

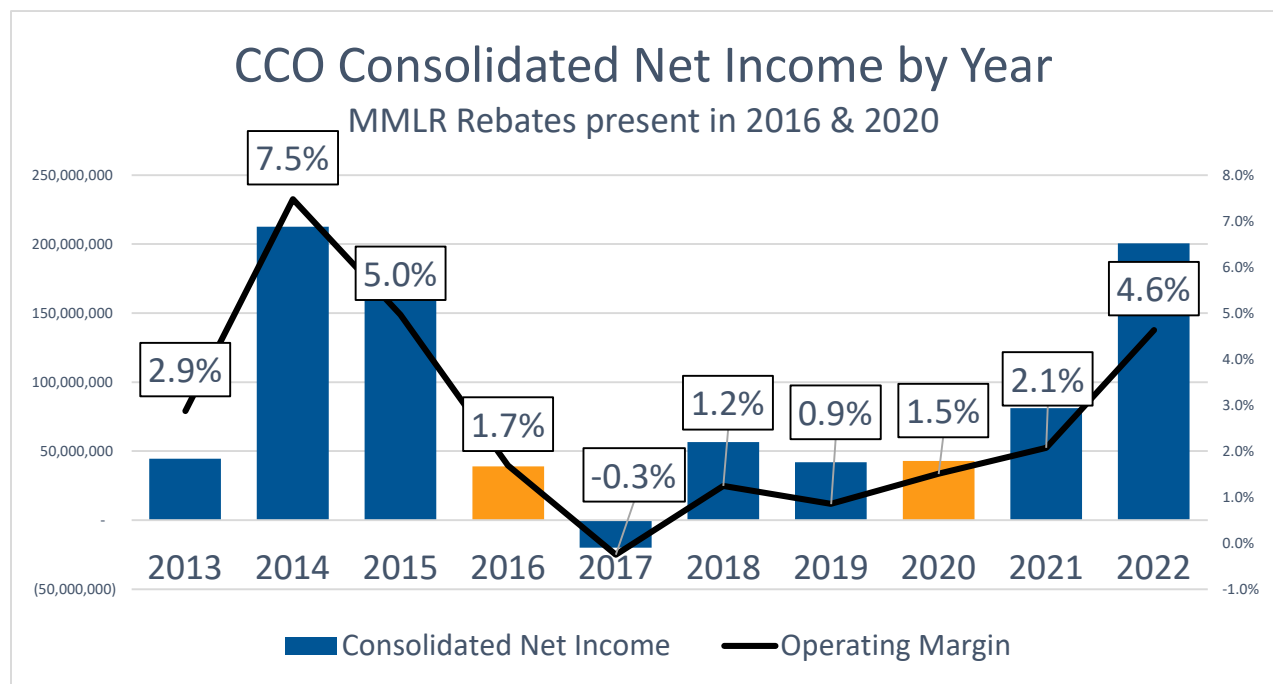
CCO Financial Reporting Results

For the year ending December 31, 2022

This report summarizes Oregon Health Plan (OHP) Financial Reports of the 16 CCO entities regulated by the Oregon Health Authority for CY22. The CCO group generated \$327M in Net Operating Income, of which \$31 million was designated for Supporting Health for All through Reinvestment (SHARE Initiative). This averages to a Per Member Per Month (PMPM) Net Operating Revenue of \$487 and Net Operating Income of \$23 PMPM, for an Operating Margin of 4.6%.

Included in this summary, we will cover Key Financial Ratios in Part 1, Risk Accepting Entity financial results in Part 2, and other financial items to note in Part 3, including growth of the Medicaid program since March 2020, SHARE Obligations, and Health Related Services (HRS) spending by CCO.

