CalOptima Health Board Action Agenda Referral

Action To Be Taken November 5, 2026
Regular Meeting of the CalOptima Health Board of Directors

Consent Calendar

7. Approve the CalOptima Health Measurement Year 2027 Medi-Cal and OneCare Pay for Value Programs

Contacts

Linda Lee, Executive Director, Quality Improvement, (657) 900-1069
Richard Lopez, M.D., Interim Chief Medical Officer, (657) 900-1483

Recommended Action

1. Approve CalOptima Health Measurement Year 2027 Medi-Cal Delegated Health Network Pay for Value Performance Programs effective January 1, 2027, through December 31, 2027.
2. Approve CalOptima Health Measurement Year 2027 OneCare Delegated Health Network Pay for Value Performance Programs effective January 1, 2027, through December 31, 2027.
3. Approve the Measurement Year 2027 CalOptima Health Community Network Medi-Cal and OneCare Primary Care Provider Pay for Value Performance Programs effective January 1, 2027, through December 31, 2027.
4. Approve the Measurement Year 2027 Shared Risk Pool Quality Measures effective January 1, 2027, through December 31, 2027.

Background

CalOptima Health's Pay for Value Performance Program (P4V Program) recognizes outstanding performance and supports ongoing improvement to strengthen CalOptima Health's mission of serving members with excellence and providing quality health care. Health Networks (HNs), CalOptima Health Community Network (CHCN), and HN's primary care physicians (PCPs), are eligible to participate in the P4V Program.

The purpose of CalOptima Health's P4V Program is to:

1. Recognize and reward HNs and CHCN PCPs for demonstrating quality performance;
2. Drive improvement in quality outcomes and processes through monetary incentives and penalties;
3. Provide comparative performance information for members, providers, and the public on CalOptima Health's HN and CHCN PCP performance; and
4. Provide industry benchmarks and data-driven feedback to HNs and CHCN PCPs on their quality improvement efforts.

CalOptima Health staff have obtained feedback from HN and CHCN physician partners on recommendations to refine and improve the P4V Program to drive improvement and achieve quality goals. Based on this feedback, CalOptima Health has shifted from an annual, retrospective

pay-for-performance model to a real-time, point-of-care incentive approach, enabling providers to earn incentives as care gaps are closed. This new model launched in July 2026 with OneCare CHCN, and is now expanding to Medi-Cal CHCN, positioning us for full implementation in the 2027 program year.

Discussion

Measurement Process

CalOptima Health staff calculates the quality rating score for each HN annually. For Measurement Year (MY) 2027, staff will use the Integrated Healthcare Association (IHA) methodology for both Medi-Cal and OneCare. This will enable CalOptima Health to use an industry standard methodology and improve efficiencies by using one standard quality rating methodology. The performance score is derived from the most recently available audited Healthcare Effectiveness Data and Information Set (HEDIS), Consumer Assessment of Healthcare Providers and Systems (CAHPS), and Centers for Medicare & Medicaid Services (CMS) Star measure data.

Medi-Cal Delegated HN P4V Program

Staff recommends implementing the MY 2027 Delegated HN Medi-Cal P4V Program with the following program components:

1. Maintain IHA pay for performance methodology to assess performance.
    a. The methodology uses both attainment and improvement to assess performance and is based on the CMS hospital value-based purchasing model.
    b. The greater of either the attainment or improvement score will be used to calculate incentive payments.
    c. A total quality score will be calculated based on the sum of points earned for each measure on a scale of 0 to 10, with 10 as the maximum. Measures are weighted 1.0 for clinical measures and 1.5 for member experience measures.
        i. The total quality score determines the percentage of incentive pool earned with the total rating equating to the percentage of incentive allocation earned. For example, a quality rating of 3.5 equates to 35% of the incentive allocation.

2. Utilize the MY 2027 Department of Health Care Services (DHCS) Managed Care Accountability Set (MCAS) measures held to minimum performance level (MPL) for the HEDIS measurement set. Based on preliminary notice from DHCS, the MY 2027 Medi-Cal P4V Program will have a total of 20 quality measures. CalOptima Health's P4V Program will adopt the final MY 2027 MCAS MPL measure set upon availability by DHCS.

3. Continue to include CAHPS composites and overall ratings as member experience measures. Utilize both the child and adult CAHPS results, proportional to the age distribution of the assigned member population. For example, if a HN's membership is 30% children ages 0 to 18 and 70% adults, the CAHPS rate would be 30% from the child CAHPS score and 70% from the adult CAHPS score.

4. Continue to use the National Committee for Quality Assurance (NCQA) Quality Compass National Medicaid percentiles as benchmarks. For MY 2027, MY 2026 Medicaid percentiles will be used as benchmarks.

5. Maintain program funding methodology at 10% of professional capitation (risk adjusted base capitation only).

6. Implement corrective action for HNs that score below the 50th percentile, requiring the HN to submit an improvement plan for that measure to CalOptima Health.

7. Apply the DHCS quality withhold as follows:
    a. DHCS will maintain its quality withhold and incentive program for managed care plans. For calendar year 2027, the quality withhold percent will remain 1.0% of capitation payments from each Medi-Cal managed care plan. DHCS may apply a higher withhold percentage in future Medi-Cal managed care plan contracts.
    b. Based on the DHCS quality measures, CalOptima Health will be assessed for the amount of withhold payments that may be earned back. The unearned percentage will be applied in CalOptima Health's P4V calculation across all HNs. Staff recommends deducting the percent of unearned DHCS withhold from each HN's earned P4V Program payment.

