



STRATEGIES TO ADDRESS HEALTH EQUITY AND DISPARITIES

Covered California’s mission is 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.

Since its inception, addressing health equity and disparities in healthcare has been integral to the mission of Covered California and central to the organization’s marketing, benefit design and health plan accountability efforts. Covered California’s membership reflects the state’s racial and ethnic diversity: among enrollees who provide demographic information two-thirds of all enrollees are people of color – 28% are Latino; 25% are Asian American; 13% African American, Native Hawaiian or other Pacific Islander, or multiple races; and 35% are White. About one in five enrollees prefer a language other than English, with half of them preferring Spanish, and many preferring Chinese, Korean and Vietnamese. More than 60% of enrollees have income less than 250% FPL, and 90% of enrollees receive federal subsidies. What follows is a high-level overview of activities directed at addressing health disparities and promoting health equity.

Enrollment and Outreach Efforts

Covered California’s marketing and outreach efforts are designed to reach and promote the enrollment of California’s diverse communities. For example:

- Marketing and promotional efforts have a specific focus on health insurance literacy, racial and cultural diversity, LGBTQ communities, and rural locales.
- Materials and strategies are culturally and linguistically tailored, and include in-language marketing in nine languages, targeting both paid and earned media at media channels specific to Latino, African American, Asian American, and LGBTQ+ communities.
- Service channels are identified and promoted to support navigation of health care and coverage, including promoting in-language resources and consumer support through racially/ethnically diverse agents, navigators, and Covered California service center representatives.
- Regular public reporting provides accountability and serves as a monitoring mechanism to transparently share the effectiveness of outreach, education, and enrollment efforts.
- Health plans are held accountable for conducting marketing, outreach, engagement, education, and support to enrollees in navigating commercial health insurance, understanding benefits, and accessing care informed by the diversity of Covered California’s service population.
- In development is an auto-enrollment program to assist eligible enrollees exiting Medi-Cal, who are more likely to be people of color and lower-income Californians, to be automatically enrolled in Covered California.

Patient-Centered Benefit Design

Covered California's standardized patient-centered benefit designs foster better access to care for lower income Californians. Features include:

- Focus on “health insurance literacy” and income with attention to the impact of cost sharing at each income level.
- Benefits are designed to prevent “gotcha” insurance experiences (e.g. standard benefit designs, emphasis on copays over co-insurance, and formulary tier definitions to simplify member plan comparisons).
- Barriers to primary and urgent care minimized, including requirements for first-dollar coverage in all tiers above Bronze (and even Bronze coverage requires three non-preventive visits annually not be subject to any deductible).

Contractual Requirements

Covered California has several contractual requirements directly related to health equity and disparities reduction. Contract elements and regular oversight include:

- **Networks designed to meet diverse populations needs:** All health plans are required to have as part of their networks a mix of essential community providers, which ensures that traditional safety net providers that serve vulnerable communities are included in network design. Covered California's ongoing monitoring includes assessment of health plan approaches to assessing member cultural and linguistic needs and preferences, as well as efforts to build and maintain culturally responsive networks.
- **Demographic data collection:** The ability to analyze data for disparities is the foundation of our health equity work and requires complete and accurate demographic data. Covered California has an approximately 80% voluntary response rate to race/ethnicity questions during the enrollment process. In addition, Covered California requires health plans to achieve an 80% self-reported response rate for race/ethnicity, tied to a performance guarantee. For 2023, health plans will also be expected to collect self-reported spoken and written language.
- **Ongoing work to stratified performance measures by race/ethnicity:** Covered California has consistently sought to stratify key clinical measures by race and ethnicity but has found these efforts challenging. Initially Covered California identified 14 measures for stratification but encountered significant methodologic issues. In 2021, Covered California transitioned to four HEDIS measures using issuer-submitted patient level data; these are being used to inform disparities reduction interventions. In the future, the Quality Transformation Initiative – which is under consideration and would use a small number of critical clinical measures to hold health plans accountable – will be stratified by race/ethnicity, language, and income.
- **Disparities reduction interventions** are required of all health plans and are tied to performance guarantees. Health plans are being supported with mandatory learning and technical assistance sessions, and each plan is required to submit a disparity intervention plan for approval with a target disparity reduction. Most plans are working on diabetes control in Latino or Black enrollees.
- **NCQA Multicultural Health Care Distinction or Health Equity Accreditation** must be obtained by 2023, with a performance guarantee credit for early attainment in December 2022.