

## MEMORANDUM

**To:** CCO Applicants and Stakeholders

**From:** Susan Otter, Project Director, CMS Design Contract for Integrating Medicare/Medicaid for Individuals Dually Eligible ([susan.otter@state.or.us](mailto:susan.otter@state.or.us))

**Date:** April 6, 2012

**Regarding:** Requirements for CCOs for Medicare/Medicaid Alignment Demonstration

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OHA has become increasingly concerned about whether a January 2013 start date would be feasible for the Medicare/Medicaid Alignment Demonstration, particularly given the high priority and efforts required to launch Coordinated Care Organizations this year. OHA has considered several key factors in assessing whether to move to a 2014 start date for the demonstration, including: questions and concerns from CCO Applicants, new guidance from CMS, and new information about the extent and scope of launching CCOs based on the CCO Letters of Intent received on April 2. OHA also polled CCO Applicants this week, and nearly all respondents supported a 2014 start date.

**OHA will request a January 2014 start date for the Medicare/Medicaid Alignment demonstration (as opposed to January 2013). Participation in the 2014 demonstration will be voluntary for CCOs.**

- OHA will post a formal addendum to the RFA indicating this decision immediately, with a more thorough addendum addressing the specific line edits to the RFA to follow. Pending more detailed guidance, we recommend CCO Applicants suspend work on responding to any RFA questions pertaining to the Demonstration.
- Any CCO Applicants who have submitted a Notice of Intent to Apply (NOIA) to CMS for the demonstration will be notified that the Oregon demonstration will not begin in 2013. New NOIAs will be required for a 2014 demonstration.
- Given this decision, we will also extend the timeline for public comments on the [draft Medicare/Medicaid Alignment Demonstration proposal](#) to Friday, April 13. If you have not already done so, we encourage you to consider submitting comments to the proposal before we finalize and submit to CMS later this month. The recent CMS guidance is also posted on the demonstration proposal page: <https://cco.health.oregon.gov/Pages/Medicare-Medicaid-Proposal.aspx>.

Implications of a 2014 start date:

- A 2014 start date would allow Oregon time to work with CMS this year on developing parameters, including an initial rate that would be updated in 2013. CCOs would then have time to weigh their options before deciding whether to participate in the demonstration and undertaking efforts required to develop and submit their demonstration application and other required information.
- A 2014 start date would mean that CCOs would not submit a demonstration application and other required information until 2013. This allows CCO Applicants to focus their efforts in 2012 on the process of forming a CCO, including creating new organizational structures and responding to the RFA.

- A 2014 start date would give CCOs time to consider the demonstration parameters and potential impacts to their Medicare Advantage plan (for those CCOs with an affiliated MA plan) before they are would need to decide whether to pursue the demonstration.

Next steps for OHA: This year, subject to federal approval of our demonstration proposal, OHA will work to develop a Memorandum of Understanding with CMS to define the parameters and rate for Oregon's participation in the Medicare/Medicaid Alignment Demonstration, including ensuring that the demonstration terms will be beneficial to individuals who are dually eligible and will also be a fit for CCOs. The demonstration offers opportunities to align and integrate Medicare and Medicaid benefits and financing that could result in better health and quality of care for individuals who are dually eligible.