Coordinated Care Organizations

How Are They Doing?

Michael C. Huntington M.D.

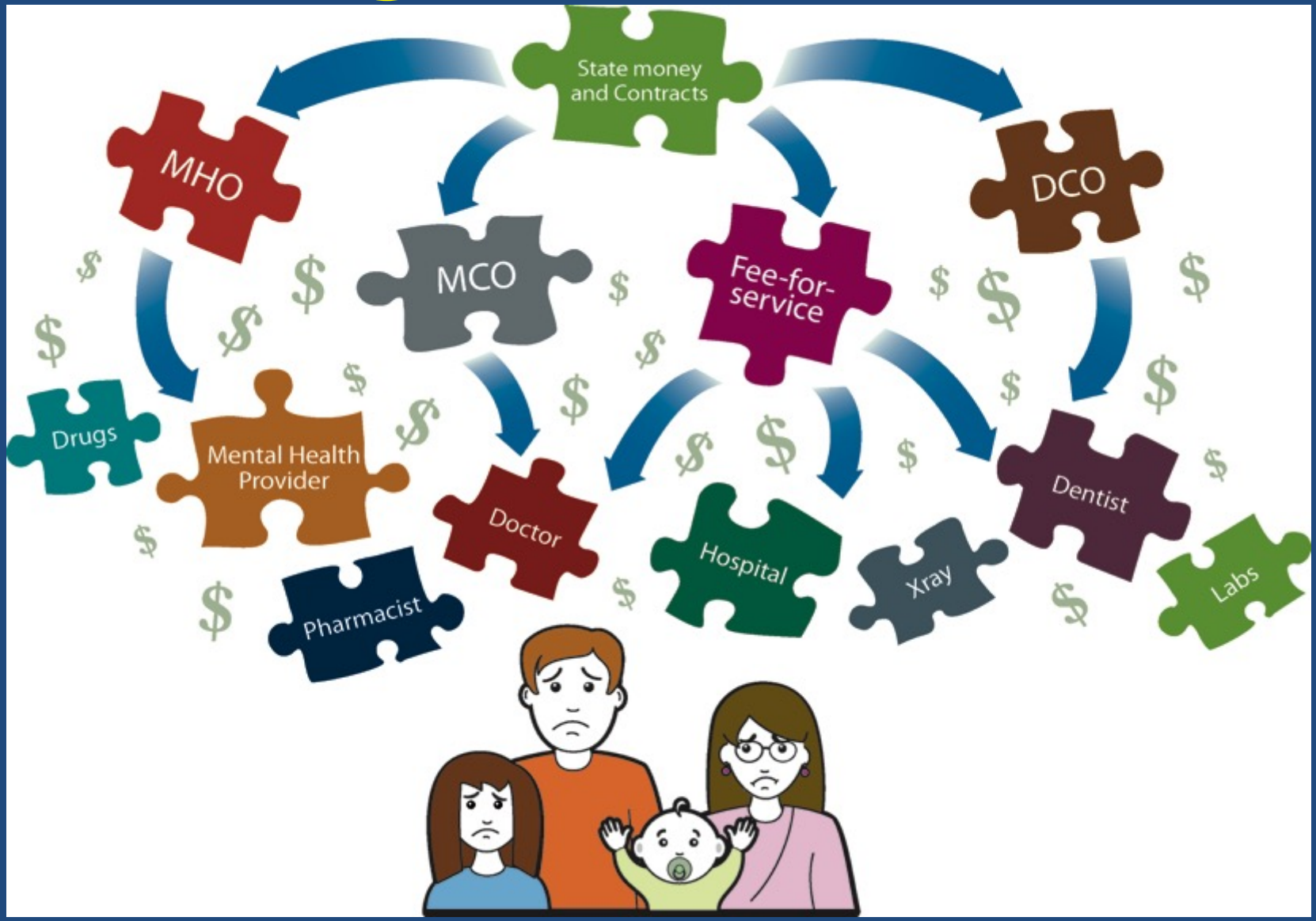
Oregon Public Health Association Meeting

October 10, 2017

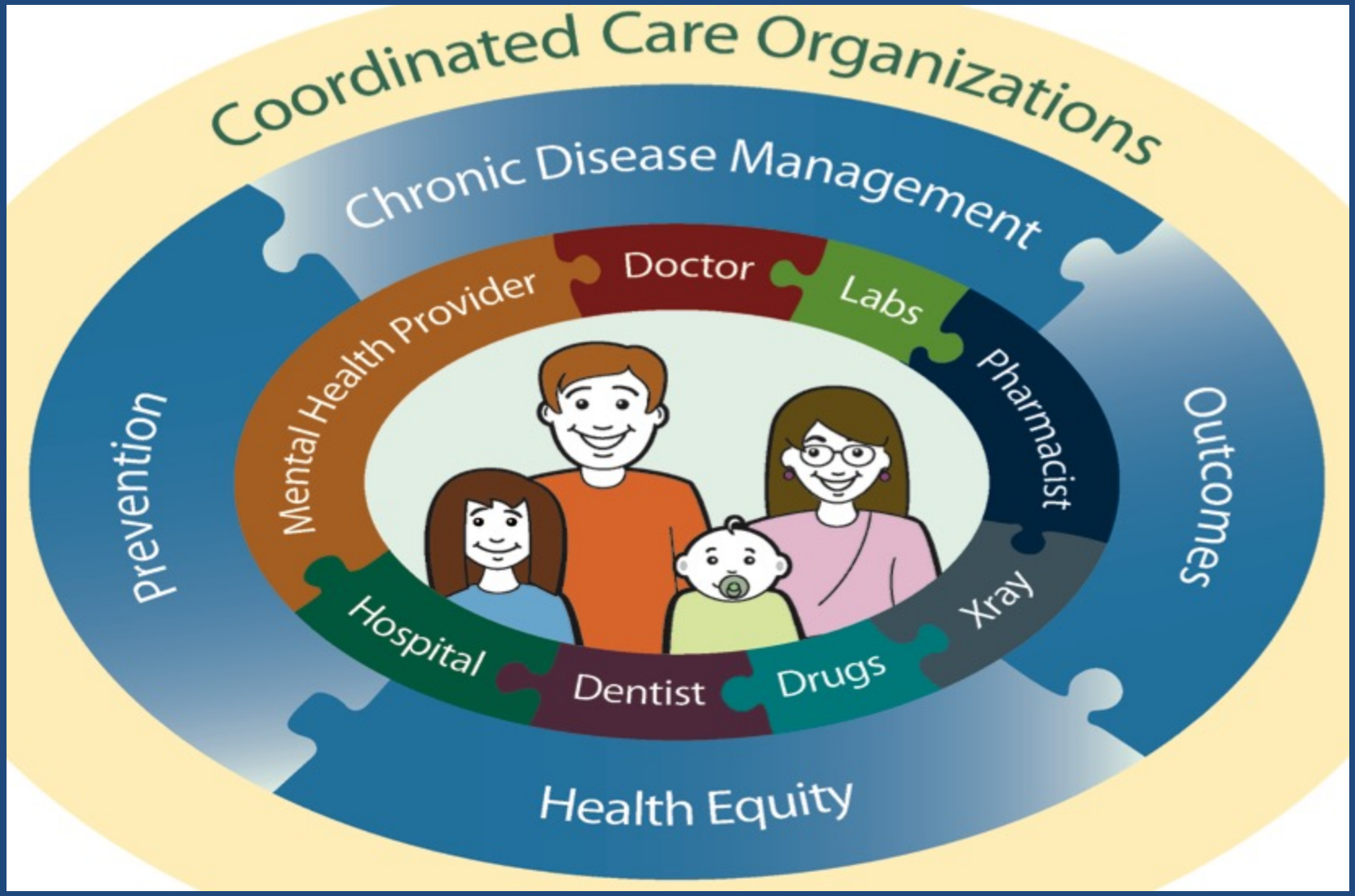
"All diseases have two causes:
one is **pathological**
the other — **political**."

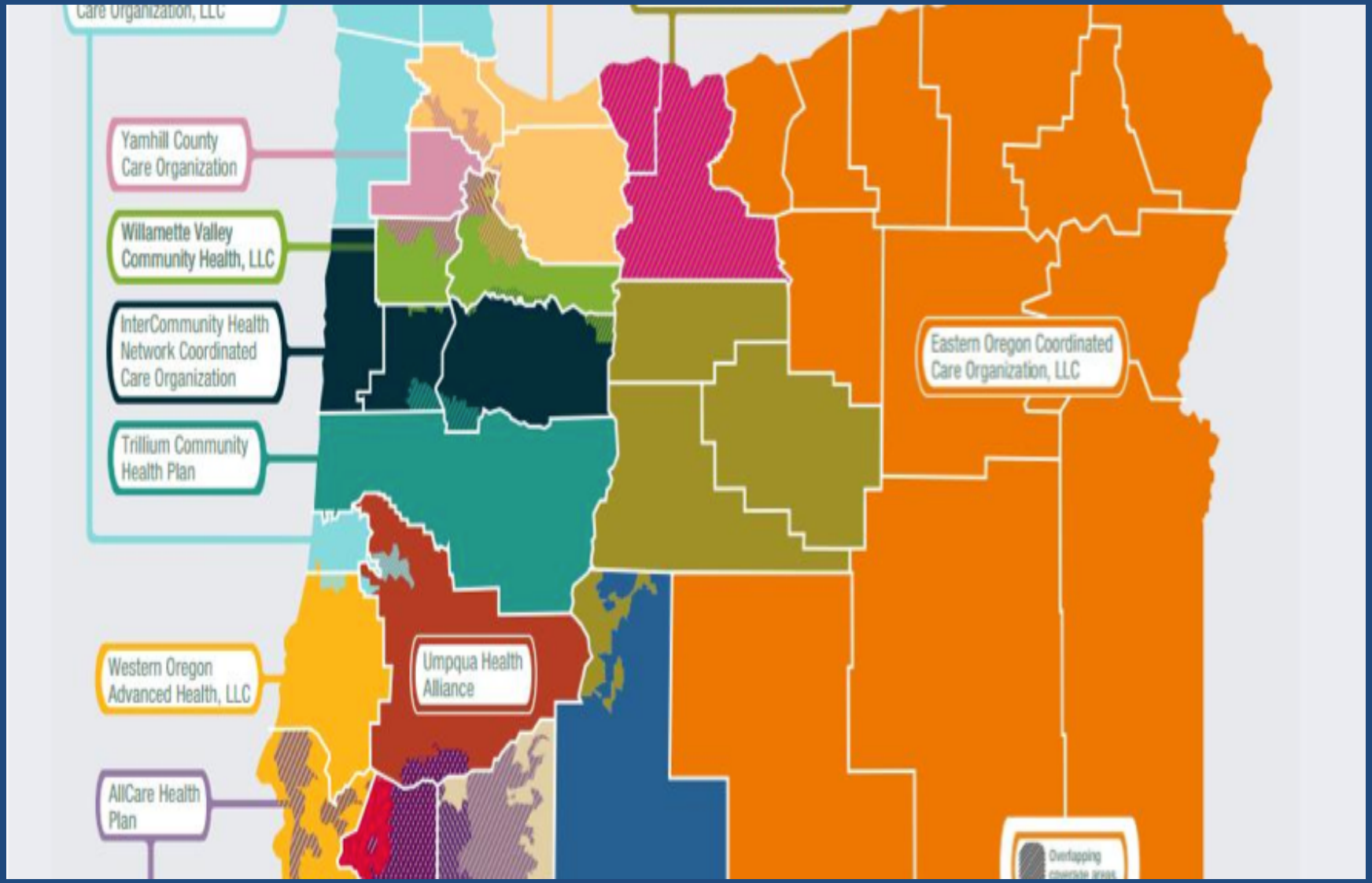
Rudolf Virchow
German Pathologist University of Berlin, 1848

