



PacificSource Community Solutions
PO Box 5729, Bend, OR 97708-5729
(800) 431-4135
CommunitySolutions.PacificSource.com

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Chair Mitch Greenlick,
Member of the Committee
House Committee on Health Care
Oregon State Capitol

Re: HB 4018 ("CCO 2.0" - relating to CCOs)

Chair Greenlick and Members of the Committee:

PacificSource respectfully submits these comments in response to HB 4018, ("CCO 2.0"). Our review of these fluid issues is very much a work in progress, so please let us know if you have any questions about these comments. Our intent is to find workable, collaborative solutions that advance the transformation of health care in Oregon.

PacificSource Community Solutions is an independent, not-for-profit corporation based in Oregon. The PacificSource family of companies serve commercial, Medicaid and Medicare lives and administer contracts for CCOs in Central Oregon and the Columbia River Gorge through a unique Health Council model built on community partnerships.

HB 4018

Section 2. Makes governing body of CCO subject to Oregon's public meetings law. Comments: Although both the Central Oregon and Columbia Gorge Health Councils' board meetings are already open to the public by default (except when the body decides to be in executive session), this informal practice is not in full compliance with Oregon public meeting laws. Because of this we anticipate additional staff, administrative and legal expense associated with compliance (posting meeting notices, providing phone access, agendas and minutes, and determining when confidential executive sessions are appropriate, etc.). In the more rural communities, public meeting compliance will be more problematic as community health care issues can reasonably arise in many forums where the entire community is engaged (e.g., meetings of school boards, county commissions and community college events).

Section 3, amendments to 414.625(1). Allows Oregon Health Authority to contract with one or more statewide coordinated care organizations. Comments: The language would allow the state to contract with one or more CCOs if it wished to do so, but does not appear to preclude also contracting with local community based CCOs. Although this could open the door to national for-profit managed Medicaid entities attempting to play in this space, there are also many Oregon based insurers and CCOs that might seek to be a state-wide CCO. The down side to this is that a statewide CCO would split membership in any region between the regional option and the statewide option. For a small rural CCOs (like PacificSource Columbia Gorge CCO), having 25% of the total local population in the CCO creates significant relevance to work with providers on new payment and care models, and to collaborate with the community around structural reform. Competing with a state-wide CCO may fragment strong community support for one health assessment and a single health improvement plan. This local buy-in has been essential to move the needle on shared community health priorities.

Section 3, ORS 414.625(1)(b)(C). Requires expenditure of a portion of coordinated care organization’s annual net income or reserves to address health disparities and social determinants of health. Comments: PacificSource CCOs are already making community-based expenditures of net income. Pursuant to our Joint Management Agreements, net income above 2% goes to the Health Councils (our local CCO governing bodies) to determine how to expend these funds to address community health issues. Appropriately, the proposed language does not mandate a minimum threshold or a specific portion of net income or reserves for this expenditure, as CCOs and community partners need flexibility in determining the amount of spend on social determinants and where the expenditures should be made. Finally, some social determinants spending may fall outside what is permitted in the Federal waiver and rules for use of Medicaid funds, and clear guidance from OHA on permitted social determinants spending by CCOs would be welcome. Addressing these intractable issues will be a slow progression of ‘Define-Measure-Publicly Report’ on the expenditures.

Section 3, ORS 414.625 (2)(o)(A). Modifies composition of coordinated care organization governing body, by changing the minimum number of board members sharing in the financial risk. Comments: This new language does not require a CCO to change the existing board membership, but the stated rationale for the proposed change is greater community involvement on the governing boards. There is a concern that over time this could diminish the number of physicians “at financial risk” serving on CCO governing boards. Having significant board membership of clinicians at financial risk brings an important perspective and expertise as the CCO works to transform health care in the community.

Thank you for the opportunity to comment on this proposed legislation. PacificSource is proud to be a collaborative partner in the administration of the unique community-based CCO model that has become the hallmark of our work in Central Oregon and the Columbia Gorge. We look forward to continuing dialogue with the Speaker’s Office, legislators and the OHA on revisions to the CCO statutory scheme.

Sincerely,

Michael S. Becker

Michael S. Becker
VP Government Relations
PacificSource, Community Solutions

CC: Speaker Kotek
Ken Provencher