8. Utilize unearned incentive dollars for CalOptima Health-led system-wide quality interventions such as member health reward programs, mobile or at-home health screenings, digital measure improvements, and other targeted initiatives. Upon availability of funding from unearned incentive dollars after use for CalOptima Health-led interventions, CalOptima Health will also issue quality grants to HNs that will be directed toward improving individual measures or groups of measures.

OneCare Delegated HN P4V Program

Staff recommend implementing the MY 2027 OneCare Delegated HN P4V Program with the following program components:

1. Adopt the IHA pay for performance methodology, as described in the Medi-Cal section above, to assess performance.
    - Performance will be calculated on a Star rating scale based on CMS Star ratings. Each measure can earn between 1 and 5 stars.
    - Measures are weighted 1.0 for process measures, 2.0 for member experience measures, and 3.0 for outcome measures.

2. Utilize select CMS Part C and D measures for the P4V measurement set. Selected measures are those that are directly aligned with HN responsibilities.

3. Utilize CMS Star cut-points as benchmarks. For MY 2027, the 2029 Star Rating cut points will be used.

4. Calculate the total quality score based on the sum of points earned for each measure on a scale of 1 to 5 stars.

5. Use the total quality score to determine the percentage of incentive pool earned with the total rating equating to the percentage of incentive allocation earned.

6. The percentage of OneCare incentive earned will be determined as follows:

OneCare P4V Performance	MY2027/ SY2029 Incentive Percent
Below 3.0 stars	0%
3 Stars	20%
3.5 Stars	40%
4.0 Stars	60%
4.5 Stars	80%
5.0 Stars	100%

Note: MY = measurement year; SY= Star rating display year

7. Maintain program funding at $20 per member per month (PMPM).

8. Implement corrective action for HNs that score below 3-Stars, requiring the HN to submit an improvement plan for that measure to CalOptima Health.

9. Utilize unearned incentive dollars for CalOptima Health-led system-wide quality interventions such as member health reward programs, mobile or at-home health screenings, digital measure improvements, and other targeted initiatives.

MY 2027 CHCN Medi-Cal and OneCare PCP P4V Programs

CalOptima Health has implemented a real-time, physician P4V Program model for CHCN PCPs, transitioning away from the prior annual, retrospective structure. Staff recommends continuing this

real-time model into MY 2027, supporting improved quality performance and enhanced provider engagement through timely, actionable insights.

Staff recommends continued use of a software vendor to deliver the PCP P4V Program. The physician incentive software allows CalOptima Health contracted providers to view and close quality care gaps and earn corresponding P4V Program incentive dollars. The physician incentive software:

1. Provides a single view of health-promoting behaviors and corresponding incentive values through a simple user interface that engages PCPs and office staff.

2. Supports real-time updates to care gap closure status upon the physician/office staff taking action.

3. Ensures timely and transparent incentive payments to providers, providing payments throughout the year versus annually.

Providers will have visibility to their member panel with care gaps, actions that can earn incentives, and their progress made toward earning incentives as actions are taken and care gaps are closed. Incentives will range from $5 to $50 depending on the action taken and care gap closed.

The OneCare PCP P4V Program will utilize a two-tier incentive structure, with gap-closure payments of either $25 or $50 per qualifying action, reflective of the smaller OneCare member population and corresponding gap volume:

- Tier 1: $25 per care gap closed for quality measures that have demonstrated stable performance and/or are lower in complexity.
- Tier 2: $50 per care gap closed for quality measures where performance has plateaued, and/or are outcome-based.

The Medi-Cal PCP P4V Program will utilize a structured, three-tier incentive structure:

- Tier 1: $5-$25 per care gap closed for quality measures that require a single administrative touchpoint or are low in complexity.
- Tier 2: $30-$45 per care gap closed for quality measures that require clinical coordination (*e.g.,* multiple office visits required and/or are time-bound).
- Tier 3: $50 per care gap closed for quality measures that require complex clinical management and/or are outcome-based.

The total incentive payout shall not exceed 10% of total capitation. Funding for this program will draw from unearned MY 2025 P4V Program funds.

MY 2027 Unearned Incentive Dollars

MY 2027 P4V funds that remain unused – due to HNs failing to earn the maximum incentive possible or due to forfeitures based on CalOptima Health's failure to achieve the MPL – may be used for quality improvement initiatives. Upon availability of funding, HN grants will be available from unearned funds for Medi-Cal only.

HNs may apply for grants to utilize incentive dollars for quality improvement initiatives. Grants may be awarded for individual measures or groups of measures targeting similar member populations, for example, well-child visits and childhood immunizations. Total grant funds to an individual HN will not exceed the HN's maximum pool funding incentive for each MY, including deduction for DHCS quality withholds. Grants may not be used to fund administrative staffing nor for capital investments but may be used for staff for direct implementation of quality initiatives.

Staff will provide oversight of grants pursuant to CalOptima Health Policy AA.1400: Grants Management and will return to the Board of Directors (Board) to provide updates on the status of these grants at future meetings.

CalOptima Health will utilize a portion of the unearned MY 2027 CHCN HN P4V Program funds for the MY 2027 CHCN PCP P4V programs. CalOptima Health will also use unearned MY2027 Delegated and CHCN HN Program funds for CalOptima Heath-led quality improvement initiatives such as member outreach and education, programs to close care gaps, and programs to close data gaps.

Unearned incentive funds will be used as described herein. Staff will finalize expenditures from the MY 2027 P4V programs by Quarter 4 of 2028 and report back to the Board.

