



Kate Brown, Governor



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# Summary of CCO 2.0 Contract Award Decisions (RFA 4690-10)

## Executive Summary

The Oregon Health Authority (OHA) received 19 applications from organizations seeking contracts to serve as coordinated care organizations (CCOs) for the Oregon Health Plan's nearly 1 million members.

Organizations seeking these contracts had to demonstrate their ability to meet the goals of the next phase of Oregon's health system transformation known as "CCO 2.0." Four priority areas for improvement identified by Governor Kate Brown and advanced by the Oregon Health Policy Board include:

- Improve the behavioral health system and address barriers to access to and integration of care.
- Increase value and pay for performance.
- Focus on social determinants of health and health equity.
- Maintain sustainable cost growth and ensure financial transparency.

OHA used a rigorous and objective evaluation process to ensure applicants can meet the higher bar set for CCO 2.0.

- Applicants were rated on their ability to coordinate care, deliver clinical services, transform care delivery and contain costs (among other factors) by health care analysts from OHA.
- Applicants were required to demonstrate support from their local communities.
- The financial strength and viability of each applicant was evaluated by commercial insurance regulators from the Oregon Department of Consumer and Business Services (DCBS) and actuarial staff from OHA.

**OHA announced its intent to award five-year contracts to 11 applicants.** These applicants successfully demonstrated their ability to meet the CCO 2.0 requirements. These applicants will now be evaluated for their readiness to deliver the services promised in their applications.

**OHA announced its intent to award one-year contracts to four applicants.** These applicants did not fully demonstrate their ability to sufficiently meet the CCO 2.0 criteria. However, they did show they could meet expectations in some key areas and denying their applications would have left gaps in CCO coverage in different parts of the state. These applicants will be placed on remediation plans and will have up to one year to show they can meet the higher expectations of CCO 2.0, with technical support from OHA.

**OHA denied contracts to four applications that failed to meet the requirements of CCO 2.0.** One applicant was an existing CCO that did not pass financial stability reviews conducted by DCBS and OHA. Three applicants were newly proposed CCOs that did not meet CCO 2.0 criteria.

With the 15 contract awardees, every part of Oregon will have at least one CCO. Several parts of the state will have more than one CCO to choose from starting in January 2020. Members will have changes to their CCO choices in all or part of Clackamas, Jackson, Lane, Multnomah, Polk and Washington counties.

## Award Decisions

### *Approve Awards*

These applicants successfully demonstrated their ability to meet the CCO 2.0 requirements. They will receive a Notice of Award for a five-year contract and be evaluated for their readiness to deliver the services promised in their applications.

### **Columbia Pacific CCO, LLC**

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories
  - Alignment with Governor’s policy objectives: Responses show strong alignment with all the Governor’s policy objectives (Behavioral Health, Cost, Social Determinants of Health, Business Operations and Value-Based Payments [VBP]).
- **Executive review findings:** Concerns about cost controls and ability to reach capital surplus requirements without additional capital infusion
- **Decision:** Approve award
- **Service areas:** Clatsop, Columbia, and Tillamook counties

### **Eastern Oregon Coordinated Care Organization, LLC:**

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- **Evaluation findings:**

- Passed 3 categories (Business Administration, Clinical and Service Delivery, and Community Engagement)
- Failed 3 categories
  - Finance: Concerns around cost containment, care coordination and behavioral health integration
  - Care Coordination and Integration: Lacked detail on planned processes for the provision of covered services, workforce gaps, and relationships with tribes.
  - Delivery System Transformation: Lacking information about quality standards, data collection, referrals and prior authorizations, and patient-centered primary care home (PCPCH) oversight
- Alignment with Governor's policy objectives: Responses showed strong alignment with four objectives (Behavioral Health, Cost, Social Determinants of Health, and VBP) and weak alignment with one (Business Operations).
- **Executive review findings:** Finance and Cost concerns are mostly about future projections vs. historical performance. Strategies weren't detailed enough and could not be assessed with limited information provided. Scoring in the Finance category indicates pass, but the team recommendation and comments indicate fail. Executive team does not find enough evidence to fail EOCCO in the finance category. Evaluation report details additional concerns that EOCCO will be required to fix in readiness review.
- **Decision:** Approve award
- **Service areas:** Sherman, Gilliam, Morrow, Umatilla, Union, Wallowa, Wheeler, Grant, Baker, Lake, Harney, and Malheur counties