Fragmented Care

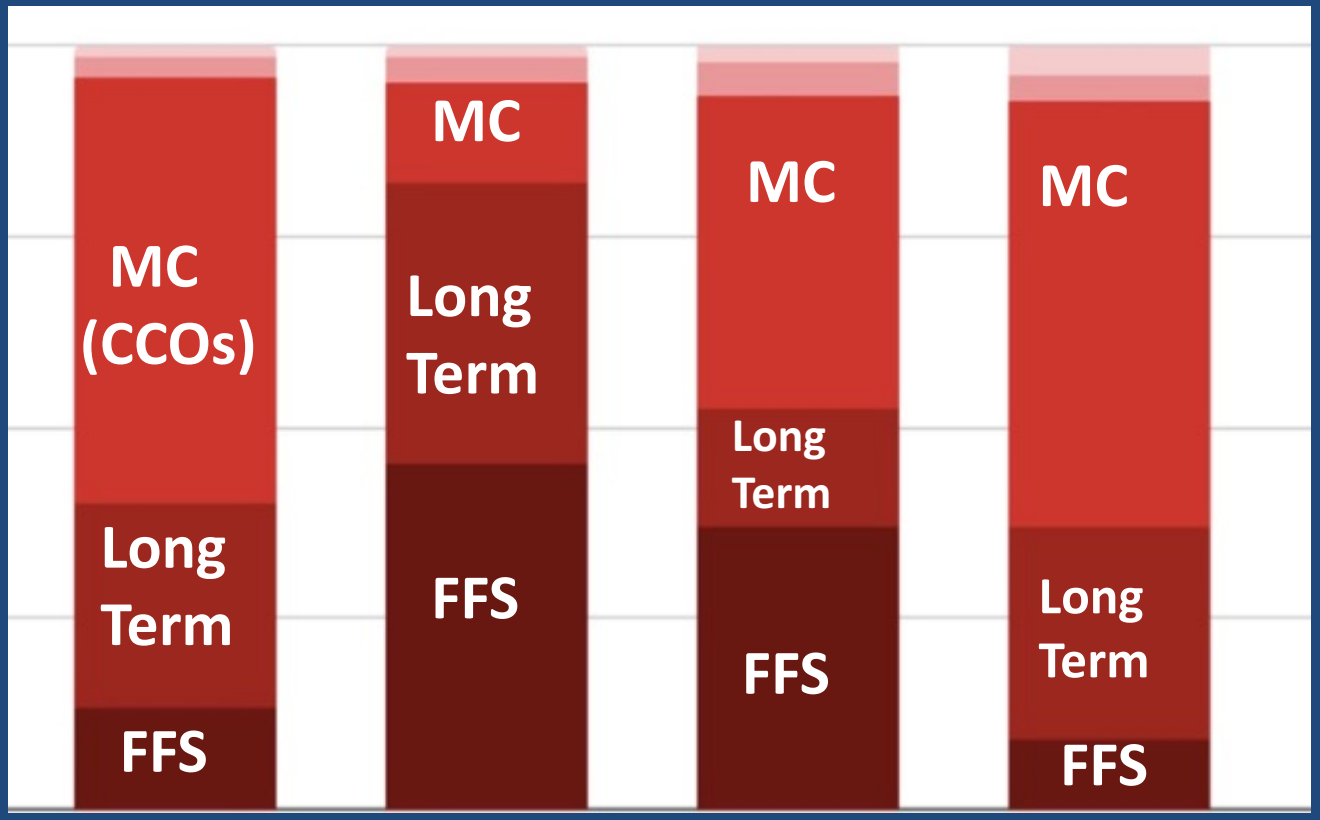


Unified Care



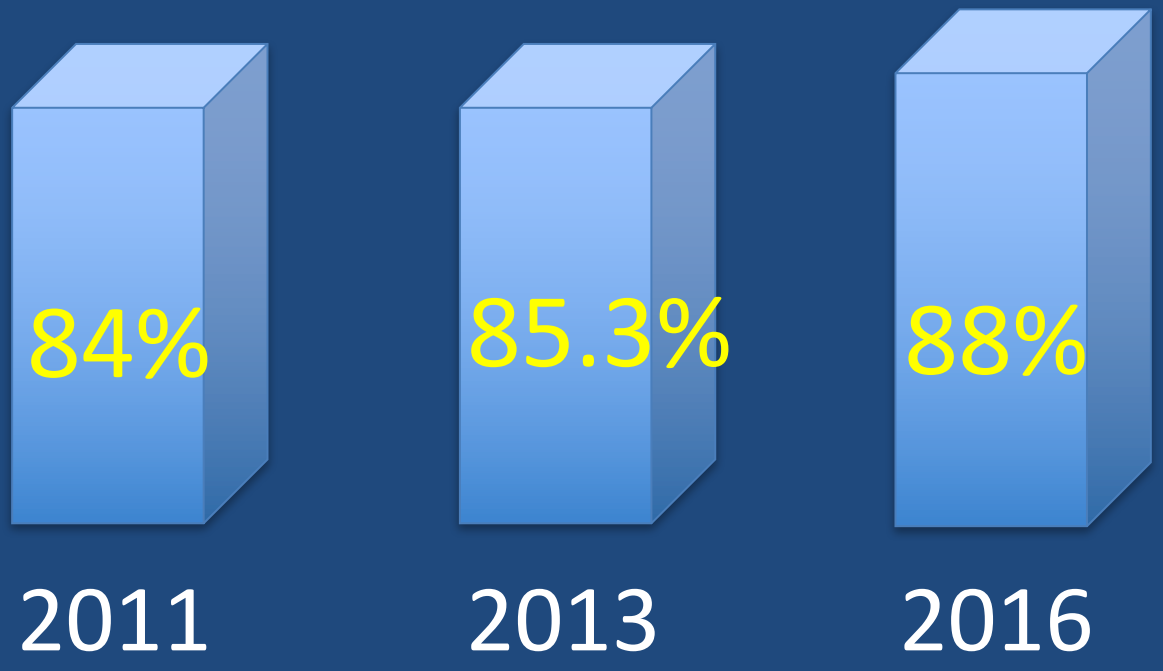

Care Organization, LLC
Yamhill County Care Organization
Willamette Valley Community Health, LLC
InterCommunity Health Network Coordinated Care Organization
Trillium Community Health Plan
Eastern Oregon Coordinated Care Organization, LLC
Western Oregon Advanced Health, LLC
Umpqua Health Alliance
AllCare Health Plan
Overlapping

CCOs are Managed Care (MC)



More Insured

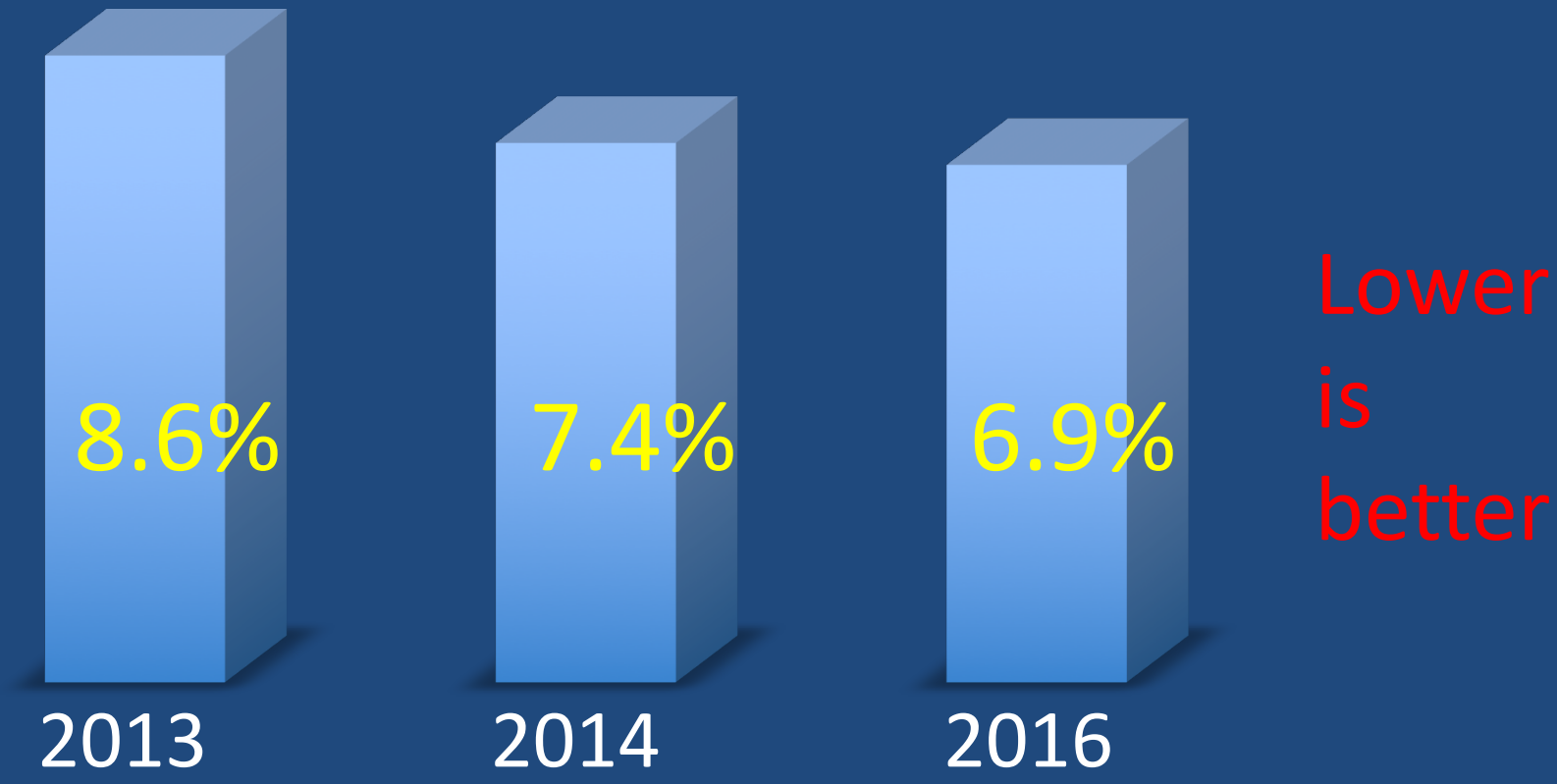
Medicaid increases mostly



Oregon Center for Public Policy Mar. 15, 2016
http://www.countyhealthrankings.org 2017

