
CY2022 CCO Financial Briefing

Legislative Days

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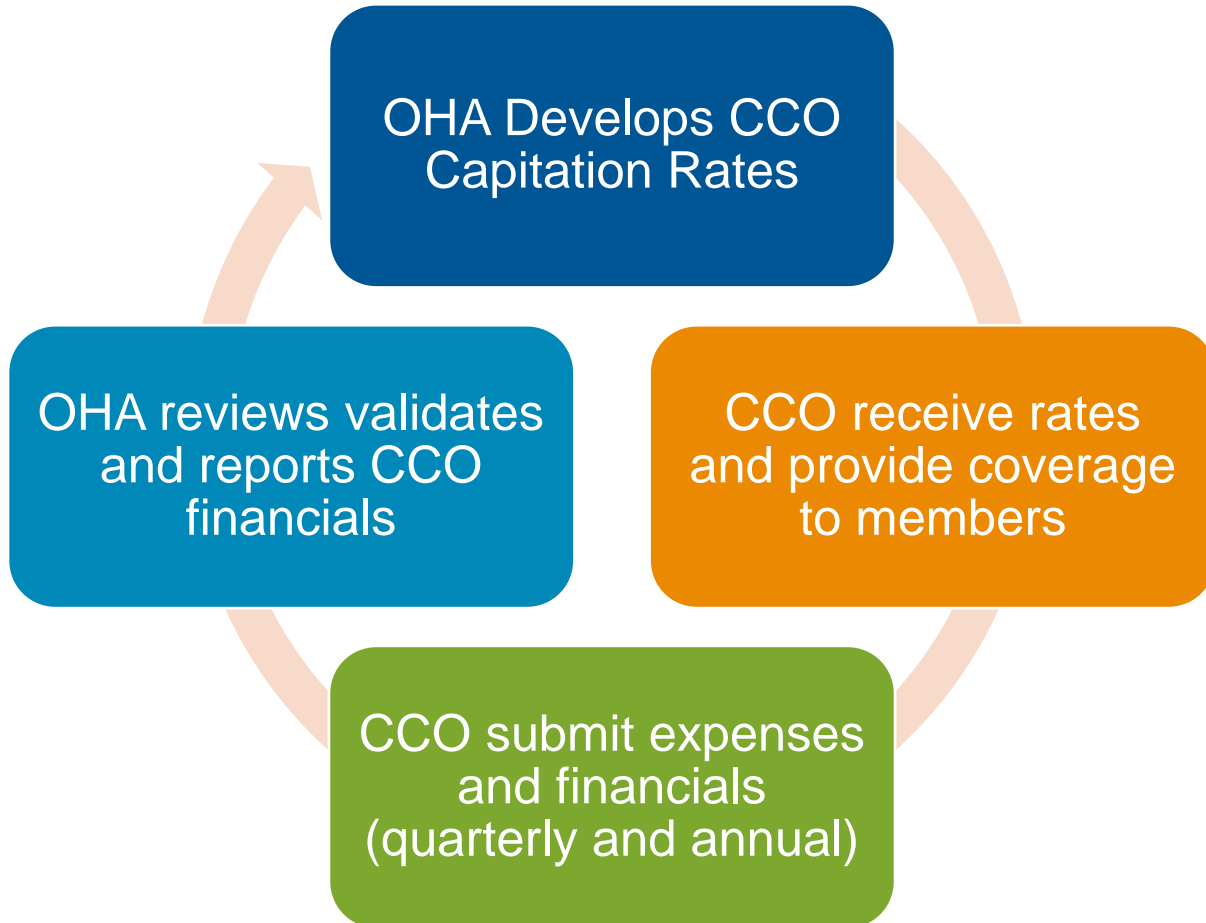


Oregon
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CCO 2022 Financial Results

- CCO Financial Results
 - CCO Financial and Capitation Rate Process
 - Operating Margin and Net Income 2013-2022
 - 2022 CCO-specific financial metrics – Costs & Margins
 - Reserves and Retained Funds for all CCOs
- CCO Community Investments
 - Health-Related Services and SHARE Initiative
 - Gov Kotek's CCO engagement - \$25M Investment by CCOs

