Quality Transformation Initiative (QTI) Solicitation of Feedback

QTI SOLICITATION OF FEEDBACK

The following slides detail Covered California's proposal for the Quality Transformation Initiative (QTI).

Covered California is requesting specific feedback on the following aspects of the QTI:

- Number of measures in final set (preference for no more than 12)
- Measures recommended for the initial initial measure set
- Design considerations including threshold performance level and penalty structure

Please provide feedback using the comment template by October 8, 2021.

QTI OVERVIEW

- **Covered California is developing a Quality Transformation Initiative (QTI) to spur substantive improvements in health plan clinical quality**
  - QTI ties significant financial consequences (penalties) to health plan quality performance on a select set of measures
  - Penalty amount based on level of quality performance; may be up to 4% of premium annually, phased in over time:
    - Proposed: Year 1 – 1%, Year 2 – 2%, Year 3 – 3%, Year 4 – 4%
  - The assessments from poor performing plans will establish a fund to support systemwide quality improvement and delivery system reform with the goal of eliminating fund payments through improved performance
- Covered California is proposing to develop the measures and methodology to pilot the QTI with no funds at risk in 2022, with the first measurement year at risk in 2023

QTI

CONTEXT

QHP 5-Year Quality Performance Trend on QRS Getting the Right Care Summary Indicator

Health Plan	% 2020 Enrollees	2016	2017	2018	2019	2020
Anthem EPO	5%	2	NA	3	2	2
Anthem HMO	1%	3	-	-	-	NA
Anthem PPO	-	2	-	-	-	-
Blue Shield HMO	5%	NA	NA	NA	2	3
Blue Shield PPO	20%	2	2	3	2	3
CCHP HMO	0.4%	3	3	3	3	3
Health Net EPO	0.1%	NA	2	3	2	3
Health Net HMO	12%	3	3	3	3	3
Health Net PPO	3%	-	NA	NA	NA	3
Kaiser HMO	36%	5	4	5	5	5
LA Care HMO	5%	1	3	4	3	4
Molina HMO	3%	2	3	3	2	2
Oscar EPO	5%	NA	NA	3	2	2
Sharp HMO	1%	4	4	5	4	4
Valley HMO	1%	3	3	5	4	4
Western HMO	1%	3	3	3	2	2

- While in 2020 85% of enrollees were in QHPs that received 3 stars or better for Getting Right Care, QHP performance has not consistently or substantively improved over time
- In 2020, 4 of 15 QHPs (13% enrollees) received 2 stars for Getting the Right care.
  - 6 received 3 stars
  - 3 received 4 stars
  - 1 received 5 stars

COVERED CALIFORNIA

QTI GOALS

- Create the “business case for quality and equity” by scaling quality and equity performance penalties to a magnitude that motivates improvement, particularly at the lower end of performance
- Encourage enrollees to choose higher performing plans
- Aim for a high (not average) level of achievement
- Select a parsimonious set of measures aligned to the extent possible with other major purchasers to more effectively signal critical areas of attention for the delivery system
- Utilize funds to drive improvements, reduce disparities and narrow quality gaps across providers

QTI DESIGN CONSIDERATIONS

Category	Design Component	Proposed Approach
INCENTIVE STRUCTURE	Form of financial incentive/disincentive	Penalty
	Magnitude of penalty	1-4% of QHP premium, scaled up 1% each year from 2023 through 2026
	Threshold required to avoid all performance penalty	75th percentile nationally for QRS measures
	Unit of accountability	QHP across all regions
PERFORMANCE MEASURES	Measure sources	QRS measures at launch, may add HEI or self-reported measures over time
	Number of measures	No more than 12 total that span relevant subpopulations and are aligned with DHCS and CalPERS
	Measure weights	Equal

QTI DESIGN CONSIDERATIONS

Category	Design Component	Proposed Approach
PERFORMANCE EVALUATION	Application of penalty	• Penalty is applied based on achievement only (not improvement)* • Penalty is assessed on annual quality performance
	Achievement benchmarks	QRS Measures: • Full penalty at 25th percentile • Continuous graded penalty between 25th-50th and between 50th- 75th • Penalty weighted such that 2/3 applied in 25th-50th percentile range, 1/3 applied in the 50-75th percentile range • Avoid penalty at 75th percentile Non QRS Measures: • Behavioral health measures: benchmarks to be established • Race/ethnicity disparities gap reductions: measure methodology and benchmarks to be developed

*This may differ for disparities reduction targets.

