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

February 12, 2018

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

Chair Greenlick and Members of the Committee:

PacificSource respectfully submits these comments in response to the key amendments offered to HB 4018, ("CCO 2.0"). Note that we previously offered comments on February 7, 2018 to the base bill (HB 4018), and these comments can be found on OLIS. Again, our intent with these fluid issues 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.

We support including two key elements in a final CCO 2.0 Bill:

- 1. HB 4018 amendments: We would support an amendment that would make the governing body of CCO subject to open meetings, but would not require full compliance with Oregon's public meetings law. Comments: We would support an amendment that included: 1) Requirements for a CCO to hold all meetings where the CCO Governing Body makes final decisions open to the public, 2) Allowing time in such meetings for public oral and written comments, and 3) Language that outlined reasonable notice to the public of meetings.** PacificSource CCO's Health Councils' board meetings are by default open to the public (except for executive sessions), and these health councils already allow for public comment, report on activities, distribute materials and post contact information. The administrative compliance costs of this concept are less, and PacificSource is supportive of this proposal. We look forward to working on the final language.
- 2. Notice of Nonrenewal (-14). Comments:** For the proposed notice periods to work, they must be timed with annual rate setting. The 14 day turnaround in notice of nonrenewal may not be sufficient time for CCOs to analyze rates and contract changes for the next benefit period unless OHA is able to release rate proposals earlier in the year.

For the record, we would like to provide you with additional comments on some of the amendments that have been introduced.

**(-12). Restoring to the CCO statute the language that OHA may not contract with only one statewide [CCO] organization. Section 3 of the base bill proposed amendments to 414.625(1) to eliminate this prohibition. Comments:** PacificSource supports the -12 amendment, reinstating the prohibition on contracting with a statewide CCO. Our rationale is that state-wide CCOs would split CCO enrollment, make it difficult to work with providers on new payment and care models, and may fragment the community around structural reform and competing health improvement plans.

**(-2). New regulatory scheme for holding CCO reserves. Comments:** The rationale for this proposed change is the belief that state Medicaid funds are the source of CCO reserves, and that reserves should follow the enrolled member. This rationale does not square with the different legal and historical structures of CCOs and the actual origin of the reserves. The idea that reserves follow the member is also inconsistent with actual practice - members frequently move between CCOs for a variety of reasons. This proposal also raises issues of constitutional taking of private property.

**(-6 and -10) Financial reporting transparency. Comments:** The proposed financial reporting raises issues of trade secrets and confidentiality limitations under existing contracts. CCOs currently report to OHA on a regular basis significant amounts of information and financial data. Before creating additional administrative expense, we recommend OHA and CCOs work together to evaluate the efficacy of current reporting, and look at revising requirements within the existing framework. This should provide the transparency needed without increasing administration.

**(-4, -16). Health equity expenditures, plan, goals, metrics and subcommittee. Comments:** There are currently many overlapping committees, councils and collaboratives, and overlapping quality improvement measures and metrics – many of address health equity issues in various ways. There is significant health equity and health disparity work already taking place within the Transformation and Quality Strategy, and the Community Health Assessment and Health Improvement Plan. This work is not happening in a vacuum. Adding another subcommittee and additional metrics will create more overlap with the current body of work, the waiver and existing metrics. A preferred approach would be a shared goal across the state with opportunities to tailor the approach by community, or perhaps a more general directive to OHA to make sure the agency and CCOs have aligned strategies focused on health equity (which they already do). If there is a desire to create the new 7 member health equity metrics subcommittee and new metrics & measures, our recommendation is that this work expressly coordinate with and align under the current body of work and metrics noted above.

**(-15 and -9). Adoption of Alternative Payment Methodologies. Comments:** These proposals are duplicative of the requirements in Oregon's Section 1115 Waiver, the Value Based Payment Road Map and contractual requirements. A new OHA work group on this issue began meeting the week of February 5, 2018. APM adoption is also part of the Transformation Plan, and intersects/overlaps with the work of the Primary Care Payment Collaborative requirements, and has duplication with the Transformation and Quality Strategy. An additional layer of statutory requirements to drive AMP adoption is not needed.

Thank you for the opportunity to comment on these proposed amendments to HB 4018. 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,

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CC: Speaker Kotek  
Ken Provencher