



Date: August 29, 2022

To: Coordinated care organizations

From: Dana Hittle, Interim Medicaid Director

Subject: Policy change for CCOs and the planned community birth service, CCO opt-in contract amendments

As of the date of this communication, the Oregon Health Authority (OHA) is rescinding its [policy](#), originally effective January 1, 2020, that permits CCO coverage of the planned community birth service (PCB Service), formerly known as the out of hospital birth service. OHA is providing an opportunity for CCOs wishing to cover the PCB Service to do so by amending their OHA contracts¹. Effective for Contract Year 2023, any CCO that offers the PCB Service must have separate executed amendments as described in this communication. If a CCO offers the PCB Service without the required amendments, it will be regarded out of compliance with its OHA contracts.

The opt-in contract amendments to offer the PCB Service as a CCO Covered Service are optional; no CCO is required to offer the PCB Service. Although an executed amendment will provide a CCO with the opportunity to offer the PCB Service, an executed amendment will not obligate a CCO to offer the PCB Service as a CCO Covered Service. Further, even if a CCO decides to opt-in to offer the PCB Service, the opt-in contract amendment will provide an opportunity for the CCO to opt-out of providing the PCB Service as a CCO Covered Service as explained below.

The amendments will expressly state that a CCO will not be required to contract with any willing PCB Service provider. The amendments will also require that all practitioners and providers providing PCB Services must be qualified, enrolled in Medicaid, and comply with all applicable HERC guidelines and all other applicable Medicaid and Oregon Health Plan (OHP) requirements. If CCO members want to receive care from non-contracted PCB Service providers, they will be able to receive care from the non-contracted providers through the fee-for-service carve-out.

For CCOs that opt-in and sign the amendments, OHA will use the same maternity kick mechanism that is already established for other maternity care for PCB Service compensation.

Why and when is this happening?

OHA received legal advice that its policy allowing CCOs to offer the PCB Service is out of alignment with the CCO contracts effective January 1, 2021, because the contracts identify the PCB Service as a Non-Covered Service for CCOs. The misalignment of policy and contract has caused confusion for CCOs and providers relating to, among other things, payment and coverage.

The policy must be rescinded for compliance reasons; however, the one-time only, time-limited contract amendments will serve as contractually aligned substitutes for the rescinded policy. OHA believes that

¹ The CCO's Medicaid and non-Medicaid contracts must be amended, with the same effective date and PCB requirements.

preserving the option for CCOs to provide the PCB Service is in the best interest of OHP members and is a valuable tool to further its goal to eliminate health inequities by 2030.

OHA will provide a separate communication to those CCOs that have been offering the PCB Service about the winding down of the policy and mitigating the effect of the wind-down on their members.

What should you do?

For CCOs **currently offering the PCB Service** that wish to continue to do so:

- The CCO's contract administrator must email Cheryl Henning, OHA's CCO Contracts Administrator, at Cheryl.L.Henning@dhsola.state.or.us by 9/15/2022 to formally request to opt-in to offer PCBs.
- OHA will prepare separate contract amendments for each CCO that formally requests to opt-in to offer the PCB Service. These amendments will be sent to those opting-in CCOs after they have signed both their Medicaid and non-Medicaid contracts for the 2023 Contract Year. OHA expects to send and have all CCOs sign their Medicaid and non-Medicaid contracts in November 2022. Since the opt-in amendments to offer the PCB Service will be effective as of 1/1/2023, as will the 2023 Medicaid and non-Medicaid contract renewals, the amendments must be fully executed prior to 1/1/2023.
- The PCB Service contract amendments will be effective for two Contract Years, with an expiration date of 12/31/2024. However, a CCO that executes an amendment to offer the PCB Service as a CCO Covered Service will be permitted to opt-out of offering the PCB Service as a CCO Covered Service for the 2024 Contract Year, subject to the CCO providing OHA with written notice of its intent to opt out 90 days prior to the expiration of the 2023 Contract year (i.e., October 2, 2023). Keep in mind, however, that even if the CCO opts out of providing the PCB Service as a CCO Covered Service, the CCO's members will still have the right to obtain the PCB Service through the fee-for-service carve-out.

For CCOs wishing to **newly offer the PCB Service**:

- OHA will offer CCOs that want to newly offer the PCB Service as a CCO Covered Service 18-month contract amendments effective for 7/1/2023 through 12/31/2024, with an opportunity for the CCO to opt-out effective 7/1/2024 with 90 days' prior written notice to OHA.
- The CCO's contract administrator must email Cheryl Henning, OHA's CCO Contracts Administrator, at Cheryl.L.Henning@dhsola.state.or.us by 3/15/2023 to formally request to opt-in to offering PCB effective 7/1/2023.
- OHA will prepare the amendments and provide them to the opting in CCOs for signature. In order for the opting-in CCOs to offer the PCB Service as a CCO Covered Service, the amendments must be fully executed prior to the effective date of 7/1/2023.

If a CCO decides to enter into the amendments to opt-in to provide the PCB Service as a CCO Covered Service, the CCO must, in this instance only, expressly agree to waive the statutory requirement for OHA to provide the amendment to the CCO 60 days prior to the amendment effective date.

For CCOs that do not wish to offer the PCB Service as a CCO Covered Service, they should continue to follow the requirements in their contracts relating to the PCB Service fee-for-service carve-out.

Questions?

If you have questions about this memo, please contact Cheryl Henning, OHA's CCO Contracts Administrator, at Cheryl.L.Henning@dhsola.state.or.us.

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.