

January 7, 2022



Health Policy and Analytics Medicaid Waiver Renewal Team
Attn: Michelle Hatfield
Oregon Health Authority
500 Summer St. NE, E65
Salem, OR 97301

RE: 1115 Medicaid Demonstration Waiver Application for Renewal

Dear Ms. Hatfield:

We appreciate this opportunity to provide comments as the Oregon Health Plan (OHP) applies to the Centers for Medicare & Medicaid Services (CMS) for a new five-year 1115 Medicaid Demonstration Waiver.

Trillium Community Health Plan (TCHP) has been serving Oregon Health Plan members for over 20 years and currently serves as a Coordinated Care Organization (CCO) in Lane, part of Linn, and Western Douglas Counties as well as Clackamas, Multnomah, and Washington Counties. TCHP is supportive of the intent behind the waiver application to facilitate a more inclusive and holistic approach to drive health equity among the most vulnerable populations in Oregon. Below please find a section-by-section summary of our comments:

Maximizing continuous and equitable access to coverage

TCHP is supportive of continuous enrollment as it reduces churn and reduces the burden on families to re-enroll. We understand this would be a request for a longer continuous enrollment than other states that currently offer continuous coverage in CHIP or Medicaid, and it is our hope that the should the Center for Medicare & Medicaid Services (CMS) decline to grant this level of continuous enrollment, the state is open to alternative continuous enrollment options that would still move the Oregon Health Plan forward in reducing enrollment barriers. For example, 32 states currently offer continuous coverage for a duration of 12 months. We would be supportive of any movement towards an extension of continuous eligibility beyond what is currently allowed. Additionally, TCHP looks forward to working with the Oregon Health Authority on other opportunities for easing enrollment burdens, including enhanced flexibility for CCOs to communicate with our members.

Improving health outcomes by streamlining life and coverage transitions

TCHP is very supportive of the state's request to waive the federal rule preventing a person in custody from accessing Medicaid benefits. Offering Medicaid to eligible individuals prior to release from jail would provide necessary benefits and transition support for a vulnerable population. While TCHP would prefer continuous enrollment to facilitate continuity of care, we suggest that if CMS does not approve this request, the state

should consider requesting at least 30 days pre-release or presumptive Medicaid eligibility for justice-involved individuals as ten other states have done through 1115 waiver demonstrations.

Regarding the creation of a defined set of Social Determinants of Health (SDOH) services based on transition-related criteria and expansion of infrastructure beyond the medical model, TCHP is supportive of this opportunity. Working to address SDOH needs for members in transition is a current TCHP priority and we are supportive of increasing opportunities to continue to build capacity among delivery system partners and local Community Based Organizations to improve access to these services. TCHP supports shifting care from institutional settings to the community when possible. We look forward to better understanding payment structures and operational processes to ensure these proposals are successful and sustainable.

Value-Based Global Budget

As a CCO, TCHP has been committed to investing up-stream to incentivize utilization of preventative care to improve the health of our members. We employ multiple strategies, including the use of Traditional Health Workers and case management teams to help our members access lower-cost interventions. While Trillium works to manage the risk of our membership, we believe the global budget process should also include risk mitigation mechanisms. We would suggest that risk mitigation be prospectively defined ahead of the five-year period and only reconsidered if the “base budget” is revised. However, we recommend avoiding risk mitigation strategies that are retroactive in nature and would prefer a risk mitigation mechanism that spans the entire length of the “rating period.”

While there are 16 CCOs and a single CCO's experience may have a fairly small impact on the statewide base data, a CCO has more leverage to drive up the regional factor for the geographical area in which they operate. At the same time, we think that in practice, CCOs are concerned with many priorities that align with OHA's goals, including making up-stream community investments, addressing the SDOH needs of our members, and reducing health inequities, all while managing near-term financial goals. CCOs are essentially under constant pressure to match or exceed the performance of other CCOs.

