Advancing transparency in the Oregon Health Plan

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-A6 AMENDMENTS TO SB 1041-A

- CCO 2.0 is the biggest procurement in State's history. Yet no "report card" exists for CCO 1.0 that does a comprehensive evaluation of each CCOs' performance.
    - ➢How have CCOs performed in the last 6 years with their global budgets?
    - ➢Are tax dollars being spent effectively and appropriately?
    - ➢Is data consistent and comparable?
    - ➢Has State's oversight of the CCOs been effective?
- SB 1030 addresses the need for public information (which is already available) to measure our past and set goals for the future.

SECTION 61 OF AMENDMENTS

- ✓ Public disclosure of documents submitted to CMS seeking approval of CCO global budgets (this is an annual process).
- ✓ Public disclosure of CCO cost and utilization data since 2013.
- ✓ Public disclosure of expenditures for all programs funded by Medicaid (as described in our waiver with CMS).

TRANSPARENCY OF CCO COSTS AND UTILIZATION

- Utilization: Volume of health services.

- Cost: Amount paid to health care providers and any administrative spending associated with health care delivery.

- Cost and utilization data helps stakeholders and experts measure the efficiency and effectiveness of health care spending.

- Examples of data aggregation:
  - Health Care Cost and Utilization Report published by the Health Care Cost Institute.
  - Healthcare Cost and Utilization Project: "…enables research on a broad range of health policy issues, including cost and quality of health services, medical practice patterns, access to health care programs, and outcomes of treatments…"

  Source: https://www.ahrq.gov/data/hcup/index.html

SUPPORT FOR TRANSPARENCY

- **From Oregon Revised Statutes:**
  - ORS 413.011 requires that the Oregon Health Policy Board publish health data collected by the OHA at aggregate levels for each CCO that include quality measures, *costs*, health outcomes, and "**other information that is necessary for members of the public to evaluate the value of health services delivered by each coordinated care organization.**"
  - ORS 442.025 states, in part, that "…there is a need to compile and disseminate accurate and current data**, including but not limited to price and utilization data**, to meet the needs of the people of Oregon and improve the appropriate usage of health care services."

- **From CMS:**
  - According to CMS, the guiding principles and regulatory changes in the Medicaid managed care rule (42 CFR 438) "support the coordination and integration of health care, promote effective forms of information sharing, and **require transparency on cost and quality information to support greater overall accountability in the Medicaid and CHIP programs."**

- **From CCO contract:**
  - CCO: "…may use and disclose Member information for purposes of service and care delivery, coordination, service planning, transitional services and reimbursement, in order **to improve the safety and quality of care, lower the cost of care and improve the health and wellbeing of the Members."**
  - No protections for proprietary information exist in CCO contract, which each CCO signed.

CMS MEDICARE ADVANTAGE COST AND UTILIZATION: EXAMPLE OF DATA DISCLOSURE

WORKSHEET 1 - MA BASE PERIOD EXPERIENCE AND PROJECTION ASSUMPTIONS

Base Period Background Information

Note: DE# refers to Dual Eligible Beneficiaries without full Medicare cost sharing liability

1. Time Period Definition				Total	Non-DE#	DE#	5. Bids In Base	Contr-Plan-Seg ID	Member Months	Contr-Plan-Seg ID	Member Months
			2. Member Months	25,808	1,064	24,744		H3818-002-000	25,808		
Incurred from:	1/1/2015		3. Risk Score	1.2900	1.1854	1.2945					
Incurred to:	12/31/2015		4. Completion Factor	1.013							
Paid through:	3/31/2016										

6. Describe the source of the base period experience data

Based on Family Care's claims data and paid capitations as reported on Family Care's financial statements with run-out data through March 31, 2016. Adjustments were also made to exclude the ESRD and Hospice population.

