

Possible methods for defining service area boundaries for CCO 2.0 applicants

ZIP codes (current method)

Applicants propose service area based on U.S. postal ZIP codes

- Current method of service area alignment from 2012 RFA where applicants were asked to define their service areas by ZIP code. Applicants primarily drew around their existing provider network.
- Allows maximum amount of service area flexibility.

Considerations

- Large amounts of utilization data are available to identify cost drivers and potentially exclude populations from coverage, causing risk to underserved populations and high-needs members.
- Creates challenges for rate setting when a plan includes ZIP codes in multiple rating regions.
- Not a stable boundary, not always contiguous, and changes are based on the needs of the postal service.
- Allows applicants to draw RFA service area around what most easily allows them to meet criteria rather than what is best for members.
- Members could have different CCO options by moving to a different part of the same city.

Regions (previous 2.0 proposal)

OHA establishes pre-defined service area regions; applicants propose to serve entire region

- Prevents adverse selection of entire counties.
- Better alignment with rating regions.
- More likely to impact VBP and cost containment with a larger enrollment pool.
- Plans with a larger regional footprint can benefit from operational efficiencies with economies of scale.
- Expands provider network accessibility for members.

Considerations

- Difficult for plans to expand to regional level and many plans do not necessarily want a footprint that large.
- Large regions may undermine the original community-based intent of CCOs.
- Difficult to develop larger provider networks aligned to the regions in time for procurement.
- Less flexibility to modify service areas to match vendor capacity or community needs.

Counties (new 2.0 proposal)
Applicants propose service areas based on county boundaries

- Aligns with behavioral health and public health infrastructure.
- Familiar boundary for members and providers.
- Closer alignment with school districts for child-focused policies that involve the educational system (most are within single counties, although some districts overlap).
- Ability to compare performance of CCOs side-by-side within the same county.
- Prevents adverse selection of areas or populations within a county.
- Alignment with corrections system/justice involved individuals.
- Aligns with MMIS enrollment process.

Considerations

- Entire counties could be adversely selected, although this would be more visible to OHA.
- Travel or natural referral patterns for some regions may require crossing county lines.
- Applicants may select counties that are not adjacent to one another.

Identifying county-wide service areas in the RFA Application

Applicants will identify the service area on a county-wide basis where they intend to provide coverage to members. The service area identifies which members are eligible to enroll in the CCO based on their primary residence. The service area does not impose any limits on the location of the CCO's provider network, if the CCO is able to meet network adequacy and capacity requirements.

Exceptions to county-wide service area coverage

If the applicant is seeking an exception to the county-wide coverage requirement and proposes to include a partial county, they will be asked to provide an additional attachment describing how granting the exception will allow the applicant to more effectively achieve the transformation goals of CCO 2.0 than county-wide coverage in each of the following areas:

- Community engagement, governance, and accountability.
- Behavioral health integration and access.
- Social determinants of health and health equity.
- Value-based payments and cost containment.
- Financial viability.

Additionally, applicants will be asked to show how the service area proposal provides greater benefit to OHP members, providers, and the community, and that the proposal is not designed to minimize financial risk and does not create adverse selection. Justification should include additional information about patient referral patterns in the county and the proposed excepted areas. The exception request will be evaluated by OHA and is not guaranteed to receive approval.