

# Memorandum

**To:** Chair Rob Nosse, House Behavioral Health and Health Care Committee

**From:** Sejal Hathi, MD, MBA, OHA Director

**Date:** March 4, 2025

**Subject:** OHA's proposed actions to enhance CCO contract change process

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The Oregon Health Authority (OHA) is proposing a series of actions, outlined below, to address the concerns that resulted in HB [2209](#). Acknowledging the potential disruptiveness that major changes to the Coordinated Care Organization (CCO) contracts introduce, OHA has identified several improvements to the current process to be pursued in collaboration with CCOs:

1. **Longer Timelines:** OHA will establish a timeline for the introduction, development, and implementation of all proposed major changes as part of the annual contract restatement process. This timeline will incorporate adequate time for the active participation of CCOs in the process. The current process for major 2026 contract changes began in January, with OHA staff submitting proposed changes by January 29, 2025. Presentations of these proposed changes to CCOs for input are planned for approximately March 12, 2025, to April 15, 2025. For major 2027 contract changes, OHA is proposing to begin the process at least two months earlier, with proposed changes due from OHA staff in November 2025 and presented to CCOs starting in January 2026.
2. **More Opportunities for Input:** OHA typically presents proposed major contract changes to CCOs during one of its regular monthly meetings. Most often this is the CCO Operations Collaborative or CCO Contracts & Compliance Workgroup. CCOs are given an opportunity to provide input on each proposed change during the meeting and for a specified period following the meeting. CCOs are afforded a second opportunity to provide input on the changes when the initial draft of the contract is sent to them. For 2026, OHA will send the initial draft to

CCOs on June 11, 2025, with a deadline of July 9, 2025, for their written response. In an effort to foster more discussion with CCOs regarding proposed changes, OHA will add an additional “office hours” engagement following OHA’s presentation of the proposal at a monthly meeting. This would allow for more extensive engagement, especially for more complex changes. Such an approach was successfully used last year for changes related to Pharmacy Benefit Managers.

3. **Reasons for Change:** Some contract changes are mandatory as a result of changes in federal or state requirements or an act of the Legislature. Other proposed changes are discretionary, often based on identified deficiencies in the existing contract in providing proper access to care, quality service delivery, or adequate oversight. Beginning with major changes proposed for 2026, OHA will identify each change as either mandatory or discretionary when presented to CCOs for input. In addition, OHA will provide reasoning for the change as well as the possible implications to the rate setting process. Since the implications cannot be confirmed until much later in the rate setting process, OHA will provide written confirmation to CCOs of the rate implications when it sends the proposed 2026 contract (“decision draft”) and payment rates by August 19, 2025, as required by ORS 414.590 (8).
4. **Implementation Guidance:** For major contract changes that include new CCO requirements, documentation will be provided to CCOs at least 90 days in advance of the effective date of the changes. This documentation may include any combination of contract interpretation guidance or deliverables guidance, reporting templates, and evaluation criteria. For *discretionary* contract changes, OHA will not enforce the new requirements until 90 days after such documentation has been provided.
5. **Communication to Legislature:** OHA must provide CCOs with the decision draft of the 2026 contract by August 19, 2025, after which CCOs will have two weeks to express their disagreement with the contract by providing notice of non-renewal to OHA, consistent with ORS 414.590 (9). Upon completion of this process, in 2025 and each year thereafter, OHA is willing to participate in a shared OHA/CCO presentation to the Legislature on the contract changes and both the agency’s and CCOs’ impressions of the process.

6. **Preparation for the Next Year:** Prior to the start of the restatement process each year, OHA is willing to work with the CCOs to evaluate the process for the previous year and identify any needed improvements.