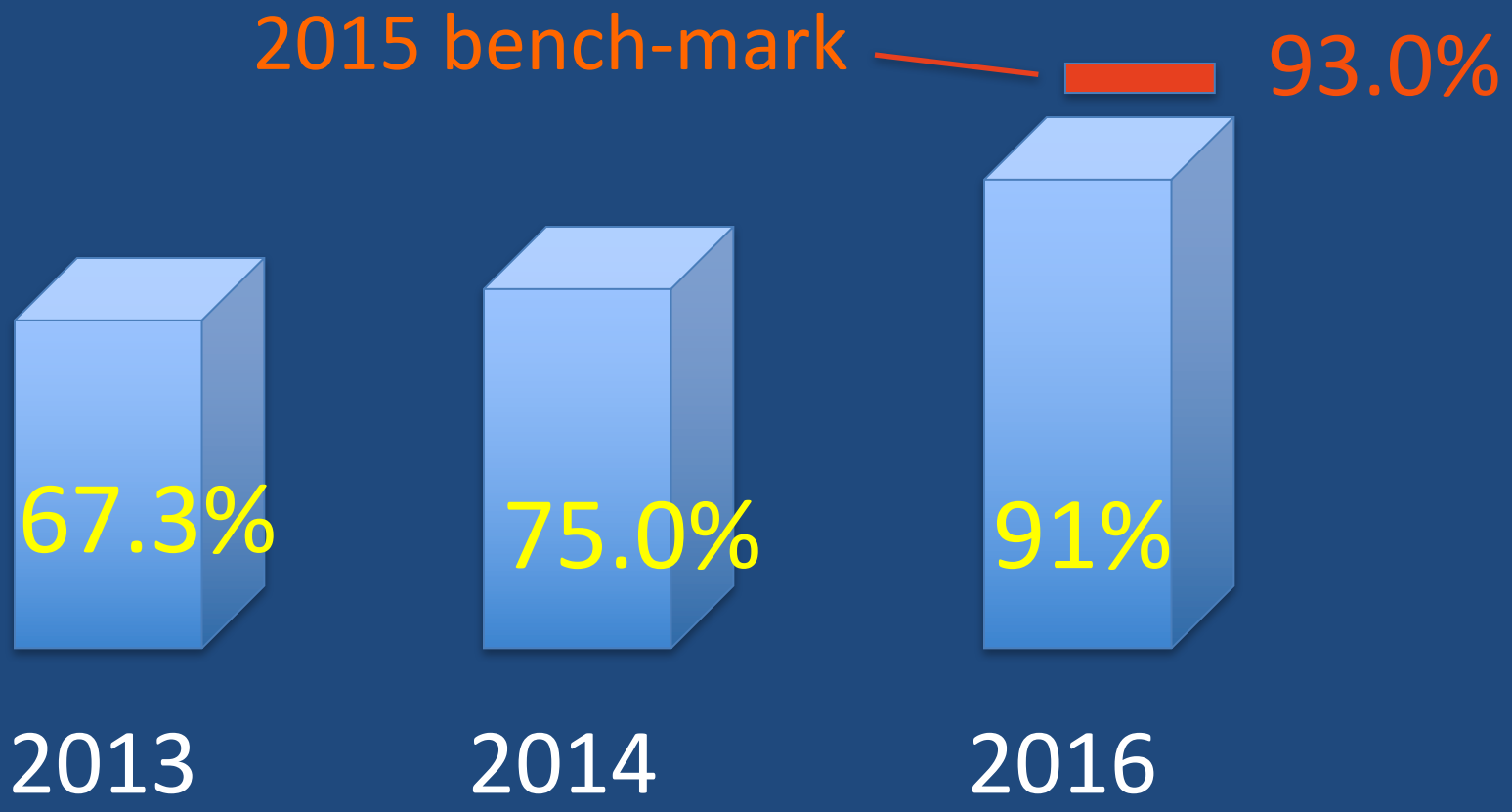
Avoidable Emergency room use

Per 1,000 member months



oregon.gov/oha/Metrics/Documents/2016

Prenatal Care



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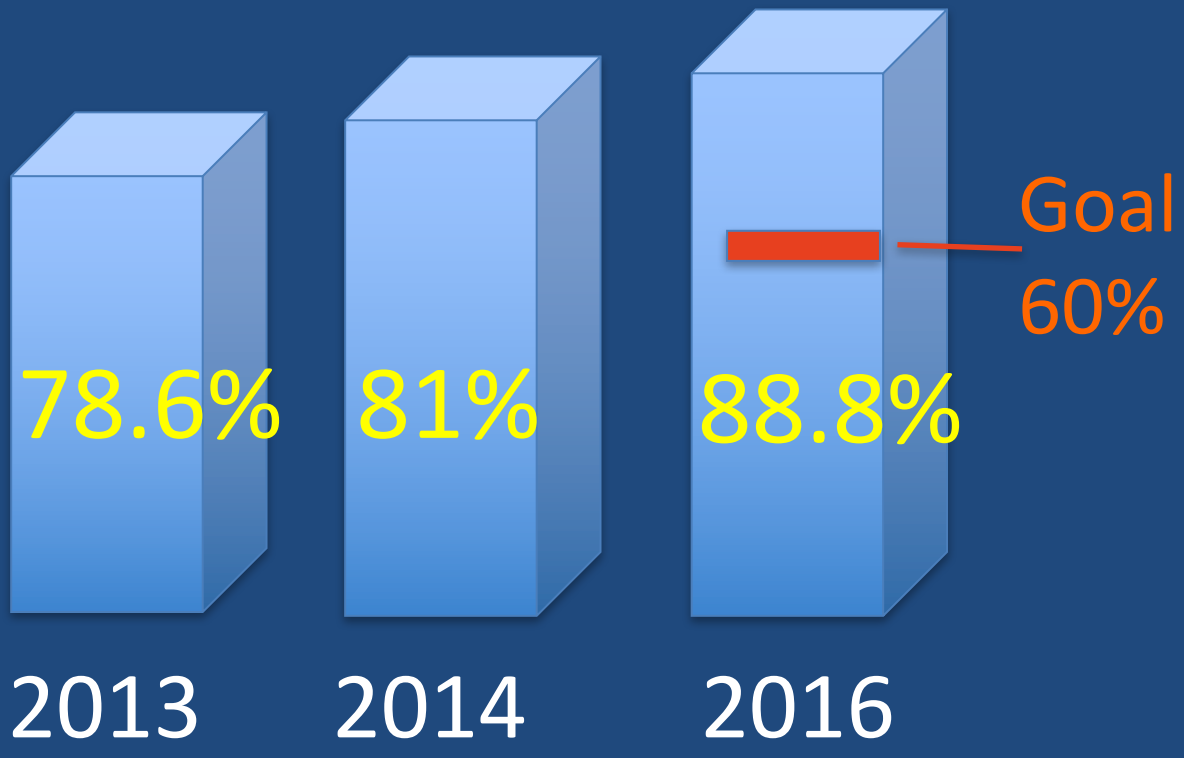
Patient-centered primary medical home enrollment



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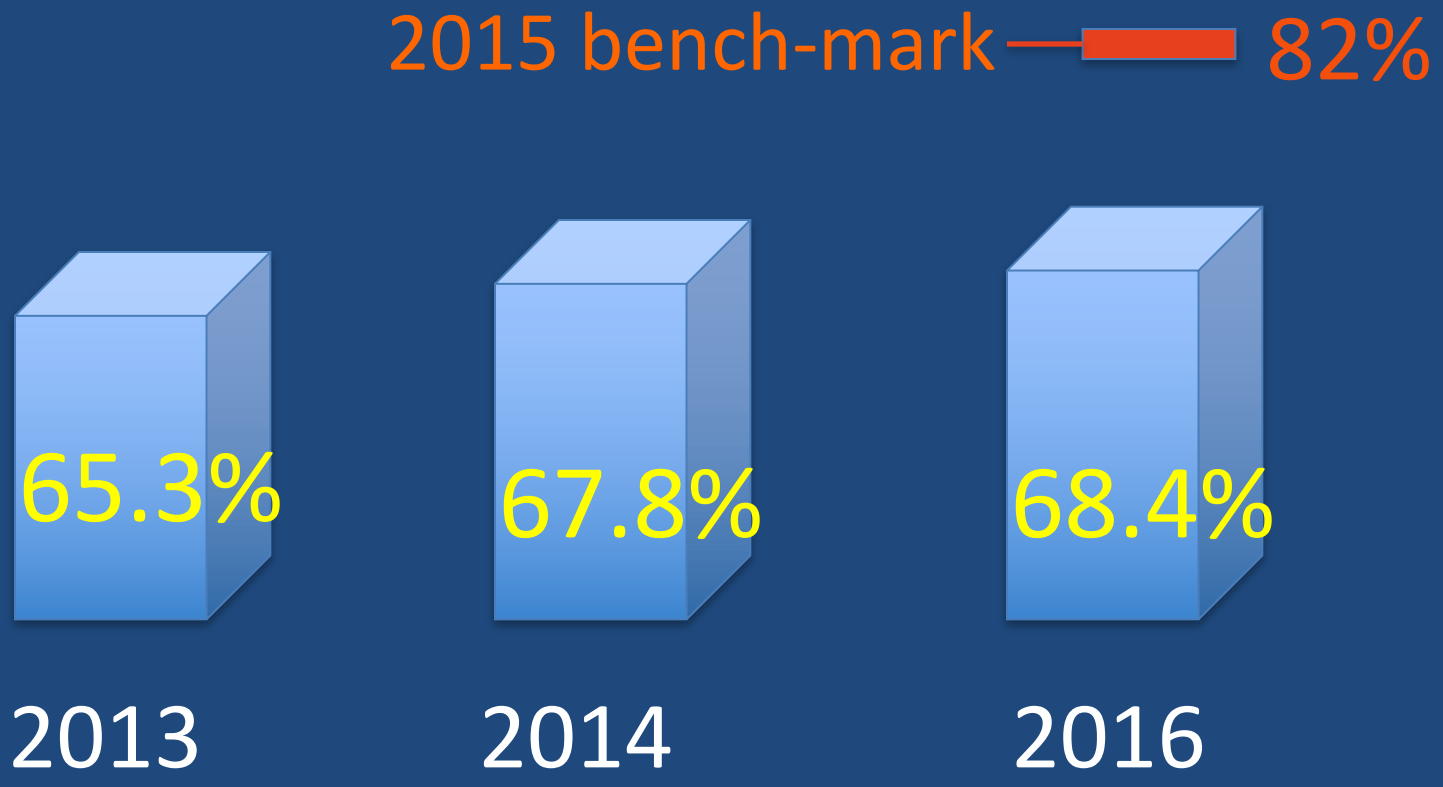
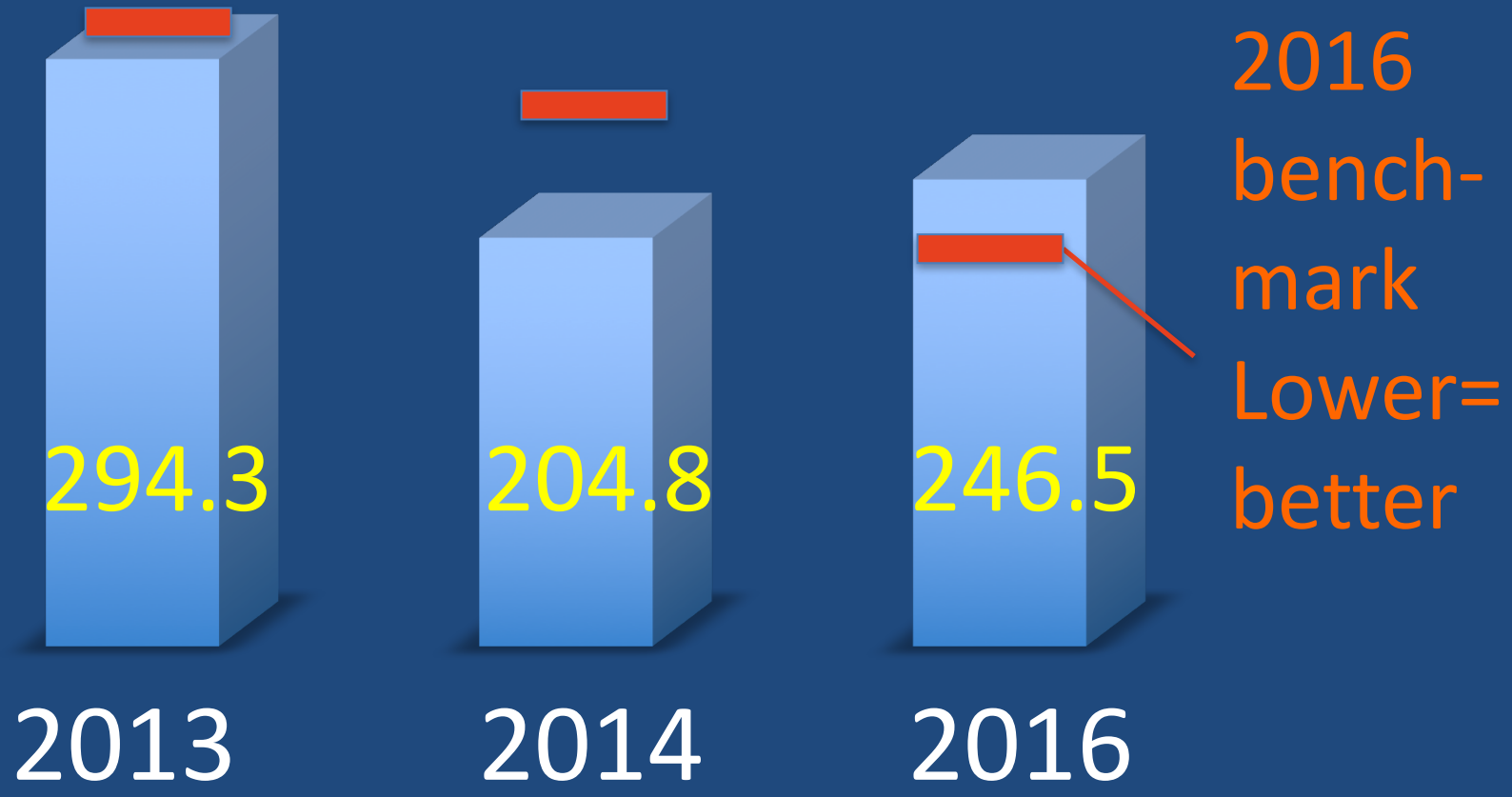
Childhood Immunization