Part 1: Key Financial Ratios (Statewide and by CCO)



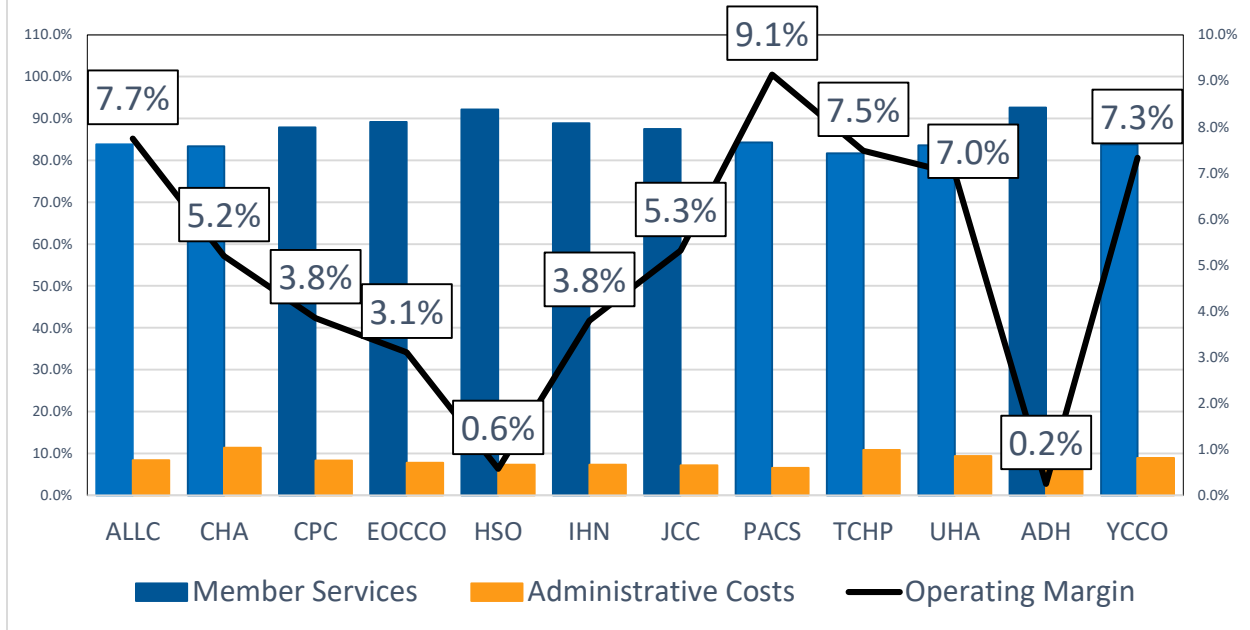
Operating Margin by CCOs as reported on the 2022 Annual Exhibit L, resulted in a statewide operating margin of 4.6%, or \$327 million Net Operating Income on \$7.073 billion of Operating Revenue.

This is an increase from 2021’s 2.1% statewide operating margin, based on \$130 million Net Operating Income on \$6,283 billion of Operating Revenue, Operating Income is measured as Operating Revenue less Member Expense and Administrative Expense, and is before Provisions for taxes or SHARE.

In addition to tracking Operating Margin across all CCOs, OHA continues to monitor the Minimum Medical Loss Ratios (MMLR) of the CCOs, which stipulates that a minimum of 85% of the Operating Revenue be spent on medical benefits of the members. Since 2013 there have only been MMLR rebates issued to OHA in 2016 and 2020. Currently we are in year 3 of a 3-year average MMLR period (2021 - 2023) and rebates will not be finalized until the filing of the 2023 MLR reports.

2022 Costs and Margins reported at CCO-specific level

9 of 16 CCOs did not spend 85% of 2022 revenue on Member Expenses



All CCOs have reported a positive Operating Margin for 2022 that ranged from a low of 0.2% to 9.1%. This large range is due to the varying business models, noting that some CCOs (notably HSO and ADH) are heavily subcapitated and instead realize profits at the risk-accepting entity level. Risk Accepting Entity financial performance will be discussed in Part 2.

