

Health Systems Division

Kate Brown, Governor



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TO: AllCare CCO
Jackson County Mental Health

FROM: Lynne Saxton, Director Oregon Health Authority *LS*
Varsha Chauhan, MD, Chief Health Systems Officer *VC*

DATE: March 3, 2017

RE: Recommendations by Oregon Health Authority

Oregon Health Authority (OHA) has statutory authority to contract with and oversee Coordinated Care Organizations (CCO) and Community Mental Health Programs (CMHP) to deliver healthcare services to Oregonians under ORS 414.610 through 414.685 and ORS 430.610 through ORS 430.640, respectively.

Although there is some overlap in the provision of mental health services between CCOs and CMHPs within a county, ORS 414.620 makes clear that CCOs are accountable for care management and provision of integrated and coordinated health care for each organization's members, so that efficiency and quality improvements reduce medical cost inflation while supporting the development of regional and community accountability for the health of the residents of each region and community. OHA maintains regulatory controls necessary to ensure quality and affordable health care for all Oregonians. However, these regulatory controls do not extend to dictating the day-to-day operation of the CCO or managing who the CCO chooses to contract with. ORS 414.625 permits, but does not require a CCO to contract with a county to provide services to its members.

It has been suggested that ORS 414.651(4) requires OHA to direct and supervise contracts between a CCO and its providers. That is not the case. This statute relates to the initial establishment of CCOs and the necessary action required for the creation of their provider networks and was intended to extend certain protection from violation of laws such as antitrust and unlawful trade practice.

In order to provide effective and efficient mental health services, OHA expects that a CCO and CMHP work cooperatively together in the delivery of their respective services for the benefit of recipients of service who are residents of the county as well as members of the CCO. OHA stands ready to assist both the county and CCO in that endeavor.

In May of 2016, Jackson Care Connect Coordinated Care Organization made a decision to transition the management of the mental health benefit from Jackson County Mental Health to Care Oregon with a transition time period of 18 months, beginning January 1st, 2017.

On December 29, 2016, AllCare Coordinated Care organization sent a letter to OHA Director, Lynne Saxton notifying OHA about a contractual change in the management of the mental health benefit. The 90-day transition plan, beginning January 1st, 2017 would change capitated funding for mental health services in Jackson County from Jackson County Mental Health to Options. In response to the letter, OHA requested and received information related to the contractual change.

On February 6, 2017, OHA Staff met with AllCare CCO, Jackson Care Connect CCO, Jackson County Mental Health, and Options in Jackson County to discuss community concerns about the transition. OHA requested additional information as a follow-up to the visit.

On February 23, 2017, OHA leadership held a meeting in Salem with Leadership from AllCare, Jackson Care Connect, Jackson County Mental Health, and Options to further discuss each organization's concerns to determine potential next steps. OHA requested additional information as a follow-up to the visit.

OHA encourages improved collaboration and communication between all parties going forward in the best interest of the clients we all serve. OHA recommends the following steps to ensure the transition of and access to mental health benefits for Jackson County members:

- AllCare and Jackson County Mental Health extend the transition period an additional 90 days to transition members in an efficient manner, ensure warm handoffs for high needs members, and develop a clear shared community communication plans.
- AllCare and Jackson County hold weekly in-person meetings to ensure smooth transition of the members, including addressing concerns for high needs members, collaborating on communication for stakeholders and the community on progress, and monitoring the stability of the provider network in the community and jointly addressing any gaps.
- AllCare submit weekly reports on access and capacity for mental health benefits to OHP members to the Oregon Health Authority. If access and capacity are not stabilized at an appropriate level to meet member need OHA will require AllCare to submit a mitigation plan within a week of submitting the capacity report.

While OHA is hopeful that better communication and an extended transition will resolve the most pressing concerns, OHA has established a process in OAR 410-141-3269 to help resolve contract issues between CCOs and their contracted Health Care Entities. OHA is prepared to offer technical assistance as set forth in that rule and to engage in dispute resolution, if requested, to help resolve this matter. Throughout this process, OHA will continue to monitor concerns and critical issues such as CCO capacity and consumer access to necessary behavioral health services. Through both its administrative rules and its contract with CCOs, OHA has the ability to take regulatory action against a CCO if OHA determines members are being denied timely access to vital health services.

OHA will schedule a follow-up phone call the week of March 6th to discuss moving these recommendations forward.

Please let us know if you have any questions.

CC: Jennifer Lind, CEO Jackson Care Connect
BethAnne Darby, Director External Relations OHA
Rhonda Busek, Director Provider Services OHA
Chris Norman, Director License and Compliance OHA