

**AMENDMENT #1**

**To The**

**LETTER OF AGREEMENT**

Between

**COLUMBIA PACIFIC COORDINATED CARE ORGANIZATION**

and

**TILLAMOOK COUNTY COMMUNITY HEALTH CENTER**

This Amendment is to the Columbia Pacific Coordinated Care Organization Risk Sharing Letter of Agreement (hereinafter referred to as “Agreement”) by and between Columbia Pacific Coordinated Care Organization and Tillamook County Community Health Center (herein after referred to as “Provider”) as made and entered into as of January 1, 2021.

WHEREAS, the parties now desire to remove the quality measures from the Agreement and the measure performance impact in the annual shared savings model calculation.

WHEREAS, the parties now desire to add the requirement for eligible Providers participation in this Agreement to additionally engage in either the CPCCO Value Based Program or the Community Mental Health Program, to be specified through a separate Agreement with CPCCO during the period covered by this Agreement.

NOW THEREFORE, the parties mutually agree to amend the Agreement as follows:

1. The beginning section entitled “RISK SHARING AGREEMENT - CAREOREGON and COLUMBIA PACIFIC CCO - TILLAMOOK COUNTY” is replaced in entirety with the section entitled “RISK SHARING AGREEMENT – CAREOREGON and COLUMBIA PACIFIC CCO – TILLAMOOK COUNTY” attached below.
2. Attachment A entitled County Risk Share CCO 2.0 is replaced in entirety with Attachment A below.
3. Attachment C entitled “Quality Measures, Targets and Impact on Savings or Cost Share Calculations” is deleted in entirety.
4. Attachment D entitled “Program Illustration” is replaced in entirety with Attachment D below.

In all other respects, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed the terms of this Amendment to be effective on April 30, 2022.

**Agreed to on behalf of Tillamook County  
Community Health Center:**

**Agreed to on behalf of Columbia Pacific  
Coordinated Care Organization:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: Mimi Haley

Title: \_\_\_\_\_

Title: Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID: \_\_\_\_\_

**Agreed to on behalf of CareOregon Inc.**

Signature: \_\_\_\_\_

Name: Teresa K. Learn

Title: Chief Financial Officer

Date: \_\_\_\_\_

**RISK SHARING AGREEMENT  
CAREOREGON and COLUMBIA PACIFIC CCO  
TILLAMOOK COUNTY**

This Risk Sharing Agreement (Agreement) is made and entered into by and between **CareOregon, Inc.** (CareOregon), Columbia Pacific CCO, LLC (CPCCO), and Tillamook County Community Health Center (Provider) for the time period of January 1, 2021, through December 31, 2024. For purposes of this Agreement, CareOregon, CPCCO and Provider shall each be referred to individually as a “Party” and collectively as the “Parties”.

**I. Background:**

CareOregon, an Oregon nonprofit, public benefit corporation, is the single Member (owner) of CPCCO, a Limited Liability Corporation. CPCCO contracts with the Oregon Health Authority (“OHA”) via a Health Plan Services, Coordinated Care Organization Contract and Cover All Kids Health Plan Services Contract (intentionally referred to in the singular as the “CCO Contract”) to operate as a Coordinated Care Organization for the Oregon Health Plan (“OHP”).

Provider is a party to a Provider Services Agreement (“Provider Agreement”) whereby Provider has been providing and continues to provide services to Members enrolled in OHP. As stipulated in the Provider Agreement, Provider is subject to all the laws, rules, regulations, and contractual obligations that apply to OHP.

CPCCO and its local community Providers, Clinical Advisory Panel and Board have developed Transformation Quality Strategies (TQS) that enhance and support integration of healthcare services in the CPCCO communities. This Agreement is designed to incentivize clinical partners within each CPCCO community to work together to improve health and reduce total cost in the service area over a multiple year period.

In response to the more comprehensive and more outcome-oriented requirements of Oregon Health Authority’s (OHA) 2020 CCO Contract and the 2020-2024 Regional Health Improvement Plan (RHIP) initiatives focused on improving care for OHP members while minimizing cost increases in Oregon’s Medicaid program, CPCCO and CareOregon desire to partner with Provider, along with other clinical partners in the CPCCO services delivery area, in participation of a shared risk arrangement by entering into this Agreement.

The parties acknowledge an interest in continuation of this Risk Share Agreement over multiple years with annual model review and affirmation of Provider participation.

## II. Program Objectives:

- A. Continue to manage a CCO risk model that builds ownership and accountability within the community that is in alignment with the RHIP and CCO Contract requirements
- B. Respect the different care geographies within CPCCO
- C. Incentivize communities to work together to reduce cost and utilization, taking care of their shared patients

Additional details about the 2021 objectives are included in **Attachment A** entitled “County Risk Share 2.0”.