oregon.gov/oha/Metrics/Documents/2016

Congestive heart failure admissions

Per 1,000,000 member years



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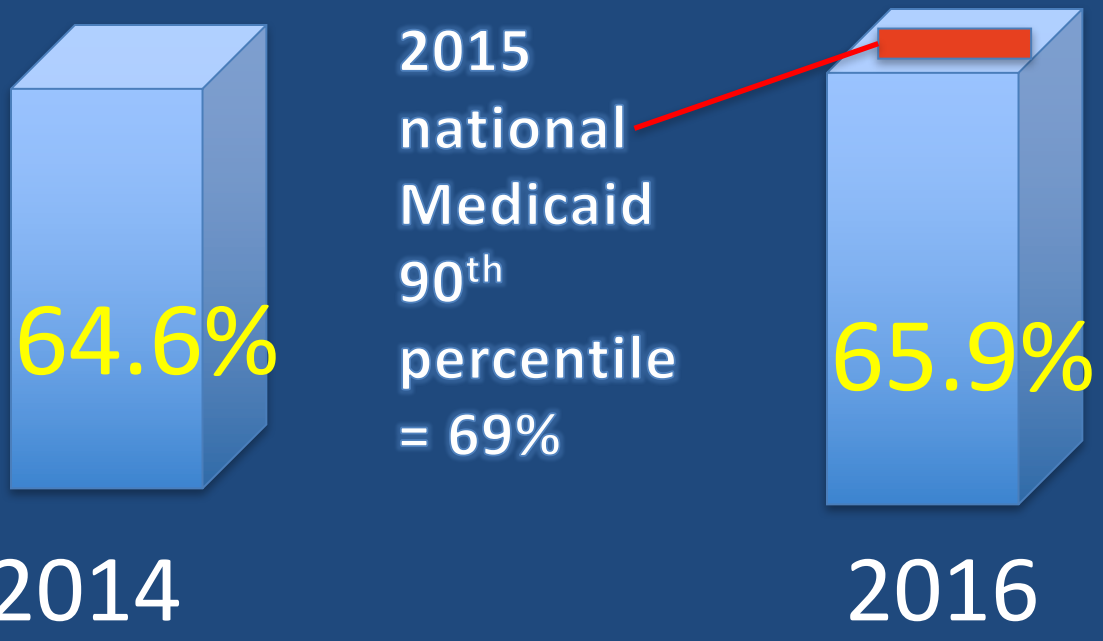
Hypertension

Adequate Control



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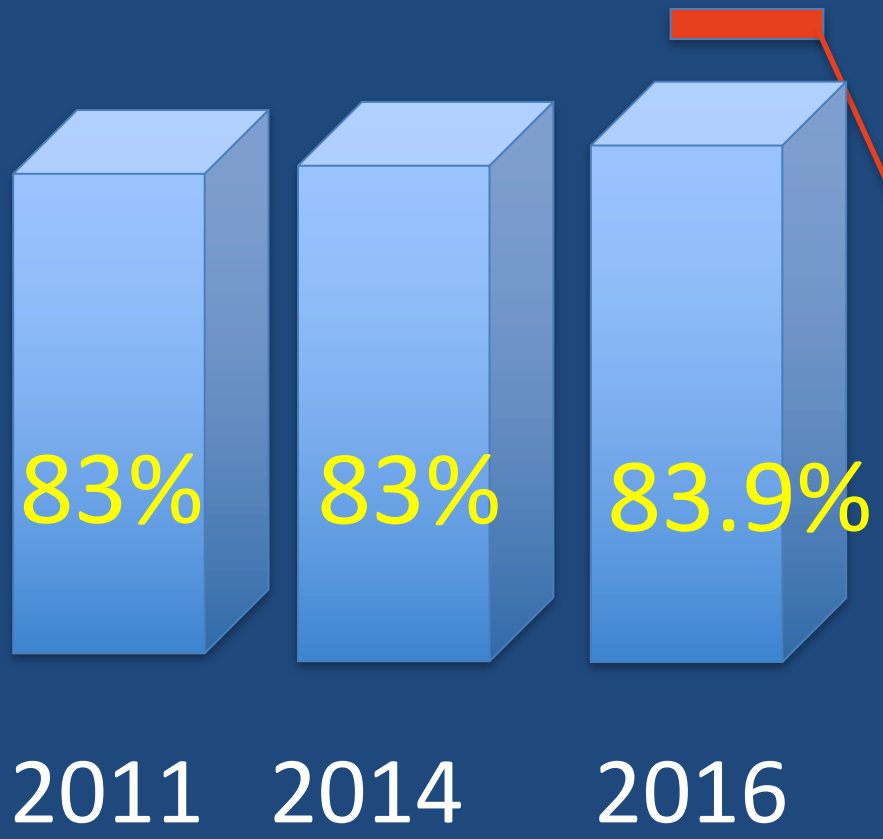
Access



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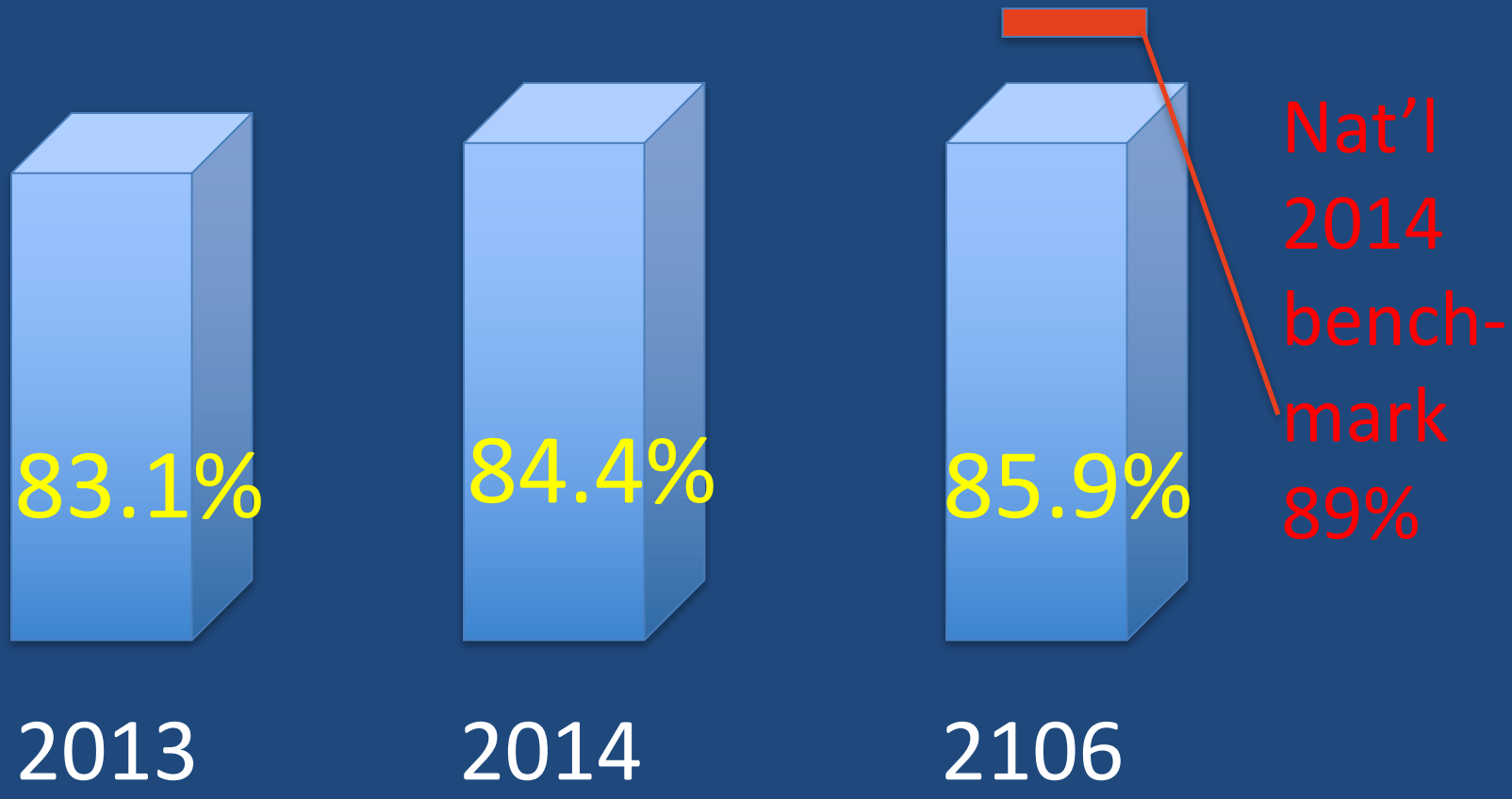
Satisfaction with care



oregon.gov/oha/Metrics/Documents/2015

Churning

Yearly Reapplication

Statewide Processing Center – 7361_DATE
PO Box 14520
Salem, OR 97309

P.O. Box 14520, Salem, OR 97309-5044
Voice: 1-800-699-9075
FAX: 503-373-7493
TTY: 711
www.OHP.oregon.gov

Renewal Letter

Case ID: <<Case#>>

Reply By: DATE

<<Case Name>>
<<Street Address>>
<<City, State>> <<ZIP>>

7/29/2015

<Case Name>

It is time to renew your Oregon Health Plan (OHP) coverage. Once a year, we have to review your application information to make sure you still qualify. **Please respond before DATE.** If you do not renew, your coverage will end.

Based on the information available to us, the following people are scheduled to renew their OHP coverage:

<Person 1> <Person 1/DOB>
<Person 2> <Person 2/DOB>
<Person 8> <Person 8/DOB>
<Person 9> <Person 9/DOB>

Financial Problems

Solutions?

1. Raise taxes without changing benefits.
2. Cut other state programs.
3. Reduce Medicaid eligibility.
4. Cut benefits.

Value, Alternative Payment Models

How shall we determine value of care, incentives for good care?

RAND Corporation, March 19, 2015 report: effect of APM on physicians.

goo.gl/xiFYf3

Other Problems

The Register-Guard THURSDAY, JUNE 23, 2016

“It is difficult to get a man to understand something, when his salary depends on his not understanding it.”

Upton Sinclair, 1906

Investigate

1. Find out who sits on your CCO board
2. Ask for a clear accounting of where the money goes.
    a. Is it going for convincingly documented care of patients?
    b. If your CCO doesn't freely provide information you need, **local journalists** and **your legislators** may be willing to help.

Tell legislators, media, Oregon Health Authority we must:

1. Keep working on the CCO model of care *delivery* and capitated *payments.* This work will help us succeed with any system we devise.
2. Fight for more public surveillance and power over Medicaid money. Track Rep. Mitch Greenlick's bills.
3. Stop deciding who "deserves" care. The process is too costly. Include everyone.

