



February 16, 2023

Monica Martinez
Jackson County CCO, LLC
315 SW 5th Avenue
Portland, OR 97204

Via certified mail to above mailing address and via email to martinezm@careoregon.org

NOTICE OF NONCOMPLIANCE AND ORDER REQUIRING CORRECTIVE ACTION
RELATING TO JACKSON COUNTY CCO, LLC CONTRACT NO. 161761

Dear Ms. Martinez,

Jackson County CCO, LLC d/b/a Jackson Care Connect (“JCC”) 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, 2024, Contract No. 161761 (the “Contract”).¹

The purpose of this letter is to notify JCC it will be subject to a Corrective Action Plan (“CAP”) due to noncompliance with the prior authorization requirements for Intensive In-Home Behavioral Health Treatment (IIBHT).

AGENCY AUTHORITY

Each CCO must comply with all applicable federal and state laws and regulations, state plan requirements, and contract provisions applicable to its participation in the Oregon Health Plan and in the provision of services to Medicaid members. As the single state Medicaid agency for Oregon, OHA is responsible for and has broad authority to monitor and audit CCOs to ensure their compliance with these requirements and to verify the accuracy and appropriateness of payment, utilization of services, medical necessity, medical appropriateness, grievances, quality of care, and access to care. OHA is authorized to monitor compliance with the requirements set forth in 42 CFR §438.66, Exhibit B, Part 9, Section 1 of the Contract, and all other applicable state and federal laws and contract terms.

If, in exercising its oversight role, OHA determines a CCO is not in compliance, OHA may, among other remedies, impose a Sanction requiring the CCO to develop and implement a time-specific plan of correction, as set forth in Exhibit B, Part 9, Sections 1, 3, and 6 of the Contract and OAR 410-141-3530.

¹ 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 its Effective Date; however, the section references are those that are found in the 2023 Amended and Restated Contract.

Due to OHA's finding (as detailed below) that JCC is not requiring providers to use Prior Authorization for IIBHT, as required under Exhibit B, Part 2, Section 3, Paragraph b (6) of the Contract, OAR 410-172-0695(11)(b), and OAR 410-172-0650(4)(i), OHA is issuing a sanction in accordance with its authority under Exhibit B, Part 9, Section 2, Paragraph a.

In accordance with OHA's right under Exhibit B, Part 9, Section 3, Paragraph b.(8)(b) of the Contract, the Sanction OHA has elected to impose will require JCC to prepare a CAP that complies with elements set forth in Exhibit B, Part 9, Section 6.

EVALUATION AND FINDINGS OF NON-COMPLIANCE

Requirement: Since January 1, 2021, CCOs have been required to provide access to IIBHT services for all eligible Members age twenty (20) and younger. Pursuant to Exhibit B, Part 2, Section 3, Paragraph b (6) and Exhibit M, Section 22 of the Contract, as well as OAR 410-172-0695 the foregoing obligation has also required CCOs to condition the delivery of IIBHT services on Prior Authorization. Moreover, Exhibit M, Section 4 of the Contract requires CCOs obtain approval of Behavioral Health Policies and Procedures, which includes those related to IIBHT.

Findings: Despite the above requirements, JCC has not implemented the Prior Authorization requirement for IIBHT services. Beginning in September 2020 and continuing into 2022, OHA has provided technical assistance, written guidance, and policy and procedure evaluation feedback to assist CCOs with implementation of IIBHT services. Nonetheless, JCC has stated it will not require the use of Prior Authorization to remove barriers to access. OHA has clarified the Prior Authorization requirement on multiple occasions. In addition, JCC's 2022 Behavioral Health Policies and Procedures have not been approved because they do not include the Prior Authorization requirement as required under Exhibit M, Section 4 of the Contract.

Action Needed: JCC's CAP must demonstrate a Prior Authorization process is in place for IIBHT services and provide evidence of compliant Behavioral Health Policies and Procedures, provider communications, and trainings regarding the process.

ORDER

Based on the requirements and findings outlined above, OHA finds that JCC is not in compliance with its contractual requirements. 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 JCC to:

1. Develop and implement a CAP that is acceptable to OHA for correcting the issues set forth in this Notice and Order. The Corrective Action Plan shall:
 - Describe actions and activities designed to specifically correct the areas of non-compliance and show continual monthly improvement toward resolution of the findings identified above.
 - List the relevant documentation that will be submitted to OHA as evidence of monthly progress toward remediation and compliance.
 - Be submitted to OHA within 15 business days from the date of this Notice and Order at the following address CCO.MCOCODeliverableReports@odhsoha.oregon.gov.

OHA has the right under Section 6, Paragraph c. of Exhibit B, Part 9 of the Contract and, accordingly will review and approve the CAP submitted by JCC prior to implementation and the start of reporting. For OHA to approve the plan, the plan must outline in detail how JCC will dedicate internal organizational resources to remediate the issues described in this Notice and Order and provide evidence and assurance of how JCC will develop, implement, and provide oversight of the CAP. If the CAP does not substantively address the identified issues in this Notice and Order and comply with the required elements set forth in Exhibit B, Part 9, Section 6 of the Contract, OHA will require JCC to make additional revisions to the CAP prior to finalizing.

2. Submit monthly reports to OHA of all progress towards achieving compliance. These reports must (i) be delivered every month within five (5) Business Days after the end of each month, and (ii) include all relevant documentation, and (iii) clearly demonstrate progress in the prior month.
3. The first monthly report shall be submitted no later than April 1, 2023,² and continue for a maximum period of 121 days, or until such time as JCC is notified by OHA that monthly reporting is no longer required. The reports shall be sent to the following address: CCO.MCOTDeliverableReports@odhsoha.oregon.gov

If JCC's response to the requirements set forth above is deemed inadequate, OHA will require resubmission of a compliant CAP and may exercise additional remedies available to OHA. OHA will monitor JCC's compliance with this Order and the CAP and reserves the right to impose additional Sanctions or 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 JCC believes it has not violated the provisions set forth above and has information relevant to its compliance that it believes OHA should consider, JCC has the right to appeal this Notice of Non-Compliance and Order by filing a written request for Administrative Review with the Director of OHA 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 must be sent to:

James Schroeder
Oregon Health Authority
500 Summer St. NE, E-20
Salem, OR 97301
james.m.schroeder@oha.oregon.gov

Sincerely,



Veronica Guerra
CCO Quality Assurance and Contract Oversight Manager
Health Systems Division
Oregon Health Authority

Cc via email:

Jennifer Lind, JCC Chief Executive Officer
Chris Zorn, JCC Compliance Officer
James Schroeder, Interim OHA Director
Dana Hittle, Interim OHA Medicaid Director
David Inbody, CCO Operations Director
Cheryl Henning, CCO Contracts Administrator
Belle Shepherd, Innovator Agent
Chelsea Holcomb, Child and Family Behavioral Health Director
Contract File

² Date subject to revision based on the OHA final approval date of CAP.