CCO Financial and Capitation Rate Process

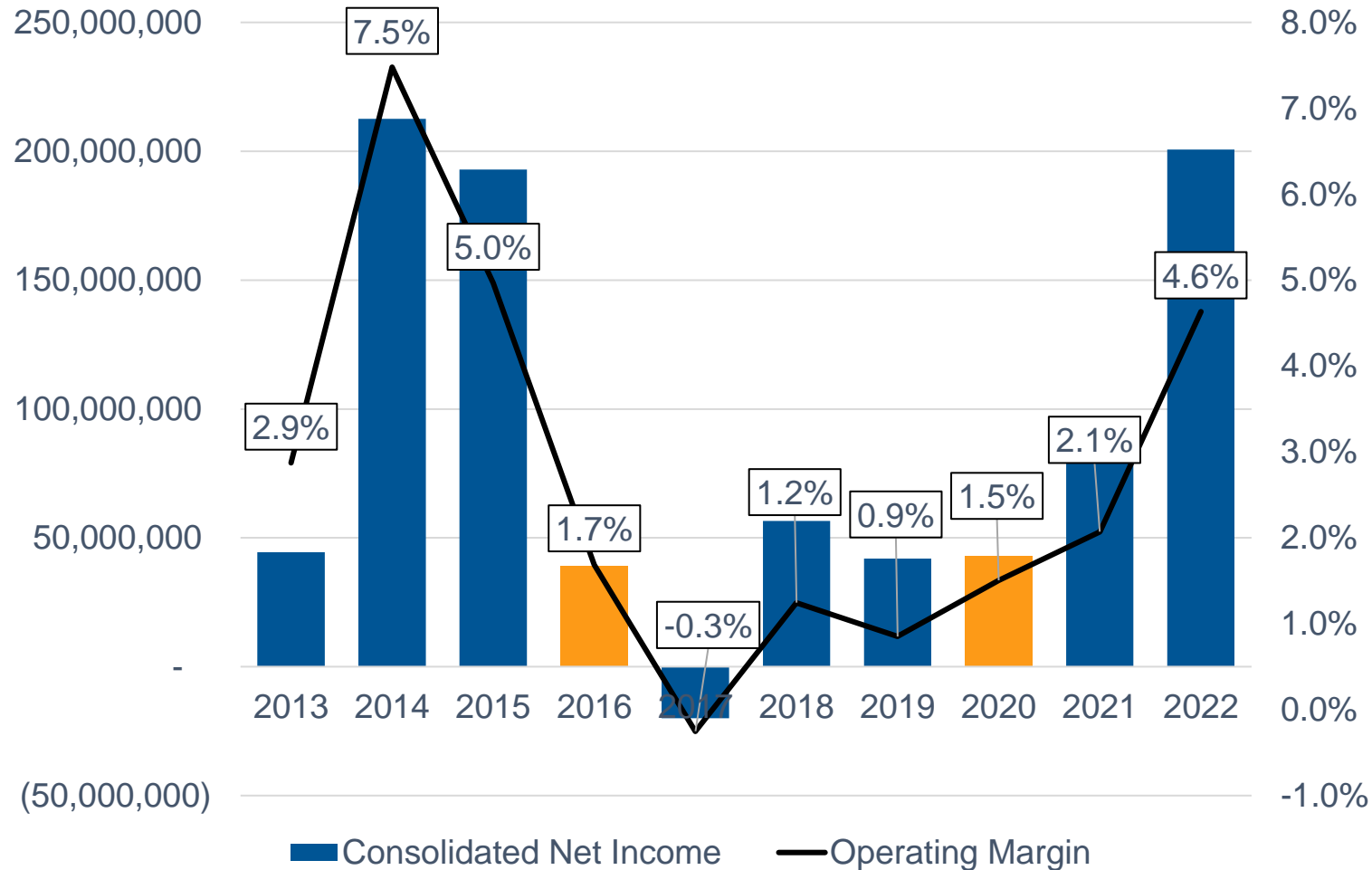


CCO financial highlights...