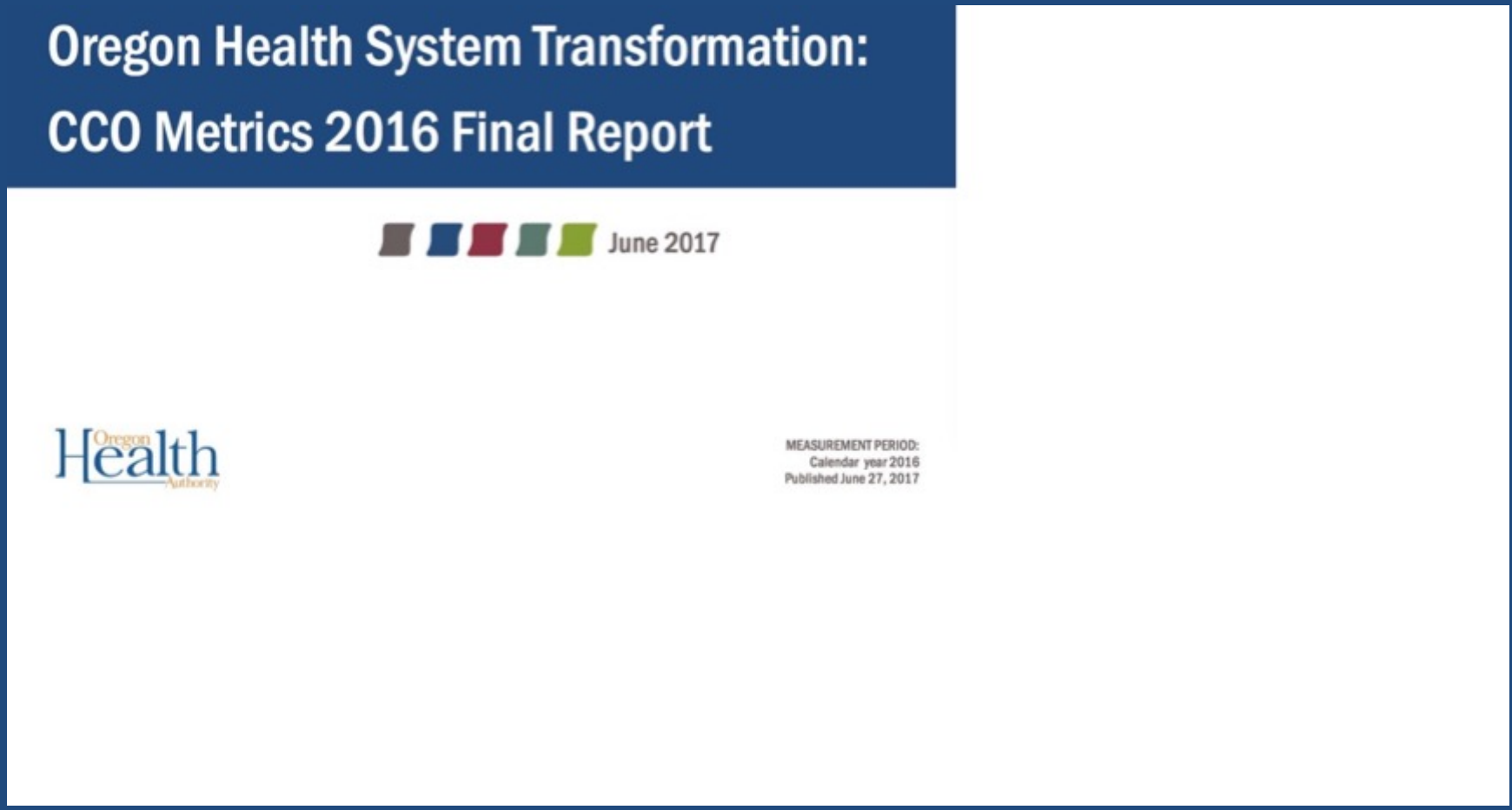
Tell legislators, media, Oregon Health Authority we must:

4. Make *choice and access* mean health and health care, not private insurance plans.

5. Make CCOs serve needs of the public rather than stockholders and the medical industry.

6. Create a unified coding, payment system with a single risk pool (everyone in).

goo.gl/V617U7



goo.gl/SutRK9

Kaiser Family Foundation kff.org

Physicians for a National Health Program

Robert Wood Johnson Foundation
countyhealthrankings.org/oregon

Why the Oregon CCO Experiment Could Fail
HSS Public Access, 2014

Health Care For All Oregon
www.hcao.org

Mid Valley Health Care Advocates
www.mvhca.org

Physicians for a National Health Program-Oregon
Michael C. Huntington MD
mchuntington@comcast.net
541-829-1182

How Are They Doing?

3. Although increased Medicaid enrollment has increased the number of insured Oregonians by 10% over the past two years, it has surprisingly not improved overall patient perception of good access to care or satisfaction with care.

How Are They Doing?

1. CCOs are producing better outcomes at lower-cost than the private insurance system can.

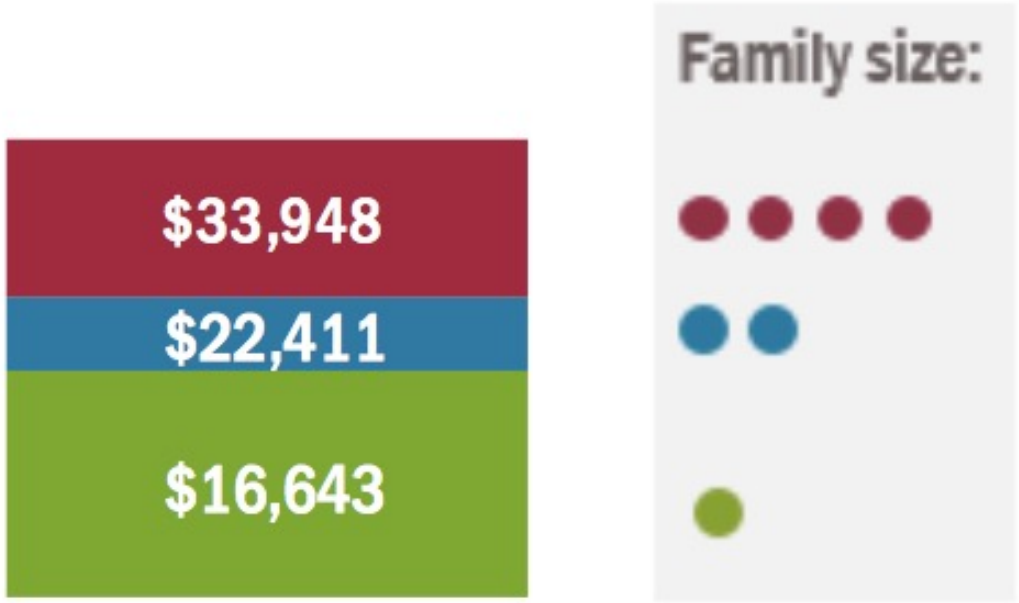
2. CCOs are failing to manage Medicaid money openly enough and wisely enough to earn the public trust and support they should have as part of an effective health care system.

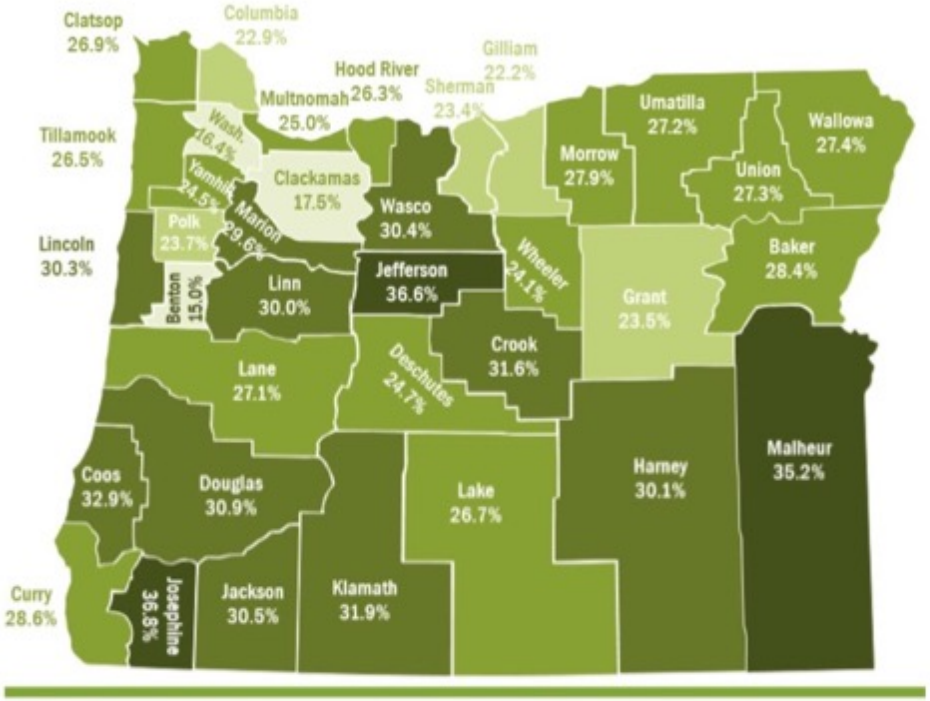
How Are They Doing?

4. Pending legislation is aimed at increasing transparency and public control of Medicaid money.

The legislation would use savings attributable to the CCO model to improve access and patient satisfaction instead of flowing that (tax) money to stock holders and other non-health related diversions

Medicaid income eligibility under the ACA by family size.





Q4 2016 Legislative Report

Oregon Health Authority

Appendix B: CCO Profile

Although all of Oregon's 16 CCOs are community based in terms of local governance, there is a wide variety of legal and corporate structures under which they exist. All of the CCOs generally fit into one of the following corporate structures:

- Taxable Publicly Traded Corporation
- Taxable Private Corporation
- Tax-exempt Charitable Organization – 501(c)(3)
- Tax-exempt Non-Charitable Organization – 501(c)(4)
- Limited Liability Corporation – LLC

The table below describes the corporate structure of each CCO:

CCO	Corporate Status	Parent / Owner
AllCare CCO	Private corporation single owner	Mid Rogue AllCare Health Assurance, Inc. (multiple shareholders)
Cascade Health Alliance	LLC single owner	Cascade Comprehensive Care, Inc. (multiple shareholders)
Columbia Pacific	LLC single owner	CareOregon 501(c)(3)
Eastern Oregon CCO	LLC multiple owners	Owners include both for-profit and not-for-profit organizations
FamilyCare	501(c)(4)	
Health Share of Oregon	501(c)(3)	
Intercommunity Health Plans	501(c)(4)	Samaritan Health Services, Inc. 501(c)(3)
Jackson County CCO	LLC single owner	CareOregon 501(c)(3)
PacificSource Community Solutions -Central	Private corporation single owner	PacificSource (not-for-profit holding company)
PacificSource Community Solutions -Gorge	Private corporation single owner	PacificSource (not-for-profit holding company)
PrimaryHealth of Josephine County	LLC single owner	Grants Pass Management Services (multiple shareholders)
Trillium Community Health Plan	Publicly traded corporation	Agate Resources, Inc./Centene Corp. (publicly traded on NYSE)*
Umpqua Health Alliance (DCIPA)	LLC single owner	Architrave Health, LLC (two owners)
Western Oregon Advanced Health	LLC multiple owners	Owners include both for-profit and not-for-profit organizations
Willamette Valley Community Health	LLC multiple owners	Owners include both for-profit and not-for-profit organizations
Yamhill Community Care	501(c)(3)	

In March, CMS approved the OHA CCO contract and capitation rates for 2017, which finalizes the 2017 rates for all 16 CCOs. OHA engages Optumas, an external actuarial firm, to certify the CCO capitation payment rates. OHA moved to a regional rate development methodology in 2015, which matches payment to risk and meets applicable CMS and actuarial standards. Optumas and OHA are beginning the process for developing the 2018 CCO capitation payment rates; this process will continue through the summer.

During the 2017 rate development process, OHA and Optumas observed that CCOs reported significant increases in per member spending from 2014 to 2015. Optumas reviewed the drivers of this growth and found in some cases it was due to increased reimbursement and payout of surpluses to providers as incentives. Other factors included high pharmacy cost trends and increased small/rural hospital costs.

In order to continue to contain costs to the 3.4 percent per member annual growth, OHA and Optumas evaluated the high growth rate from 2014 to 2015. This analysis found that some of the growth was due to factors which were not necessarily within the CCOs' control, such as pharmacy cost growth, while other cost drivers were related to CCO business decisions, such as increased reimbursements or shared savings payouts. Therefore during the 2017 rate development process, if a CCO was outside of a reasonable growth rate and had increased reimbursement from 2014 to 2015, the CCO's financial information and reimbursement levels were adjusted down after isolating the business decisions. CCOs' financial information and reimbursement for those that were within a reasonable rate of growth were not adjusted. This policy ensures business decisions of increased reimbursement levels that are outside the sustainable growth rate are not compounded into the next year's costs, however, the policy acknowledges the increased costs pressures (e.g. pharmacy costs) that are outside of the CCOs' control.

