

June 27, 2014

Suzanne Hoffman, Acting Director
Oregon Health Authority
500 Summer Street Northeast, E-15
Salem, OR 97301-1097

Dear Ms. Hoffman:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving your June 26, 2013 amendment request to Oregon's section 1115 demonstration (11-W-00160/10), Oregon Health Plan. Approval of this demonstration amendment is under the authority of section 1115(a) of the Social Security Act (the Act). This amendment is effective from the date of this letter through June 30, 2016.

The Special Terms and Conditions (STCs) were revised to include the Hospital Transformation Performance Program. This is a program designed to temporarily offer incentive payments to support hospitals' efforts for adopting initiatives for quality improvement of the Oregon health care system. The state will submit a protocol, which will provide detail regarding hospital specific metrics that will qualify for an incentive payment. This protocol must be approved by CMS before the state may claim federal financial participation for HTPP expenditures.

The approval of this demonstration amendment is conditioned on the state's acceptance of the STCs within 30 days from the date of this approval letter. The STCs will be effective on the date of the approval letter, unless otherwise specified.

All requirements of the Medicaid program expressed in law, regulation and policy statement, not expressly waived or identified as not applicable in these approval documents, shall apply to the demonstration.

Your project officer is Ms. Terri Fraser. She is available to answer any questions concerning your section 1115 demonstration.

Ms. Fraser's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mailstop: S2-01-16
7500 Security Boulevard,
Baltimore, MD 21244-1850
Telephone: (410) 786-5573
Email: Terri.Fraser@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Carol Peverly, Associate Regional Administrator, in our Seattle Regional Office. Ms. Peverly's contact information is as follows:

Associate Regional Administrator
Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
2201 Sixth Avenue, MS RX-43
Seattle, WA 98121
Telephone: (206) 615-2515
Email: Carol.Peverly@cms.hhs.gov

If you have any questions regarding this correspondence, please contact Mr. Eliot Fishman, Director, Children and Adults Health Programs Group, Center for Medicaid & CHIP Services, at 410-786-5647.

We look forward to continuing to work with you and your staff.

Sincerely,

/s/

Cindy Mann
Director

Enclosures

cc: Carol Peverly, Associate Regional Administrator, Region X