



August 14, 2020

Chris Hummer
Chief Executive Officer
Trillium Community Health Plan, Inc.
P.O. Box 11740
Eugene, OR 97440

<Sent via email to Christopher.Hummer@TrilliumCHP.com>

RE: Trillium's CCO Contract in the Tri-County Area

Dear Mr. Hummer:

The purpose of this letter is to notify Trillium Community Health Plan, Inc. ("Trillium") that:

1. The service area of Trillium's coordinated care organization ("CCO") contract with Oregon Health Authority ("OHA") will be expanded to include the Portland Tri-County service area, effective September 1, 2020; and
2. Trillium's service area expansion will be subject to a Corrective Action Plan ("CAP"), the details of which will follow under separate cover.

A. Background

Trillium applied to OHA for a contract as a CCO starting January 1, 2020. On July 9, 2019, OHA notified Trillium that it received an award for a new 5-year contract as a CCO that was conditional due to deficiencies in its application. On September 27, 2019, OHA wrote Trillium outlining additional steps Trillium needed to take in order to satisfy conditions to contracting before the contract award would become final.

Subsequently, on November 8, 2019, OHA notified you of Trillium's failure to meet the conditions outlined in a letter sent to Trillium on September 27, 2019. Because these conditions were not met, OHA denied a final award and notice to proceed for the Tri-County Area. Trillium was offered an opportunity, until June 30, 2020, to remedy deficiencies in its network adequacy for the Tri-County Area. To remedy these deficiencies, Trillium was asked to submit a revised Delivery System Network ("DSN") report and satisfy the following conditions:

- All providers in each service category must be listed as under contract and have signed contracts, with none pending;
- All providers listed must have a valid numerical entry for Provider Capacity identifying the contracted number of OHP members the provider agrees to serve;

- The providers listed must be sufficient to establish an adequate provider network that complies with all regulatory and contract requirements; and
- Adequately meet all elements of Readiness Review for the Tri-County Area.

In April 2020, OHA received verbal notice of Trillium's intent to proceed with expansion in the Tri-County Area on the basis that Trillium now satisfied the conditions in the September 27th letter. On May 4, 2020, Trillium submitted an official administrative notice and its revised DSN report for OHA review. On July 29, 2020, Trillium presented to OHA on several topics identified as priority areas of CCO 2.0 and during Readiness Review.

B. Current Actions

Based on that resubmission and the inclusion of a hospital system under contract, OHA is giving Trillium a notice to proceed enrolling members beginning September 1, 2020.

However, Trillium's presentation given on July 29, 2020 did not substantively address a number of concerns remaining about Trillium's ability to serve all OHP members in the Tri-County area. OHA remains concerned about the Trillium network's provider capacity to serve members, especially in the area of behavioral health. Trillium's proposed network also shows a lack of language access capacity, though Trillium has identified operational processes to identify gaps in its network. In addition, OHA has other concerns about Trillium's ability to demonstrate they meet contract requirements around health equity and community engagement.

Given this situation, following this letter, OHA will be issuing a sanction to Trillium based on Exhibit B, Part 9, Sections 2(8), 3(7)(b) and 6 of the 2020 CCO contract based on concerns about overall network adequacy, language access capacity, community engagement, and health equity. The sanction will require Trillium to prepare a CAP pursuant to 42 CFR 438.702 and OAR 410-141-3530. Further details will be provided under separate cover. To be clear, the present letter is not the Legal Notice of intent to impose sanctions described in Exhibit B, Part 9, Section 8 of the Contract.

The overall CAP timeline will be to ensure network growth and adequacy and ensure other CCO 2.0 priority areas, referenced above, are adequately addressed, to OHA's satisfaction, through the remainder of 2020. Failure to meet CAP terms could lead to additional sanctions including monetary penalties, membership freeze, and potential contract termination.

If the CAP has not been fully satisfied by the end of 2020, it will continue as part of Trillium's 2021 renewal contract for the Tri-County area. We anticipate offering Trillium separate contracts in 2021 for its two separate service areas.

If you have any questions about this letter, please do not hesitate to contact me or Lori Coyner, Medicaid Director.

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Sincerely,

A handwritten signature in black ink, appearing to read "David Baden". The signature is fluid and cursive, with a large initial "D" and "B".

David Baden

Chief Financial Officer

EC: Lori Coyner, OHA Medicaid Director
David Inbody, OHA CCO Operations Manager
Veronica Guerra, OHA Quality Assurance and Contract Oversight Manager
Cheryl Henning, OHA CCO Contracts Administrator
Belle Shepherd, OHA CCO Innovator Agent
Contract file