Risks and pressures

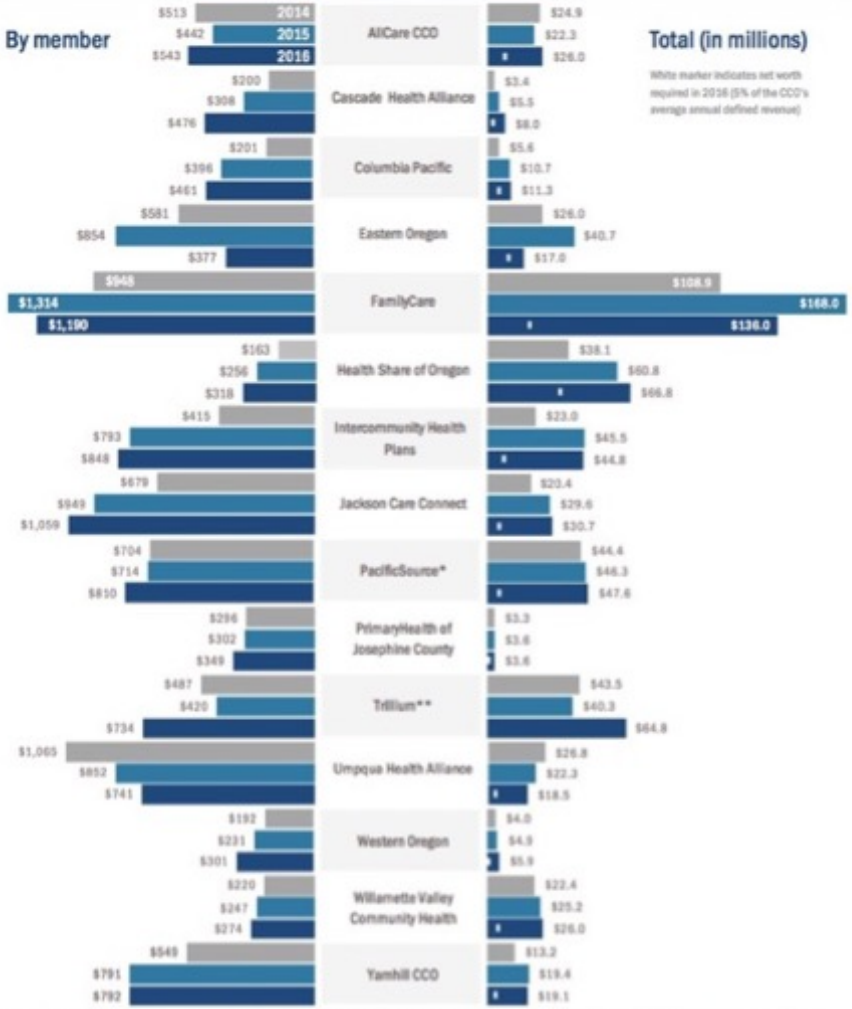
The Medicaid program is facing a number of financial pressures. Cost sustainability is an important issue going forward. CCOs may experience additional pressure to slow per member cost growth more than the rate of growth cap of 3.4 percent.

In March, CMS approved the 2017 OHA-CCO contract and capitation rates.

Appendix A: OHP Enrollment by County, Dec 2016

County	Total population	Total # Medicaid recipients	# receiving Medicaid due to ACA	% of total population receiving Medicaid	% of total population receiving Medicaid due to ACA	% of Medicaid population receiving Medicaid due to ACA
Baker	16,510	4,683	1,746	28.4%	10.6%	37.3%
Benton	91,320	13,733	5,908	15.0%	6.5%	43.0%
Clackamas	404,980	70,715	26,111	17.5%	6.4%	36.9%
Clatsop	38,225	10,281	4,152	26.9%	10.9%	40.4%
Columbia	50,795	11,644	4,380	22.9%	8.6%	37.6%
Coos	63,190	20,777	8,105	32.9%	12.8%	39.0%
Crook	21,580	6,823	2,572	31.6%	11.9%	37.7%
Curry	22,600	6,460	2,743	28.6%	12.1%	42.5%
Deschutes	176,635	43,611	17,669	24.7%	10.0%	40.5%
Douglas	110,395	34,137	13,403	30.9%	12.1%	39.3%
Gilliam	1,980	440	157	22.2%	7.9%	35.7%
Grant	7,410	1,738	652	23.5%	8.8%	37.5%
Harney	7,320	2,204	812	30.1%	11.1%	36.8%
Hood River	24,735	6,517	2,328	26.3%	9.4%	35.7%
Jackson	213,765	65,211	25,622	30.5%	12.0%	39.3%
Jefferson	22,790	8,336	2,809	36.6%	12.3%	33.7%
Josephine	84,675	31,161	12,642	36.8%	14.9%	40.6%
Klamath	67,410	21,524	7,949	31.9%	11.8%	36.9%
Lake	8,015	2,136	796	26.7%	9.9%	37.3%
Lane	365,940	99,077	39,676	27.1%	10.8%	40.0%
Lincoln	47,735	14,477	5,866	30.3%	12.3%	40.5%
Linn	122,315	36,678	12,775	30.0%	10.4%	34.8%
Malheur	31,705	11,146	3,230	35.2%	10.2%	29.0%
Marion	333,950	98,753	30,735	29.6%	9.2%	31.1%
Morrow	11,745	3,280	896	27.9%	7.6%	27.3%
Multnomah	790,670	197,274	81,308	25.0%	10.3%	41.2%
Polk	79,730	18,919	6,250	23.7%	7.8%	33.0%
Sherman	1,795	420	167	23.4%	9.3%	39.8%
Tillamook	25,920	6,865	2,684	26.5%	10.4%	39.1%
Umatilla	79,880	21,746	6,523	27.2%	8.2%	30.0%
Union	26,745	7,290	2,553	27.3%	9.5%	35.0%
Wallowa	7,140	1,958	751	27.4%	10.5%	38.4%
Wasco	26,700	8,113	2,860	30.4%	10.7%	35.3%
Washington	583,595	95,492	33,014	16.4%	5.7%	34.6%
Wheeler	1,465	353	151	24.1%	10.3%	42.8%
Yamhill	104,990	25,710	8,724	24.5%	8.3%	33.9%
(Unknown)		7,173	2,099			
STATE	4,076,350	1,016,855	380,818	24.9%	9.3%	37.5%

Finance: Net assets by CCO, 2014 - 2016



* PacificSource has two contracts, one for Columbia Gorge and one for Central Oregon. Only one corporate balance sheet is provided; financial data presented here are combined.
**Trillium financial statements filed through Department of Consumer and Business Services with financial oversight based on NAIC oversight requirements.

Medicaid waiver

Medicaid (health coverage for people earning less than 138 percent of the federal level, and people with disabilities) is administered by individual states but must follow certain federal requirements. States may obtain an 1115 Medicaid Demonstration waiver from the federal government, which grants them extra flexibility in how they use federal Medicaid funds in their state, with the goal of improving health care programs. Oregon has had such a waiver since 1994. The 1115 Medicaid waiver allows Oregon to deliver Medicaid services in unique ways, such as through the coordinated care model. Some of the key elements of Oregon's coordinated care model include: using best practices to manage and coordinate care; transparency in price and quality; and paying for better quality care and better health outcomes, rather than just more services. So what does coordinated care mean?

Coordinated care

A coordinated care organization (CCO) is a network of health care providers (physical, behavioral, and oral health care providers) who have agreed to work together in their local communities to serve people who receive health care coverage under the Oregon Health Plan (Medicaid). CCOs were formed in Oregon in late 2012. Today there are 16 CCOs operating in communities around Oregon (see maps on page 14).

CCOs have the flexibility to support new models of care that are patient-centered, team-focused, and reduce health disparities. CCOs are able to better coordinate services and also focus on prevention, chronic illness management and person-centered care. They have flexibility within their budgets to provide services alongside today's OHP medical benefits with the goal of meeting the triple aim of better health, better care and lower costs for the population they serve. Before Oregon's CCOs were formed, physical, behavioral and other care were not integrated, making things more difficult for patients and providers and more expensive for the state.

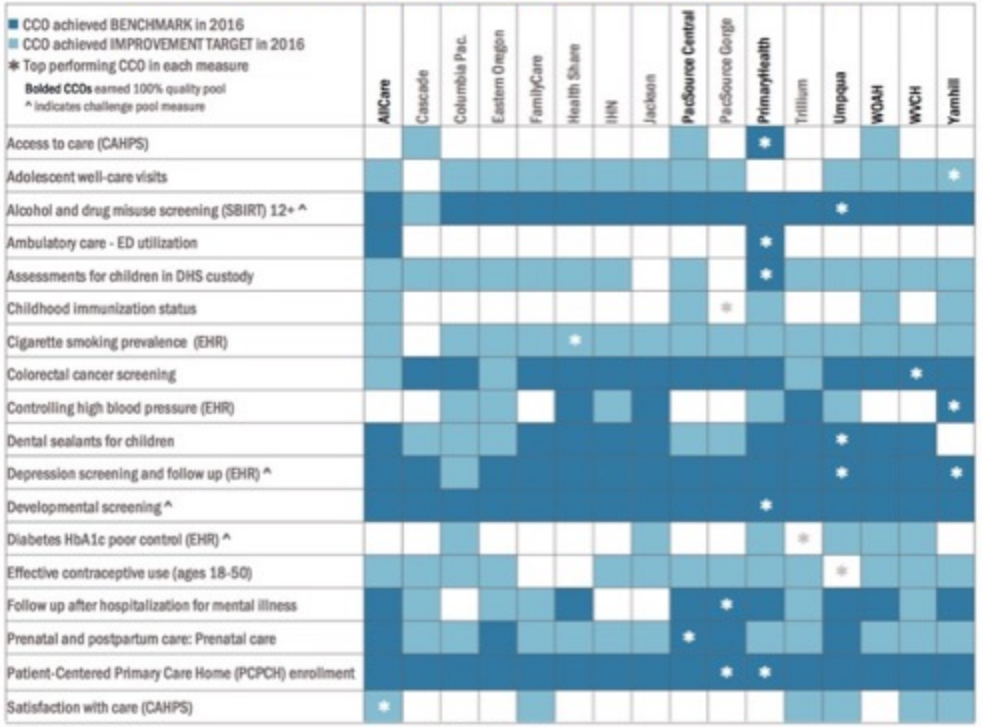
Medicaid expansion

Beginning in 2014 many more Oregonians were able to join the Oregon Health Plan because of the Affordable Care Act, which increased the income eligibility limit. The number of people covered by CCOs increased by 63 percent, from about 614,000 in 2013 to almost 1 million in 2014.

Measuring progress

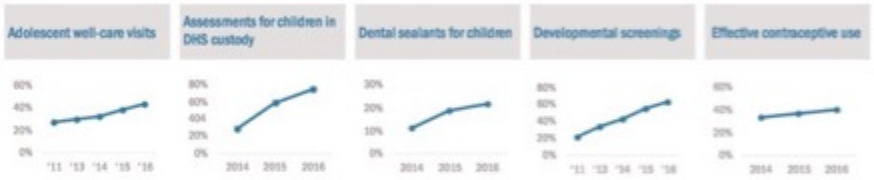
The measures in this report are an important piece of the coordinated care model. They increase transparency and help us know how well CCOs are improving the quality of care. The measures fall into three categories (see next page).

2016 INCENTIVE METRIC PERFORMANCE OVERVIEW



EXECUTIVE SUMMARY

- **Dental sealants.** The percentage of children ages 6-14 who received a dental sealant on a permanent molar in the past year continued to increase. Statewide performance surpassed the aspirational benchmark in 2016.
- **Developmental screening in the first three years of life.** CCOs continue to make large strides in the percentage of children who are screened for risks of developmental, behavioral, and social delays. In 2011, only 21 percent of young children received an appropriate screening. Since then, the percentage has more than tripled to over 62 percent in 2016.
- **Effective contraceptive use among women at risk of unintended pregnancy.** A new measure in 2015, the percentage of women ages 18-50 who are using an effective contraceptive has increased 19 percent in two years.
- **Health assessments for children in DHS custody**. The percentage of children in foster care who received a mental, physical, and dental health assessment has increased 168 percent in two years.



Measures to watch:

- **Emergency department utilization.** For the first time since 2011, emergency department utilization increased slightly over the previous year. Statewide, the rate of patient visits to the emergency department returned to 2014 levels. However, it is also important to note that emergency department rates remain relatively low overall; the CCO benchmark is the national Medicaid 90th percentile. Moreover, avoidable emergency department utilization (which looks at the rate of patient visits for conditions that could have been more appropriately managed or referred to by a primary care provider) continues to decline. So, while the overall rate of emergency department utilization increased, members continued to use the emergency department for appropriate reasons. OHA will continue to monitor these trends.