QTI DESIGN CONSIDERATIONS

Category	Design Component	Proposed Approach
SCORING RULES	Individual measure scoring	Each measure is scored against reference norm (percentile) and penalty shares are summed across measures
	Measure weights	Equal across reportable measures (e.g., 0.1 for each of 10 measures, or 0.2 for each of 5 measures)
	Penalty scaling 25th-75th span	Compute penalty proportional to position in percentile range e.g., if 25th-50th is 50%-60% span and QHP score is 55%, then penalty will 66% of amount at risk (half of 2/3 penalty assigned for 25th-50th, plus all of 1/3 penalty component for 50th-75th)
	Penalty maximum	Maximum penalty is applied for scores below 25th percentile
	Missing measures	Reapportion measure weights to reportable measures (if there are 10 measures but a QHP only has 8 reportable measures, each is worth .125 of full penalty)
	Rounding	Round all percentile and measure scores to whole numbers (e.g., 66%)

QTI MEASURE SET CRITERIA

- **Epidemiologically relevant**: target conditions that are key drivers of morbidity and mortality for Californians, with significant racial/ethnic disparities in outcomes
- **Outcomes focused**: select measures with clear linkage to clinical outcomes
- **Established**: minimize administrative burden by relying on nationally endorsed metrics that, as much as possible, are shared across multiple measure sets
- **Actionable**: choose measures where improvement is clearly amenable to health care intervention
- **Parsimonious**: focus on a select subset of measures to achieve impact
- **Aligned**: strive to align measure sets and measure specifications to allow maximal synergy across health plans and providers

QTI CANDIDATE MEASURES (1 OF 3)

Candidate QTI Measures	Medi-Cal Managed Care Accountability Set	CalPERS	NCQA R/E Stratification	Advanced Primary Care measure set
Cervical Cancer Screening (NQF #0032)	X (MPL)	X	X	
Colorectal Cancer Screening (NQF #0034)		X		X
Diabetes HbA1c<8% (NQF #0575)	Diabetes HbA1c>9% (MPL)	X	X	Diabetes HbA1c>9%
Controlling High Blood Pressure (NQF #0018)	X (MPL)	X	X	X
Immunizations for Adolescent Combo 2 (NQF #1407)	X (MPL)	X		X
Child Immunization Combo 3 (NQF #0038)	Combo 10 (MPL)	X		Combo 10

MPL – Minimum Performance Level

QTI CANDIDATE MEASURES (2 OF 3)

Candidate QTI Measures	Medi-Cal Managed Care Accountability Set	CalPERS	NCQA R/E Stratification	Advanced Primary Care measure set
Breast Cancer Screening (NQF #2372)	X (MPL)	X		
Chlamydia Screening (NQF #0033)	X (MPL)	X		
Asthma Medication Ratio (NQF #1800)	X	X		X
Depression Screening & Follow-up (NQF #0418)*	X			X
Follow-up Post Mental Health Hospitalization (NQF #0576)		X		
Pharmacotherapy for Opioid Use Disorder (NQF #3400)*				

*Non-QRS measure
MPL – Minimum Performance Level

QTI CANDIDATE MEASURES (3 OF 3)

Candidate QTI Measures	Medi-Cal Managed Care Accountability Set	CalPERS	NCQA R/E Stratification	Advanced Primary Care measure set
All-cause Readmission (NQF #1768)	X	X		
Coordination Composite (NQF #0006)				
Access Composite (NQF #0006)				
Weight Assessment and Counseling for Children and Adolescents (NQF #0024)	X (MPL)	X		

MPL – Minimum Performance Level

QTI IMPLEMENTATION TIMELINE

- Covered California will develop the final measure set with no more than 12 measures (from the candidate list) in September-October 2021
- Covered California will finalize the QTI methodology and measures by January 2022
- First performance measurement year would be 2023, with a maximum penalty of 1% of premium to be assessed in late 2024 once performance results are available
- QTI measure set and structure will be assessed annually and adjusted if needed