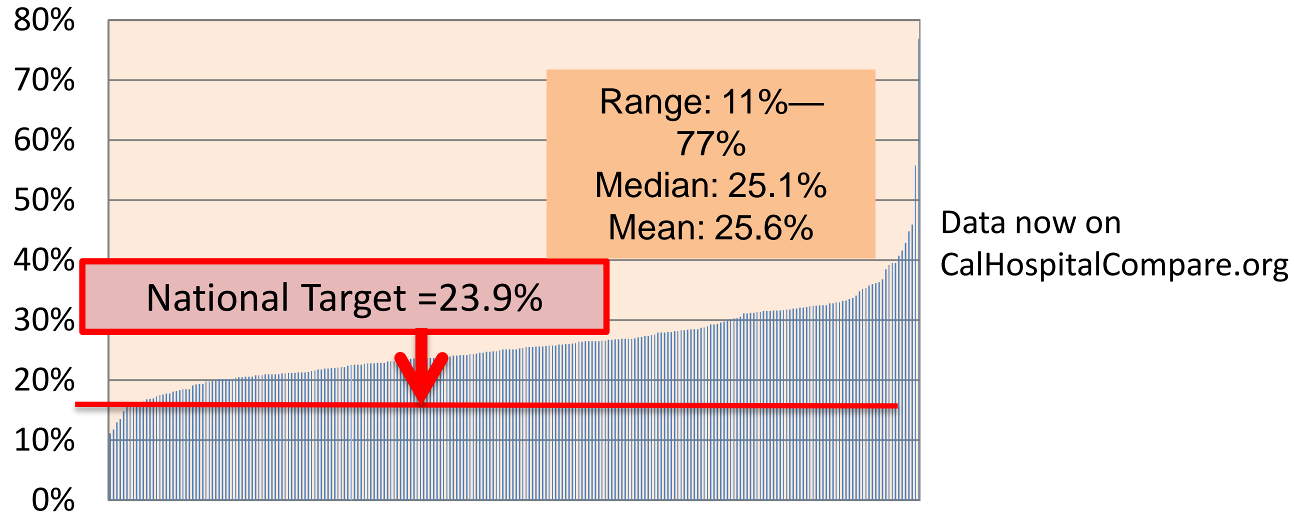
MATERNITY HOSPITALS HONOR ROLL

LANCE LANG, CHIEF MEDICAL OFFICER
PLAN MANAGEMENT DIVISION

C SECTION RATE FOR LOW RISK PREGNANCIES AMONG CA HOSPITALS: 2015



Source: California Maternal Quality Care Collaborative

- If not medically necessary, C-sections expose mothers and babies to unwarranted risk
- 42% (104/248) of CA Hospitals were honored this week by Secretary Dooley for meeting the national target for C-sections for low risk pregnancies
- Hospitals and their physicians are now signing up for a proven Quality Program open to all
- Covered California target: All hospitals in QHP networks to meet target by end of 2019

OPEN FORUM AND FUTURE TOPICS

JAMES DEBENEDETTI, DIRECTOR
PLAN MANAGEMENT DIVISION

SUGGESTED AGENDA TOPICS FOR THE NEXT MEETING

- Should we meet in December or January?
- Covered California Enrollment System Display: Possible Work Group
- Quality Improvement Strategy (QIS) plans update
- Medi-Cal transition outreach/process improvement
- 2018 Certification timeline/process update
- Consumer Satisfaction Survey and satisfaction in Bronze plans
- 2018 Benefit Design
- Others? Please email Lindsay.Petersen@covered.ca.gov

WRAP UP AND NEXT STEPS

JAMES DEBENEDETTI, DIRECTOR
PLAN MANAGEMENT DIVISION