- CCOs receive over \$7 billion dollars in revenue annually to cover 1.4 million Oregon Health Plan (OHP) members
- CCO revenue/rates are a mixture of federal funds (~70%) and state funds (~30%)
- In 2024, CCOs will receive an average of \$506 per member, per month
 - Rates vary from ~\$200 for Children age 1-5 and ~\$1,600 for the Breast and Cervical Cancer program
- Capitation rates are developed based on CCO financial and claims experience

CY2022 CCO Financial Results – Net Income by Year

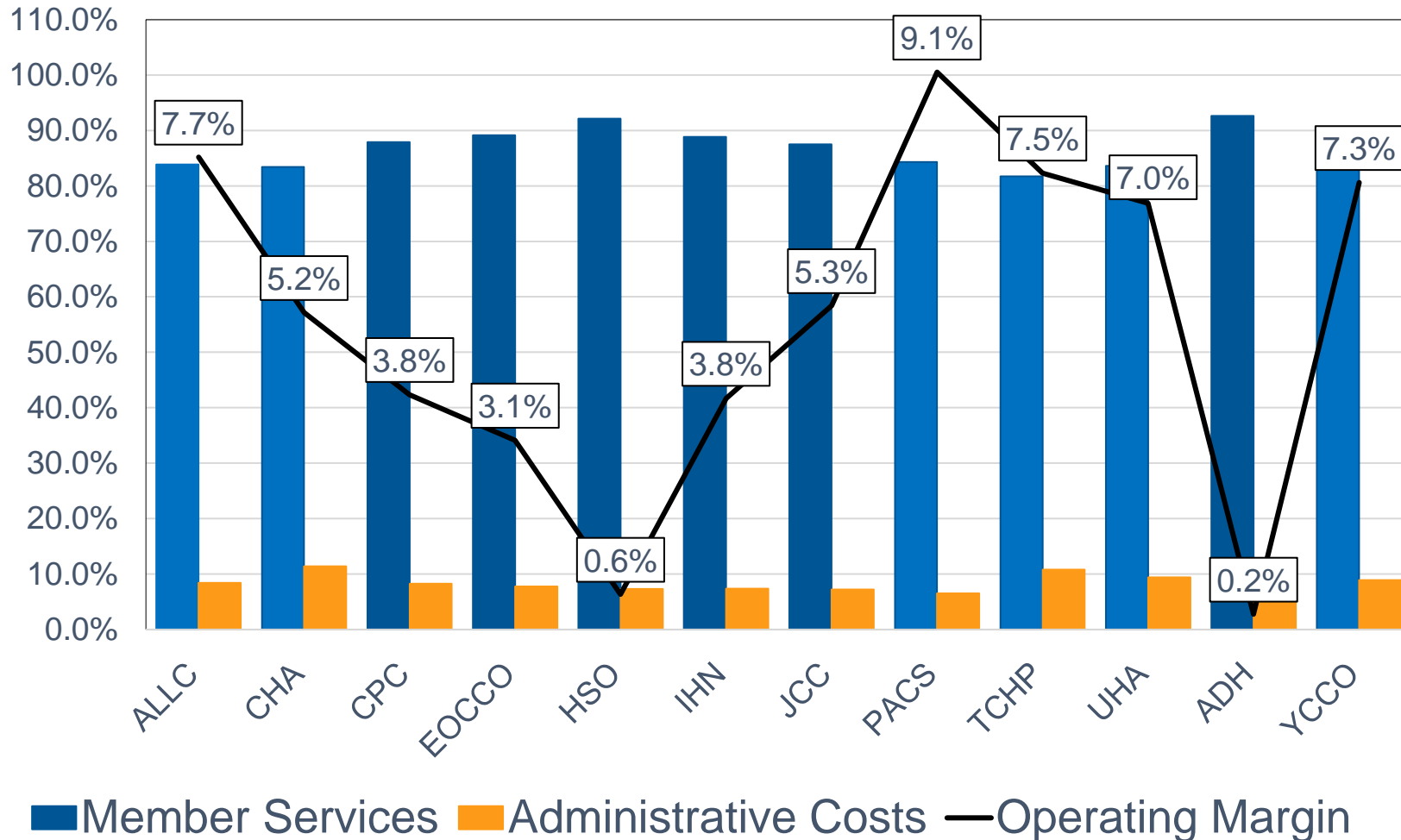
Total Operating Revenues for 2022 for all CCOs of \$7.07B. 2022 overall Operating margin at the CCO program level was 4.6%.



