

Office of Health Care Affordability

New Standards

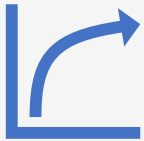
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June 2024





Increase transparency on spending and quality



Set spending targets for the health care field



Enforce compliance, including through financial penalties



Monitor and review market transactions



Establish new standards, including for quality, equity, workforce

New Standards in Four Domains

Alternative Payment Methodologies (APMs)

Promote the shift of payments from fee for service to APMs that incentivize equitable, high-quality, and cost-efficient care by setting statewide goals for APM adoption and measuring the state's progress

Deadline: July 2024

Workforce Stability

Develop standards to promote the stability of the health care workforce, monitor health care workforce stability, and assist health care entities in implementing cost-reducing strategies that do not exacerbate existing workforce shortages.

Deadline: July 2024

Quality and Equity

Establish a single set of measures to be reported in annual reports.
Must be aligned with those of other programs and payers
Should allow for measurement of disparities between different groups

Deadline: June 2027

Primary Care and Behavioral Health Investments

Measure the percentage of health care spending allocated to primary care and behavioral health and set spending benchmarks
Report on related spending in annual reports

No deadline

OHCA Goal

Increase the share of Californians whose care is paid for through APMs

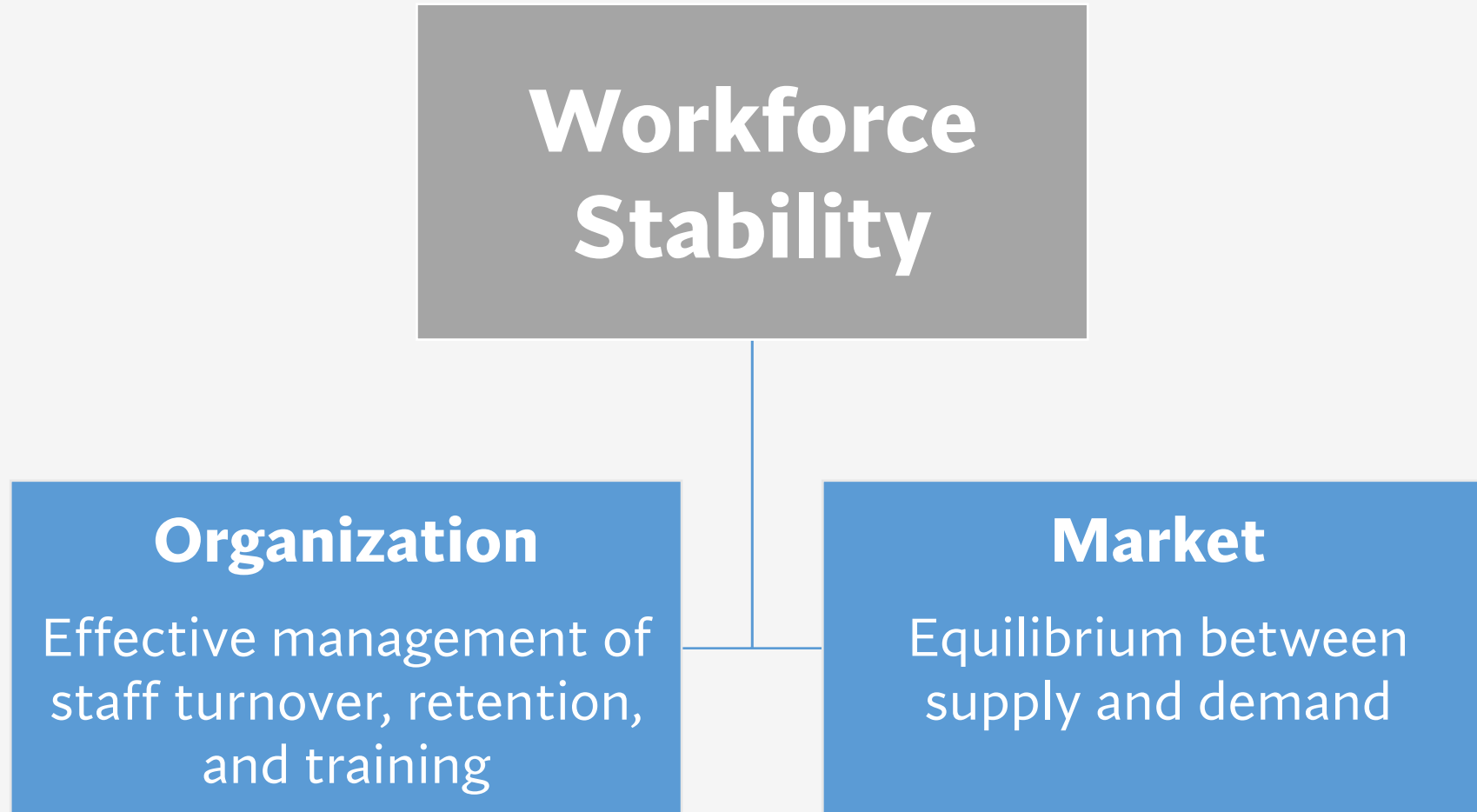
Standards approved in June 2025

- Apply directly to payers, not providers
- Are not directly enforceable, though may be enforced under the separate performance improvement process
- To qualify, APMs must incorporate a shared risk/savings component or involve capitation

APM Adoption Goals

Percent of Health Plan/Insurer Members Attributed to an APM

	Commercial HMO	Commercial PPO	Medi-Cal	Medicare Advantage
2026	65%	25%	55%	55%
2028	75%	35%	60%	65%
2030	85%	45%	65%	75%
2032	90%	55%	70%	85%
2034	95%	60%	75%	95%



Standards will go into effect later this summer, can be found here:

https://hcai.ca.gov/wp-content/uploads/2024/04/OHCA-Recommendations-to-Board_Proposed-Workforce-Stability-Standards.pdf

Organization Level

Standards

- Monitor key performance indicators (e.g., turnover rates, retention rates, vacancy rates)
- Develop processes to adapt to changing workforce conditions
- Invest in training opportunities
- Increase use of interdisciplinary teams
- Provide culturally and linguistically competent care
- Monitor and address workplace violence

Data Metrics and Sources

- OHCA will use existing reporting to analyze trends (e.g., staffing levels and worker compensation)
- Existing reports to include:
 - Hospital Annual Financial Disclosure Reports
 - Long-Term Care Facility Integrated Disclosure and Medi-Cal Cost Reports
 - Primary Care Clinic Annual Utilization Data

Market Level

Data Metrics and Sources

OHCA will use existing data sources to analyze key trends

- Licensed and unlicensed professionals using CA Licensure Board records
- Workforce diversity using the American Community Survey
- Wages and employment levels using Bureau of Labor Statistics data
- Health care-related postsecondary degrees using the US Integrated Postsecondary Education Data System

Establish a single set of **quality and equity standards** to be reported upon in annual reports

- Must draw from existing measures
- Stratified by race, ethnicity, sexual orientation and gender identity
- Will apply to all health care entities

Goal

Encourage a shift in spending toward preventive care, including behavioral health

Draft Primary Care Benchmark

Annual Improvement Benchmark: Each payer* increases primary care spending by 0.5 percentage points to 1 percentage point per year, depending on current level of investment.

AND

2034 Investment Benchmark: California allocates 15% of total medical expense to primary care by 2034 across all payers and populations.

Behavioral Health Benchmark

TBD

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