## III. Definitions:

- A. The term “Upside Risk” shall be defined as the risk event applicable when CareOregon beats the target 91% Medical Loss Ratio (MLR) for Physical Health, AND the actual cost Per Member Per Month (PMPM) is less than the target cost PMPM
- B. The term “Downside Risk” shall be defined as the risk event applicable when the actual cost PMPM rate exceeds the target cost PMPM rate by more than a 1% differential.
- C. The term “No Shared Risk” is defined as the event applicable where the actual cost PMPM rate exceeds the target cost PMPM rate within a 1% differential (inclusive).
- D. The term “No Shared Risk Corridor” is defined as the PMPM range between the target cost PMPM rate and the actual cost Per Member Per Month (PMPM) with the addition of a 1% differential (inclusive).

## IV. Program Description:

Eligibility Criteria. To be eligible to participate in this Agreement, Providers must: (1) be in the CPCCO Service Area; and (2) have at minimum 200 CPCCO members assigned.

Participating Providers: Eligible Providers meeting the criteria can elect to participate in this Agreement **by signing this Agreement and returning the signed copy to CPCCO before April 30, 2022.** Timely submitting a signed Agreement to CPCCO binds an Eligible Provider to the terms of this Agreement and, consequently, Participation in this Program for the Term of this Agreement unless this Agreement is otherwise terminated as stipulated for herein.

Non-Participating Providers: Eligible Providers who elect to discontinue Participation or fail to return a signed Agreement by October 31, 2021, will be deemed Non-Participating and Providers forfeit their vote on how to allocate subsequent shared savings among community investment options.

Both parties hereby agree that the following conditions shall be applicable to the first year of this Agreement. These conditions shall be revised annually as needed via written amendment, and as agreed between the two parties with an annual target Amendment execution date of April 30.

For each calendar year of the agreement components of the risk corridor as detailed in **Attachment D** entitled “Program Illustration”, will be collaboratively reviewed and included in an executed amendment. The target date for completion of annual Agreement updates is April 1 of each year.

Determination of a No Risk Sharing event. No risk is shared with Providers when the actual cost Per Member Per Month (PMPM) rate exceeds the target cost PMPM rate within a 1% differential (inclusive). This range of PMPM rates would fall within the No Shared Risk Corridor.

When a Risk Sharing event occurs, the Agreement offers both Upside and Downside risk, which shall be dependent on:

- CareOregon not exceeding a Medical Loss Ratio (MLR) of 91%;
- Determination of a percentage variance between an actual cost PMPM rate and a calculated target cost PMPM rate; and,
- CareOregon maintaining the required level of risk reserves for the CPCCO line of business as defined by the CareOregon Board of Directors Policy.

A. Downside Methodology

When a Downside risk sharing event occurs the Provider risk will be limited. Providers share a proportion of the additional costs (Downside risk). 33.0% of the total downside risk value will be divided equally between the participating providers

1. The remaining 67.0% of the total downside risk value will be split proportionally between the Participating Providers based on their total percentage of cost in the County associated with that system.
2. The total downside risk share amount (a. and b. below) to be shared between all Participating Providers is subject to a capped loss value
  - a. Downside risk exposure will be capped at no more than 30.0% of the calculated loss amount. The calculated loss amount is \$0 if the actual cost PMPM is less than or equal to 1% above the target cost PMPM. If the actual cost PMPM is more than 1% above the target cost PMPM, then the calculated loss amount is the lesser of:
    - i.  $(\text{Actual Cost PMPM} - \text{Target Cost PMPM} * 1.01) * \text{Member Months}$ ; and,
    - ii.  $(\text{Target Cost PMPM} * .015) * \text{Member Months}$

Sample Downside Risk Exposure Calculation
<p>Example 1:  Target Cost PMPM: \$300  Actual Cost PMPM: \$306</p> <p>Member Months: 50,000</p> <p>Calculated Loss 1: <math>(\\$306 - \\$300 * 1.01) * 50,000 = \\$150,000</math>  Calculated Loss 2: <math>(\\$300 * .015) * 50,000 = \\$225,000</math>  Lesser of CL1 and CL2 = \$150,000  Downside risk exposure: <math>\\$150,000 * 30\% = \\$45,000</math>.</p> <p>Example 2:  Actual Cost PMPM: \$303  Calculated Loss 3: <math>(\\$303 - \\$300 * 1.01) * \text{Member Months} \Rightarrow (0) * \text{Member Months} = \\$0</math>, no loss sharing occurs</p>

- b. Agreement year one (1) 2021 – Upside/Downside. For 2021, the parties have agreed that there will be no Downside risk calculated, and quality metrics will be reported for informative purposes.
- c. Agreement year two (2) 2022 – Upside/Downside. For 2022, the parties have agreed that Downside risk will be applied and calculated.
- d. Participating Providers may choose to offset the additional costs from a downside risk sharing event with saved savings from prior years.

