HIGHMARK®

June 24, 2024

Ms. Ana Paulina Gomez, Esq. Chief Counsel
Pennsylvania Health Insurance Exchange Authority
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RE: **Pennsylvania Health Insurance Exchange Authority, Health Equity Accreditation, Proposed Rulemaking, IRRC No. 3401**

Dear Ms. Gomez,

Highmark Health appreciates the opportunity to provide formal comments on the proposed rule regarding Health Equity Accreditation (HEA) for insurers selling qualified plans through the Pennsylvania Health Insurance Exchange Authority (PENNIE). While we strongly support the goals of promoting health equity and enhancing cultural competency in plans offered on the exchange, we have several concerns regarding the proposed rule's implementation timeline and potential impact on health plans.

Based upon these concerns, we respectfully request PENNIE pursue a phased approach that first encourages on-exchange plans to pursue the HEA. During this first phase, we recommend that PENNIE consider highlighting the plans who have achieved the HEA. Since the health equity accreditation process is still relatively new – NCQA's health equity accreditation was first launched in 2022, and URAC is still deploying their own accreditation – a phased approach would meet the spirit of this proposed rule, while weighing the implementation considerations for health plans. If PENNIE decides to proceed by requiring HEA, we ask PENNIE to consider the following:

Concerns:

- **Timeline:** The proposed 12-month timeframe for achieving HEA is **likely challenging** for many health plans. To receive the HEA, health plans must employ elements within a designated "look back" period, which is specific to each element. While some elements of HEA can be addressed within a year, others require significantly more time to ensure proper preparation and implementation. For items such as vendor integration, provider contract modifications, marketing guideline updates, and comprehensive oversight and governance processes, large health plans must undertake significant coordination across a variety of internal and external stakeholders. Even for plans who may have achieved HEA for other lines of business, the implementation timeline may still be lengthy, as technology systems

& platforms, governance committees, vendors, provider contracts and stakeholders are likely different. NCQA advises plans to first deploy a gap analysis that typically takes 12-18 months for the plan to understand the magnitude of actions that need to be taken to achieve HEA. We are concerned that the Agency's expectation of achieving HEA, whose application process alone is 9 months, cannot be reasonably achieved within a 12-month window.

- **Grace Period Clarity:** We believe the proposed rule's language regarding grace periods for plans making "good faith" efforts to achieve HEA should be more developed. "Good faith" is not clearly defined and does not delineate how much tangible progress must be made to avoid penalty. This ambiguity could lead to inconsistent application and potential challenges for health plans seeking to demonstrate their commitment to health equity. It also creates challenges for health plans as they attempt to balance many other regulatory expectations.
- **Identify Cost Considerations:** While we appreciate the fact that the proposed rule highlights the application fees and other costs associated with the HEA itself, it does not acknowledge the additional costs necessary allocate and dedicate staff for purposes of defining and augment policies and procedures, restructuring governance committees, developing appropriate documentation, restructuring provider and vendor contracts, etc. This will require staff allocation to not only ensure readiness for HEA application, but also ongoing maintenance to ensure compliance once HEA is received. While we understand the importance of health equity, the financial burden should be carefully considered and balanced with the potential benefits.

Recommendations:

- **Extend Implementation Timeline:** Since NCQA encourages Plans to take 12 to 18 months to perform a gap analysis prior to initiating the application process, we recommend extending the implementation timeline for HEA to 24 months to allow health plans sufficient time to prepare and implement necessary changes.
- **Clarify Grace Period Criteria:** We recommend that demonstration for a health plan's good faith would be the initiation of the application process, which would be the submission of the pre-application form. Providing specific guidelines for health plans to demonstrate their good faith efforts towards HEA will assist inconsistent demonstrations by health plans.
- **Consider Financial Impact:** We urge the Department to carefully consider the financial impact of the proposed rule on health plans and explore potential mechanisms to mitigate the burden.

Conclusion:

We believe that HEA is an important step towards achieving health equity in Pennsylvania. As a strategic recommendation for the Department's consideration, we propose that the

Agency first encourage on-exchange plans to pursue HEA within the next 24 months. This would enable plans to differentiate themselves in the health equity space. This phased approach would allow for health plans to adequately prepare for accreditation, as well as evaluate the efforts to establish a clear link between HEA processes and tangible health outcomes.

We urge the Department to consider our recommendations to ensure a smooth and effective implementation of this critical initiative. We are committed to working collaboratively with the Department to achieve the shared goal of improving health equity for all Pennsylvanians. We thank you for your consideration.

Sincerely,

Tija R. Hilton-Phillips

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Director, Regulatory Affairs
Highmark Inc.

cc: Shawn Good, IRRC