Base Period Data (at Plan's Risk Factor) for 1/1/2015-12/31/2015 — **IV. Projection Assumptions**

(b) Service Category	(c) Utilizers	(d) Net PMPM	(e) Cost Sharing	(f) Util Type	(g) Total Benefits: Annualized Util/1000	(h) Total Benefits: Avg Cost per Unit	(i) Total Benefits: Allowed PMPM	(j) Util. Adjustments to Contract Period: Util/1000 Trend	(k) Util. Adjustments: Benefit Plan Change	(l) Util. Adjustments: Population Change	(m) Util. Adjustments: Other Factor	(n) Unit Cost Adjustment: Provider Payment Change	(o) Unit Cost Adjustment: Other Factor	(p) Additive Adjustments: Util/1000	(q) Additive Adjustments: PMPM
Inpatient Facility	205	$283.90	$19.26	D	1,415	$2,570.31	$303.16	0.970	1.000	0.902	0.891	1.024	0.923	0	$0.00
Skilled Nursing Facility	51	63.47	3.30	D	1,579	507.54	66.78	1.000	1.000	0.747	0.891	1.033	1.074	0	0.00
Home Health	41	20.87	0.01	V	767	326.64	20.87	1.010	1.000	1.025	1.001	0.983	1.080	0	0.00
Ambulance	198	22.30	2.65	T	492	608.16	24.94	1.010	1.000	0.929	0.891	1.010	0.851	0	0.00
DME/Prosthetics/Diabetes	288	30.49	6.67	O	3,206	139.12	37.16	1.010	1.000	0.817	1.001	1.010	0.974	0	0.00
OP Facility - Emergency	449	67.42	4.43	V	1,060	813.22	71.85	1.054	0.991	0.948	0.906	1.024	0.969	0	0.00
OP Facility - Surgery	214	50.89	9.37	V	240	3,016.29	60.26	1.061	1.000	0.934	1.001	1.025	1.093	0	0.00
OP Facility - Other	876	76.33	5.76	V	4,207	234.17	82.09	1.060	1.000	0.728	0.999	1.024	1.231	0	0.00
Professional	1,262	188.49	4.76	V	33,528	69.17	193.25	1.010	0.991	0.933	1.001	0.999	1.062	16	0.08
Part B Rx	296	45.74	4.93	O	2,160	281.48	50.68	1.024	1.000	0.544	1.001	1.016	1.544	0	0.00
Other Medicare Part B	308	0.86	0.01	V	435	23.90	0.87	1.010	1.000	0.996	1.001	1.011	0.923	0	0.00
Transportation (Non-Covered)	0	0.00	0.00	T	0	0.00	0.00	1.000	1.000	1.000	1.000	1.000	1.000	0	0.00
Dental (Non-Covered)	0	0.00	0.00	V	0	0.00	0.00	1.000	1.000	1.000	1.000	1.000	1.000	0	0.00
Vision (Non-Covered)	396	2.99	0.00	V	221	162.09	2.99	1.000	1.000	1.176	1.000	1.000	0.857	0	1.30
Hearing (Non-Covered)	0	0.00	0.00	V	0	0.00	0.00	1.000	1.000	1.000	1.000	1.000	1.000	0	0.00
Suppl. Ben. Chpt 4 (Non-Covered)	1,475	1.04	0.00	V	1,254	9.93	1.04	1.000	1.000	1.063	1.000	1.000	1.147	0	0.03
Other Non-Covered	1,472	20.13	0.00	O	4,809	50.24	20.13	1.000	1.000	1.166	1.000	1.000	1.007	(102)	(0.88)
COB/Subrg. (outside claim system)		0.00	0.00				0.00	1.000	1.000	1.000	1.000	1.000	1.000		0.00
Total Medical Expenses		**$874.91**	**$61.17**				**$936.07**								
Subtotal Medicare-covered service categories							$911.91								

Base Period Summary for 1/1/2015-12/31/2015 (excludes Optional Supplemental)

	ESRD	Hospice	All Other	Total
CMS Revenue	$2,009,089	$3,866	$22,690,764	$24,703,719
Premium Revenue	$0	$0	$0	$0
Total Revenue	$2,009,089	$3,866	$22,690,764	$24,703,719
Net Medical Expenses	$2,544,181	$35,085	$22,579,607	$25,158,873
Member Months	331	104	25,808	26,243
PMPMs:				
Revenue PMPM	$6,069.76	$37.17	$879.21	$941.35
Net Medical PMPM	$7,686.35	$337.36	$874.91	$958.69
Non-Benefit PMPM				$180.73
Gain/(Loss) Margin PMPM				($198.08)

Non-Benefit Expenses:	
7a. Sales & Marketing	$2,058,838
7b. Direct Administration	$1,584,592
7c. Indirect Administration	$1,024,936
7d. Net Cost of Private Reinsurance	$74,569
7e. Insurer Fees	$0
7f. Total Non-Benefit Expenses	$4,742,935