## Health Share of Oregon:

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories
  - Alignment with Governor's policy objectives: Responses show strong alignment with all the policy objectives.
- **Executive review findings:** Passed across the board in all evaluation categories. Some financial concerns based on pro forma submission. Will need to ensure enough capital is available to meet overall capital requirements.
- **Decision:** Approve award
- **Service areas:** Clackamas, Multnomah and Washington counties

## InterCommunity Health Network:

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- **Evaluation findings:**
  - Passed 3 categories (Finance, Delivery System Transformation and Community Engagement)
  - Failed 3 categories
    - Business Administration: Responses were missing detail; limited supporting processes for electronic health record adoption and health information technology/VBP; little detail was provided on the member transition processes
    - Care Coordination and Integration: Responses suggest limited ability to coordinate care for special populations, lacking engagement plan with tribal health system
    - Clinical and Service Delivery: Responses were high-level, vague and sometimes missing entirely; missing detail for the care coordination questions in the Behavioral Health Covered Services section.
  - Alignment with Governor's policy objectives: Responses show strong alignment with four policy objectives (Behavioral Health, Cost, Social Determinants of Health, and VBP). Responses showed weak alignment with Business Operations.
- **Executive review findings:** Concerns about business administration, capital, and assumptions of cost trend.
- **Decision:** Approve award
- **Service areas:** Lincoln, Benton, and Linn counties

## Jackson Care Connect:

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- **Evaluation findings:**
  - Passed 4 categories (Finance, Business Administration, Care Coordination and Integration, and Community Engagement)
  - Failed 2 categories:
    - Clinical and Service Delivery: Responses missing detail specific to Administrative and Behavioral Health Benefit
    - Delivery System Transformation: Missing information about data collection, prior authorization and referral systems, and quality oversight. Lack of detail about REALD, substance use disorder, workforce development, and PCPCH oversight.
  - Alignment with Governor's policy objectives: Responses show strong alignment with all the policy objectives.

- **Executive review findings:** Concerns with ability to meet clinical and service delivery and delivery system transformation targets and goals. Some concerns around capital requirements.
- **Decision:** Approve award
- **Service areas:** Jackson County

## **PacificSource Community Solutions - Central Oregon:**

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories
  - Alignment with Governor’s policy objectives: Responses show strong alignment with all the policy objectives.
- **Executive review findings:** All four PacificSource Community Solutions (PSCS) divisions are potentially sharing capital resources. The resource allocation method is unclear. Follow-up needed to ensure overall capital is sufficient among all PSCS CCOs.
- **Decision:** Approve award
- **Service areas:** Crook, Deschutes, Jefferson, and partial Klamath counties

## **PacificSource Community Solutions - Columbia Gorge:**

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories
  - Alignment with Governor’s policy objectives: Responses show strong alignment with all policy objectives.
- **Executive review findings:** All four PSCS divisions are potentially sharing capital resources. The resource allocation method is unclear. Follow-up needed to ensure overall capital is sufficient among all PSCS CCOs.
- **Decision:** Approve award
- **Service areas:** Hood River and Wasco counties

## PacificSource Community Solutions – Lane:

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories
  - Alignment with Governor’s policy objectives: Responses show strong alignment with all policy objectives.
- **Executive review findings:** All four PSCS divisions are potentially sharing capital resources. The resource allocation method is unclear. Follow-up needed to ensure overall capital is sufficient among all PSCS CCOs.
- **Decision:** Approve award
- **Service areas:** Lane County

## PacificSource Community Solutions - Marion Polk:

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories
  - Alignment with Governor’s policy objectives: Responses show strong alignment with all policy objectives.
- **Executive review findings:** All four PSCS divisions are potentially sharing capital resources. The resource allocation method is unclear. Follow-up needed to ensure overall capital is sufficient among all PSCS CCOs.
- **Decision:** Approve award
- **Service areas:** Marion and Polk counties