Eligibility for Incentive Payments

Performance incentive payments to HNs are distributed upon final calculation and validation of each measurement rate. Performance incentive payments to CHCN PCPs are issued throughout the MY, with an additional payout after the MY closes to account for claims runout. To qualify for payments:

- A HN must be contracted with CalOptima Health during the entire measurement period (January 1, 2027, through December 31, 2027), the calculation period (January 1, 2027, through December 30, 2027), and at the time of disbursement of payment.
- Providers must be contracted as a PCP with CalOptima Health CHCN at the time of payment distribution and must have at least five (5) CalOptima Health members attributed at the TIN level for each line of business.
- HNs and PCPs must also be in good standing with CalOptima Health at the time of disbursement of payment. CalOptima Health considers a provider in good standing if they have a valid contract during service, measurement and payment periods, and are not subject to any sanctions, exclusions, or preclusions. This status is verified by the Audit and Oversight Department. HNs must distribute a minimum of 85% of their incentive payment to their contracted physicians.

Shared Risk Pool Quality Measurement

HNs under a shared risk arrangement are subject to meeting quality measurement requirements to receive payment from shared risk pool funds, as defined in CalOptima Policy FF.1010: Shared Risk Pool and Policy MA.3003: Medicare Shared Risk Pool.

For Medi-Cal, performance against the following selected P4V Program measures will determine eligibility for shared risk pool distribution:

1. Follow-Up after Emergency Department (ED) Visits for Mental Illness-30 Days.
2. Follow-Up After ED Visits for Substance Use-30 Days.
3. Prenatal and Postpartum Care: Postpartum Care (7-84 Days).
~~4.~~1.~~Follow-Up after ED Visits for Mental Illness-30 Days.~~

For OneCare, performance against the following selected P4V Program measures will determine eligibility for shared risk pool distribution:

1. Follow-Up after ED Visits for Mental Illness-30 Days.
~~1.~~2.Follow-Up After ED Visits for Substance Use-30 Days.
~~2.~~3.Plan All-Cause Readmissions (30-Days).
~~3.~~4.Transitions of Care (31-Days)
~~4.~~5.Follow-Up after ED Visit for People with Multiple High-Risk Chronic Conditions (7-Days)

To receive shared risk pool payments, HNs must achieve at least the 25th percentile across the ~~four~~ three measures for Medi-Cal and ~~four~~ five measures for OneCare, separately. Performance will be calculated by averaging the percentile achieved for each measure, with each measure equally weighted. Any HN that does not meet this requirement will forfeit their portion of shared risk pool funds for that product line. Staff currently forecast all HNs will meet the minimum performance percentile.

Fiscal Impact

Medi-Cal P4V Program
Staff estimates that the fiscal impact for the MY 2027 P4V Program will be no more than 10% of the professional capitation (base rate only) or approximately $58 million. As a subset of this amount, staff estimates that approximately $11 million will go toward CHCN PCPs. Staff will include estimated pool funding for the MY 2027 P4V Program initiatives and grant activities in the Fiscal Year (FY) 2027-28 Operating Budget.

OneCare P4V Program
Staff estimates that the fiscal impact for the MY 2027 OneCare P4V Program will be no more than $20 PMPM or approximately $4.7 million. As a subset of this amount, staff estimates that approximately $1 million will go toward CHCN PCPs. Staff will include estimated pool funding for the MY 2027 P4V Program initiatives and grant activities in the FY 2027-28 Operating Budget.

Rationale for Recommendation

CalOptima Health strives to continuously improve the quality of care and outcomes for all members. CalOptima Health is committed to demonstrating breakthrough improvement in quality measures, achieving high performing managed care plan status, and achieving a 5-Star rating status. To achieve optimal quality performance and more fully engage the physician network, CalOptima Health will continue to shift from a retrospective P4V model to a real-time, point-of-care approach that rewards physicians for the completion of specific value-based care actions.

Concurrence

James Novello, Outside General Counsel, Kennaday Leavitt
Board of Directors' Quality Assurance Committee (October 15, 2026)

Attachments

1. CalOptima Health Measurement Year 2027 Pay for Value Programs
2. MY2027 Pay for Value Program Presentation

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

MY 2027 Medi-Cal Pay for Value (P4V)

The Medi-Cal P4V program incentivizes performance on all Healthcare Effectiveness Data and Information Set (HEDIS®) Department of Health Care Services (DHCS) Managed Care Accountability Set (MCAS) measures required to achieve a minimum performance level (MPL). The Medi-Cal P4V program also includes incentives for Consumer Assessment of Healthcare Providers and Systems (CAHPS) member satisfaction measures. Health networks (HNs) and CalOptima Health primary care providers (PCPs) are eligible to participate in the Medi-Cal P4V program.

MY 2027 Medi-Cal P4V Program Components

1. Include measures held to a DHCS MPL or quality withhold in the MY2027 MCAS measure set.

MY 2027 Medi-Cal Pay for Value Program Measurement Set	
Follow-up After ED Visit for Mental Illness - 30 days	Prenatal and Postpartum Care: Postpartum Care
Follow-Up After ED Visit for Substance Abuse - 30 days	Prenatal and Postpartum Care: Timeliness of Prenatal Care
Depression Screening and Follow-Up for Adolescents and Adults	Postpartum Depression Screening and Follow Up
Child and Adolescent Well-Care Visits	Prenatal Depression Screening and Follow Up
Childhood Immunization Status - Combination 10	Breast Cancer Screening
Developmental Screening in the First Three Years of Life*	Cervical Cancer Screening
Immunizations for Adolescents - Combination 2	Colorectal Cancer Screening
Lead Screening in Children	CAHPS - Rating of Health Network: Adult and Child
Topical Fluoride in Children*	CAHPS - Rating of Health Care: Adult and Child
Well-Child Visits in the First 30 Months of Life- 0 to 15 Months - Six or More Well-Child Visits	CAHPS - Rating of Personal Doctor: Adult and Child
Well-Child Visits in the First 30 Months of Life- 15 to 30 Months - Six or More Well-Child Visits	CAHPS - Rating of Specialist Seen Most Often: Adult and Child
Controlling High Blood Pressure	CAHPS - Getting Needed Care: Adult and Child
Glycemic Status Assessment for Patients with Diabetes (>9%)	CAHPS - Getting Care Quickly: Adult and Child
	CAHPS - Coordination of Care: Adult and Child