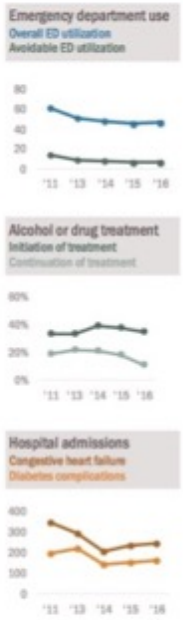
www.oregon.gov/oha/HPA/ANALYTICS/Documents/Legislative-Report-Q4-2016.pdf

EXECUTIVE SUMMARY

Measures in this report that highlight room for improvement:

- **Initiation and engagement of alcohol or other drug treatment.** The percentage of members newly diagnosed with alcohol or other drug dependences who began treatment within 14 days of the initial diagnosis decreased slightly. Statewide, Oregon remains below the national Medicaid median. Meanwhile, the percentage of members who continued their treatment and had two or more visits within 30 days of their initial treatment was just 11.1%. This is a forty percent decline since 2015.
- **Prevention quality indicators.** After a sharp decline in 2014, the rate of adult members who had a hospital stay because of congestive heart failure or short-term diabetes complications increased again slightly in 2016. Lower is better on this measure.

Oregon is leading the nation in transforming our health care system to create better access and better care at a lower cost for all Oregonians. We have long had a national reputation for innovative health system solutions and the reforms that we have made in recent years continue to show Oregon's innovation and leadership. The CCO quality pool model is a hallmark of Oregon's health transformation and a key component in in our commitment to transparency and accountability. By measuring Oregon's progress and identifying both success and challenges, the state can identify how we can continue to push for greater health transformation and ways that can we can create better health outcomes for Oregon Health Plan members.



Transformation 2012 - 2016

- Using best practices to manage and coordinate care
- Shared responsibility for health
- Transparency in price and quality
- Measuring performance
- Paying for outcomes and health
- A sustainable rate of growth

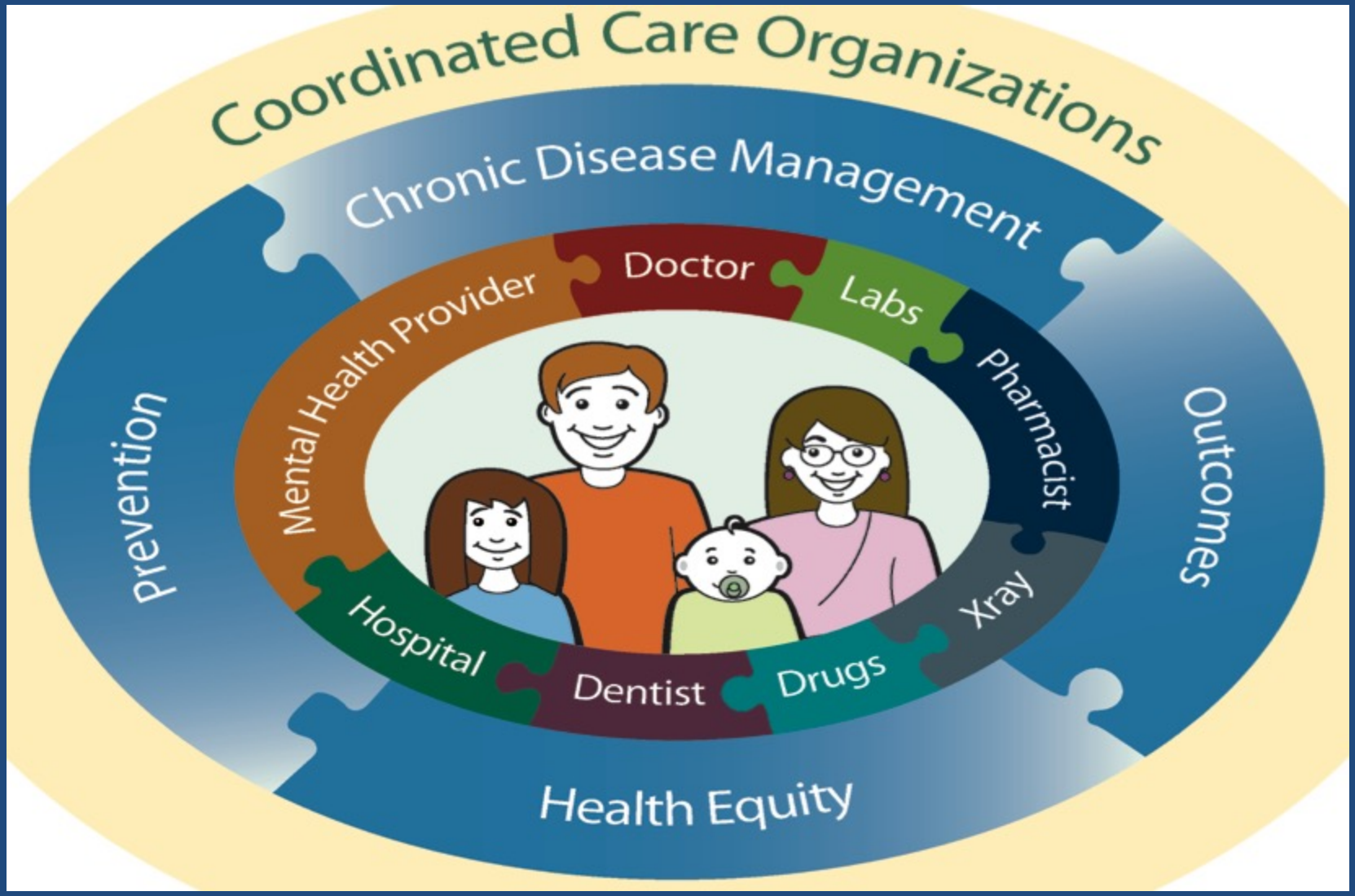
CCO LegislativeReport_Q1_2016

Transformation 2017+

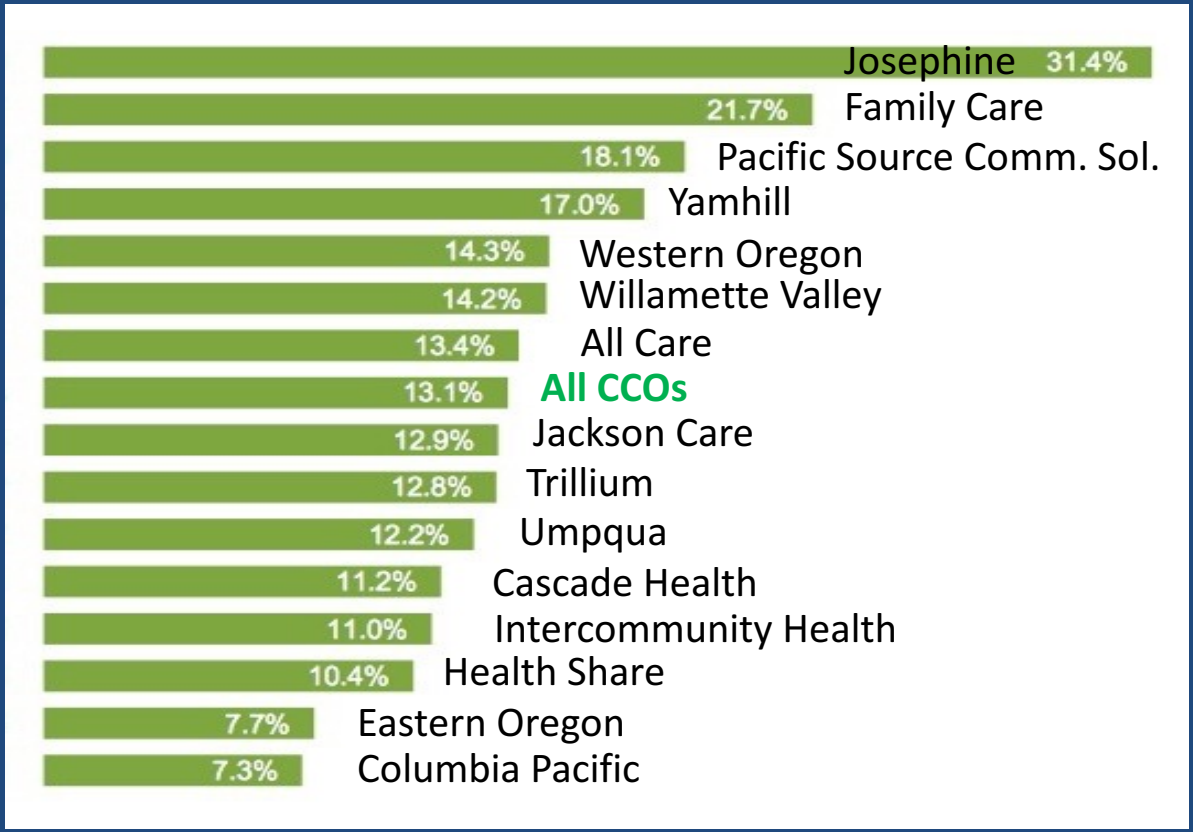
- …accelerating quality and integration for our behavioral health system
- Integrating population health through public health modernization
- Continuing to move to value-based payments for incentivizing health outcomes
- Maintaining a financially sustainable model

CCO LegislativeReport_Q1_2016

Unified Care



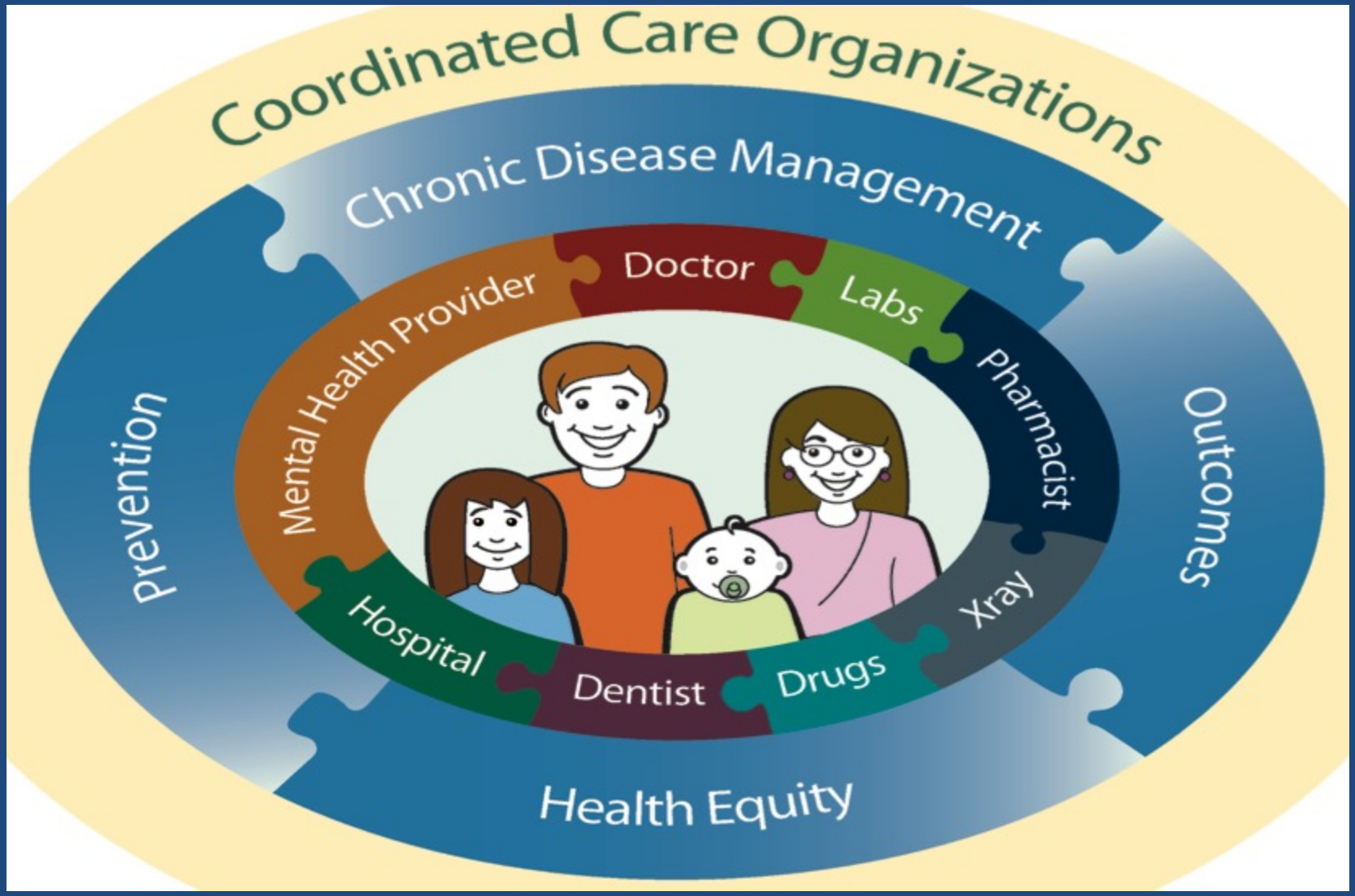
Total Medical Spending Allocated To Primary Care



