2017 Rate Development

# CCO Capitation Rate Overview

OHA contracts with Optumas, an actuarial consultant, to develop and actuarially certify the CCO capitation rates. Since May 2016, Optumas and OHA have been working on the 2017 rate development and met with **CCOs 66 times as of 9/15/16**. During those meetings, OHA and Optumas shared each step of the rate development process with CCOs, including; CCO-specific base data, policy decisions regarding rate development, dental rates, maternity case rates, hepatitis C payment options, the regional base data, disease risk factors and hospital risk factors by CCO.

Optumas is in the last two weeks of rate setting and will be finalizing trend, the regional administrative load, and any program changes that will occur in 2017. During the last week of September 2016, OHA and Optumas will present the final CCO payment rates to each CCO prior to submitting the rate certification to CMS on October 3rd. The following outlines the rate process to date, the CCO review process, and discussion period to resolve any issues after rates are released.

# CCO Capitation Rate Development Meetings and Topics

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| Meeting | Topics | Date |
| CCO Rates Workgroup | Rate Setting Template Discussion & July 2016 Amendment Work | 3/18/2016 |
| CCO Rates Workgroup | July 2016 amendment presentation and rate template technical assistance (template was due 5/2) | 4/15/2016 |
| CCO-specific 1:1 Meetings | Discuss financials submitted and discrepancies | 6/9/2016 – 6/10/2016 |
| CCO Rates Workgroup | High reported trends from 2014 to 2015, and asked CCOs to provide their input on bending the cost curve | 6/24/2016 |
| Actuarial Work Session | Prometheus PAC tool presentation to measure preventable events | 7/8/2016 |
| CCO Rates Workgroup | Hepatitis C Payment Options, Base Data & Policy Framework, Additional Rate Considerations | 7/22/2016 |
| CCO-specific 1:1 Meetings | CCO Specific - base data | 7/26/2016 – 7/27/2016 |
| CCO Rates Workgroup | 2017 Dental Rates, 2017 Maternity Rates, Hepatitis C Risk Corridor Proposal | 8/26/2016 |
| CCO-specific 1:1 Meetings | CCO Meeting Opportunity - 2017 Maternity Models | 8/30/2016 – 8/31/2016 |
| CCO-specific 1:1 Meetings | Regional base data with risk adjustments, 2017 Dental Rates, and Update on Non-Medical Load | 9/7/2016 – 9/9/2016 |
| CCO-specific 1:1 Meetings | **2017 CCO payment rates**   * CCO’s received 2017 payment rates, along with supporting documentation | 9/28/2016 – 9/30/2016 |
| CCO Rates Workgroup | 2017 payment rates Discussion, Waiver Concepts | 9/30/2016 |
| Final Rate Package | **2017 CCO Final Rate Package**   * **Same as last year, CCO’s will receive a final package of all materials delivered during the rate development, including the regional rate models** | **10/7/2016** |
| Deadline | **Submit CCO rates to CMS**   * **Contract Rate Sheets posted to website** * **Actuarial Certification posted to website** | **10/10/2016**  **(Updated)** |
| CCO Review | **CCO’s will have 83 days to review the rates prior to effective date** | **10/10/16 –**  **1/1/17** |

# CCO Capitation Timeline

CMS released the Medicaid Managed Care Regulations that specify a 90 day timeframe for rate review as a new requirement of rate development if we want approval before effective date.

*“For States seeking approval of contracts prior to a specific effective date,* ***proposed final contracts must be submitted to CMS for review no later than 90 days prior to the effective date of the contract.” (438.3(a))***

The 90 day timeframe is important to OHA due to recent legislation that prevents that agency from making contract amendments that result in a retroactive decrease to the rates, unless required by CMS. OHA had to delay 7 days for submission due to needed review time and will be submitting to CMS with 83 days of review.

OHA is focused on receiving approval prior to effective date to prevent any issues to be found through the rate review process after rates start being paid. The statue language discussed is below:

*“(5) An amendment to a contract may apply retroactively only if:*

*(a) The amendment does not result in a claim by the authority for the recovery of amounts paid by the authority to the coordinated care organization prior to the date of the amendment; or*

*(b) The Centers for Medicare and Medicaid Services notifies the authority, in writing, that the amendment is a condition for approval of the contract by the Centers for Medicare and Medicaid Services." (****ORS 414.652****)*

# CCO Review Period

In the same Oregon Statue (ORS 414.652), OHA commits to providing CCOs with 60 days advance notice of any amendments the Oregon Health Authority proposes. While advance notice has been provided for the contract renewal in January 2017, OHA goal is to provide CCOs adequate time to review and contract with providers in the upcoming year. It is our goal to provide you at least 60 days of review for the rates to identify if the rates are reasonable for your business model.

# CCO Discussion Period

As part of a recent settlement process, OHA committed to establishing a process with CCOs when concerns arise related to the proposed rates. Please note, if an error is found, OHA does not require this detailed process and will rectify this issue, and resubmit to CMS.

The following is a summary of the discussion period specified in the settlement documentation:

1. **Send Request to OHA**: If a CCO has a disagreement or concern with the new rates proposed by OHA, a CCO can submit a written request to OHA to engage in a discussion period within five calendar days of receiving the rates and OHA’s actuary’s certification report.
2. **Discussion Period**: If OHA accepts the request, both parties have a 20 calendar day period from the “Acceptance Date,” during which the OHA and the CCO can resolve the concern. The period can be extended if both parties agree. At any time, either party can provide written notice of termination of the discussion period. During the discussion period, there will be in-person meetings scheduled and both parties agree to:
   1. Make no public statements,
   2. Not initiate contact with the legislature, and
   3. Not initiate a law suit related to the new rates.
3. **Independent Review**: During the discussion period, if an independent actuarial review is required to resolve the concern, OHA and the CCO will agree upon a process for an independent actuarial review.