The CCOs who earned the most on a PMPM basis are:

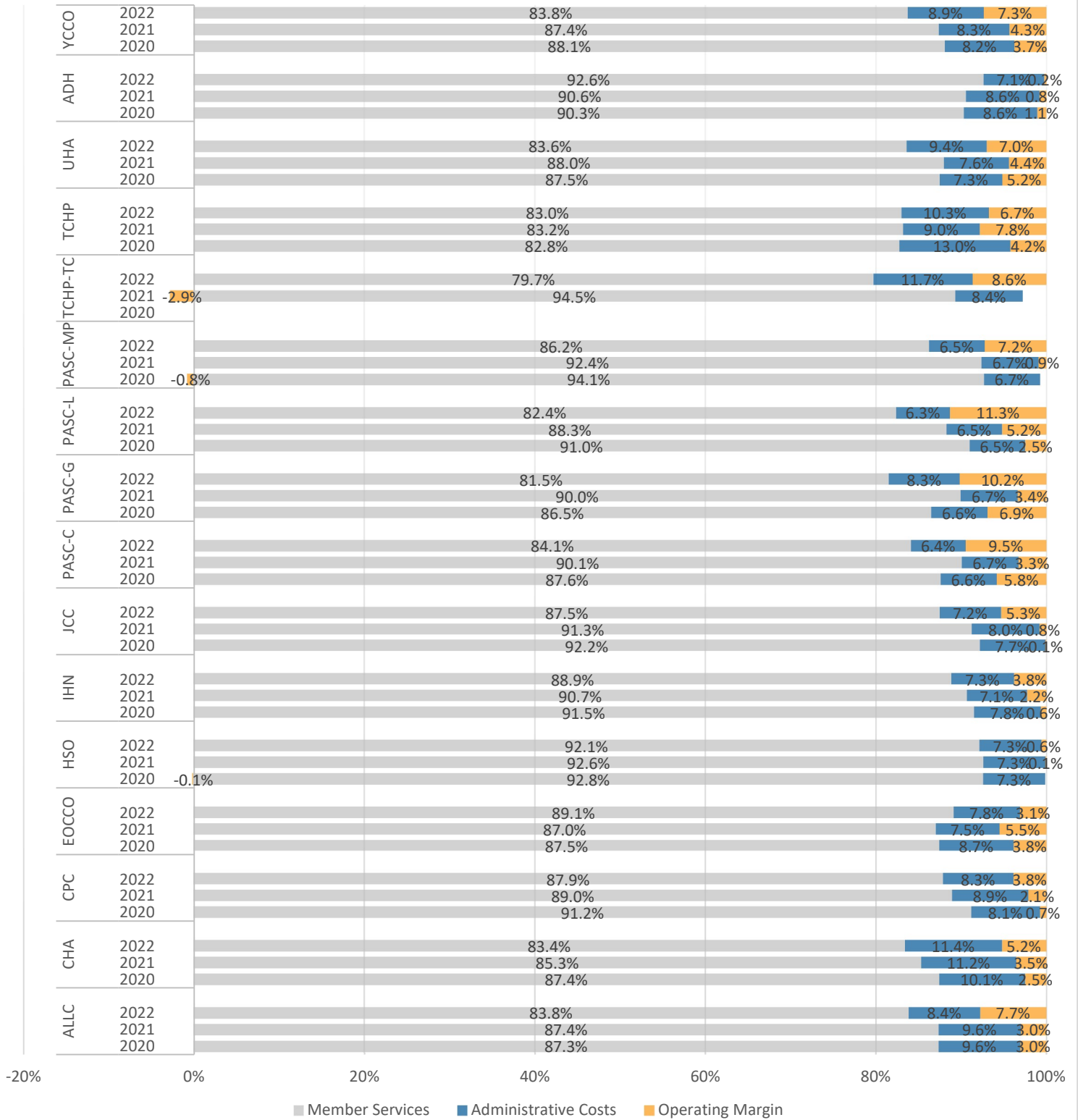
- Yamhill Community Care \$39.84 PMPM
- AllCare CCO \$36.21 PMPM
- Umpqua Health Alliance \$35.10 PMPM

The CCOs who reported less than 85% of spending on Member Expenses are:

- AllCare CCO 83.8%
- Cascade Health Alliance 83.4%
- PacificSource Consolidated 84.3% (Consolidation of Central, Gorge, Lane and Marion-Polk CCOs)
- Trillium Consolidated 81.7% (Consolidation of Lane and Tri-County CCOs)
- Umpqua Health Alliance 83.6%
- Yamhill Community Care 83.8%

These CCOs may still meet the minimum medical loss ratio (MMLR) requirement of 85%, using the Oregon-specific formula that includes additional spending, such as Health Related Services in determining medical spend. CCOs are currently evaluated against MMLR requirements over a three-year period, running from 2021 through 2023.