8. Gain/(Loss) Margin	($5,198,089)
Percentage of Revenue:	
9a. Net Medical Expenses	101.8%
9b. Non-Benefit Expenses	19.2%
9c. Gain/(Loss) Margin	-21.0%
10a. Medicaid Revenue	$6,982,324
10b. Medicaid Cost	$4,196,757
10b1. Benefit expenses	$3,722,677
10b2. Non-benefit expenses	$474,080
10c. Adjusted GLM	($2,412,522)

DCBS COMMERCIAL PLAN COST AND UTILIZATION: EXAMPLE OF DATA DISCLOSURE

Source: https://dfr.oregon.gov/healthrates/Pages/find-filing.aspx
http://dcbs-reports.cbs.state.or.us/dbfile/?B64=nZzVWZjFGdvljbn1XZiRGbi9GczxWcmwGZj9Gd9sTMwAzMxYDN3AzNmAWb0VXYhRmYlxVPSNlRG9USJxkTfdERD9mJpZGbuVWYl1TPwlTMwkSMyUEMS9TJwI0UlcjMVBlUUJnLkBiZ0ZXelBVPEBiRyZHcuQWYwN1cT93YhJWbsJWZURXZ0hTPzADNxgTOyEjM1cgM%3D%3D

Unified Rate Review v2.0.4

Company Legal Name:	ATRIO		State:	OR
HIOS Issuer ID:	32536		Market:	Individual
Effective Date of Rate Change(s):	1/1/2016			

Market Level Calculations (Same for all Plans)

Section I: Experience period data

Experience Period:	1/1/2014	to	12/31/2014

	Experience Period Aggregate Amount	PMPM	% of Prem
Premiums (net of MLR Rebate) in Experience Period:	$62,885	$476.40	100.00%
Incurred Claims in Experience Period	$97,995	742.38	155.83%
Allowed Claims:	$124,299	941.66	197.66%
Index Rate of Experience Period		$942.00	
Experience Period Member Months	132		

Section II: Allowed Claims, PMPM basis

Projection Period: 1/1/2016 to 12/31/2016 — Mid-point to Mid-point, Experience to Projection: 24 months

	Experience Period on Actual Experience Allowed				Adj't. from Experience to Projection Period		Annualized Trend Factors		Projections, before credibility Adjustment			Credibility Manual		
Benefit Category	**Utilization Description**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**	**Pop'l risk Morbidity**	**Other**	**Cost**	**Util**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**	**Utilization per 1,000**	**Average Cost/Service**	**PMPM**
Inpatient Hospital	Admits	90.91	$23,504.03	$178.06	1.000	1.000	1.000	1.000	90.91	$23,504.03	$178.06	146.78	$6,035.18	$73.82
Outpatient Hospital	Services	1,807.05	2,121.51	319.47	1.000	1.000	1.000	1.000	1,807.05	2,121.51	319.47	1080.66	1,502.39	135.30
Professional	Services	3,212.86	824.21	220.67	1.000	1.000	1.000	1.000	3,212.86	824.21	220.67	9225.90	167.38	128.68
Other Medical	Services	116.77	2,726.88	26.54	1.000	1.000	1.000	1.000	116.77	2,726.88	26.54	308.05	283.31	7.27
Capitation	Other	0.00	0.00	0.00	1.000	1.000	1.000	1.000	0.00	0.00	0.00	0.00	0.00	0.00
Prescription Drug	Prescriptions	33,000.00	71.61	196.92	1.000	1.000	1.000	1.000	33,000.00	71.61	196.92	5346.28	120.84	53.84
Total				$941.66							$941.66			$398.91

Section III: Projected Experience:

			After Credibility	Projected Period Totals
Projected Allowed Experience Claims PMPM (w/applied credibility if applicable)	0.00%	100.00%	$398.91	$12,924,685
Paid to Allowed Average Factor in Projection Period			0.727	
Projected Incurred Claims, before ACA rein & Risk Adj't, PMPM			$290.01	$9,396,246
Projected Risk Adjustments PMPM			-0.15	(4,860)
Projected Incurred Claims, before reinsurance recoveries, net of rein prem, PMPM			$290.16	$9,401,106
Projected ACA reinsurance recoveries, net of rein prem, PMPM			11.64	377,136
Projected Incurred Claims			$278.52	$9,023,970
Administrative Expense Load		14.97%	52.71	1,707,823
Profit & Risk Load		1.22%	4.30	139,181
Taxes & Fees		4.71%	16.58	537,331
Single Risk Pool Gross Premium Avg. Rate, PMPM			$352.11	$11,408,306
Index Rate for Projection Period			$397.91	
% increase over Experience Period			-26.09%	
% Increase, annualized:			-14.03%	
Projected Member Months				32,400

