

November 24, 2025

Jacob Parks  
Contracts Manager  
Health Share of Oregon  
2121 SW Broadway Suite 200  
Portland, Oregon 97201

Delivered via mail to Jacob Parks, Contract Administrator

RE: NOTICE OF NONCOMPLIANCE AND ORDER REQUIRING CORRECTIVE ACTION  
WHICH CONSTITUTES A BREACH OF HEALTH SHARE OF OREGON CONTRACT NO.  
161759

Dear Mr. Parks,

Health Share of Oregon (HSO) is party to a Health Plan Services Contract with the Oregon Health Authority (OHA) for Coordinated Care Organization (CCO) services effective January 1, 2020, and currently set to expire on December 31, 2026, Contract No. 161759 (the "Contract") and additional extension pending. Capitalized terms in this letter have the meanings assigned to them in the Contract<sup>1</sup>

The purpose of this letter is to notify HSO that OHA has determined that HSO has failed to comply with the certain provisions of the Contract as well as applicable state and federal law in its administration of the Health-Related Social Needs (HRSN) program.

Specifically, HSO has failed to comply with the HRSN Services network adequacy, service authorization and denial notification timelines, as well as service delivery requirements, all of which are set out in the following multiple authorities:

- The Contract:
  - Ex. B, Pt. 2, Sec. 15, Para. h, Sub Para (2):
  - Ex. B, Pt. 2, Sec. 15, Para. J,
  - Ex. B, Pt. 2, Sec. 16, Para. f (1-3),

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<sup>1</sup> The Contract has been amended and restated annually since it was first executed on January 1, 2020 (the "Effective Date"). Unless otherwise expressly noted in this letter, all references to the parties' obligations and rights under the Contract are those that have existed since the HRSN Services Rental Support program was implemented in 2024; however, the section references are those that are found in the 2025 Amended and Restated Contract.

- Ex. B, Pt. 2, Sec. 16, Para. a, Sub Para. (2)
- Oregon Administrative Rule  
OAR 410-120-2020 (13-14,18).
- Code of Federal Regulations  
42 CFR 438.206(b)(1) & (c)(1)(i)  
42 CFR 438.207(b)(2)

## **AGENCY AUTHORITY**

Each CCO must comply with the terms and conditions of the State Plan, the 1115 Waiver, the contract provisions, as well as all state and federal statutes, rules, and regulations applicable to its administration of the Oregon Health Plan, which includes the provision of services to OHP Members, including those covered under Medicaid.

As the single state Medicaid agency for Oregon, OHA is responsible for and has broad authority to monitor and audit CCOs, including HSO, to ensure their compliance with the verification of the accuracy and appropriateness of payment, utilization of services, medical necessity, medical appropriateness, grievances, and quality of care. With respect to HSO's compliance with the federal regulations cited above, OHA has the specific obligation, as set forth under 42 CFR §§ 438.206(a) and 438.207(a), to ensure HSO complies with the network adequacy and timely access to care requirements that are established by the state. Additional authority for OHA's obligation to Monitor and address compliance with respect to HSO's "Provider network management," "availability and accessibility of services, including network adequacy standards" is found in 42 CFR §438.66. This authority is also incorporated into Exhibit B, Part 9, Section 1 of the Contract.

If, in exercising its oversight role, OHA determines a CCO is not in compliance, OHA may, pursuant to its authority under 42 CFR § 438.700 (which is also incorporated into Exhibit B, Part 9, Section 1(d) of the Contract and OAR 410-141-3530(3)), impose a Sanction. In accordance with 42 CFR 438.702(b) and OAR 410-141-3530(4)(f), OHA may choose from a number of different Sanctions as deemed appropriate based on the severity of noncompliance. Among those available is, as authorized under Exhibit B, Part 9, Sections 1(d), 3(a) and (b)(8)(b) of the Contract, requiring the CCO to develop and implement a time-specific plan of correction.