## Trillium Community Health Plan Inc.:

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- **Evaluation findings:**
  - Passed 6 categories (Finance, Business Administration, Care Coordination and Integration, Clinical and Service Delivery, Delivery System Transformation, and Community Engagement)
  - Failed 0 categories

- Alignment with Governor’s policy objectives: Responses show strong alignment with all policy objectives.
- **Executive review findings:** All passing scores from the evaluation team. Follow-up needed to ensure providers listed in application will be in network for 2020.
- **Decision:** Approve award
- **Service areas:** Lane, Clackamas, Multnomah and Washington counties. Partial Linn and Douglas counties.

## Advanced Health LLC:

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- **Evaluation findings:**
  - Passed 3 categories (Finance, Care Coordination and Integration, and Community Engagement)
  - Failed 3 categories:
    - Business Administration: Responses were lacking detail and sometimes missing entirely. Deficiencies in fraud, waste and abuse; third-party liability; and encounter data validation. Deficiencies in member transition and Social Determinants of Health.
    - Clinical and Service Delivery: Responses were missing small to moderate amounts of detail and some components were not responded to at all. Missing plans for care coordination, culturally competent approaches to members with Severe and Persistent Mental Illness, and monitoring services
    - Delivery System Transformation: Lacking details about referrals and prior authorizations, quality data systems, and communicating/enforcing standards. Missing details about the PCPCH system.
  - Alignment with Governor’s policy objectives: Responses show strong alignment with all policy objectives.
- **Executive review findings:** Passed half of the categories. Clarification needed on ownership structure. More information needed on care coordination.
- **Decision:** Approve award
- **Service areas:** Coos and Curry counties

## *Award 1-Year Contract*

The following applicants did not fully demonstrate ability to meet the CCO 2.0 criteria. These applicants will be placed on remediation plans to show they can meet the higher expectations of CCO 2.0, with technical support from OHA. OHA will extend contracts beyond one year for CCOs that show they can meet the goals of CCO 2.0. If a CCO does not receive a contract beyond one year, OHA will work with the local community to cover that service area through another CCO.

### **AllCare CCO, Inc.:**

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- **Evaluation findings:**
  - Passed 1 category (Care Coordination and Integration)
  - Failed 5 categories
    - Finance: Responses lack detail and do not meet expectations or requirements.
    - Business Administration: Majority of questions were missing information, and some were unresponsive. Missing details about infrastructure, social determinants of health and health equity data matching, and member transition. These areas would require significant effort to remedy.
    - Clinical and Service Delivery: Missing information about network adequacy, grievance system monitoring, and behavioral health-covered services.
    - Delivery System Transformation: Missing information about reporting systems, quality standards and compliance, referrals and prior authorization processes, PCPCH system and access analysis.
    - Community Engagement: Missing support for Community Advisory Council development, community engagement, and making transparent and equitable social determinants of health spending decisions.
  - Alignment with Governor's policy objectives: Responses show weak alignment with all the policy objectives.
- **Executive review findings:** Passed care coordination, failed all other categories. Concerns about meeting necessary capital requirements. Applicant did not fully demonstrate ability to sufficiently meet the CCO 2.0 criteria. Denying this application would leave a gap in CCO coverage.
- **Decision:** Award one-year contract
- **Service areas:** Curry, Jackson, Josephine, and partial Douglas counties

### **Cascade Health Alliance:**

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- **Evaluation findings:**
  - Passed 1 category (Delivery System Transformation)