   - Utilize both Child and Adult CAHPS scores proportional to the age distribution of the assigned member population. For example, if a HN's membership is 30% children ages 0 to 18 and 70% adults, the CAHPS rate would be 30% from the child CAHPS score and 70% from the adult CAHPS score.
2. Adopt IHA scoring methodology to assess overall quality rating score based on performance for each HN.
   - Attainment and Improvement scores are calculated for each measure. The better of the two scores is used.
   - Scoring
     - Attainment Points

- Scale of 1-10 points
- Points based on performance between 50th percentile and 95th percentile.
- $1 + \left(\frac{(MY2027\ Rate - 50th\ Percentile)}{((95th\ Percentile - 50th\ Percentile)/9)} \right)$

▪ Improvement Points
- Scale of 0-10 points
- Points reflect performance in the prior year compared to the current year.
- $\left(\frac{(MY2027\ Rate - MY2025\ Rate)}{((95th\ Percentile - MY2025\ Rate)/10)} \right)$

3. Prior year (MY2026) National Committee for Quality Assurance (NCQA) Quality Compass National Medicaid percentiles used as benchmarks. *Developmental Screening in the First Three Years of Life and Topical Fluoride are CMS measures where the only benchmark is the 50th percentile. For these two measures, CMS percentiles will be used and HNs will earn 10 points for performance at or above the 50th percentile and 1 point for performance below the 50th percentile.
4. Measure weighting
   - HEDIS measures weighted 1.0
   - CAHPS measures weighted 1.5
5. A total quality score will be calculated based on the sum of points earned for each measure on a scale of 0 to 10, with 10 as the maximum.
6. The total quality score determines the percentage of incentive pool earned with the total rating equating to the percentage of incentive allocation earned. For example, a quality rating of 3.5 equates to 35% of the incentive allocation.
7. Maintain program funding at ten percent (10%) of professional capitation (base rate only).
8. Performance incentive allocations will be distributed upon final calculation and validation of each health network's performance.
9. HNs that score below the 50th percentile will be required to submit an improvement plan for that measure to CalOptima Health.
10. DHCS quality withhold penalties will be deducted from each HN's earned P4V program payment.

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

OneCare Pay for Value Program (P4V)

The OneCare P4V program focuses on select Centers for Medicare and Medicaid Services (CMS) Star Part C and Part D measures. Measures are developed from industry standards including HEDIS, CAHPS member experience, and Pharmacy Quality Alliance. Health networks (HNs) and CalOptima Health primary care physicians (PCPs) are eligible to participate in the OneCare P4V program.

MY 2027 OneCare P4V Program Components

Alignment with the CMS Star program and the following components- CMS Star Part C and Part D measures, measure weights, and Star cut points as benchmarks:

1. Utilize a subset of CMS Star measures

MY 2027 OneCare Pay for Value Program Measurement Set	
Measure Category	**Measure**
Part C HEDIS	Breast Cancer Screening
	Colorectal Cancer Screening
	Care for Older Adults - Medication Review
	Care for Older Adults - Functional Status Assessment
	Osteoporosis Management in Women who had a Fracture
	Comprehensive Diabetes Care - Eye Exam
	Comprehensive Diabetes Care - Blood Sugar Controlled
	Kidney Health Evaluation for Patients with Diabetes
	Controlling Blood Pressure
	Transitions of Care
	Follow-Up After ED Visit for Patients with Multiple Chronic Conditions
	Plan All-Cause Readmission
	Depression Screening and Follow-Up for Adolescents and Adults
Part C Member Experience	Care Coordination
	Getting Care Quickly
	Getting Needed Care
	Rating of Health Network
Part D	Medication Adherence for Diabetes
	Medication Adherence for Hypertension
	Medication Adherence for Cholesterol
	Statin Use in Persons with Diabetes
	Polypharmacy Use of Multiple Anticholinergic Medications in Older Adults
	Concurrent Use of Opioids and Benzodiazepines

2. Adopt IHA scoring methodology to assess overall quality rating score based on performance for each HN
   - Attainment and Improvement score calculated for each measure. The better of the two scores is used.
   - Scoring
     - Attainment Points
       - Scale of 1-5 points
       - Points based on performance between 3-Star and 5-Star cut points.

- $1 + \left(\frac{(MY2027\ Rate - 3\ Star\ cut\ point)}{((5\ Star\ cut\ point - 3\ Star\ cut\ point)/4)} \right)$
- Improvement Points
  - Scale of 0-5 points
  - Points reflect performance in the prior year compared to the current year.
  - $\left(\frac{(MY2027\ Rate - MY2025\ Rate)}{((5\ Star\ cut\ point - MY2025\ Rate)/5)} \right)$

3. MY2027 CMS Star cut points used as benchmarks. These benchmarks will be released by CMS in Q4 2028 in the 2029 Star Rating Technical Notes.
4. Measure weighting
   - HEDIS process measures weighted 1
   - CAHPS measures weighted 2
   - Outcome measures weighted 3
5. A total quality score will be calculated based on the sum of points earned for each measure on a scale of 1 to 5 stars.
6. The total quality score determines the percentage of incentive pool earned with the total rating equating to the percentage of incentive allocation earned.