As a locally-based community-driven CCO, TCHP works closely with our community partners to advance SDOH and Equity investments in the communities we serve and we are supportive of opportunities to advance a budget model that increases sustainable community investments. Currently, TCHP works with our Community Advisory councils, and our consumer members to implement community investment strategies. Trillium's Innovation Fund has allowed Community Advisory Council consumer members to oversee a grant process investing in diverse strategies that align closely with the goals of our Community Health Improvement Plan and address health disparities identified in the Community Health Assessment, resulting in investments that improve access to care and services in our communities.

However, the proposed changes to CCO capitation rate development may result in unintended consequences if they don't reflect appropriate data. 42 CFR § 438.5(c) specifies that "States and their actuaries must use the most appropriate data, with the basis of the data being no older than from the 3 most recent and complete years prior to the rating period, for setting capitation rates." Similar expectations can be found in the 2021-2022 Medicaid Managed Care Rate Development Guide and the ASOP 23 Section 3.2.b.1. This 1115 waiver proposal violates this rule and associated guidance, as well as the exception clause. When states request exceptions to this rule, they must set forth a corrective action plan to come into compliance, indicating such

exceptions are intended to be temporary rather than an intrinsic component of how the program sets capitation rates.

Changes in practice patterns and delivery systems, especially as we continue to rebound from the Public Health Emergency (PHE), as well as the additions of new policies and benefits to the Oregon Health Plan, creates a need for a more frequent incorporation of appropriate data. We support the state's intention to improve predictability and increase simplicity in the budget development process, but with such low industry margins, it is important to ensure CCO rates meet actuary soundness.

In calculating this base budget, we would be supportive of counting "health-related spending" as part of the medical load provided it can be done in an actuarially sound mechanism and certain caveats are considered in the assumptions. CCO involvement is critical in establishing the base budget, trends, and other rate components as they are developed. CCOs can help ensure that recent trends examining the downstream impacts of the PHE and rates are not negatively influenced by unique circumstances. For example, we may see lower utilization during CY20 and potentially higher-cost encounters as a result of delayed care or emergent care in ensuing years. Given these recent and ongoing anomalies, we would recommend that the "base budget" be reassessed every year for appropriateness, which would involve ongoing evaluation with CCO input.

We believe that in order to improve the sustainability of health equity investments, the appropriate funding should be loaded into the rates. Not doing so could pose significant adequacy issues, especially if unexpected events were to occur such as enhanced utilization as a result of economic recession, pandemic impacts or natural disasters. Additionally, it will be important to be mindful of impacts to our provider networks in this new budgeting model, as shifting priorities could create solvency challenges for an already challenged workforce.

Incentivizing Equitable Care

TCHP looks forward to working in collaboration with the state to help ensure we can build out clear and transformative metrics. Oregon's incentive metrics program has proven successful and over the course of our past Medicaid demonstrations. The incentive metrics program has helped engage the delivery system in driving members to evidence-based preventative care services and we look forward to continuing to enhance the program. However, we do want to ensure that incentives are not "cherry picked" to reward and steer members only to certain providers. Rather, the state should investigate how best to develop metrics and monitoring processes that enhance workforce development initiatives that incentivize development of a more representative workforce for the populations we serve.

Focused Equity Investments

TCHP supports efforts to address health inequities, and in particular supports care delivery in the community when possible, as it is our intention to build relationships and partner with community organizations to identify and address SDOH needs. We are proud of the work we have done as a CCO to build partnerships with local, community-based organizations and help build organization capacity for supporting our member's needs. While we want to be careful that new investments do not negatively impact capitation rates developed based on membership risk, we look forward to working with the state to continue to build capacity for addressing health inequities.

Thank you again for the opportunity to provide comment. We look forward to partnering with the Oregon Health Authority, local system partners, providers, and community organizations to continue to improve the Medicaid Delivery system in Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read 'Courtney Johnston', with a stylized, flowing script.

Courtney Johnston
Senior Director of Medicaid and Government Relations
Trillium Community Health Plan