

# **CY2026 CCO Capitation Rates**

## **House Health Care Committee**

**Rochelle Layton, CFO**

**Chelsea Guest, CCO Finance Director**

**Dave Baden, Deputy Director for Policy & Program**

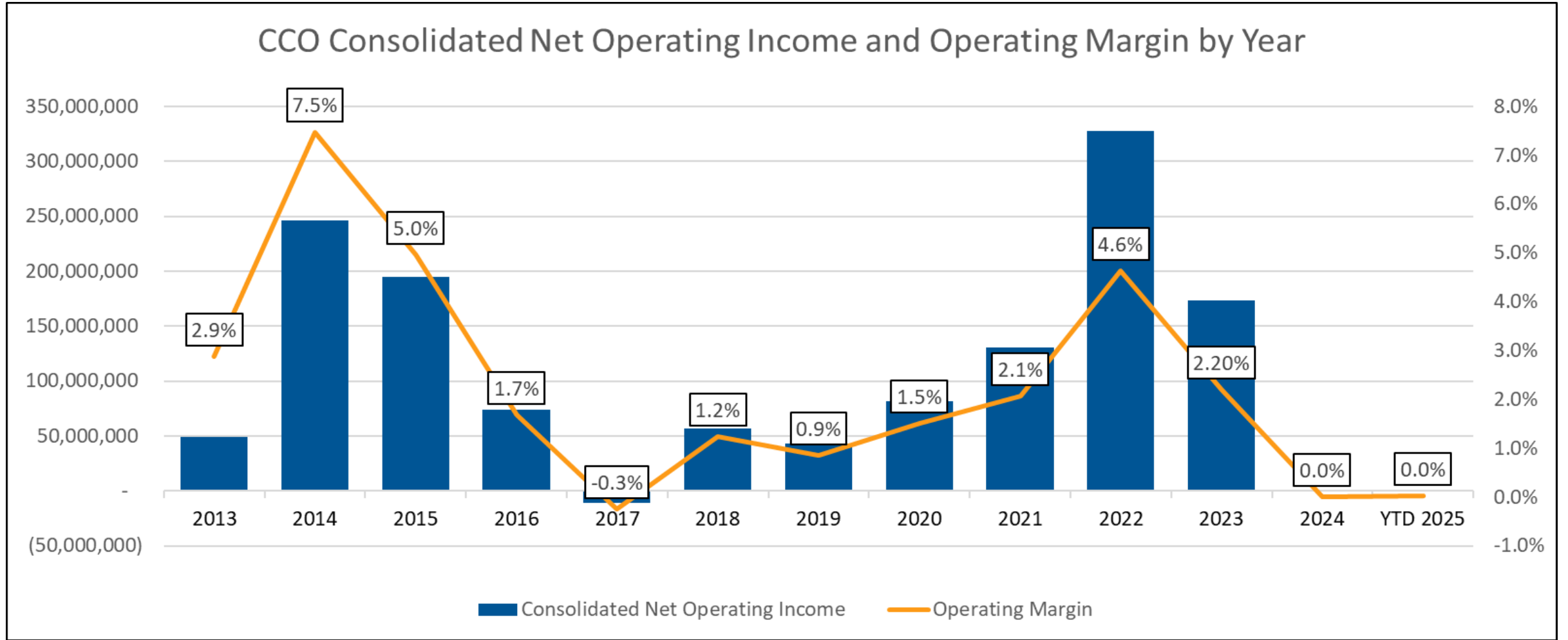
# Agenda

---

- CCO Program Financial Performance through Q2 2025
- CY2026 Capitation Rate Development Process
- CCO Feedback in August & Extended Rate Process
- CY2026 Capitation Rates – Initial and Revised
- August Policy Tables Overview and Summary
- Future Rates & Policy Next Steps
- Key CCO Milestones and Rate Adjustments

# CCO Program Financial Performance

After ACA/PHE redetermination efforts, CCOs have seen dips in profits across the program. In 2024/2025, reduced membership was also accompanied by a surge in utilization in behavioral health.