OneCare P4V Performance	**MY2027 Incentive Percentage SY2029**
Below 3.0 stars	0%
3 Stars	20%
3.5 Stars	40%
4.0 Stars	60%
4.5 Stars	80%
5.0 Stars	100%

Note: MY = measurement year, SY= Star rating display year

7. Apply a program funding methodology of $20 PMPM
8. Performance incentive allocations will be distributed upon final calculation and validation of each health network's performance
9. HNs that score below 3.0 Stars will be required to submit an improvement plan for that measure to CalOptima Health.

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

Primary Care Provider Pay for Value Program (P4V)

The CalOptima Health Community Network (CHCN) Primary Care Provider (PCP) P4V program incentives:

- Performance on select Healthcare Effectiveness Data and Information Set (HEDIS®) Department of Health Care Services (DHCS) Managed Care Accountability Set (MCAS) measures required to achieve a minimum performance level (MPL), and
- Performance on select Centers for Medicare and Medicaid Services (CMS) Star Part C and Part D measures.

Measures are developed from industry standards including HEDIS and Pharmacy Quality Alliance.

In 2026, CalOptima Health began the shift from an annual, retrospective pay-for-performance model to a real-time, point-of-care incentive approach, enabling CHCN providers to earn incentives as care gaps are closed. Under this new approach, CHCN providers can earn incentive payments throughout the measurement year as quality care gaps are closed, rather than waiting for year-end reconciliation. This transition is supported by the implementation of a physician incentive software platform, which delivers the PCP P4V Program and provides contracted CalOptima Health providers with a single, streamlined interface to identify, address, and close care gaps. Through this platform, providers can take real-time actions and immediately earn the corresponding P4V incentive dollars. The physician incentive software:

1. Provides a single view of health-promoting behaviors and corresponding incentive values through a simple user interface that engages PCPs and office staff.
2. Supports real-time updates to care gap closure status upon the physician/office staff taking action.
3. Ensures timely and transparent incentive payments to providers, providing payments throughout the year versus annually.

Providers will have visibility to their member panel with care gaps, actions that can earn incentives, and their progress made toward earning incentives as actions are taken and care gaps are closed. Incentives will range from $5 to $50 depending on the action taken and care gap closed. The OneCare Program will utilize a two-tier incentive structure, with gap-closure payments of either $25 or $50 per qualifying action.

- Tier 1: $25 per care gap closed for quality measures that have demonstrated stable performance and/or are lower in complexity.
- Tier 2: $50 per care gap closed for quality measures where performance has plateaued, and/or are outcome-based.

The Medi-Cal Program will utilize a structured three-tier model:

- Tier 1: $5-$25 per care gap closed for quality measures that require a single administrative touchpoint or are low in complexity.
- Tier 2: $30-$45 per care gap closed for quality measures that require clinical coordination (e.g. multiple office visits required and/or are time-bound).
- Tier 3: $50 per care gap closed for quality measures that require complex clinical management and/or are outcome-based.

Providers must meet all program eligibility criteria:

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

1. Must be contracted as a primary care physician (PCP) with CalOptima Health CHCN at the time of payment distribution.
2. Must be in good standing with CalOptima Health at the time of payment distribution.
3. Must have at least 5 CalOptima Health members attributed at the TIN level for each line of business.

The total incentive payout shall not exceed 10 percent of total capitation for CHCN. Full program details are outlined in the Pay for Value Program Manual for CalOptima Health Community Network.

MY 2027 Medi-Cal P4V Program Components

Include select measures held to a DHCS MPL or quality withhold in the MY2027 MCAS measure set.

Measure	Tier	Amount Per Gap Closed
Depression Screening for Adolescents and Adults	Tier 1	$10
Developmental Screening in the First Three Years of Life	Tier 1	$10
Topical Fluoride in Children	Tier 1	$10
Postpartum Depression Screening	Tier 1	$10
Prenatal Depression Screening	Tier 1	$10
Lead Screening in Children	Tier 1	$15
Breast Cancer Screening	Tier 1	$25
Cervical Cancer Screening	Tier 1	$25
Colorectal Cancer Screening	Tier 1	$25
Depression Follow-Up for Adolescents and Adults	Tier 2	$30
Child and Adolescent Well-Care Visits	Tier 2	$30
Prenatal and Postpartum Care: Postpartum Care	Tier 2	$30
Prenatal and Postpartum Care: Timeliness of Prenatal Care	Tier 2	$30
Postpartum Depression Follow Up	Tier 2	$30
Prenatal Depression Follow Up on Positive Screen	Tier 2	$30
Well-Child Visits in the First 30 Months of Life- 15 to 30 Months- Two or More Well-Child Visits	Tier 2	$40
Childhood Immunization Status- Combination 10	Tier 2	$45
Immunizations for Adolescents- Combination 2	Tier 2	$45
Well-Child Visits in the First 30 Months of Life- 0 to 15 Months- Six or More Well-Child Visits	Tier 2	$45
Follow-up After ED Visit for Mental Illness- 30 days*	Tier 3	$50
Follow-Up After ED Visit for Substance Abuse- 30 days*	Tier 3	$50
Controlling High Blood Pressure**	Tier 3	$50
Glycemic Status Assessment for Patients with Diabetes (≤9%)**	Tier 3	$50

***** Because members may qualify for a measure multiple times, incentives will only be paid for up to three (3) denominator eligible events per member. For example, if a member meets the measure criteria ten (10) times, incentives can be earned for no more than three (3).

