

November 9, 2019

**VIA FIRST CLASS MAIL AND ELECTRONIC MAIL**

Mr. David Baden

Chief Financial Officer Oregon Health Authority

500 Summer Street NE Salem, Oregon 97301 david.baden@dhsoha.state.or.us

**Re: Trillium’s CCO Contract in the Tri-County Area** Dear Dave:

I was disappointed to receive your letter yesterday notifying Trillium that OHA decided to deny Trillium a notice to proceed as a CCO for the Tri-County Area beginning January 1, 2020. For the reasons stated below, we believe that the decision is premature and respectfully request that OHA reconsider it.

OHA’s decision apparently was premised on its September 27, 2019 letter to Trillium (the “September 27th Letter”), outlining additional steps Trillium needed to take to satisfy certain conditions to contracting. Specifically, your letter from yesterday stated that OHA’s decision was based on two perceived deficiencies in Trillium’s November 1, 2019 DSN report.

First, recognizing that the “November 1, 2019 DSN report shows that Trillium does not have a hospital under contract for [the Tri-County Area],” OHA concluded that Trillium had not satisfied network adequacy requirements by November 1st. However, the September 27th Letter did not require that Trillium satisfy network adequacy requirements by November 1st. Rather, that letter clearly provided as follows: “By **December 1, 2019**, all contracts must be signed with all providers necessary to establish an adequate provider network that complies with all regulatory and contract requirements.” (September 27th Letter at 3 (emphasis added)). All of our conversations leading up to this past week have been consistent with the contract deadline of December 1st to meet network adequacy. As you know, Trillium is currently a party to a lawsuit in the U.S. District Court for the District of Oregon, wherein Trillium has moved the court to ensure that Trillium has good-faith negotiations with the hospitals aimed at securing at least one hospital contract by December 1st. Until then, the network adequacy determination is premature. Consequently, we ask that OHA allow the lawsuit to play out and withhold judgment on the adequacy of Trillium’s network

Exhibit 1

Page 1 of 2

Mr. David Baden

November 9, 2019

Page 2

and January 1st member allocation determination until December 1st, as provided in the September 27th Letter.

Second, your letter from earlier today pointed out that Trillium’s November 1st DSN report “failed to satisfy the two 98% thresholds that were conditions required by the September 27th Letter.” We acknowledge that the September 27th Letter required that at least 98% of providers that Trillium listed in the November 1st DSN be “under contract” and include a valid numerical entry for Provider Capacity. But the DSN report failed to satisfy that condition only because it included certain providers for whom contracts were still pending. When corrected to include only the providers with whom Trillium had contracts as of November 1st, Trillium’s DSN report satisfies the required conditions. I include herewith a report so corrected, and we respectfully request that OHA accept it as a substitute for the one submitted initially on November 1st in accordance with the protocol set forth in footnote 2 of the September 27th Letter.

We appreciate the confidence that OHA showed in Trillium by awarding us a CCO contract for the Tri-County Area. We remain committed to providing excellent care and outstanding service to Oregon Health Plan members in that area and hope that you will agree to reconsider your decision to deny the notice to proceed, and permit us to continue working toward achieving network adequacy by December 1st. In consideration of the existing time constraints, we would appreciate your response by 4:00 p.m. on Tuesday, November 12th.

Very truly yours,



Christopher Hummer

Enclosure

cc: Mr. Patrick Allen (by email at patrick.allen@dhsoha.state.or.us)

Mr. Scott Ellsworth

Exhibit 1

Page 2 of 2