<https://www.oregon.gov/oha/FOD/Documents/Q4%202024%20Public%20Brief.pdf>

# CY2026 Capitation Rate Development Process



- **May/June 2025 Data & Analysis:** Mercer analyzed 2024 financials/claims (including emerging Q1 2025) to develop CCO capitation rates for CY26.
- **July 2025 Budget Targeting:** OHA selected a point within the actuarially sound range using policy levers to meet budget goals. The 3.4% target did not fall within the actuarial sound rate range.
- **August 2025 Initial Draft & Feedback:** Draft rates (based on 2024 data and Q1 2025) were shared August 1; **CCOs provided significant concern and feedback during CCO 1:1 meetings.**

# Key Themes – CCO Feedback in August



- **Escalating Cost Pressures:** Cost growth is accelerating; particularly in behavioral health for 2024 and expanding to both behavioral and physical health in 2025. OHA requested Q2 2025 data from CCOs to validate their concerns and observed the persisting high trends.
- **Urgency for Collaboration:** CCOs requested further partnership with OHA to ensure program sustainability and expressed concern over the short statutory timeline for responding to rate changes and exploring policy changes.
- **Reduced Risk Tolerance:** Declining reserves and capital in 2024 and 2025 have lowered CCOs' appetite for absorbing financial risk.
- **Immediate Cost-Cutting Measures:** Due to 2025 financial pressures, CCOs are already reducing networks and adjusting reimbursement.

*In response to feedback, OHA extended the non-renewal deadline, facilitated policy and contract change discussions, which included developing risk mitigation offers*

# CY2026 **Revised** Rate & Extended Process

---



- **August 2025 Updated Trends:** Emerging Jan-Jun 2025 data was submitted by CCOs in mid-August and showed even higher trends, prompting Mercer to revise rate ranges.
- **Sept. 4<sup>th</sup> Revised Rate Range:** OHA published the updated rates with a significant increase supported by CCO data and draft contract for CCO non-renewal notification (deadline Sept. 18<sup>th</sup>)

# Statewide CY26 Rates – Aug 1 versus Sept 4 Release

Sept. rates were updated based on CCO Q2 2025 data, and total statewide impact changed from 6.8% to 10.2%

Mercer's August 1 <sup>st</sup> Preliminary Rate Release					Mercer's September 4 <sup>th</sup> Final Rate Release				
Rate Group (CCOA)	CY26 Caseload Forecast	CY25 Rate Excl. MCO Tax	CY26 Rate Excl. MCO Tax	% Difference	Rate Group	CY26 Caseload Forecast <sup>1</sup>	CY25 Rate Excl. MCO Tax	CY26 Rate Excl. MCO Tax	% Difference
PCR	1,173,763	\$ 561.80	\$ 637.18	13.4%	PCR	1,173,763	\$ 561.80	\$ 663.71	18.1%
PWO	176,801	\$ 531.96	\$ 556.47	4.6%	PWO	176,801	\$ 531.96	\$ 581.67	9.3%
CHILD 00-01	268,082	\$ 1,017.87	\$ 1,061.08	4.2%	CHILD 00-01	268,082	\$ 1,017.87	\$ 1,082.01	6.3%
CHILD 01-05	1,288,470	\$ 225.03	\$ 241.28	7.2%	CHILD 01-05	1,288,470	\$ 225.03	\$ 248.65	10.5%
CHILD 06-18	3,431,818	\$ 269.05	\$ 292.87	8.9%	CHILD 06-18	3,431,818	\$ 269.05	\$ 302.29	12.4%
DUAL-MEDS	952,206	\$ 313.49	\$ 324.50	3.5%	DUAL-MEDS	952,206	\$ 313.49	\$ 327.39	4.4%
ABAD & OAA	610,183	\$ 1,641.70	\$ 1,722.28	4.9%	ABAD & OAA	610,183	\$ 1,641.70	\$ 1,789.09	9.0%
FOSTER	155,362	\$ 824.08	\$ 913.17	10.8%	FOSTER	155,362	\$ 824.08	\$ 975.35	18.4%
ACA 19-34	2,929,655	\$ 437.16	\$ 443.66	1.5%	ACA 19-34	2,929,655	\$ 437.16	\$ 456.63	4.5%
ACA 35-44	1,438,202	\$ 593.81	\$ 660.49	11.2%	ACA 35-44	1,438,202	\$ 593.81	\$ 680.26	14.6%
ACA 45-54	1,082,666	\$ 795.47	\$ 849.10	6.7%	ACA 45-54	1,082,666	\$ 795.47	\$ 875.56	10.1%
ACA 55-64	1,038,388	\$ 909.03	\$ 971.78	6.9%	ACA 55-64	1,038,388	\$ 909.03	\$ 1,001.79	10.2%
YSHCN	37,603	\$ 521.25	\$ 550.55	5.6%	YSHCN	37,603	\$ 521.25	\$ 566.27	8.6%
BCCP	844	\$ 1,645.52	\$ 1,721.00	4.6%	BCCP	844	\$ 1,645.52	\$ 1,792.95	9.0%
Maternity	13,693	\$ 13,257.00	\$ 14,287.19	7.8%	Maternity	13,693	\$ 13,257.00	\$ 14,350.81	8.3%
<b>Total</b>	<b>14,597,068</b>	<b>\$ 535.60</b>	<b>\$ 572.21</b>	<b>6.8%</b>	<b>Total</b>	<b>14,597,068</b>	<b>\$ 535.60</b>	<b>\$ 590.31</b>	<b>10.2%</b>