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

** Incentive determination will be based on the member's last qualifying value or test completed within the measurement year.

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

MY 2027 OneCare P4V Program Components

Alignment with the CMS Star program through the use of Part C and Part D measures, along with corresponding measure weights and Star cut-point benchmarks, by utilizing a defined subset of CMS Star measures.

Measure	Amount Per Gap Closed
Care for Older Adults – Medication Review	$25
Care for Older Adults – Functional Status Assessment	$25
Osteoporosis Management in Women who had a Fracture	$25
Diabetes Care – Eye Exam	$25
Kidney Health Evaluation for Patients with Diabetes	$25
Statin Therapy for Patients with Cardiovascular Disease	$25
Transitions of Care: Medication Reconciliation	$25
Transitions of Care: Patient Engagement After Inpatient Discharge	$25
Depression Screening and Follow-Up for Adolescents and Adults	$25
Statin Use in Persons with Diabetes (SUPD)	$25
Breast Cancer Screening	$50
Colorectal Cancer Screening	$50
Diabetes Care – Blood Sugar Controlled**	$50
Controlling Blood Pressure**	$50
Follow-up after Emergency Department Visit for People with Multiple High-Risk Chronic Conditions*	$50

* Because members may qualify for a measure multiple times, incentives will only be paid for up to three (3) denominator eligible events per member. For example, if a member meets the measure criteria ten (10) times, incentives can be earned for no more than three (3).

** Incentive determination will be based on the member's last qualifying value or test completed within the measurement year.

Attachment 1

CalOptima Health Measurement Year (MY) 2027
Pay for Value Programs

Shared Risk Pool Quality Measurement

Medi-Cal MY2027 Quality Measures

1. Follow-Up after ED Visits for Mental Illness-30 Days
2. Follow-Up After ED Visits for Substance Use- 30 days
3. Prenatal and Postpartum Care: Postpartum Care (7-84 days)
4. ~~Follow-Up after ED Visits for Mental Illness-30 Days~~

Medicare MY2027 Quality Measures

1. Follow-Up after ED Visits for Mental Illness-30 Days
2. Follow-Up After ED Visits for Substance Use- 30 Days
3. Plan All-Cause Readmissions (30-Days)
4. Transitions of Care (31-Days)
5. Follow-Up after ED Visit for People with Multiple High-Risk Chronic Conditions (7-Days)

Performance Calculation

For each measure, the rate achieved will be compared to the prior year (MY2026) National Committee for Quality Assurance (NCQA) Quality Compass National Medicaid percentiles. An averaged performance will be calculated by averaging the percentiles of achievement for the three measures. A minimum of the 25th percentile in average is required to receive payment from the shared risk pool. Any HN that does not meet this requirement will forfeit their portion of shared risk pool funds.

CalOptima Health

Measurement Year (MY) 2027 Pay for Value Program

Special Quality Assurance Committee Meeting

October 15, 2026

Linda Lee, Executive Director, Quality Improvement

Our Mission

To serve member health with excellence and dignity, respecting the value and needs of each person.

Our Vision

Provide all members with access to care and supports to achieve optimal health and well-being through an equitable and high-quality health care system.

Background

- CalOptima Health has implemented the Pay for Value (P4V) Program to reward high-performing Health Networks.
- The MY2026 P4V program was approved in November 2025.
- The intent for MY2027 is to carry forward the same core program components, while introducing targeted enhancements for Primary Care Providers (PCPs).

MY2027 Health Network Pay for Value Program Components

MY2027 P4V Program Elements

- Measure Sets
  - Medi-Cal: Align with Department of Health Care Services (DHCS) Managed Care Accountability Set (MCAS) Minimum Performance Levels (MPL) and Quality Withhold measures
    - Utilize HEDIS and DHCS clinical measures
    - Utilize both Child and Adult CAHPS rates
  - OneCare: Align with Centers for Medicare & Medicaid (CMS) Star measures most impactable by Health Networks (HN)s
    - Utilize Part C HEDIS and CAHPS measures
    - Utilize Part D medication management measures

CalOptima Health

MY2027 P4V Program Elements

- Measure Weights
  - Align with industry measure weights, where applicable
  - Medi-Cal
    - Clinical measures = 1.0
    - Member experience measures = 1.5
  - OneCare
    - Process measures = 1.0
    - Member experience measures = 2.0
    - Outcome measures = 3.0
- Data Collection Methodology
  - To promote adoption of electronic clinical data sets, utilize administrative data

CalOptima Health

Performance Methodology and Benchmarks

- Adopt Integrated Healthcare Association (IHA) scoring methodology
  1. Performance points are calculated by comparing HN score to benchmarks, starting at the 50th percentile for Medi-Cal and 3-Stars for OneCare
  2. Performance points are also calculated by comparing a HN's prior year score to current score
- Use option 1 or 2, selecting option with higher number of points
- Medi-Cal
  - Based on NCQA National Medicaid Percentiles
- OneCare
  - Based on CMS Star cut points

CalOptima Health

Medi-Cal P4V Incentive Percentages

- A total quality score is calculated based on the sum of points earned for each measure on a scale of 0 to 10, with 10 as the maximum.
- The total quality score determines the percentage of incentive pool earned with the total rating equating to the percentage of incentive allocation earned.
  - For example, a quality rating of 3.5 equates to 35% of the incentive allocation

CalOptima Health

OneCare P4V Incentive Percentages

- A total quality score is calculated based on the sum of points earned for each measure on a scale of 1 to 5 stars