B. Upside Methodology

When an Upside Gain Share Event (Upside risk) occurs, Upside risk share (cost saving) distributions will be issued to Participating Providers under this funding methodology:

- Each County is eligible for a set amount of dollars based on member months.
- Each County has a PMPM cost target for the year – See Attachment B for PMPM calculation criteria.

If County meets the PMPM cost target, funds are distributed based on the below:

- 50.0% of gain remains with CareOregon
- 25.0% of gain is distributed to CPCCO
- 25.0% of gain is held for distribution to Counties for funding community investment programs that have been previously agreed upon in Risk Share group meetings.

- a. Participating Providers may elect among the following options annually by December 31 of each year:

1. To have distributable gains reserved as a potential offset to future downside risk events.
  2. To select community investment programs that have previously been agreed upon in Risk Share group meetings.
  3. To distribute the funds among County-based Participating Providers as described below:
    - a. 33.0% of the total upside risk value will be divided equally between the Participating Providers
    - b. The remaining 67.0% of the total upside risk value will be allocated between Participating Providers using the percentage of cost in the county associated with that system
  - b. Any remaining funds from the earned gain share not yet allocated by the annual December 31 target due date, will be set aside for future investment, or to mitigate future downside risk.
- E. If the County fails to meet the PMPM target, the 25% gain intended for County based Participating Providers will be paid to CPCCO.
- F. Agreement participants agree to work together in good faith to evaluate the model annually, agree upon and document or amend the terms of this Agreement as needed to appropriately adjust for unexpected or material changes impacting either the upside or downside shared risk amounts outside of the intent of the model.
- a. Annual Agreement updates are to be agreed upon by the end of November each year of the Agreement Period to be applicable to the following Calendar Year.

**V. Obligations.**

- A. CareOregon agrees to calculate the annual PMPM cost based on claims history and off lag medical expenses for comparison to the target PMPM cost as defined in Attachment B.
- B. CareOregon agrees to work collaboratively with Agreement participants when data sharing is necessary to assist in assessment of model performance or during evaluation of potential model changes.
- C. CareOregon agrees to distribute funding by **June 1<sup>st</sup>** of each year following claims run out for the specified Calendar Year (CY), assuming availability of final data as specified in Attachment B.
- D. Provider agrees to:

1. participate in the County Risk Share Group meetings as scheduled
2. support the County Risk Share meeting objectives and outcomes
3. provide resources that may be needed for timely preparing potential meeting deliverables
4. work together with other Participating Providers within County to agree upon programs to be funded
5. utilize County fund distributions for community investment initiatives
6. apply for and participate in the annual CPCCO Primary Care Payment Methodology program for CPCCO Member service dates through December 31, 2022 or participate in the Community Mental Health Program (CMHP).

**VI. General Provisions:**

**A. Administration/Interpretation of Agreement.** The Parties agree and understand that this Agreement is supplemental to the Provider Agreement. Nothing in this Agreement may be construed to waive any of the obligations or other commitments Provider, CPCCO, or CareOregon have made pursuant to either Provider Agreement, the CCO Contract, or any instruments executed pursuant to, or in connection with, the CCO Contract. Thus, the Parties acknowledge and agree that this LOA is subject to the terms and conditions of the Provider Agreement and all applicable Policies. Notwithstanding the foregoing and to the extent that the Provider Agreement and this Agreement includes provisions that are applicable, all Policies shall be consistent with the Provider Agreement.

**B. Term and Termination.**

- i. **Term.** This LOA is effective as of January 1, 2021 (“Effective Date”) and shall remain in effect through December 31, 2024 (“Termination Date”) unless sooner terminated as stipulated for herein
- ii. **Termination.**
  1. This Agreement shall terminate immediately should Provider’s Provider Agreement with CareOregon terminate.
  2. CareOregon and Provider may terminate this Agreement at any time with ninety (90) days’ notice.
  3. CareOregon and Provider may terminate this Agreement immediately upon:
    - a. reasonable belief that any Party is unable to perform the responsibilities hereunder or incompetence demonstrated in performance of responsibilities hereunder.
    - b. fraud, dishonesty, substance abuse, or personal conduct of an employee, agent, contractor, or representative of a Party which may harm the business and/or reputation of another Party.