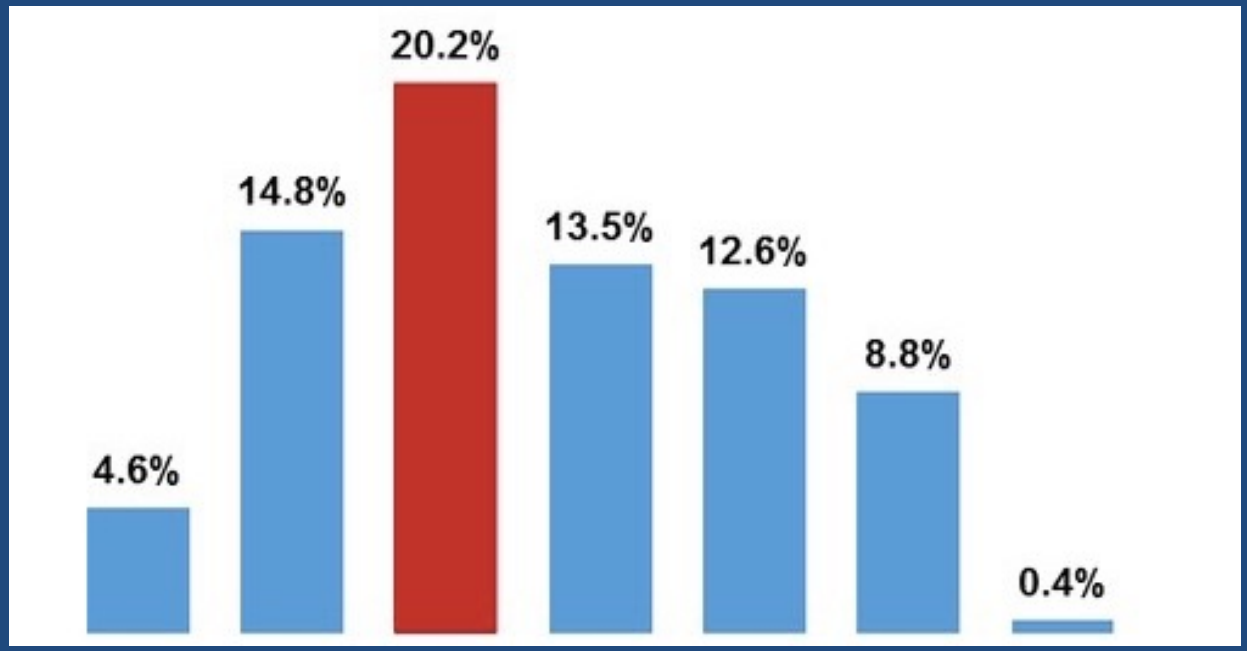
Primary Care Spending in Oregon

Report to the OR Leg. February 2016 goo.gl/V5kIv3

Unified Care



One in 5 Young Adults Uninsured in 2014



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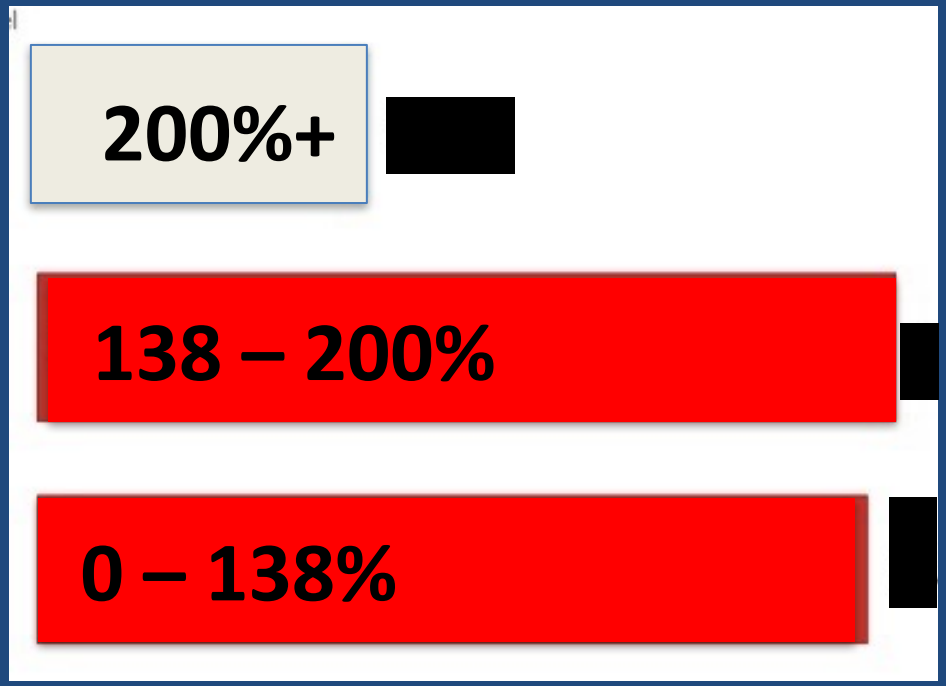
Low Income Adults Lack Coverage

Federal Poverty Level



% Lacking coverage in 2014

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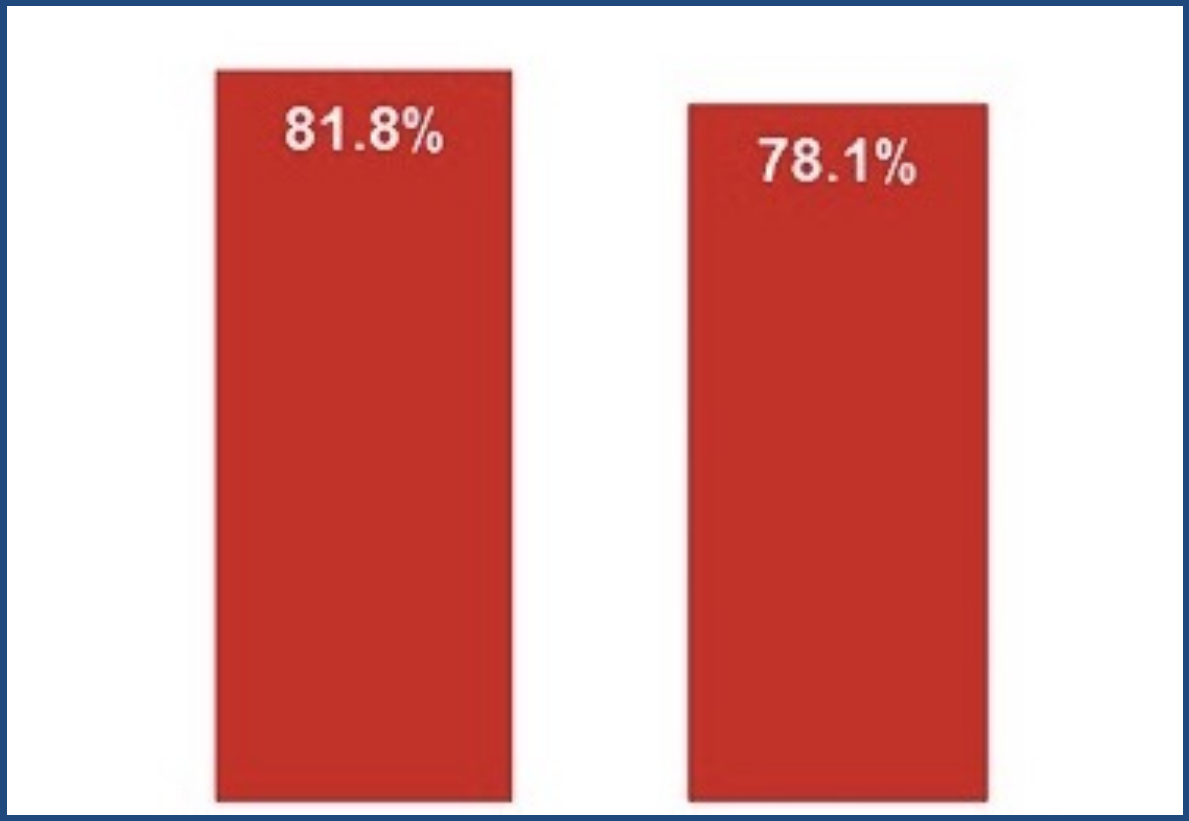
80% of Uninsured are U.S. Citizens



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Complexity and Churning

LM: Children < FPL: <1 (H1)
PLM: Children < FPL: 1-5 (H2)
PLM: Children < FPL: 6-18 (H3, H4)
PLM: Children >= FPL: <1 (HA, HC)
PLM: Children >= FPL: 1-5 (HB)
PLM: Children no FPL: <1 (HD)
PLM: Children no FPL: 1-5 (HE)
PLM: Children no FPL: 6-18 (HF, HG)
CHIP to Medicaid (H5)
TANF <1 (E2, V2, XE, 2, 82)
TANF1-5 (E2, V2, XE, 2, 82)
TANF 6-18 (E2, V2, XE, 2, 82)
SCF (GA, C5, 19, 62)
PLM: Adults < FPL (L2)

- PLM: Adults >= FPL (L6,L8)
  TANF Adult (E2, V2, XE, 2, 82)
  AB/AD with Medicare (B3, D4, 3, 4)
  AB/AD without Medicare (B3, D4, 3, 4)
  OAA with Medicare (A1, 1)
  OAA without Medicare (A1, 1)
  Breast & Cervical Cancer (BC)
- Chip Program CHIP: <1 (Z1, Z5, ZA, ZE, ZK)
  CHIP: 1-5 (Z2, Z6, ZB, ZF, ZL)
  CHIP: 6-18 (Z3, Z4, Z7, Z8, ZG, ZH, ZM, ZC, ZD)
- MAGI Program Health Kids Connect (UA)

- CHIP MAGI <1 (U1, U4, U7)
  CHIP MAGI 1-5 (U2, U5, U8)
  CHIP MAGI 6-18 (U3, U6, U9) MAGI Child AEN (MG) MAGI Child <1 (MD)
  MAGI Child 1-5 (ME)
  MAGI Child 6-18 (MF)
  MAGI Child Welfare (MC)
  MAGI Adults with Children (M1, M5)
  MAGI Adults without Children (M3, M6)
  MAGI Pregnant Women (LA, LB, LC, LD)
  MAGI Disabled Adults without Medicare (M2, M4)
  MAGI Adult/Parent/Caretaker Relative (KA)

Plan Name	Total Received	Average Enrollment*	Per 1000 Members
Coordinated Care Organization requests			
AllCare Health Plan, Inc.	35	47,906	0.7306
Cascade Health Alliance	21	10,920	1.9231
Columbia Pacific CCO, LLC	19	25,587	0.7426
Eastern Oregon CCO, LCC	80	45,871	1.7440
FamilyCare CCO	110	109,809	1.0017
Health Share of Oregon	148	226,726	0.6528
Intercommunity Health Network	63	53,532	1.1769
Jackson Care Connect	5	28,222	0.1772
Kaiser Permanente OR Plus, LLC	7	2,040	3.4308
PacificSource Community Solutions	99	73,735	1.3427
PacificSource Community Solutions – Gorge		12,363	
PrimaryHealth of Josephine County CCO	5	10,657	0.4692
Trillium Community Health Plan	80	74,152	1.0789
Umpqua Health Alliance, DCIPA	49	25,868	1.8943
Western Oregon Advanced Health	22	20,072	1.0961
Willamette Valley Community Health	126	94,595	1.3320
Yamhill County Care Organization	5	21,529	0.2322