Note: Bridge-Basic Medicaid included in total (13,023 MM); Excluded Basic Health Plan, Healthier Oregon and non-Medicaid dental

# CY26 CCO Comparison – Original Rates Aug 1<sup>st</sup> (6.8%)

Coordinated Care Organizations	Rate Group	CY26 Caseload Forecast (MM)	CY25 Rate Excl. MCO Tax	CY26 Rate Excl. MCO Tax	% Difference
Advanced Health, LLC	Total	313,450	\$ 579.11	\$ 617.23	6.6%
AllCare CCO	Total	735,046	\$ 507.40	\$ 541.68	6.8%
Cascade Health Alliance, LLC	Total	300,153	\$ 524.00	\$ 560.65	7.0%
Columbia Pacific CCO, LLC	Total	409,769	\$ 632.93	\$ 646.40	2.1%
Eastern Oregon Coordinated Care Org., LLC	Total	829,804	\$ 592.63	\$ 641.59	8.3%
Health Share of Oregon	Total	4,855,390	\$ 513.90	\$ 553.71	7.7%
InterCommunity Health Network, Inc.	Total	919,873	\$ 580.47	\$ 618.18	6.5%
Jackson County CCO, LLC	Total	727,611	\$ 516.95	\$ 565.33	9.4%
PacificSource Community Solutions (Central)	Total	847,509	\$ 626.13	\$ 640.16	2.2%
PacificSource Community Solutions (Gorge)	Total	193,250	\$ 553.05	\$ 609.45	10.2%
PacificSource Community Solutions (Lane)	Total	1,038,622	\$ 517.50	\$ 565.31	9.2%
PacificSource Community Solutions (Marion Polk)	Total	1,613,604	\$ 531.53	\$ 565.39	6.4%
Trillium Community Health Plan, Inc. (Tri-County)	Total	589,325	\$ 446.22	\$ 448.61	0.5%
Trillium Community Health Plan, Inc. (Southwest)	Total	389,508	\$ 503.71	\$ 550.14	9.2%
Umpqua Health Alliance	Total	445,725	\$ 553.19	\$ 580.57	4.9%
Yamhill Community Care	Total	388,428	\$ 544.58	\$ 591.48	8.6%
<b>Statewide</b>	<b>Total</b>	<b>14,597,068</b>	<b>\$ 535.60</b>	<b>\$ 572.21</b>	<b>6.8%</b>

# CY26 CCO Comparison – Revised Rates Sept. 4<sup>th</sup> (10.2%)

Coordinated Care Organizations	Rate Group	CY26 Caseload Forecast (MM)	CY25 Rate Excl. MCO Tax	CY26 Rate Excl. MCO Tax	% Difference
Advanced Health, LLC	Total	313,450	\$ 579.11	\$ 633.08	9.3%
AllCare CCO	Total	735,046	\$ 507.40	\$ 562.19	10.8%
Cascade Health Alliance, LLC	Total	300,153	\$ 524.00	\$ 574.20	9.6%
Columbia Pacific CCO, LLC	Total	409,769	\$ 632.93	\$ 668.06	5.6%
Eastern Oregon Coordinated Care Org., LLC	Total	829,804	\$ 592.63	\$ 645.19	8.9%
Health Share of Oregon	Total	4,855,390	\$ 513.90	\$ 571.59	11.2%
InterCommunity Health Network, Inc.	Total	919,873	\$ 580.47	\$ 636.19	9.6%
Jackson County CCO, LLC	Total	727,611	\$ 516.95	\$ 589.87	14.1%
PacificSource Community Solutions (Central)	Total	847,509	\$ 626.13	\$ 678.32	8.3%
PacificSource Community Solutions (Gorge)	Total	193,250	\$ 553.05	\$ 618.73	11.9%
PacificSource Community Solutions (Lane)	Total	1,038,622	\$ 517.50	\$ 582.05	12.5%
PacificSource Community Solutions (Marion Polk)	Total	1,613,604	\$ 531.53	\$ 581.99	9.5%
Trillium Community Health Plan, Inc. (Tri-County)	Total	589,325	\$ 446.22	\$ 462.89	3.7%
Trillium Community Health Plan, Inc. (Southwest)	Total	389,508	\$ 503.71	\$ 557.57	10.7%
Umpqua Health Alliance	Total	445,725	\$ 553.19	\$ 603.94	9.2%
Yamhill Community Care	Total	388,428	\$ 544.58	\$ 609.52	11.9%
<b>Statewide</b>	<b>Total</b>	<b>14,597,068</b>	<b>\$ 535.60</b>	<b>\$ 590.31</b>	<b>10.2%</b>