## **EVALUATION AND FINDING[S] OF NONCOMPLIANCE**

### **Requirement(s):**

**Citations:** 42 CFR 438.206(c)(1)(i),  
OAR 410-120-2020(13-14,18),  
Contract Ex. B, Pt. 2, Sec. 16, Para. a (2)

Contractor must make a referral to an HRSN Service Provider that can deliver the authorized HRSN Service(s) as expeditiously as a member's circumstances require. The timeframe for delivery of the HRSN Service must not exceed four (4) weeks following the authorization of the service, which is the same time frame for scheduling appointments for Well Care as set forth in OAR 410-141-3515. The HRSN Service(s) is considered "delivered" once the Member receives at least one unit of the HRSN Service that was authorized. Some service authorizations will continue beyond one month, but at minimum, the first unit must be delivered within four (4) weeks.

**Citations:** 42 CFR 438.206(b)(1)  
42 CFR 438.207(b)(2)  
Contract Ex. B, Pt. 2, Sec. 16, Para. f (1-3)

Contractor shall maintain and monitor a provider network that (i) is supported with written agreements, and (ii) has sufficient capacity and expertise to provide adequate access to expected enrollment for HRSN Services in a reasonable period of time in accordance with Ex. B, Part 4, Sec. 3 Para. a, Sub.Para (1). **Finding(s):**

HSO submitted service delivery data and HRSN provider network data to OHA on May 13, 2025, which covered the service delivery period for November 2024 – April 2025.

On August 1, 2025, OHA launched an investigation to assess HSO's compliance with the state and federal requirements identified above in the Requirements section.

HSO submitted additional service delivery data and HRSN provider network data to OHA on October 2, 2025, which also covered the service delivery period for April 2024 – June 2025.

OHA completed an analysis of the HSO's service delivery data and HRSN provider network data for the period commencing in November 2024 and ending in April 2025. The results of the evaluation of this data show non-compliance with the requirements to deliver the authorized HRSN service in a timely manner, as specified in OAR 410-120-2020(13-14) & (18).

Specifically, the data received from HSO on October 2, 2025, demonstrates that 2,973 HSO members authorized for Housing-Related Supports between November 1, 2024, and June 30, 2025, were not served within the four (4) week required timeframe. As of June 30, HSO's backlog of Housing-Related Supports authorized but still pending referral was at 2,096 Members. And, an additional 877 Members had been referred to a Provider more than four (4) weeks after HSO had authorized the Services. Therefore, these additional 877 Members were also not served within the required timeframe.

Based on OHA's analysis of HSO's data submissions which evidences a severe lack of compliance with its regulatory and contractual obligations, it is clear that HSO's internal authorization and referral processes or provider network of HRSN Service Provider, or both are not sufficient to provide adequate access to the HRSN Housing-Related Supports Services in a timely manner in accordance with the four (4) week timelines in OAR 410-120-2020.

Additionally, OHA Ombuds has received numerous complaints from HSO Members, reporting increased telephonic wait times when they call to inquire about the status of HRSN Housing-Related Supports Services delivery and misplacement of the documentation that is necessary for service delivery process.

HSO's egregious failure to comply with its regulatory and contractual obligations described above constitutes a material breach of the terms and conditions of the Contract.

## **ORDER**

Based on the requirements and findings outlined above, OHA finds that HSO is in material breach of with its contractual requirements as follows:

- Ex. B, Pt. 2, Sec. 15, Para. h, Sub Para (2):
- Ex. B, Pt. 2, Sec. 15, Para. J,
- Ex. B, Pt. 2, Sec. 16, Para. f (1-3),
- Ex. B, Pt. 2, Sec. 16, Para. a, Sub Para. (2)

Therefore, pursuant to OAR 410-141-3530 and Exhibit B, Part 9, Section 1, Paragraph d and Exhibit B, Part 9, Section 6 of the Contract, OHA hereby requires HSO to cure its material breach by (I) develop and implement a Corrective Action Plan (CAP) to remediate its non-compliance and (II) engage in regular reporting that demonstrates progress toward full remediation as follows:

- (I) Develop and implement a CAP that is acceptable to OHA for correcting the issues set forth in this Notice and Order. The CAP will be managed in two phases:
  - **Phase 1:** Resolve the backlog of members who are still pending service delivery beyond the four (4) week deadline following authorization of service. HSO will be required to reduce the backlog by 10% biweekly. The backlog must be eliminated by June 1, 2026.
  - **Phase 2:** Describe actions and activities designed to specifically correct the areas of non-compliance, including the process gaps leading to the backlog. Upon implementation, HSO must demonstrate continual monthly improvement toward resolution of the findings identified above.
  - OHA will provide a Corrective Action Plan Workbook that HSO must use to document its process improvement plan. HSO shall submit the completed CAP Workbook to OHA within 15 business days via the CCO Deliverables Portal under the deliverable name "Health-Related Social Needs (HRSN) Housing - Corrective Action Plan" by December 16, 2025.
  - HSO will demonstrate continual monthly improvement toward remediation and resolution of OHA's findings by submitting a bi-weekly progress report of HRSN service delivery. HSO will utilize the data logs and other documents identified in the CAP Workbook when submitting the bi-weekly progress report.

OHA has the authority under Section 6, Paragraph c. of Exhibit B, Part 9 of the Contract review and approve HSO's CAP prior to implementation.

Accordingly, HSO must complete the CAP Workbook by providing sufficiently detailed descriptions of which organizational resources will be dedicated to remediating the issues described in this Notice and Order and how such resources will be employed to achieve full remediation. The completed CAP Workbook must also describe which HSO resources will be responsible for developing and implementing, the CAP as well as who will have oversight of implementation and what metrics and other evidence will be provided to OHA demonstrate progress toward and completion of remediation.

If OHA determines the CAP does not sufficiently address the issues identified in in this Notice and Order or fails to comply with the required elements set forth in Exhibit B, Part 9, Section 6 of the Contract (or both), OHA will require HSO to revise its CAP prior to issuing its approval.

- (II) Submit bi-weekly reports to OHA of all progress towards achieving compliance. These reports must (i) adhere to instructions in the OHA Corrective Action Plan Workbook, (ii) include all relevant documentation, (iii) clearly demonstrate progress during the reporting period, and (iv) be delivered via the CCO Deliverables Portal using submission using the title ***Health-Related Social Needs (HRSN) Housing - Corrective Action Plan***. The first bi-weekly report shall be submitted no later than ten (10) business days after OHA CAP approval.

OHA will monitor HSO's compliance with this Order, including the development of a sufficient and adequate CAP and its implementation, and reserves the right to impose additional Sanctions, remedies, or both permitted under the Contract, or as may otherwise be provided by law, up to and including termination of the Contract.

#### APPEAL RIGHTS

If HSO believes it has not violated the provisions set forth above and has information relevant to its compliance that it believes OHA should consider, HSO has the right to appeal this Notice and Order by filing a written request for Administrative Review with the OHA Medicaid Director within 30 days of receipt of this Notice pursuant to Exhibit B, Part 9, Section 8 and OAR 410-120-1580(4)-(6). In such event, in order to be effective, the request for Administrative Review shall be sent to:

Emma Sandoe  
Oregon Health Authority  
500 Summer St. NE, E-20  
Salem, OR 97301  
[Emma.Sandoe@oha.oregon.gov](mailto:Emma.Sandoe@oha.oregon.gov)

Sincerely,

Veronica Guerra  
CCO Operations Deputy Director  
Medicaid Division  
Oregon Health Authority

Cc via email:

Mindy Stadlander, Chief Executive Officer, Health Share of Oregon  
Michelle Jabczynski, Compliance Officer, Health Share of Oregon  
Alyssa Craigie, Health System Integration Director, Health Share of Oregon  
Sejal Hathi, OHA Director  
Emma Sandoe, OHA Medicaid Director  
Vivian Levy, OHA Deputy Medicaid Director  
Beth Spinning, Operations Director, Health Share of Oregon  
Jacob Parks, Contracts Administrator, Health Share of Oregon  
Dave Inbody, OHA CCO Operations Director  
Cheryl Henning, OHA CCO Contracts Administrator  
Leslie Ayhens, RN, OHA CCO Quality Assurance Manager  
Jessica Wilson, 1115 Waiver Strategic Operations Director  
Rebecca Donnell, OHA, Innovator Agent  
USPS Mail Delivery to Health Share of Oregon  
Contract File