- iii. Upon Termination under any circumstance, any payment contemplated hereunder shall cease immediately and any payments not yet made shall not be made upon written notification of termination.

**C. Representations and Warranties.** By signing this Agreement, Provider expressly represents and warrants it is eligible to participate in, and receive payment pursuant to, this Agreement. In so doing, Provider certifies neither it nor its employees, agents, or representatives are: (1) placed on the Tier Monitoring System by a Peer Review Committee; (2) have documented contract and/or compliance issues; or, (3) are presently declared ineligible or voluntarily excluded from entering into this Agreement by any federal or state department or agency. Should it be determined that Provider was ineligible to receive payments pursuant to this Agreement, Provider expressly agrees to promptly repay all such payments disbursed to it under this Agreement and all funding associated with this Agreement will be discontinued until Provider is removed from the Tier Monitoring System or has resolved compliance issue(s) to CareOregon's satisfaction. Any discontinued funding that has been withheld will not be disbursed.

**D. Confidentiality and Marketing.**

- i. Provider agrees to uphold all confidentiality provisions of the Provider Agreement and this Agreement, and specifically safeguard all confidential information including the health information of Members as it applies to all activities related to this Agreement. Notwithstanding anything to the contrary, both Parties agree to implement and maintain systems that protect PHI, as required by HIPAA and HITECH.
- ii. The Parties agree that this Agreement and all negotiations and related documentation will remain confidential and that no press, news releases, other publicity release, or any other external communication concerning the obligations contemplated herein will be issued without providing a copy of the communication to the other Party and receiving the other Party's prior written approval, unless applicable law requires such disclosure. In addition, the Parties agree that they must obtain written permission prior to using another Party's name, trade name, image, symbol, design, or trademark in any marketing, advertising, or promotional campaign in any medium or manner. Email approval will suffice as written approval for purposes of this provision only.

**E. Notices.** A notice given under this agreement shall be deemed effective only upon the other Party's receipt of it.

- i. Provider agrees that the Provider is responsible for promptly notifying CareOregon of any significant obstacles or delays in meeting any obligations contemplated by this Agreement.
- ii. Provider shall promptly notify CareOregon of any material changes to the Provider Contact.

**ATTACHMENT A**  
**County Risk Share CCO 2.0**

1. Background & Aim:

CCO 2.0 outlines specific expectations related to value-based payments. One of those expectations is that all risk arrangements include a component that measures quality. Over the past few years each county has been working to improve their outcomes related to substance abuse and has made significant strides. Simultaneously, CPCCO has identified substance use as a key area for cost savings and quality improvement. Recovery supports and substance use treatment was highlighted as a need by each county's local community within CPCCO's Regional Health Improvement Plan and has also been identified as an area of low value care that CPCCO has chosen to focus on as part of our action plan.

2. Scope:

Risk Share group will meet on a quarterly basis to review performance on PMPM target, identify improvement opportunities, and determine investment opportunities.

3. Collaboration Commitments:

**Quality Improvement**—Risk Share partners agree to commit to discussing and collaborating on healthcare quality improvement opportunities as part of the quarterly County risk share review meetings.

**Investment Decisions**—Risk Share partners commit to collaboratively voting on investment opportunities to improve health outcomes within their communities. Each participating partner will have one vote to be cast when needed by a person working within the County of this Risk Share Agreement.

## **ATTACHMENT B**

Purpose: To outline the steps required to finalize the Calendar Year (CY) County PMPM for the CareOregon-CPCCO Risk Share Agreement

**Step 1:** Allow 3 months for a claim "runout" period. Run final data set no earlier than April 1 of the following year.

**Step 2:** CareOregon to obtain CY Claim Data, including eligibility information, for all currently enrolled members with a CPCCO Primary Care Provider (PCP). County designation will be based on PCP location.

**Step 3:** **CY Member months** will be summed for the following eligibility categories

<b>Included Eligibility Categories</b>	
TANF	Temporary Assistance for Needy Families
CHILD0105	Children ages 1 to 5
CHILD0618	Children ages 6 to 18
CAF	Foster Children
ABAD	Aged, Blind and Disabled w/o Medicare
OAA	Old Age Assistance w/o Medicare
ACA 19-44	ACA Expansion members ages 19 to 44
ACA 45-54	ACA Expansion members ages 45 to 54
ACA 55-64	ACA Expansion members ages 55 to 64

**Step 4:** For year 1, (2021) Provider **Total (medical and pharmacy) Claim costs** will be summed for the each of the above eligibility categories.