# Medicaid Benefit Tables in August

*OHA convened rapid policy tables with CCOs to address sustainability concerns and identify short-term policy changes that would improve the cost/risk of the CCO program into 2026*



- Alongside the rate revision, four tables were convened in August, focusing on:



Administration



Pharmacy



Dental



Behavioral Health



Finance

- Both immediate and longer-term recommendations were collaboratively developed through multiple conversations and sent to CCO leadership for additional feedback

# 2026 Tables Policy Change List – Summary

Moving Forward (Strong Support)	Moving Forward (Mixed Feedback)
<ul style="list-style-type: none"><li>Narrowing the Behavioral Health Directed Payment to team-based care providers</li></ul>	<ul style="list-style-type: none"><li>Offer an Optional Behavioral Health Risk Corridor</li></ul>
<ul style="list-style-type: none"><li>High-cost, low utilization Drug FFS Carve Out</li></ul>	<ul style="list-style-type: none"><li>Adjust the Quality Pool for upcoming contract years</li></ul>
<ul style="list-style-type: none"><li>Reduce CCO Contract Administrative Burden</li></ul>	<ul style="list-style-type: none"><li>Increase Medical Loss Ratio (MLR) in connection with higher rate increase</li></ul>
<ul style="list-style-type: none"><li>Remove reference to possibility of requiring NCQA Health Equity accreditation in 2027</li></ul>	
<ul style="list-style-type: none"><li>Statewide pricing agreement for other Out-of-state providers (2027)</li></ul>	
<ul style="list-style-type: none"><li>Improve Open Card fee schedule alignment and communication</li></ul>	

*Please note, a variety of policy proposals that did not move forward are not listed.*

# Future Rates & Policy

---

*In collaboration with CCOs and other impacted partners, OHA will build on the work completed during the August policy tables to evaluate how the program should evolve to maintain long-term financial sustainability. This may involve additional policy actions that require a longer implementation timeline, in accordance with federal and state laws.*



# Key CCO Milestones and Rate Adjustments

---

- **September:**

- Decision Draft to CCOs (delivery 4<sup>th</sup> and CCO decision 18<sup>th</sup>)
- Start transition process for any CCOs that provided notice of non-renewal

- **October - December:**

- 2025 Rate Adjustment (additional \$30m SF, ~\$100m TF)
- 2026 Capitation Rate Submission to CMS