Definitions

- **Operating Revenues:** Revenue available for operations
- **Operating Net Income:** Profit or loss (revenue minus expenses)
- **Operating Margin:** Percentage of profit/loss compared to operating revenues
- **Consolidated Net Income:** Sum of operating net income of all CCOs

CY2022 CCO-specific Results – Costs & Margin

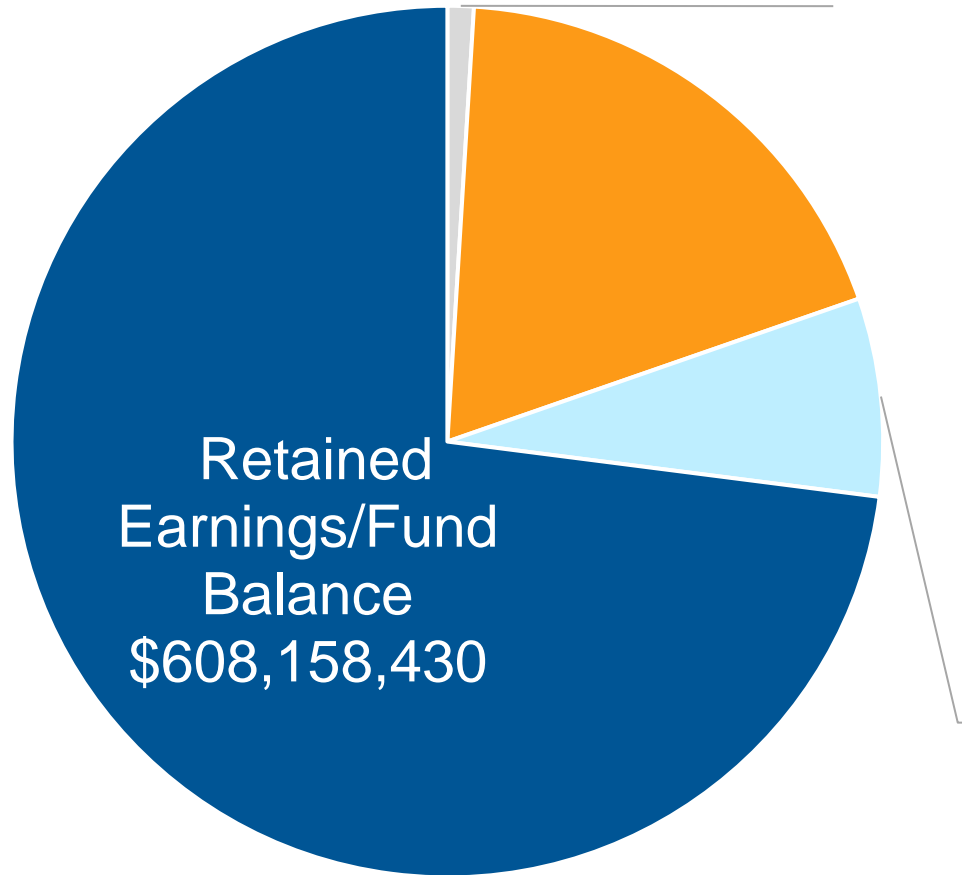


Definitions

- **Member services:** Percent of medical costs compared to revenue
- **Administrative Costs:** Percent of administrative costs compared to revenue
- **Operating Margin:** Percentage of profit/loss compared to operating revenues
- **Sub-capitated entity:** Delegated entity contracted to provide Member services on behalf of CCO.

