Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

<table>
<thead>
<tr>
<th>1. Date</th>
<th>2. Department</th>
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<tbody>
<tr>
<td>2022-09-12</td>
<td>Department of Health Care Access and Information</td>
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</table>

3. Organizational Placement (Division/Branch/Office Name)

Office of Healthcare Affordability

4. CEA Position Title

Assistant Deputy Director, Health System Performance

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

This position will serve as one Assistant Deputy Director for a newly formed Office of Health Care Affordability (OHCA) within HCAI. OHCA is a priority initiative passed in the Governor’s budget. The BCP creating the Office includes more than 140 positions and an annual budget of more than $31 million at full implementation. The Assistant Deputy Director will be responsible for directing all aspects of policy and governance monitoring health care system performance for this critical new office whose charge is containing health care costs for all Californians.

6. Reports to: (Class Title/Level)

Deputy Director

7. Relationship with Department Director (Select one)

- [ ] Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- [x] Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

**Explain:** As a member of the OHCA leadership team, the Assistant Deputy Director will work very closely with the Deputy Director and HCAI’s Executive Management team to develop and implement new health care affordability policy and program strategies.

8. Organizational Level (Select one)

- [ ] 1st
- [ ] 2nd
- [x] 3rd
- [ ] 4th
- [ ] 5th (mega departments only - 17,001+ allocated positions)
The Assistant Deputy Director will lead the Health System Performance Branch of the Office of Health Care Affordability (OHCA) and report directly to the Deputy Director. Established with the enactment of the 2022-23 state budget, OHCA will provide a comprehensive view of health care spending, cost trends, and variation to inform actions to reduce the overall rate of growth in health care costs while maintaining quality of care, with the goal of improving affordability, access, and equity of health care for Californians. This position has an inherently high consequence of error due to its visibility and level of decision-making for HCAI. Decisions made in this position have a critical impact on HCAI’s programs and external stakeholders.

The Assistant Deputy Director will oversee all associated programmatic functions for the healthcare market performance program. They will manage the production of high quality, objective research and analysis needed to fulfill the program mission of monitoring market performance, in relationship to monitoring health care system performance in California. This includes building and developing a team comprising of managers and staff capable of analyzing state, regional, and market-specific quality, equity, workforce, alternative payment model, primary care, and behavioral health data. The Assistant will support the Deputy Director and HCAI in the development of regulations for enforcement of health care cost targets by providing technical and expert consultation and analysis. The Assistant will stay current with the research and policy literature, maintain ties to peers in other health policy research organizations, and coordinate with other state departments as needed.

The Assistant Deputy will be primarily responsible for the following OHCA activities:
A) Develop and recommend benchmarks for primary care and behavioral health spending to the Health Care Affordability Board, and then monitor performance of the health care system in meeting those benchmarks.
B) Set and manage statewide goals for the adoption of alternative payment models and measuring the state’s progress; these actions are intended to 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.
C) Adopt a single set of standard measures to assess quality and equity performance of health care service plans, health insurers, hospitals, and physician organizations, while reducing administrative burden and duplication. This information will be evaluated in relationship to state, regional, and market-specific specific cost growth trend performance.
D) Develop standards to advance the stability of the health care workforce and monitor progress against those standards.

For example, the primary care and behavioral health responsibilities require significant policy-related actions, including: a) developing detailed guidelines for how to measure primary care and behavioral health expenditures state-wide, including service types, procedure codes, and types of providers; b) recommending policy, to the public Health Care Affordability Board, related to the target benchmark for primary care and behavioral health spending; and c) determining principles for how to adjust primary care and behavioral health spending data to account for differences among California’s health care plans and payers. Collectively, these responsibilities have far-reaching impacts on California’s health care system and support the larger policy goal of improving healthcare affordability and outcomes by consistently measuring and promoting sustained system-wide investment in primary care and behavioral health.
B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Office of Health Care Affordability and its component parts are critical to the department's mission. HCAI's mission is to expand equitable access to health care for all Californians - ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable. OHCA is fundamental to meeting HCAI's goal of making care more affordable for Californians. While there is a plethora of California-specific research on costs and potential drivers, such as study documenting variation in commercial reimbursements to hospitals and literature on market concentration and high prices, the state currently lacks market-wide data insights of cost trends and variation that can inform actionable policies to mitigate cost growth without disrupting one of the largest sectors of California’s economy. That is where OHCA comes in.
11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The change justifying this request is the new Office of Health Care Affordability which includes more than 140 authorized positions and an annual budget of more than $31 million at full implementation. The Assistant Deputy Director will lead teams assisting in complex policy development and directing data collection and analysis to assess healthcare quality and equity performance, workforce stability, primary care investment, and behavioral health investment in California.
C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

<table>
<thead>
<tr>
<th>Example</th>
<th>Details</th>
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<tbody>
<tr>
<td>1. Promote and Measure Quality and Health Equity</td>
<td>In consultation with other state departments, external quality improvement organizations and forums, payers, physicians and other providers, the Office will utilize HCAI data, as well as data collected by other departments, and adopt a single set of quality and equity measures for evaluating the spending of health care service plans, health insurers, hospitals, and physician organizations. The policy is quality and equity metrics which will be applied to health care entities statewide impacting the quality of care and its equitable provision in the state.</td>
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<td>2. Advance and Monitor Adoption of Alternative Payment Models (APM)</td>
<td>The Office will promote the shift from payments based on fee-for-service to those rewarding high quality and cost-efficient care, supporting the Health Care Affordability Board in setting goals for increasing the adoption of APMs and approving standards for APMs. There will be statewide impacts on how health care entities across the state adopt, measure, report on, and increase use of APMs.</td>
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<tr>
<td>3. Promote Sustained System-wide Investment in Primary Care and Behavioral Health</td>
<td>Because primary care is foundational to an effective health care system, the program will set benchmarks for the percentage of total health care expenditures allocated to primary care and behavioral health and set spending benchmarks to build and sustain infrastructure and capacity. There will be statewide impacts on how health care entities across the state measure, report on, and increase spending for primary care and behavioral health.</td>
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<td>4. Advance Standards for Health Care Workforce Stability and Training Needs</td>
<td>The Office will monitor the effects of cost targets on health care workforce stability, high-quality jobs, and training needs of health care workers. Potential policy impacts include assisting health care entities in implementing cost-reducing strategies that advance the stability of the healthcare workforce without exacerbating existing healthcare workforce shortages.</td>
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C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Assistant Deputy Director will have significant decision-making authority over all aspects related to the healthcare market performance program for the Office. The Assistant Deputy Director will serve as the administrative lead of Health System Performance branch of the Office, giving direction and leadership to achieve its statutory responsibilities.

The Assistant Deputy Director will be responsible for oversight of all duties designated by law, including hiring and managing staff to support the following statutorily-required functions: a) promote and measure quality and health equity; b) advance and monitor adoption of alternative payment models; c) promote sustained system-wide investment in primary care and behavioral health; and d) advance standards for health care workforce stability and training needs.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

This position will assist the Deputy Director in developing and implementing several significant new policy areas as described including promoting and measuring quality and health equity, advancing and monitoring adoption of alternative payment models, promoting sustained system-wide investment in primary care and behavioral health, and advancing standards for health care workforce stability and training needs.