

Health Equity and Quality Program

Frequently Asked Questions

The purpose of this Frequently Asked Questions (FAQs) document is to inform all full-service and behavioral health plans (health plans) of answers to common questions asked of the Department of Managed Health Care (DMHC) as it relates to the Health Equity and Quality Program.

I. Background

Assembly Bill (AB) 133 (Committee on Budget, 2021) (Health and Safety Code section 1399.870) required the DMHC to establish and convene a Health Equity and Quality Committee (Committee) on or before March 1, 2022. The purpose of the Committee was to recommend a health equity and quality measure set (HEQMS) and benchmark standards for all DMHC-licensed full-service and behavioral health care service plans (health plans), with the goals of addressing long-standing health inequities and ensuring the equitable delivery of high-quality health care services across all market segments, including the individual, small and large group markets, and the Medi-Cal Managed Care program.

The final Committee recommendations were submitted to the DMHC Director on October 12, 2022.¹ Based on the Committee's recommendations, the DMHC established the HEQMS and measure stratification requirements. The DMHC intends to set a benchmark by the end of 2023. Health plans shall comply with AB 133 as implemented by [APL 22-028](#) and future DMHC guidance, consistent with applicable law, including Health and Safety Code section 1399.872.

As established in APL 22-028, starting in measurement year (MY) 2023, health plans must collect and report on 12 Healthcare Effectiveness Data and Information Set (HEDIS®)² measures and one Consumer Assessment of Healthcare Providers and Systems (CAHPS®)³ measure, stratified according to the National Committee for Quality Assurance (NCQA) methodology.

¹ [2022 Health Equity and Quality Committee Recommendations Report](#).

² HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

³ CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

II. Questions and Answers

MEASURE REPORTING:

1. What will the process be for reporting rates and the methodology?

The DMHC anticipates that it will release a health plan reporting template and instructions in Q1 of 2024.

2. Will the DMHC require the health plans to report their audited rates (rather than having DMHC contract with an independent auditor)?

Yes. The DMHC will require the health plans to report their audited rates.

3. Will health plans have flexibility on how to report hybrid measures?

Yes. Health plans may choose to report a hybrid measure as hybrid or administrative.

4. What will be the timeline for reporting the required information in 2024?

The DMHC is finalizing its process for MY 2023 reporting. Health plans will be required to report their MY 2023 data in Q3 of 2024.

HEALTH EQUITY AND QUALITY MEASURE SET:

5. When will the HEQMS be reevaluated?

Pursuant to Health and Safety Code section 1399.871, standard measures and benchmarks shall sunset at most every five years from the date the Department establishes them. At least one year before the standard measures and benchmarks sunset, the Department shall conduct a public assessment to determine if the measures and benchmarks are improving quality and equity. Accordingly, the current HEQMS will be effective MY 2023 and through at least MY 2027. Within that five year period, the Department will reevaluate the effectiveness of those measures and benchmarks.

In addition to the above sunset provision, the Department may reconvene the Committee to make recommendations on updating and revising the standard measures and benchmarks, pursuant to Health and Safety Code section 1399.870.

MEASURES:

6. Please confirm that the DMHC will follow NCQA HEDIS and CAHPS specifications for reporting on the quality measures and data reporting methodology.

Yes. The DMHC can confirm that it will follow NCQA's HEDIS and CAHPS specifications and will not make any adjustments.

MEASURE STRATIFICATION:

7. NCQA requires health plans to stratify by race and ethnicity for only nine of the 13 measures. Is NCQA approval required for stratifying the four additional selected measures?

No. NCQA approval is not required for stratifying the four additional selected measures. The stratifications are part of the HEDIS Allowable Adjustments⁴. The only requirement is that they be run through a certified vendor's logic and the certified vendor then puts the appropriate disclaimers on the rate (i.e., adjusted, unaudited HEDIS rate).

Additionally, the NCQA was a member of the [Health Equity and Quality Committee](#) and is aware of the DMHC's decision to require stratification by race and ethnicity for the additional four measures.

PERFORMANCE IMPROVEMENT:

8. How many months will a plan have to set appropriate targets and conduct performance improvement to reach targeted goals? For example, will MY 2023 or MY 2024 performance be used to set targets for MY 2025?

The DMHC anticipates establishing a benchmark by Q4 of 2023. For data submitted by the health plans in MY 2023 and 2024, the DMHC may assess administrative penalties for violations relating to health plan data collection, reporting, and corrective action plan implementation or monitoring requirements.

The DMHC will promulgate a regulation codifying the measures and benchmarks by January 1, 2027. Once the regulations are promulgated, the DMHC may begin assessing administrative penalties for failure to meet the health equity and quality benchmarks.

NATIONAL COMMITTEE FOR QUALITY ASSURANCE (NCQA):

9. Will health plans be required to obtain NCQA Health Equity Accreditation, per the recommendation from the Health Equity and Quality Committee?

The DMHC does not currently have the authority to require health plans to obtain the health equity accreditation.

⁴ The Rules for Allowable Adjustments are included in the HEDIS Volume 2 publication after the applicable HEDIS measure specifications.

MEDI-CAL:

10. Does the DMHC plan to make an adjustment to the benchmark for Medi-Cal health plans due to redeterminations?

No. At this time, the DMHC does not plan to make any adjustments for Medi-Cal health plans due to redetermination.

REGULATIONS:

11. What does DMHC intend to include in regulations?

The regulations will capture at least the 13 HEQMS, benchmark standards, and CAP requirements. The DMHC will track and consider including additional items in the regulations necessary to implement the HEQ program. Regulations will need to be in place by January 1, 2027.