



2020 West El Camino Avenue, Suite 800
Sacramento, CA 95833
hcai.ca.gov



**NOTICE OF PUBLICATION AND PUBLIC MEETING
OFFICE OF HEALTH CARE AFFORDABILITY
PROPOSED ALTERNATIVE PAYMENT MODELS (APMs) STANDARDS AND
ADOPTION GOAL RECOMMENDATIONS TO THE BOARD**

To All Interested Parties:

NOTICE IS HEREBY GIVEN that the Department of Health Care Access and Information (HCAI or Department), Office of Health Care Affordability (OHCA or Office) published its recommendations for alternative payment models standards and adoption goal (hereinafter, “APM Standards and Adoption Goal”) on February 23, 2024. The text of the recommendations is available at: <https://hcai.ca.gov/affordability/ohca/#office-updates>.

PUBLIC MEETING FOR PROPOSED APM STANDARDS AND ADOPTION GOAL

The Health Care Affordability Board (Board) shall discuss the Office’s recommendations at the February Board meeting. The Board meeting will be both virtual and in-person; short breaks may be taken, as appropriate.

February 28, 2024, starting at 10 a.m.

In-Person Location:

2020 West El Camino Avenue, Suite 900 (Sierra Conference Room), Sacramento CA

Free parking is available around the building. Please do not park in reserved spaces.

Individuals with disabilities may request an accommodation or modification to observe or participate in the meeting from the Contact listed below. Providing your request at least five (5) business days before the meeting will help ensure availability of the requested accommodation.

Phone (Audio Only):

- Dial +1 (916) 535-0978 (United States – Sacramento, California)
- Enter Phone Conference ID: 869 066 187#

Online via Microsoft TEAMS:

Join on your computer or mobile app - Click [here](#) to join the meeting Or copy and paste the following link into your browser:

https://teams.microsoft.com/join/19%3ameeting_NmE2ZmZkOGEtNmFiZS00OWMwLTlhNzMtNzNkYTQzZmFmNGM4%40thread.v2/0?context=%7b%22Tid%22%3a%2228891a93-888f-489f-9930-e78b8f733ca6%22%2c%22Oid%22%3a%22dc5107c4-3a16-490d-b720-797de60976ef%22%7d

For best results, please use Google Chrome or Microsoft Edge browsers to join the meeting. Should technical difficulties arise during the meeting, verbal comments from those at the physical location will still be accepted.

Members of the public are NOT required to identify themselves or provide other information to attend or participate in this meeting. If Microsoft Teams requires a name, you may enter “Anonymous.” You may also input fictitious information for other requested information if required to attend the meeting (e.g., anonymous@anonymous.com).

COMMENT PERIOD

The Board shall receive and consider public comments at, and for **30** days after, the February 28, 2024 Board meeting. Written comments relevant to the proposed APM Standards and Adoption Goal may be submitted, either brought to the above-mentioned meeting or sent by mail or e-mail to the address listed under Contact in this Notice, to be received by the Office by 5:00 p.m. on **March 29, 2024**. All written comments timely received by the Office will be delivered to the Board.

The Board shall also receive and consider input, including recommendations, from the Health Care Affordability Advisory Committee (Advisory Committee).

POLICY STATEMENT OVERVIEW

The California Health Care Quality and Affordability Act (hereinafter, the “Act”) was enacted by Senate Bill (SB) 184 (Chapter 47, Statutes of 2022), and became effective June 30, 2022. It added Chapter 2.6 (commencing with Section 127500) to Part 2 of

Division 107 of the Health and Safety Code.

Pursuant to Health and Safety Code section 127504(a), OHCA shall promote the shift from payments based on fee-for-service to alternative payment models that provide financial incentive for equitable high-quality and cost-efficient care. In furtherance of this goal, the Office shall convene health care entities and organize an alternative payment model working group, set statewide goals for the adoption of alternative payment models, and measure the state's progress toward those goals. With input from the working group, the Office shall set benchmarks that include, but are not limited to, increasing the percentage of total health care expenditures delivered through alternate payment models or the percentage of membership covered by an alternative payment model.

Health and Safety Code section 127504(b)(1) through (b)(5) requires the following:

- (1) To advance statewide goals for adoption of alternative payment models, the office shall consider existing alternative payment models and work with the working group to develop standards for alternative payment models that may be used during contracting between health care entities. The office shall adopt the standards for alternative payment models on or before July 1, 2024.
- (2) The standards for alternative payment models shall focus on encouraging and facilitating multipayer participation and alignment, improving affordability, efficiency, equity, and quality by considering the current best evidence for strategies such as investments in primary care and behavioral health, shared risk arrangements, or quality-based or population-based payments.
- (3) The standards shall include minimum criteria for what is considered an alternative payment model, but be flexible enough to allow for innovation and evolution over time. The standards shall be consistent, and align, to the extent possible, with the quality and equity measures outlined in Article 4 (commencing with Section 127503) to encourage physicians and other providers to make investments and aim to see year-over-year improvement.
- (4) The standards shall address appropriate incentives to physicians and other providers and balanced measures, including, but not limited to, total cost of care and quality, access, and equity requirements shared savings models, to protect against perverse incentives and unintended consequences.
- (5) The standards shall attempt to reduce administrative burden by incorporating alternative payment models that facilitate multipayer participation and align with other state payers and programs or national models.

Pursuant to Health and Safety Code section 127501(c)(8), OHCA shall:

- (8) Advance standards for promoting the adoption of alternative payment models.

Pursuant to Health and Safety Code section 127501.11(b)(4), the Board shall approve:

(4) The statewide goals for the adoption of alternative payment models and standards that may be used between payers and providers during contracting.

Any interested person may present relevant statements, orally or in writing, at the above-mentioned meeting or may submit written comment as detailed above.

CONTACT

Megan Brubaker
2020 West El Camino Avenue, Suite 1200, Sacramento CA 95833
OHCA@hcai.ca.gov