SECTION 62

- ✓ Public disclosure of the highest paid employees at each CCO.
- ✓ Public disclosure of any shareholder distributions.
- ✓ Public disclosure of any transactions with risk-accepting organizations (as defined in the bill).
- ✓ Public disclosure of the rate-of-growth for each CCO.
- ✓ Public disclosure of audited financial statements and IRS tax filings.
- ✓ Public disclosure of reports filed by CCOs required by each contract with the State.

SHAREHOLDER DISTRIBUTIONS

Shareholder/Member/Parent Company Distributions Reported in Audited Financial Statements and Exhibit L Reports of each CCO					
Coordinated Care Organization	**2014**	**2015**	**2016**	**2017**	**Total**
AllCare	$3,000,000	$ 6,000,000	$ 3,000,000	$ 8,000,000	$ 20,000,000
Cascade Health Alliance					$ -
Columbia Pacific CCO					$ -
Eastern Oregon CCO			$35,129,576	$17,500,000	$ 52,629,576
FamilyCare, Inc.					$ -
Health Share of Oregon					$ -
InterCommunity Health Network					$ -
Jackson Care Connect					$ -
PacificSource Community Solutions - Gorge and Central			$10,000,000	$20,000,000	$ 30,000,000
Primary Health of Josephine County	$ 36,000	$ 36,000	$ 38,000	$ 2,000	$ 112,000
Trillium Community Health Plan		$22,179,995			$ 22,179,995
Umpqua Health Alliance (DCIPA)	$3,146,693	$15,346,738	$12,242,918	$15,313,132	$ 46,049,481
Western Oregon Advanced Health	$ 428,931	$ 495,126	$ 504,673	$ 473,790	$ 1,902,520
Willamette Valley Community Health		$ 9,493,000	$ 6,050,000		$ 15,543,000
Yamhill County Care Organization					$ -
Total	$6,611,624	$53,550,859	$66,965,167	$61,288,922	$ 188,416,572

Source: https://www.oregon.gov/oha/FOD/Pages/CCO-Financial.aspx

RISK-ACCEPTING ORGANIZATIONS

- Most CCOs have risk accepting arrangements with external parties like hospitals, managed care organizations, or provider groups.

- In most cases, these organizations manage the risk and the care of the population that is assigned to the CCO under its contract with the state.

- This means that a significant share of public funds given to CCOs each year are passed through to their external parties. This "pass through" includes both the costs of providing care and potential profits.

- The scale of these transactions and their impact on a CCOs' performance has never been shared publicly.

REPORTS FILED WITH OHA UNDER THE CCO CONTRACT

- PCPCH assignment report
- Grievance and Appeal Quarterly Log/Summary
- System of Care Wraparound Policy and Procedure
- Financial Solvency Quarterly and Annual Reporting
- Hospital Network Adequacy Report
- Community Health Improvement Plan
- Rate Development Schedules
- Performance Improvement Project (PIP)
- Transformation and Quality Strategy (TQS)
- Pharmacy Expense Reports

Source: www.oregon.gov/OHA/healthplan/pages/CCO-Contract-Forms.aspx

SECTION 63

- ✓ Requires that OHA implement uniform data reporting requirements for CCOs to ensuring comparability of the data.
- ✓ Requires that OHA disclose to CCOs their risk scores and other data supporting global budget development to ensure that data can be reconciled by the CCO.
- ✓ Requires that OHA disclose the quality measures that each CCO must meet on October 1 of each year to give each CCO adequate time to prepare to meet those metrics and qualify for incentive payments.

SECTION 64

- ✓ Requires the OHA to create and publish annually a report describing the costs incurred by CCOs each year used to develop global budgets (as required by CMS).
- ✓ A similar report like this was produced prior to the CCO model.
- ✓ For comparison, the last report that OHA produced can be viewed here: https://www.oregon.gov/oha/HSD/OHP/DataReportsDocs/CY%202010-2011%20Analysis.pdf

THANK YOU!