

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

February 24, 2016

Lynne Saxton, Director
Oregon Health Authority
500 Summer Street Northeast, E-15
Salem, OR 97301-1079

RE: Oregon's 2015 CCO Contract Actions

Dear Ms. Saxton:

In correspondence dated December 24, 2015 and December 29, 2015, the Centers for Medicare & Medicaid Services (CMS) approved executed contract actions with 15 of the 16 Coordinated Care Organizations (CCOs), including capitation rates for the time period beginning January 1, 2015 and ending December 31, 2015. These contract actions are listed below:

Contract/Amendment Number:	CCO Contractor
143110-5, 6 and 7;	Cascade Health Alliance CCO, LLC
143111-4, 5, 6 and 7;	Columbia Pacific CCO, LLC
143112-4, 5 and 6;	DCIPA, LLC
143113-4, 5, 6 and 7;	Eastern Oregon CCO, LLC
143115-3, 4 and 5;	Health Share of Oregon
143116-3, 4, 5 and 6;	InterCommunity Health Network
143117-3, 4 and 5;	Jackson County CCO, LLC
143118-3, 4 and 5;	MRIPA, Inc.
143119-4, 5, 6 and 7;	PacificSource CS, Inc. Central OR
143903-4, 5, 6 and 7;	PacificSource CS, Inc. Columbia Gorge
143120-3, 4 and 5;	PrimaryHealth of Josephine County, LLC
143121-4, 5, 6 and 7;	Trillium Community Health Plan
143122-3, 4 and 5;	Western Oregon Advanced Health, LLC
143123-5, 6 and 7;	Willamette Valley Community Health
143124-4, 5 and 6;	Yamhill County Care Organization, Inc.

CMS approved these contract actions and associated capitation rates as compliant with federal regulations at 42 CFR Part 438. Additionally, we determined the rates align with rate ranges included in an actuarial certification dated August 28, 2015, and are appropriate for the Medicaid

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populations covered, and Medicaid services included in all CCO contracts. CMS determined that the capitation rates included in this August 2015 certification are actuarially sound and meet the requirements at 42 CFR 438.6(c) for all CCOs.

CMS is aware of an outstanding executed contract action (143114-4) with one CCO, Family Care, Inc. This contract includes capitation rates for the time period beginning January 1, 2015 and ending December 31, 2015 that are not consistent with the rate ranges in the certification dated August 28, 2015 which CMS determined to be actuarially sound. Because the contract action 143114-4 does not include capitation rates that have been determined to meet the requirements of 42 CFR 438.6(c), CMS is unable to move forward with approval of this contract for federal financial participation.

As CMS previously communicated in a correspondence dated December 28, 2015, if the Oregon Health Authority submits a contract action with FamilyCare including calendar year 2015 capitation rates that are consistent with the approved rate ranges included in the August 2015 certification, CMS will consider the rates in those contract actions to be actuarially sound. CMS would need to review any such contract action(s) to ensure compliance with all other federal requirements, including CMS approval/disapproval of contract actions in sequential order, before we could approve such contract action(s).

CMS requests that the state notify us of its plan to resolve our concerns related to this contract action, such as the execution of another contract action that includes actuarially sound capitation rates. If you have any questions regarding this communication please contact Rebecca Burch Mack at (303) 844-7355 or rebecca.burchmack@cms.hhs.gov or Walter Neal at (206) 615-2330 or walter.neal@cms.hhs.gov.

Sincerely,

David L. Meacham
Associate Regional Administrator

cc:

Lori Coyner, OHA
Leslie Clement, OHA
James Golden, CMS
Rebecca Burch Mack, CMS
Cecile Greenway, CMS
Frank Schneider, CMS
Walter Neal, CMS