FINANCIAL RATIOS BY CCO FOR THE YEARS 2020 - 2022



Part 2: Risk-Accepting Entity Reporting

In addition to the Net Operating Margins at the CCO entity level, there is an additional level of reporting, called the Sub-capitated Entity reporting (SE). CCOs delegate their financial risk and a portion of their capitation payments each month. The SE Reporting template discloses the detail of medical spending and support of members in those risk-accepting relationships.

Each CCO has a unique business structure and a different level of delegation of financial risk. For 2022 the percentage of capitation, measured as the percentage of Net Operating Revenues reported on the Exhibit L SE for the CCOs varied from the lowest (TCHP-L, 5.2%) to the highest (HSO, 99%). In comparison, subcapitated amounts have broadly increased from the 2021 data ranging from lowest (CHA, 2.6%) to the highest (HSO, 96.1%). The amounts reported by Risk-Accepting Entities as Net Operating Income are in addition to the amounts reported at the CCO entity level.

The table below summarizes the comparative performance of all CCOs and all Risk Accepting Entities, as well as detailing CareOregon and Advantage Dental, both of which receive the largest percentage of Physical Health capitation and Dental capitation, respectively.

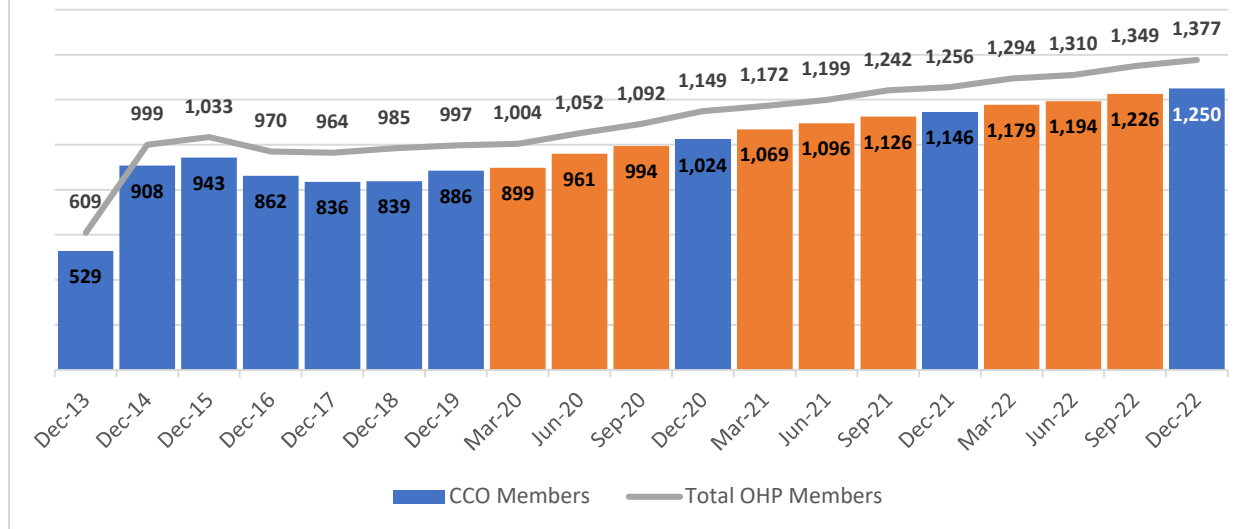
Entity or Care Type	NOI - 2022	NOI - 2021	NOI - 2020
All CCO at CCO level	\$327,702,447	\$130,156,814	\$30,271,857
All Physical Health RAE	\$68,921,349	\$112,549,060	[no information]
CareOregon	\$118,890,280	\$176,479,818	\$89,786,879
Dental RAE	\$11,812,252	\$4,173,193	\$4,015,576
Advantage Dental	\$5,553,956	\$2,982,033	\$818,364
Behavioral Health RAE	-\$8,523,153	\$522,713	\$2,597,702

Part 3: Other Highlights and Observations

- **Growth of Statewide Membership** – Since March 2020, OHP membership has steadily increased. During this time-period OHA has not removed membership from currently enrolled members, regardless of current eligibility status. Membership reporting for Medicaid in 2022 shows a continuation in the increase in membership from previous periods. In total, membership has increased by 373,000 members (37%), to the highest level on record, similar to the experience of other states.