CY2022 CCO Total Capital and Retained Funds

2022 Retained funds and Capital of all CCOs \$833,401,306



Common Stock
\$8,115,000

Contributed Capital
\$155,897,876

Surplus Notes
\$61,230,000

Definitions

- **Retained Earnings:** Earnings from current and prior years retained in CCO
- **Surplus Notes:** Unsecured debt, paying interest, to affiliates of the CCO
- **Common Stock:** Stock of CCO issued to members in exchange for funding
- **Contributed Capital:** Additional funding provided by members
- **Capital:** Common Stock, Contributed Capital, and Surplus Notes

CCOs Community Investments

CCOs are encouraged and have flexibilities to support members and the community beyond OHP benefits

Health-Related Services (HRS) and SHARE Initiative

Health-related services (HRS): HRS are services or items to improve member and community health that are not covered under Medicaid.

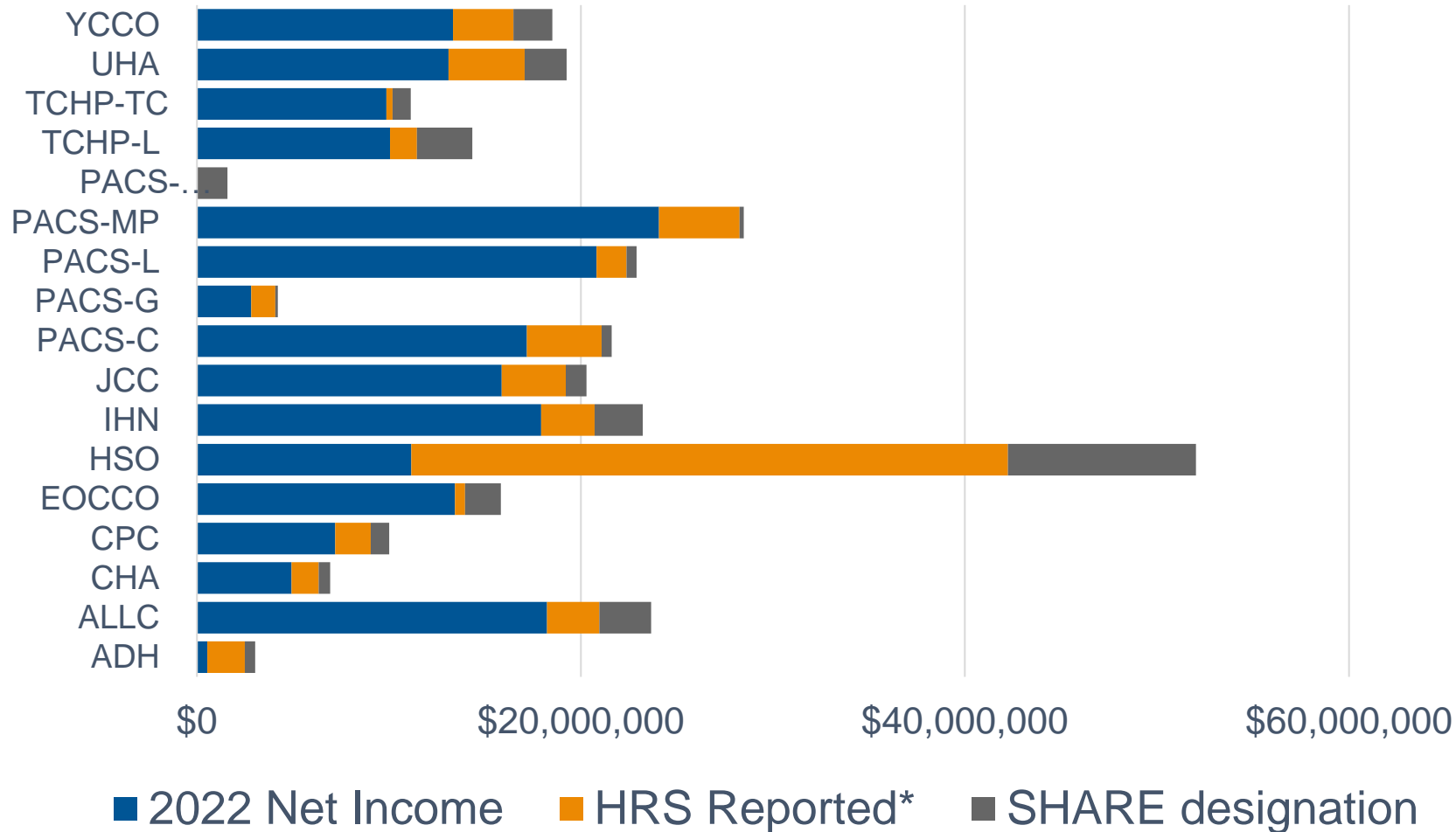
- All CCOs provide HRS services, but HRS is not a required benefit
- CCOs have a financial incentive in the rate process to spend on HRS

SHARE Initiative: Legislative requirement (HB4018, 2018) that CCOs reinvest a set % of profits into upstream non-health care factors that impact health.

