AB-2275 Medi-Cal managed care: quality assessment and performance improvement. (2017-2018)

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CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL No. 2275

Introduced by Assembly Member Arambula

February 13, 2018

An act to add Section 14310 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2275, Arambula. Medi-Cal managed care: quality assessment and performance improvement.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services and under which health care services are provided to qualified, low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Under existing law, one of the methods by which Medi-Cal services are provided is pursuant to contracts with various types of managed care health plans, including through a county organized health system and geographic managed care.

This bill would require the department to establish a quality assessment and performance improvement program for all Medi-Cal managed care plans, through which the plans, commencing January 1, 2021, would be required to meet a minimum performance level (MPL) that improves quality of care and reduces health disparities for beneficiaries, as specified. The bill would require managed care plans that meet the performance targets to receive specified financial incentives. The bill would require the department, in consultation with stakeholders, to develop a plan for a value-based financial incentive program. The bill would make the implementation of the plan subject to an appropriation of funds by the Legislature to the extent that additional funding is

required to implement that plan, as specified. The bill would require the department to establish the measures by which the MPL and performance targets would be assessed and would require the measures to be collected annually, commencing July 1, 2019.

The bill would also require the department to establish a public stakeholder process in the planning, development, and ongoing oversight of the program and in the planning of the financial incentive program. The bill would require the department to annually and publicly report the program results on its Internet Web site.

The bill would require the department to utilize the program results to develop a Quality Rating System for Medi-Cal managed care plans, subject to federal approval. The department would not be required to report data that would result in statistically unreliable information or the disclosure of personally identifiable information, or to establish requirements mandated by the bill based solely on data that is determined to be statistically unreliable.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14310 is added to the Welfare and Institutions Code, to read:

14310. (a) (1) The department shall establish a quality assessment and performance improvement program for all Medi-Cal managed care plans.

(2) Commencing January 1, 2021, the quality assessment and performance program shall require Medi-Cal managed care plans to meet a minimum performance level (MPL) that improves quality of care and reduces health disparities for beneficiaries. For purposes of this section, “health disparities” means variations in disease occurrence, including communicable diseases, and health outcomes between population groups by geographic area, primary language, race, ethnicity, sex, age, sexual orientation, gender identity, and disability status. The department shall consult with stakeholders, pursuant to subdivision (e), to establish the MPL and shall consider all of the following:

(A) The median performance of Medicaid plans nationwide, for measures established in subdivision (c) that are measured and reported in states other than California.

(B) Variations in the performance of Medi-Cal managed care plans in California as compared to performance of Medicaid plans nationwide.

(C) The median performance of health plans regulated by the Department of Managed Health Care and the Department of Insurance, for measures established in subdivision (b), taking into consideration regional variation.

(D) Sufficient scientific evidence and research indicating the appropriate MPLs to improve quality and reduce health disparities.

(E) Requirements that may be established by the federal Centers for Medicare and Medicaid Services (CMS), the federal Health Resources and Services Administration (HRSA), and the federal Centers for Disease Control and Prevention (CDC).

(F) As appropriate, the quality assessment and performance levels established by other state purchasers including the California Health Benefit Exchange (Exchange) and the California Public Employees’ Retirement System (CalPERS), taking into consideration regional variation.

(3) The department may require corrective action plans and impose sanctions to ensure compliance with requirements of paragraph (2).

(4) Commencing July 1, 2021, the department shall establish quality improvement performance targets for all Medi-Cal managed care plans that improve quality of care and reduce health disparities for beneficiaries. The performance targets shall exceed the MPL and shall be based on national benchmarks, analysis of variation in California performance, best existing science of quality improvement, and effective engagement of stakeholders. Medi-Cal managed care plans that meet performance targets may receive financial incentive payments if a program is implemented pursuant to subdivision (d).

(b) The department shall establish the measures by which the MPL and performance targets will be assessed and require the measures to be collected annually commencing July 1, 2019. The department shall establish the measures in the following manner:

(1) The measures shall include the External Accountability Set (EAS) that includes, but is not limited to, the Healthcare Effectiveness Data and Information Set and the Consumer Assessment of Healthcare Providers and Systems (CAHPS).

(2) The measures shall be determined in collaboration with the stakeholder process established in subdivision (e) and shall consider the ability of the measures to demonstrate performance in reducing health disparities.

(3) The measures shall include CAHPS supplemental questions pertaining to cultural competency and health literacy.

(A) By January 1, 2021, the department shall provide validated translations of the CAHPS survey in all Medi-Cal threshold languages.

(B) By January 1, 2022, the department shall require an external quality review organization to administer the surveys annually in each county in all Medi-Cal threshold languages in that county.