OneCare P4V Performance	MY2027 Incentive Percentage Earned Star Year 2029
Below 3.0 stars	0%
3 Stars	20%
3.5 Stars	40%
4.0 Stars	60%
4.5 Stars	80%
5.0 Stars	100%

CalOptima Health

Health Network Corrective Action

- Corrective action: HN scoring below the 50th percentile on Medi-Cal or below 3.0 Stars on Medicare must submit a corrective action plan

Additional Health Network Penalties

- CalOptima Health will pass down any impact of the DHCS quality withhold program
  - For MY2027, the withhold is 1.0% of capitation
  - Any unearned withhold will be deducted from each HN's PV4 program payment

MY2027 Incentive Pool

- Medi-Cal:
  - Ten percent of professional capitation (base rate only)
  - Estimated at $50 million

- OneCare:
  - $20 pmpm
  - Estimated at $4.7 million

CalOptima Health

Unearned Incentive Dollars

- CalOptima Health will implement system-wide quality interventions (e.g., member reward programs, mobile or at-home health screenings, and other targeted initiatives).
- When funding is available, CalOptima Health will issue quality grants to HNs using unearned dollars.
- Grants will be directed toward improving individual measures or groups of measures.
- Funds may support a range of quality improvement activities, including staffing dedicated to quality initiatives.
- HNs submit a plan, subject to semi-annual monitoring
  - Must meet implementation requirements to continue to access improvement funds.

CalOptima Health

MY2027 Primary Care Provider P4V Program Components

Primary Care Provider P4V

- CalOptima Health will implement a P4V program for primary care providers (PCPs) contracted directly with the CalOptima Health Community Network (CHCN).
- In 2026, CalOptima Health shifted from an annual, retrospective pay-for-performance model to a real-time, point-of-care incentive approach, enabling providers to earn incentives as care gaps are closed.
- This new model launched in July 2026 with OneCare CHCN, and is now expanding to Medi-Cal CHCN, positioning us for full implementation in the 2027 program year.

Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

Primary Care Provider P4V (cont.)

- Features of the PCP P4V program include:
  - Ongoing, transparent payment schedule:
    - Instead of receiving incentive payments once a year, providers will now receive monthly payments throughout the year as care gaps are closed.
  - New software platform:
    - CalOptima Health will utilize a software platform called Cozeva to deliver the P4V program.
    - Through Cozeva, providers will have a single interface to view care gaps, take actions, and earn incentives.
    - Cozeva will support real-time updates and transparent incentive payments throughout the measurement year.

Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

Primary Care Provider P4V (cont.)

- Providers must meet all program eligibility criteria:
  - Must be contracted as a primary care physician (PCP) with CalOptima Health CHCN at the time of payment distribution.
  - Must be in good standing with CalOptima Health at the time of payment distribution.
  - Must have at least 5 CalOptima Health members attributed at the TIN level for each line of business.

Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

Primary Care Provider P4V: Medi-Cal

- Incentives range from $5 to $50 depending on the action taken and care gap closed.
- Tier 1 ($5-$25):
  - Single administrative touchpoint or low complexity
- Tier 2 ($30-$45):
  - Clinical coordination (e.g. multiple office visits required and/or time-bound)
- Tier 3 ($50):
  - Complex clinical management/outcomes-based

Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

Primary Care Provider P4V: OneCare

- Incentives range from $25 to $50 depending on the action taken and care gap closed.
- Tier 1: $25 per care gap closed for quality measures that have demonstrated stable performance and/or are lower in complexity.
- Tier 2: $50 per care gap closed for quality measures where performance has plateaued, and/or are outcome-based.

Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

MY2027 CHCN* PCP P4V Program: Medi-Cal Measures (Tier 1)

Measure	Incentive Amount Per Gap Closed
Topical Fluoride in Children	$10
Depression Screening for Adolescents and Adults	$10
Development Screening in the First Three Years of Life	$10
Postpartum Depression Screening	$10
Prenatal Depression Screening	$10
Lead Screening in Children	$15
Breast Cancer Screening	$25
Cervical Cancer Screening	$25
Colorectal Cancer Screening	$25

*Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

MY2027 CHCN* PCP P4V Program: Medi-Cal Measures (Tier 2)

Measure	Incentive Amount Per Gap Closed
Prenatal and Postpartum Care: Postpartum Care	$30
Prenatal and Postpartum Care: Timeliness of Prenatal Care	$30
Child and Adolescent Well-Care Visits	$30
Depression Follow-Up for Adolescents and Adults	$30
Postpartum Depression Follow Up	$30
Prenatal Depression Follow Up on Positive Screen	$30
Well-Child Visits in the First 30 Months of Life- 15 to 30 Months- Two or More Well-Child Visits	$40
Childhood Immunization Status- Combination 10	$45
Immunizations for Adolescents- Combination 2	$45
Well-Child Visits in the First 30 Months of Life- 0 to 15 Months- Six or More Well-Child Visits	$45

*Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

CalOptima Health

MY2027 CHCN* PCP P4V Program: Medi-Cal Measures (Tier 3)

Measure	Incentive Amount Per Gap Closed
Follow-up After ED Visit for Mental Illness- 30 days**	$50
Follow-Up After ED Visit for Substance Abuse- 30 days**	$50
Controlling High Blood Pressure***	$50
Glycemic Status Assessment for Patients with Diabetes (≤9%)***	$50

*Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed 10 percent of total capitation for CHCN.

**Because members may qualify for a measure multiple times, incentives will only be paid for up to three denominator-eligible events per member. For example, if a member meets the measure criteria ten times, incentives can be earned for no more than three.

***Incentive determinations will be based on the member's last qualifying value or test completed within the measurement year.