Claims cost categories **excluded** from the calculation include:

- a. Mental/Behavioral Health
- b. Hepatitis C
- c. Maternity Health
- d. Medicare
- e. Dental
- f. All COVID-19 vaccination costs for the period of this Agreement.
- g. Unforeseen or unknown high costs that may arise as agreed upon by Agreement participants (i.e. new cancer drug)
- h. Additional costs listed in the table below.

<b>Excluded Eligibility Categories</b>	
ABAD (Duals)	Aged, Blind and Disabled with Medicare
OAA (Duals)	Old Age Assistance with Medicare
CHILD 00-01	Children ages birth to 1
PLMA	Poverty Level Medical Adults
SNRG	Special Needs Rate Group
CAK 0-1	Cover All Kids ages birth to 1
CAK 1-5	Cover All Kids ages 1 to 5
CAK 6-18	Cover All Kids ages 6-18

**For year 2, Mental/Behavioral Health claim costs will be added into (included in) the final County PMPM calculation.**

**Step 5:** Adjust Total Claim Cost for change in population morbidity changes.

**Step 6:** If claims runout is not thought to be complete by the end of the claim runout period, a “completion factor” will be agreed upon between CPCCO and Provider that will gross up total claim costs by a percentage.

**Step 7:** Included "Off Lag" medical expenses per member month will be accounted for by CPCCO. Off Lag expenses are defined as “Any payments to Provider from sources other than traditional fee for service claims costs including but not limited to alternative payment model agreements, quality pool payouts, capitation payments, single sum Letters of Agreement, or Grants.” Off Lag expenses exclude costs attributed to placement of staff, such as panel managers, and expenses related to transitions of care, regional care teams or other services generally targeted for the larger population.

**Step 8:** Total Member months (Step 3) \* Off Lag Medical Expenses (Step 7) + Total Claim Costs (Step 4) \* Completion Factor (Step 6) will yield Total Claims Costs adjusted for off-lag medical expenses and claim runout (completion).

**Step 9:** "Large claim" costs above \$150,000 threshold will be removed from the adjusted total claims costs.

**Step 10:** Base period claim costs will be adjusted to reflect Oregon Health Authority (OHA) program changes in the measurement period as estimated by OHA.

**Step 11:** Model will utilize a modified OHA risk adjustment methodology:

- Model CDPS + Rx version 6.4
  - Captures diagnosis codes and Rx NDC codes from claim data
  - Maps diagnosis and NDC codes into condition categories (e.g., Diabetes)
  - Each condition category has an “assigned” cost weight
  - Model weights differ between “active” and “disabled” children/adults
- Filtering Logic (OHA modification)
  - Months of eligibility requirement
  - Diagnostic services excluded
- Member Level Risk Score
  - For each member in a given time period (typically, 12 months), condition categories are identified
  - Cost weights are aggregated into a composite score (additive)
- CareOR / CoPac Risk Model Application
  - Measure base and measurement period risk scores

**Step 12:** Adjusted Total Claims Costs less large claims (Step 9) will be divided by member months (Step 3) for each eligibility category to arrive at Claim Costs per member per month (PMPM).

**Step 13:** For each calendar year, Risk scores by eligibility category will be re-run to capture claim “runout” for that Calendar Year

**Step 14:** Claim costs will be adjusted by the target trend rate as determined by OHA to arrive at Target Claim Costs by eligibility category for each participation year.

**Step 15:** Claim costs or Target Claim Costs can be averaged proportionally (according to distribution of member months) to arrive at a single PMPM amount for CY2020 or a target amount for CY2021. CY 2022 will follow the same logic to develop the single PMPM amount.

**ATTACHMENT D**

**Program Illustration**

<b>Above Upper Risk Corridor Limit/ No Shared Risk &gt;2.5% Cap</b>	
<b>County/Delivery System takes 30% Downside risk</b> <i>(Limited to maximum 30% of 1.5%) (1/3 allocated equally and 2/3 allocated proportionally based on cost.)</i>	<b>CareOregon assumes 70% Downside risk</b>
<b>Risk Corridor / No Shared Risk &lt;=1% over Target PMPM</b>	
<b>County Target Cost PMPM</b> <i>(OHA cost trend from previous year)</i>	
<b>County/ Delivery System keeps 25% of Savings</b> <i>(Actual PMPM is lower than Target PMPM) (County Level Community investment decision OR 1/3 Distributed equally and 2/3 distributed proportionally based on cost)</i>	<b>CareOregon keeps 50% and CPCCO keeps 25% of savings</b>