(C) A Medi-Cal managed care plan that is accredited by the National Committee for Quality Assurance (NCQA) may submit to the external quality review organization, CAHPS, survey data collected annually as part of the plan's NCQA accreditation. The department shall accept this data if CAHPS determines that the survey data is collected annually and meets the requirements of the quality review.

(4) The measures shall be able to be collected in a way that allows an analysis of the measures by county, primary language, race, ethnicity, sex, age, sexual orientation, gender identity, and disability status. Sexual orientation and gender identity analysis shall only be to the extent that sexual orientation and gender identity is collected and statistically reliable data is available.

(5) As appropriate, the measures shall take into account quality assessment and performance measures utilized by other state purchasers including the Exchange and CalPERS.

(c) In order to establish the MPL described in paragraph (2) of subdivision (a) and determine the measures described in subdivision (b), the department shall require Medi-Cal managed care plans to produce baseline data for measures in the existing EAS stratified by county, or stratified by region if the plan is unable to stratify without disclosing personally identifiable information, primary language, race, ethnicity, sex, age, sexual orientation, gender identity, and disability status.

(d) In consultation with stakeholders pursuant to subdivision (e), the department shall develop a plan for a value-based financial incentive program to reward high-performing managed care plans that meet performance targets for quality improvement and health disparities reduction pursuant to paragraph (4) of subdivision (a). To the extent that additional funding is required to implement the plan, the department shall submit the plan to the Legislature for review and the implementation of that plan shall be subject to an appropriation of funds for that purpose in the annual Budget Act. This subdivision shall not preclude the department from developing or implementing a value-based financial incentive program that does not require any additional appropriation of funds.

(e) (1) The department shall establish a public stakeholder process in the planning, development, and ongoing oversight of the quality assessment and performance improvement program established in subdivision (a) and in the planning of the financial incentive program established in subdivision (d).

(2) The stakeholder process shall provide stakeholders meaningful input in the establishment of the MPL, selection of measures by which the MPL and performance targets shall be assessed, and in the design of the financial incentive program.

(3) The stakeholders shall, at a minimum, include consumer advocates, public health experts, health care providers, and representatives from the Medi-Cal managed care plans. The department shall consult with other state purchasers, including the Exchange to discuss alignment of quality measures across payers where appropriate.

(4) The department shall convene the stakeholders no less than quarterly until a majority of the stakeholders agree that quarterly meetings are no longer necessary. Materials for those meetings shall be posted on the department's Internet Web site 24 hours in advance of the meetings. Information about the meeting's time and place shall be sent to all interested members of the public no later than one week prior to the meeting. Stakeholder meetings shall be open to the public either in person or over the phone.

(f) The department shall annually and publicly report the results of the quality assessment and performance improvement program on the department's Internet Web site. The report shall identify disparities in quality of care provided to Medi-Cal managed care enrollees and shall include an analysis of performance measures established in subdivision (b), by Medi-Cal managed care plan, county, or region if unable to be produced without personally identifiable information, primary language, race, ethnicity, sex, age, sexual orientation, gender identity, and disability status.

(g) The department shall require the quality improvement system in Medi-Cal managed care contracts to include a definition of "health disparities" consistent with paragraph (4) of subdivision (a).

(h) (1) The department shall utilize the results of the quality assessment and performance improvement program to develop a publicly reported Quality Rating System for Medi-Cal managed care plans subject to federal approval.

(2) In developing the Quality Rating System, the department shall consult with stakeholders, including Medi-Cal managed care plans and consumers, to provide feedback to the department on topics that include the selection of data domains, survey

methodology, rate calculation methodology, public display so that it is accessible to all members, including members who are limited-English-proficient and persons with disabilities, dissemination, and rules regarding marketing of results.

(i) The department shall not be required to report data that would result in statistically unreliable information or the disclosure of personally identifiable information. The department also shall not be required to establish requirements mandated by this section based solely on data that is determined to be statistically unreliable.

(j) For purposes of this section, “Medi-Cal managed care plan” means an individual, organization, or entity that enters into a contract with the department to provide general health care services to enrolled Medi-Cal beneficiaries, including any of the following:

(1) Article 2.7 (commencing with Section 14087.3), excluding dental managed care programs developed pursuant to Section 14087.46.

(2) Article 2.8 (commencing with Section 14087.5).

(3) Article 2.81 (commencing with Section 14087.96).

(4) Article 2.82 (commencing with Section 14087.98).

(5) Article 2.91 (commencing with Section 14089).

(6) Chapter 3 (commencing with Section 101675) of Part 4 of Division 101 of the Health and Safety Code.