

## State of California Third-Party Administrator Contract Overview

The state's Third Party Administrator officially begins its work to build a statewide vaccine network to ensure the equitable, efficient and safe administration of COVID-19 vaccines on Feb. 15, 2020. Here is a short overview of the contract:

### Vaccine Allocation and Equity

- The state will be responsible for establishing the Vaccine Allocation Criteria and ultimate determination/approval of all vaccine allocations and making allocation determinations based on strategic reporting from Blue Shield
- Blue Shield will develop, and recommend for adoption by the state:
  - Network Incentive Payment methodologies and criteria, which include but are not limited to:
    - Volume-based payments
    - Equity payments with verification on back end (close Equity Gaps and ensure Equity Goals are met)
    - Percent of vaccines administered
  - A Vaccine Allocation Algorithm, with a focus on equity, to be used in operationalizing the distribution of vaccines across the state. The Allocation Algorithm will include both geographic and Vaccine Provider allocations.
  - An Appointment Prioritization Algorithm to guide prioritization of appointments at State Vaccine Network sites

### Network Performance

Network performance Criteria for State Vaccine Network includes:

- Access
  - Vaccines must be available for 95% of people within 30 minutes in urban areas and 60 minutes of rural areas.
  - Administer vaccines to people who are homebound or suffering from illnesses/disabilities that make it unsafe or prohibitively difficult for them to visit a Vaccine Provider for a vaccination in all 58 counties.
- Capacity
  - Number of vaccination doses that can be administered per week statewide and (proportionate to the population) by county.
    - By March 1st: 3.0 million per week
    - By April 30: 4.0 million per week
- Equity
  - Starting in March, the state will establish a monthly goal for the percentage of vaccinations completed for the following populations:
    - State-identified under-resourced or disproportionately impacted populations
    - People living in Healthy Places Index tracts that rank in the lowest quartile
- Administration Efficiency
  - 95% of vaccines (both first and second doses) must administered within one week of being received safely by Vaccine Providers.
- Patient Experience
  - If appropriate, establish a 5-star rating system and invite patients to rate their experience getting vaccinated on My Turn (5 stars being the best, 1 star being the worst).
    - Average rating of 4 stars or higher

For the initial phase of Vaccine Provider Credentialing, Blue Shield currently intends to focus participation efforts on a number of selected providers that Blue Shield, in consultation with the state and local health jurisdictions, believes are able to meet or exceed capacity, equity, and geographic reach concerns.

### **Network Management**

Blue Shield's Network Management Strategy will include:

- Monitoring and oversight of Vaccine Provider reporting and data entry in My Turn
- A process for monitoring Vaccine Provider compliance with the Participation criteria; Equity Goals, or Volume Requirements; and other performance and compliance issues identified by Blue Shield or the state

### **Data Management**

Blue Shield shall provide Vaccine Allocation Reports to the state on a daily basis, which include:

- Equity Goals
- Equity Gaps
- Hot Spots
- Low Performing Geographies
- Low Performing Providers
- Volume Requirements

### **Provider Responsibility**

As part of Model Contracts or provider credentialing and enrollment process, vaccine providers:

- Are prohibited from balance billing for vaccine administration services.
- Agree to provide vaccine administration services to any resident of California who is eligible for vaccination and for whom vaccination is medically appropriate, regardless of ability to pay, health plan or insurance status, or type of coverage (if any), and regardless of whether there is any previously existing patient or member relationship with Vaccine provider.
- Are able to and commit to meet volume requirements
- Are able to and commit to closing equity gaps and meeting equity goals
- Agree to comply with Vaccine Provider Reporting requirements

### **Blue Shield Compensation**

Blue Shield will not bill the state for its staff time spent on performing the services.

- The state shall pay Blue Shield for third-party costs and expenses actually incurred by Blue Shield in its performance of this Agreement. The amount payable shall not exceed \$15,000,000 for the contract term.
- The state will pay vaccine providers directly for startup costs, ongoing support for items such as transportation assistance for vaccine recipients or at-home vaccinations for the homebound, and incentive payments.
- The actual costs of a standard vaccine administration fall to the entity providing health coverage, namely Medicare, Medi-Cal or private health coverage. Vaccine administration costs for the uninsured will be covered by HRSA under the CARES Act.

### **FAQ:**

### What is a third-party administrator?

- A TPA is an entity that selects and manages the network responsible for the delivery of health care or other services on behalf of a group of people.
- The state will provide distribution criteria to the TPA to ensure an equitable vaccine allocation based on population needs and COVID-19 burden.
- California will continue to report vaccine administration statistics such as administration volume, geographic distribution, and equity metrics through a public online dashboard.

### Why is a TPA important?

The TPA plays a vital role in creating a single functional, effective and equitable vaccine distribution system across the state. As the TPA, Blue Shield of California will help ensure a coordinated vaccine delivery effort that prioritizes safety, equity and efficiency in getting vaccines to Californians.

#### *Key functions of the TPA*

- **CONTRACTS:** Develop and manage the state vaccine network contracts, including start-up costs and monthly incentive payments.
- **COMMUNICATIONS & EDUCATION:** Develop and implement a communications plan with the state vaccine network providers.
- **IMPLEMENTATION:** Support vaccine distribution set by the state, including considerations such as hotspots and equity measures.
- **REPORTING:** Feed provider data as required to myturn.ca.gov and statewide dashboards.

### Why is the state of California contracting with Blue Shield of California as a TPA?

- Blue Shield of California (BSC) was selected to be the TPA for the State of California, tasked with creating and managing an equitable and efficient statewide vaccine provider network. This network will include providers (e.g., health systems, hospitals, clinics, pharmacies, mass vaccination sites, mobile clinics) who meet program requirements, such as data integration, equity, and volume capacity.
- The state is contracting with BSC because of its robust network management expertise – its PPO network comprises 63,000+ physicians and 370+ hospitals – and its experience as a health plan administrator for large employers, including large state accounts.
- BSC is a California-based non-profit health plan with a provider network that covers all 58 California counties, and it is the only health plan on Covered California that has a PPO network covering every residential zip code in the state.
- BSC is contracting with the state on an at-cost basis and will not profit from this work in any way.