



April 4, 2017

Health Share of Oregon Comments on the “Future of CCOs” Legislation

Members of the Senate Committee on Health Care:

Health Share of Oregon is the state’s largest Medicaid coordinated care organization (CCO), serving more than 205,000 Oregon Health Plan (OHP) members in Clackamas, Multnomah, and Washington Counties. Our organization was founded and continues to be governed by eleven familiar health care organizations serving OHP members. Our mission is to partner with communities to achieve ongoing transformation, health equity and the best possible health for each individual.

Over the past few months, we have partnered with the other 15 CCOs currently operating in Oregon to develop consensus positions on the future of the CCO model. It took many hours of meetings and tough compromises, but ultimately, all 16 CCOs signed onto the attached letter of support for recommendations regarding financial transparency and accountability, governance and community engagement, value-based purchasing, and oversight of the sale or transfer of a CCO contract. These positions are based largely on the Oregon Health Policy Board (OHPB) *Recommendations for the Future of Coordinated Care* and Oregon’s recently signed 1115 Demonstration Waiver, both of which resulted from robust public processes.

Our hope is that any legislation about the future of CCOs be developed based on the joint CCO letter described above.

Respectfully submitted by Janet L. Meyer, Chief Executive Officer

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March 24, 2017



Comments on HB 2122

Chair Greenlick and Members of the House Health Care Committee:

The Oregon Health Policy Board (OHPB) issued twelve recommendations for the future of coordinated care on January 27, 2017, following a six-part listening session conducted across the state. We recommend using the OHPB recommendations as well as new regulatory tools and transformation efforts approved in Oregon's 1115 Medicaid Demonstration Waiver to address the key components in HB 2122.



**Financial Transparency and Accountability:**

The OHA will work collaboratively with all CCOs to achieve the following:



1. Collect and publish in standardized formats, financial information related to CCO margins, medical and non-medical related costs, investments and payments made to partner organizations on an annual basis.

*Generally speaking, CCOs have long supported improved financial transparency for CCOs, as long as financial information about individual agreements that could be anti-competitive is not exposed.*



2. Develop standards for reinvesting a reasonable percentage of CCO margins back into local communities toward deepening the impact on the Triple Aim.

*CCOs support the concept of community reinvestment, but recommend looking to Oregon's Medicaid Demonstration Waiver for guidance on the mechanics of incentivizing community investment and investments in services designed to address health disparities and the social determinants of health. The new waiver permits CCOs to count investments in "health related services" (both flexible services and community benefit investments) towards the newly required minimum medical loss ratio of the CCO.*



3. Develop a consistent and transparent approach to establishing reasonable expectations around reserves for each CCO that is compatible with the 1115 Medicaid Demonstration Waiver.

*CCOs support requiring adequate reserves to protect the State, providers, and members in the event of financial insolvency. CCOs support the current law that requires restricted reserves to be held in accounts governed by model deposits agreements with the OHA. This law, which has been in place since the inception of CCOs, requires CCOs to receive written permission from OHA before releasing funds from the account.*



*Establishing expectations around yearly community investment in a manner that is consistent with the Medicaid Demonstration Waiver requirements for minimum loss ratios is a more effective way to ensure resources are retained for the benefit of the OHP member.*

**Governance Accountability:**

1. Require each CCO to hold at least one public CCO Governing Board meeting annually in collaboration with their local Community Advisory Council (CAC).
2. Require the Transformation Center to convene one statewide annual CAC learning collaborative for CAC members, so best practices regarding community collaboration, community input and improved local outcomes can be developed and shared.
3. Require public transparency for Governing Board and CAC membership via a standardized CCO report submitted to OHA annually.
4. Require that at least one CAC member who is an Oregon Health Plan consumer serve on the CCO Governing Board.
5. The coordinated care organization shall post to the organization's website contact information for, at a minimum, the chairperson, a member of the CAC or a designated staff member of the organization.
6. Direct each CCO to create a mechanism for reporting board-meeting activities to the CAC.

**Alternative Payment Methodologies (APMs):**

1. Direct the Oregon Health Authority to ensure, through the CCO contracts, that value-based payment (VPB) arrangements, structured to improve quality and manage cost growth, are used by CCOs with their network providers.
2. The OHA will work with all CCOs to develop a VBP plan that describes how the state, CCOs and network providers will achieve a set target of VBP payments by December 31, 2023. The VBP plan will provide a broad definition of VBP and include a schedule that ensures phased-in implementation over the course of the CCO contract term. The OHA will work with CCOs and network providers to develop this VBP plan. To the greatest extent possible, the OHA shall align the VBP plan with the Center for Medicare and Medicaid Innovation's Methodology and Calculations for Alternative Payment Models.

**Oregon Health Plan contract transfer or CCO acquisition:**

1. A CCO or its parent company may not transfer, subcontract, reassign or sell its contractual or ownership interests, involving the transfer of more than 50% of the equity interest to a contractor corporation or controlling entity without first obtaining OHA's prior written approval 120 days before such transfer, subcontract, reassignment or sale occurs.

Respectfully submitted by:

AllCare Health

Cascadia Health Alliance

Columbia Pacific CCO

Eastern Oregon Coordinated Care Organization

FamilyCare Health

Health Share of Oregon

InterCommunity Health Network CCO

Jackson Care Connect

PacificSource Community Solutions

PrimaryHealth of Josephine County

Trillium Community Health Plan

Umpqua Health Alliance

Western Oregon Advanced Health

Willamette Valley Community Health

Yamhill Community Care Organization