- Failed 5 categories
  - Finance: Large gaps in demonstrating ability to implement policies.
  - Business Administration: Responses showed fundamental gaps in processes, people, technology and general infrastructure. Deficiencies in health information technology, member transition, and social determinants of health and health equity.
  - Care Coordination and Integration: Did not address the CCO's role when partnering with other providers and systems. Did not sufficiently address specific approaches to high-needs populations, especially dual-eligible, members with Severe and Persistent Mental Illness and tribal populations.
  - Clinical and Service Delivery: Lacking sufficient plans for grievance and appeals, pharmacy service and utilization management.
  - Community Engagement: Missing significant details about community engagement plan for all communities in service area. Significant technical assistance and guidance from OHA needed.
- Alignment with Governor's policy objectives: The responses scored high in Cost and Social Determinants of Health. The responses scored lower for VBP, Behavioral Health, and Business Operations.
- **Executive review findings:** Finance and Cost concerns with parent company's capital availability and high cost growth rate (8%). Exception request was not substantiated. Only pass is in Delivery System Transformation. Applicant did not fully demonstrate ability to sufficiently meet the CCO 2.0 criteria. Denying this application would leave a gap in CCO coverage.
- **Decision:** Award one-year contract
- **Service areas:** Partial Klamath County

## Yamhill County Care Organization:

- **Evaluation findings:**
  - Passed 1 category (Community Engagement)
  - Failed 5 categories
    - Finance: Lacked detail across all sections. Understanding of goals, intent and requirements was not demonstrated. Responses regarding Care Coordination were particularly concerning.
    - Business Administration: Limited in detail and indicated gaps in knowledge, technology and process. This includes gaps in fraud, waste and abuse processes, technology and general IT knowledge, member transition plans, and policy or processes to access services with languages other than English or Spanish.

- Care Coordination and Integration: Lacked detail in plans for performance monitoring. Did not address special needs populations, the tribal health system, dual eligible and Medicare Advantage, Office of Developmental Disability Services, behavioral health, and other areas. Applicant described its need for partnership with these populations as “not applicable.”
  - Clinical and Service Delivery: Responses in these sections were missing detail about subcontractor accountability for behavioral health, communication with members, and long-term supports.
  - Delivery System Transformation: Missing details about prior authorizations and referrals, quality standards, PCPCH system, and community needs analysis for behavioral health.
- Alignment with Governor’s policy objectives: Responses show strong alignment with three of the policy objectives – Behavioral Health, Cost, and Social Determinants of Health. The responses show weak alignment with Business Operations and VBP.
- **Executive review findings:** Issues submitting financials. DCBS concerns about liabilities and unexplained resources. Applicant did not fully demonstrate ability to sufficiently meet the CCO 2.0 criteria. Denying this application would leave a gap in CCO coverage.
- **Decision:** Award one-year contract
- **Service areas:** Yamhill County, partial Polk and Washington counties

## Umpqua Health Alliance LLC:

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- **Evaluation findings:**
  - Passed 2 categories (Finance and Delivery System Transformation)
  - Failed 4 categories
    - Business Administration: Details missing in administrative sections. Responses were limited, incomplete or not responsive in the health information technology, member transitions and social determinants of health and health equity sections.
    - Care Coordination and Integration: Missing specific plans and monitoring for dual eligible populations, children, and members with behavioral health needs. Missing information about Health Information Exchange planning.
    - Clinical and Service Delivery: Missing detail. Some questions were not addressed at all.
    - Community Engagement: Response did not adequately address traditional health workers or community engagement.
  - Alignment with Governor’s policy objectives: Responses show strong alignment with two of the policy objectives – Cost and Social Determinants of Health. The responses show weak alignment with Business Operations, Behavioral Health, and VBP.

- **Executive review findings:** Concerns about the total management fee to UHA management services and parent company capital available. CCO affiliate is also the local independent practice association (DCIPA). Concerns in business administration about level of detail provided. Applicant did not fully demonstrate ability to sufficiently meet the CCO 2.0 criteria. Denying this application would leave a gap in CCO coverage.
- **Decision:** Award one-year contract
- **Service areas:** Partial Douglas County (97441, 97467 and 97473 are excluded)

## *Deny Awards*

The following applicants failed to meet the requirements of CCO 2.0 and will not be awarded a contract.