CalOptima Health

MY2027 CHCN* PCP P4V Program: OneCare Measures

Measure	Incentive Amount Per Gap Closed
Breast Cancer Screening	$50
Colorectal Cancer Screening	$50
Care for Older Adults – Medication Review	$25
Care for Older Adults – Functional Status Assessment	$25
Osteoporosis Management in Women who had a Fracture	$25
Diabetes Care – Eye Exam	$25
Diabetes Care – Blood Sugar Controlled**	$50
Kidney Health Evaluation for Patients with Diabetes	$25
Controlling Blood Pressure**	$50

*Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed the CHCN incentive allocation.

**Incentive determinations will be based on the member's last qualifying value or test completed within the measurement year.

CalOptima Health

MY2027 CHCN* PCP P4V Program: OneCare Measures (cont.)

Measure	Incentive Amount Per Gap Closed
Transitions of Care: Medication Reconciliation	$25
Transitions of Care: Patient Engagement After Inpatient Discharge	$25
Follow-up after Emergency Department Visit for People with Multiple High-Risk Chronic Conditions**	$50
Statin Use in Persons with Diabetes	$25
Depression Screening and Follow-Up for Adolescents and Adults	$25

*Program focus is on CalOptima Health Community Network (CHCN) members. The total incentive payout shall not exceed the CHCN incentive allocation.

**Because members may qualify for a measure multiple times, incentives will only be paid for up to three denominator-eligible events per member. For example, if a member meets the measure criteria ten times, incentives can be earned for no more than three.

CalOptima Health

Shared Risk Pool Quality Measurement

Medi-Cal Shared Risk Pool Quality

- HNs under shared risk arrangement must meet quality measurement requirements to receive shared risk pool payments
- An average performance of the 25th percentile across measures is required to earn shared risk pool payments
- For MY2027 the measures are:
  - Follow-Up after ED Visits for Mental Illness-30 Days
  - Follow-Up After ED Visits for Substance Use- 30 days
  - Prenatal and Postpartum Care: Postpartum Care (7-84 days)

CalOptima Health

Medicare Shared Risk Pool Quality

- HNs under shared risk arrangement must meet quality measurement requirements to receive shared risk pool payments
- An average performance of the 25th percentile across measures is required to earn shared risk pool payments
- For MY2027 the measures are:
  - Follow-Up after ED Visits for Mental Illness-30 Days
  - Follow-Up After ED Visits for Substance Use- 30 Days
  - Plan All-Cause Readmissions (30-Days)
  - Transitions of Care (31-Days)
  - Follow-Up after ED Visit for People with Multiple High-Risk Chronic Conditions (7-Days)

CalOptima Health

CalOptima Health

APPENDIX

MY2027 Medi-Cal Health Network P4V Measurement Set

Measure	Measure
Follow-up After ED Visit for Mental Illness- 30 days	Prenatal and Postpartum Care: Postpartum Care
Follow-Up After ED Visit for Substance Abuse- 30 days	Prenatal and Postpartum Care: Timeliness of Prenatal Care
Depression Screening and Follow-Up for Adolescents and Adults	Postpartum Depression Screening and Follow Up
Child and Adolescent Well-Care Visits	Prenatal Depression Screening and Follow Up
Childhood Immunization Status- Combination 10	Breast Cancer Screening
Developmental Screening in the First Three Years of Life	Cervical Cancer Screening
Immunizations for Adolescents- Combination 2	Colorectal Cancer Screening

CalOptima Health

MY2027 Medi-Cal Health Network P4V Measurement Set

Measure	Measure
Lead Screening in Children	CAHPS- Rating of Health Network: Adult and Child
Topical Fluoride in Children	CAHPS- Rating of Health Care: Adult and Child
Well-Child Visits in the First 30 Months of Life- 0 to 15 Months- Six or More Well-Child Visits	CAHPS- Rating of Personal Doctor: Adult and Child
Well-Child Visits in the First 30 Months of Life- 15 to 30 Months- Six or More Well-Child Visits	CAHPS- Rating of Specialist Seen Most Often: Adult and Child
Controlling High Blood Pressure	CAHPS- Getting Needed Care: Adult and Child
Glycemic Status Assessment for Patients with Diabetes (>9%)	CAHPS- Getting Care Quickly: Adult and Child
	CAHPS- Coordination of Care: Adult and Child

CalOptima Health

MY2027 OneCare Health Network P4V Measurement Set

Measure Category	Measure
Part C	Breast Cancer Screening
HEDIS	Colorectal Cancer Screening
	Care for Older Adults - Medication Review
	Care for Older Adults - Functional Status Assessment
	Osteoporosis Management in Women who had a Fracture
	Comprehensive Diabetes Care – Eye Exam
	Comprehensive Diabetes Care – Blood Sugar Controlled
	Kidney Health Evaluation for Patients with Diabetes
	Controlling Blood Pressure
	Transitions of Care
	Follow-Up After ED Visit for Patients with Multiple Chronic Conditions
	Plan All-Cause Readmission
	Depression Screening and Follow-Up for Adolescents and Adults

CalOptima Health

MY2027 OneCare Health Network P4V Measurement Set

Measure Category	Measure
Part C	Care Coordination
Member Experience	Getting Care Quickly
	Getting Needed Care
	Rating of Health Network
Part D	Medication Adherence for Diabetes
	Medication Adherence for Hypertension
	Medication Adherence for Cholesterol
	Statin Use in Persons with Diabetes
	Polypharmacy Use of Multiple Anticholinergic Medications in Older Adults
	Concurrent Use of Opioids and Benzodiazepines

CalOptima Health

CalOptima Health

Stay Connected With Us

www.caloptima.org