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# CY2020 CCO Capitation Rate Development

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# 2019 to 2020 Capitation Rates (total funds)

*The impact results in a 3.4% increase to general funds*

		CY20 Rates	CY19 Rates, Net HRA and Tax	
Rate Groups	CY18 MMs	Selected Rates	PMPM	% Difference
Parent/Caretaker Relative	784,782	\$513.43	\$486.73	5.5%
Poverty Level Adult	86,620	\$466.20	\$429.70	8.5%
Child 00-01	274,203	\$669.82	\$616.08	8.7%
Child 01-05	1,193,448	\$183.63	\$175.42	4.7%
Child 06-18	2,723,527	\$212.60	\$201.12	5.7%
Duals	498,184	\$310.19	\$280.08	10.8%
Blind/Disabled/Old Age Assistance	564,728	\$1,441.76	\$1,394.10	3.4%
Foster Kids	182,643	\$673.76	\$568.34	18.5%
ACA 19-44	2,411,845	\$446.36	\$440.14	1.4%
ACA 45-54	702,532	\$787.87	\$776.46	1.5%
ACA 55-64	688,417	\$860.49	\$838.24	2.7%
Breast/Cervical Cancer Patients	1,836	\$1,755.49	\$1,698.70	3.3%
<b>Total</b>	<b>10,112,766</b>	<b>\$468.97</b>	<b>\$451.22</b>	<b>3.9%</b>

*\*All rates are net of Maternity*

*\*\*CY19 rates include an assumed 4.25% quality pool distribution, prior procurement exhibits included a 3.5% assumption*

*\*\*\*CY20 Updated Rates include 80% of Medicare reimbursement for both Inpatient and Outpatient services*

# CCO 2.0 Rate Development

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**Goal:** Move towards Global Budget design within the bounds of actuarial soundness

## CCO 2.0 Rate Setting Changes from CCO 1.0:

- Moved from regional base rates to statewide rate
- Included Quality Pool in the capitation rates as a withhold

## What this does:

- CCOs' ability to influence increases in capitation rates by increasing reimbursement levels is minimized
- The methodology gets to statewide based rates that are allocated to CCOs based on regional differences and member health risk
- Incentivizes CCOs to invest quality pool funds into the community

# Continued Improvement

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- Future areas for 2021 and beyond:
  - Moving to a rate cycle that rebases every two years to minimize fluctuations year to year in the rates
  - Planning to add variable margin starting in 2022 based on cost growth efficiency and health-related services investment
  - Focusing on efficiency and ways to improve utilization patterns and reduce waste in the system
  - Holding CCOs accountable to their individual performance against the sustainable rate of growth
  - Planning for next 1115 Waiver discussions

**QUESTIONS?**

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