### **Marion Polk Coordinated Care:**

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- **Evaluation findings:**
  - Passed 0 categories
  - Failed 6 categories
    - Finance: Responses did not demonstrate an understanding of CCO goals and requirements.
    - Business Administration: Responses are lacking detail. Lack of infrastructure to support administrative procedures, health information technology, electronic health records, VBP, and member transition.
    - Care Coordination and Integration: Failed to acknowledge CCO roles and responsibilities in working with Medicaid Advantage Plans, out-of-network providers and Children's System of Care partners.
    - Clinical and Service Delivery: Answers are vague and missing detail.
    - Delivery System Transformation: Responses do not contain a data plan, measuring quality performance. Lacking details about PCPCH program and management of members with Severe and Persistent Mental Illness services.
    - Community Engagement: Missing significant details about community engagement plan for all communities in service area. Significant technical assistance and guidance from OHA needed.
    - In addition, profitability projections are overly optimistic, and low Risk-Based Capital level is inadequate.
  - Alignment with Governor's policy objectives: Responses show weak alignment with all the policy objectives (VBP, Social Determinants of Health, Behavioral Health, Cost and Business Operations).
- **Executive review findings:** Failed all 6 categories, one other CCO application available to fill coverage area.
- **Decision:** Deny award
- **Service areas:** N/A

### **Northwest Coordinated Care Organization LLC:**

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- **Evaluation findings:**

- Passed 2 categories (Finance and Community Engagement)
- Failed 4 categories
  - Business Administration: Responses were limited, incomplete or not responsive.
  - Care Coordination and Integration: No description of provider network adequacy and no plan for Health Information Exchange technologies.
  - Clinical and Service Delivery: Responses lacking in detail regarding administrative functions, Severe and Persistent Mental Illness, and long-term care services.
  - Delivery System Transformation: Responses missing significant details about monitoring and accountability, PCPCH and Severe and Persistent Mental Illness services
- Alignment with Governor’s policy objectives: Responses show strong alignment with policy objectives in VBP, Social Determinants of Health, and Behavioral Health and weak alignment with Cost and Business Operations objectives.
- **Executive review findings:** Deficiencies in policy areas. Service area proposed would not support multiple CCOs.
- **Decision:** Deny award
- **Service areas:** N/A

## PrimaryHealth of Josephine County:

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- **Evaluation findings:**
  - Passed 4 categories (Finance, Care Coordination and Integration, Delivery System Transformation, and Community Engagement)
  - Failed 2 categories
    - Business Administration: Responses lack detail, and some responses were missing components. Missing information in pre-emptive fraud, waste and abuse activities; electronic health record program; and member transition.
    - Clinical and Service Delivery: Responses missing detail, and some components of questions were not answered at all. Missing detail about behavioral health-covered services.
  - Alignment with Governor’s policy objectives: Responses show strong alignment with four of the of the policy objectives – Behavioral Health, Cost, Social Determinants of Health, Business Operations. The responses show weak alignment with VBP.
- **Executive review findings:** Concern that holding company has ongoing concern note in audited financials. Overall major concern about long-term financial viability. Current audit reports list a going concern around the company’s ability to continue operations. There is no evidence in the

application of enough available financing to boost its capital and surplus needs. Current estimates based on financials provided that PrimaryHealth is at significant risk of insolvency by 2022.

- **Decision:** Deny award
- **Service areas:** N/A

## **West Central Coordinated Care Organization LLC:**

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- **Evaluation findings:**
  - Passed 0 categories
  - Failed 6 categories
    - Finance: Incomplete response, did not demonstrate how it will perform cost containment activities
    - Business Administration: Responses were limited, incomplete or not responsive.
    - Care Coordination and Integration: No detail provided about encouraging preventive services, transition of care activities, or performance expectations.
    - Clinical and Service Delivery: Lacking in detail regarding administrative functions, Severe and Persistent Mental Illness and long-term care services.
    - Delivery System Transformation: Missing significant details about reporting system and service improvement plan.
    - Community Engagement: Response did not adequately address culturally-specific organizations or member engagement plan.
  - Alignment with Governor's policy objectives: Responses show strong alignment with policy objectives in VBP, Social Determinants of Health, and Behavioral Health; and weak alignment with Cost and Business Operations objectives.
- **Executive review findings:** Failed all categories. Other CCO applicants available to cover service area.
- **Decision:** Deny award
- **Service areas:** N/A