

## Coordinated Care Organizations

March 2012 fact sheet

*A more person-centered and affordable health system for Oregon*

### Coordinated Care Organization definition

A Coordinated Care Organization (CCO) is a network of all types of health care providers who have agreed to work together in their local communities for people who receive health care coverage under the Oregon Health Plan (Medicaid).

### What will stay the same and what will be different with Coordinated Care Organizations

Under CCOs, the Oregon Health Plan's medical benefits will not change. But today the system separates physical, behavioral and other types of care. That makes things more difficult for patients and providers and more expensive for the state.

CCOs will have the flexibility to support new models of care that are patient-centered and team-focused, and reduce health disparities. CCOs will be able to better coordinate services and also focus on prevention, chronic illness management and person-centered care. They will have flexibility within their budget to provide services alongside today's OHP medical benefits with the goal of meeting the Triple Aim of better health, better care and lower costs for the population they serve.

### How Coordinated Care Organizations will work

CCOs will be local. They will have one budget that grows at a fixed rate for mental, physical and ultimately dental care. CCOs will be accountable for health outcomes of the population they serve. They will be governed by a partnership among health care providers, community members, and stakeholders in the health systems that have financial responsibility and risk.

### Status of Coordinated Care Organizations

Across the state, care providers, hospitals and health care plans are coming together to apply to become Coordinated Care Organizations. The first CCOs should be launched by August 1, 2012. There will be four open application periods for CCOs in 2012.

### Key milestones

April 2, 2012	Non-binding letters of intent due to OHA from all potential 2012 CCO applicants (no matter when they intend to apply through the year)
April 30, 2012	Technical applications due to OHA from potential CCOs for first period
May 14, 2012	Financial applications due to OHA from potential CCOs for first period
May 28, 2012	First CCOs certified and enter CMS approval process
Aug. 1, 2012	First CCOs launched

See [www.health.oregon.gov](http://www.health.oregon.gov) for timelines for subsequent application periods.

## **How CCOs will be chosen**

The request for applications (RFA) lays out detailed criteria for potential CCOs. The RFA can be found at [www.health.oregon.gov](http://www.health.oregon.gov). The Oregon Health Authority is responsible for selecting local CCOs.

Potential CCOs will be measured on their ability to:

- Develop and implement alternative payment methodologies that are based on the Triple Aim of improving health, health care and lowering costs;
- Coordinate the delivery of physical health care, mental health and chemical dependency services, and oral health care;
- Engage community members and health care providers in improving the health of the community and addressing regional, cultural, socioeconomic and racial disparities in health care that exist among the OHP clients/CCO members and in the CCO's community;
- Progress from the baseline requirements for CCOs to the full requirements expected at maturity;
- Manage financial risk, establish financial reserves and meet minimum financial requirements; and
- Operate within a fixed global budget.

## **Public process in creating CCOs**

The request for applications requires each CCO applicant to hold a public information session in its local community. Additionally, all non-binding letters of intent and technical applications from potential CCOs will be posted online at [www.health.oregon.gov](http://www.health.oregon.gov).

## **Information for Oregon Health Plan clients**

OHP clients will be notified at least 30 days in advance of any change in health plans, but the Oregon Health Authority will be going above and beyond standard notices. Special outreach and communications will be created for Oregon Health Plan clients about CCOs, what to expect with the coming change and how to use CCOs for better health and care.

## **Background on how CCOs were created**

CCOs were created in response to escalating health care costs, due in large part to an inefficient health care system. Over two legislative sessions, in 2011 and 2012, Governor Kitzhaber and bi-partisan lawmakers passed landmark legislation. More than 1,200 Oregonians provided input through eight community meetings that were held around the state, and another nearly 200 people met in work groups to help create the framework for CCOs.

## **Reducing costs while improving care**

A third-party analysis found that by implementing CCOs, Oregon could save a significant portion of projected Medicaid costs in the short and long terms. Savings in state and federal dollars would be more than \$1 billion within three years and more than \$3.1 billion over the next five years.

*Interested potential CCOs that have questions about the application process should contact the OHA Office of Contracts and Procurement at [RFA.FormalQuestions@state.or.us](mailto:RFA.FormalQuestions@state.or.us).*