Statewide CCO members as of December 31, 2022

Rounded to the nearest 1,000



- **2022 SHARE and HRS Obligation Spending** The SHARE Initiative, Supporting Health for All through Reinvestment, is a legislative requirement for CCOs to invest a portion of their profits back into their communities. In 2022 CCOs were required to use a minimum formula to determine their SHARE Contribution. CCOs were allowed to contribute in excess of their minimum, at their own discretion. CCOs reported a combined total of \$31 million in new SHARE obligations for 2022.

Additionally, CCOs have also reported a record amount of Health Related Services (HRS) spending for 2022 of \$65 million. This is an 81% increase from reported HRS spending in 2021 of \$36 million. OHA reviews and approves CCO claims for HRS spending for program integrity purposes. Total approved CCO HRS spending for 2022 is \$59.171 million, which is close to double the approved 2021 CCO HRS spending (\$28.034 million more than 2021).

CCO	Members	2022 Net Income	HRS Reported*	2022 Net Income before SHARE	NI from Affiliate RAE ***	Dividends**	SHARE designation	2022 Formula	Difference
Advanced Health	27,204	540,837	1,952,509	1,176,174	2,801,973		535,000	280,197	254,803
Allcare CCO	61,639	18,238,758	2,717,501	26,996,941	1,963,925		2,702,893	2,521,801	181,092
Cascade Health Alliance	25,476	4,926,245	1,420,540	7,300,401	-		590,000	538,574	51,426
Columbia Pacific	35,150	7,202,417	1,857,644	8,195,791	8,618,153		961,400	861,815	99,585
Eastern Oregon	71,196	13,435,557	522,421	14,707,725	1,365,724	10,000,000	1,870,000	1,479,428	390,572
Health Share of Oregon	425,109	11,163,939	31,083,415	21,255,044	66,502,896		9,790,000	6,650,290	3,139,710
Inter-community Health Network	79,829	17,935,862	2,775,268	21,216,302	-		2,515,051	2,405,938	109,113
Jackson Care Connect	62,419	15,879,756	3,326,944	17,028,686	9,621,752		1,080,000	962,175	117,825
PSCS - Central	72,533	17,183,647	3,894,938	24,280,865	-	-	522,800	375,230	147,570
PSCS - Gorge	16,760	2,832,692	1,252,680	4,498,420	-	-	134,287	96,382	37,905
PSCS - Lane	88,564	20,812,547	1,565,740	29,184,673	-	-	515,480	369,977	145,503
PSCS - Marion Polk	139,555	24,064,593	4,191,268	36,835,079	-	-	231,713	166,308	65,405
PSCS - Other/Corporate							1,595,720		
PacificSource Consolidated				94,799,037	-	30,000,000	3,000,000	3,000,000	-
Trillium Comm. Health Plan - Lane	35,832	10,062,222	1,397,415	16,047,041	-		2,883,850	2,890,669	(6,819)
Trillium Comm. Health Plan - TC	36,976	9,866,852	330,395	14,844,190	-		937,274	1,356,910	(419,636)
Trillium Consolidated				30,891,231		28,900,000	3,821,124	3,795,276	25,848
Umpqua Health Alliance	36,658	13,099,707	3,967,848	15,388,180	-		2,182,398	2,179,221	3,177
Yamhill Community Care	34,668	13,337,620	3,148,100	15,942,213	(737,514)		2,029,290	2,029,290	0
Totals	1,249,568		65,404,626	274,897,725		68,900,000	31,077,156	25,164,206	4,317,230
							9.0%	7.3%	1.3%

* HRS Spending is reported but not yet approved spending and is deducted to reach Net Income (before SHARE)

** excluding tax distributions. Source is L6 Corp

*** Oafa included self-reported amount reported as Adj from Peer-Through is the RAE income