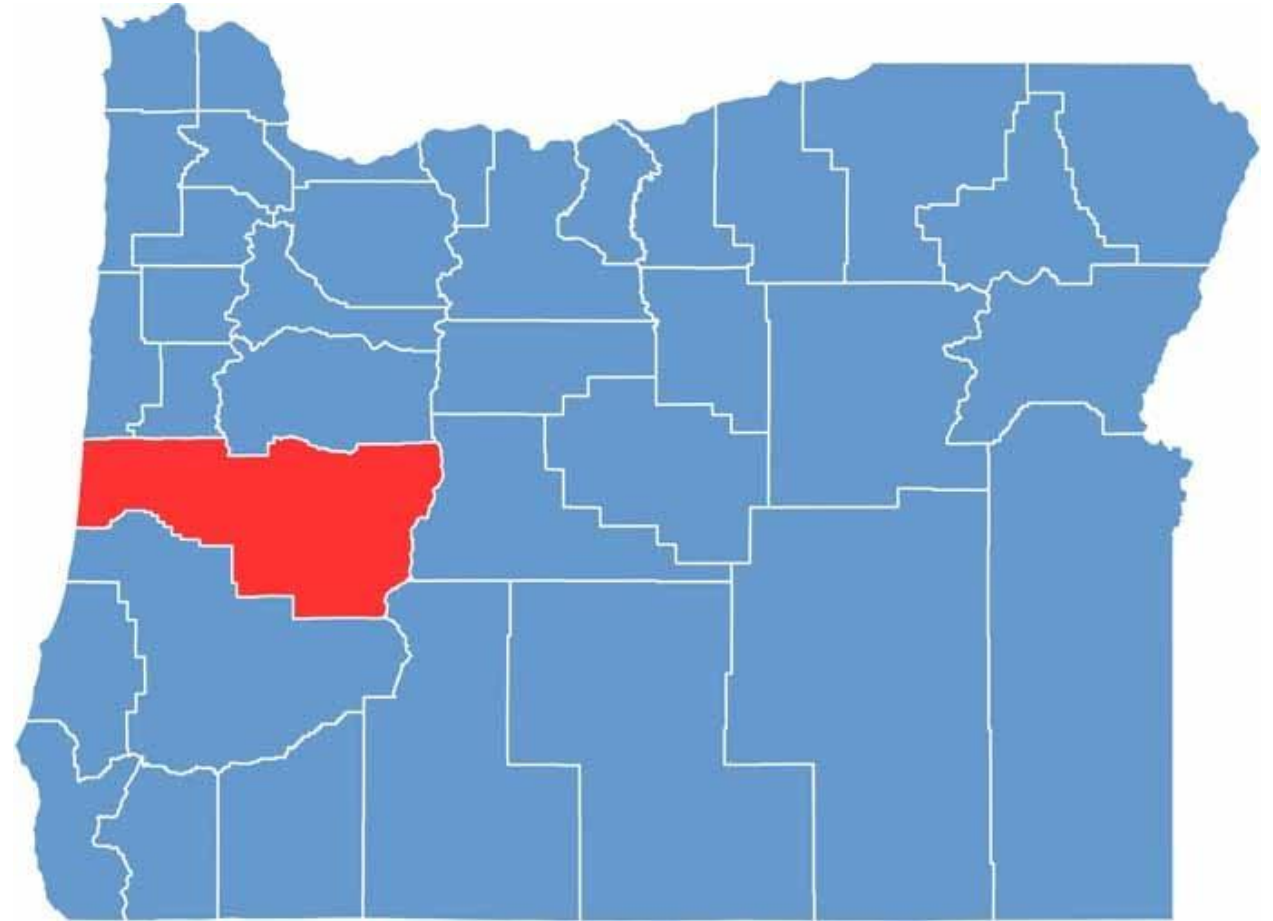
Note: Updated 2026 rates will be needed for Lane County

- Continue transition process for Lane County

# Lane County Transition

---

- **Notice Received:** OHA received notice that PacificSource made a business decision to not renew its current contract as a CCO in Lane County in 2026; however, there is a process for ensuring CCO coverage for Lane County next year and we will be working through those steps in the coming months.
- **Continued coverage:** As part of the current contract, PacificSource is required to provide services during the process of locating another network provider. **There are no immediate changes to benefits for providers, community members or OHP members.**
- **Member Focused:** OHA will work collaboratively to identify solutions that meet the goals and specifics outlined in CCO contracts to best serve OHP members and mitigate member disruption.



# Next steps for Lane County transition

---

- OHA is guided by OAR 410-141-3720-Service Area Change for Existing CCOs
  - PacificSource will work with OHA and local providers on completing a transition plan prior to 1/1/26
  - OHA to determine whether there is a service area need and whether to ask current CCO to expand network
    1. Under ORS 414.572(4), OHA, in selecting one or more CCOs to serve a service area shall:
      - (a) For members and potential members, optimize access to care and choice of providers;
      - (b) For providers, optimize choice in contracting with coordinated care organizations; and
      - (c) Allow more than one coordinated care organization to serve the geographic area if necessary to optimize access and choice under this subsection.
  - If determination of a Service Area Need is done, the rule provides timeframes and guidance to do a letter of intent process for all current Oregon CCOs to determine interest in the coverage area
  - OHA has authority to have PacificSource provide 90 days of coverage after the completion of the close out plan (extend coverage into 2026)
  - OHA's goal is to minimize member disruption, provide clear communication to Lane County providers and impacted members, and ensure any provider has a robust network to serve all Medicaid members in Lane County