- Based on CCO financials, a minimum SHARE commitment is calculated
- Spending must address social determinants of health and equity (SDOH-E) and include spending toward a statewide housing priority.
- Must align with community priorities from community health improvement plans.

CY2022 CCO Net Income, HRS and SHARE

Consolidated Net Income of \$200M, HRS of \$65M and CCO SHARE Obligations of \$31M



Definitions

- **Net Income:** Operating Revenue less Medical and Administrative Expenses
- **HRS:** Health-Related Services
- **SHARE designation:** Amount the CCO has obligated for SHARE based upon current year's financial performance

Governor - Requested CCO Investment Information

1. Governor's Office requested Community Reinvestment historical and projection information for 2021 – 2025 from CCOs
2. For 2023, CCOs projected Community Investment of \$108M, breakdown below:
 - \$16M SHARE
 - \$71M HRS
 - \$21M Social Determinants of Health and Equity (SDOH-E), BH, HRSN and Housing
3. The Governor requested an additional \$25M invested across all CCOs focusing on expansion of capacity in Behavioral Health Services across Oregon.

Governor - Requested CCO Investment of \$25M

The CCO's responded to the Governor's request to work together to commit to the following investments for Behavioral Health Projects:

- **Community Counseling Solutions Project: (\$2,000,000)** add **12 beds** for psychiatric residential treatment (PRTS).
- **Looking Glass Project: (\$2,300,000)** add **4 beds** (PRTS).
- **Trillium Family Services Project – Parry Center Project: (\$13,164,456)** add **12 beds** Youth (PRTS).
- **Adapt Project: (\$7,535,544)** add **22 Adolescent beds, 16 Parent & Child Residential beds, and 60 Adult beds.**

Questions?

Appendix A – CCO Name & Abbreviations

CCO Abbr	CCO Name
ALLC	Allcare CCO
CHA	Cascade Health Alliance
CPC	Columbia Pacific *
EOCCO	Eastern Oregon
HSO	Health Share of Oregon *
IHN	Inter-community Health Network
JCC	Jackson Care Connect *
PACS-C	PacificSource Comm. Solutions - Central
PACS-G	PacificSource Comm. Solutions - Gorge
PACS-L	PacificSource Comm. Solutions - Lane
PACS-MP	PacificSource Comm. Solutions - Marion Polk
TCHP-TC	Trillium Comm. Health Plan - Tri County
TCHP-L	Trillium Comm. Health Plan - Lane
UHA	Umpqua Health Alliance
ADH	Advanced Health
YCCO	Yamhill Community Care

Appendix B – HRS & SHARE definitions

Health-Related Services (HRS) are non-covered services under Oregon’s Medicaid State Plan that are not otherwise administrative requirements

HRS Services include:

1. Flexible services, which are cost-effective services offered to an individual member to supplement covered benefits, and
2. Community benefit initiatives, which are community-level interventions that include members, but are not necessarily limited to only members, and are focused on improving population health and health care quality.

Supporting Health for All through REinvestment (SHARE) Initiative legislative requirement for coordinated care organizations (CCOs) to invest some of their profits back into their communities.

SHARE Initiative dollars must:

1. Align with community priorities in the CCO's current community health improvement plan;
2. Include any statewide priorities for SHARE spending that are identified in the contract between CCOs and OHA (currently housing-related services and supports);
3. Include a role for the CCO’s community advisory council;
4. Involve community partnerships, with a portion of dollars going to SDOH-E partners (see definitions below); and
5. Fit into one of four SHARE Initiative domains related to the social determinants of health and equity (SDOH-E): economic stability, neighborhood and built environment, education, and social and community health.