



State Demonstrations Group

DEC 13 2017

David Simnitt
Interim Medicaid Director
Oregon Health Authority
500 Summer Street Northeast, E-15
Salem, OR 97301

Dear Mr. Simnitt:

The Centers for Medicare & Medicaid Services (CMS) is approving the requested changes to Oregon's section 1115 demonstration, entitled Oregon Health Plan Demonstration (Project Numbers: 21-W00013/10 and 11-W00160/10). Specifically, Oregon's requested changes to the Comprehensive Primary Care Plus (CPC+) Protocol, Attachment K of the Special Terms and Conditions (STCs). This approval does not alter any of the requirements specified in the STCs of the demonstration.

The approved changes to the CPC+ Protocol: (1) clarify that the Track 2 payment methodology only applies to Medicaid fee-for-service and (2) update the Track 2 payment methodology to align with Medicare's payment methodology. The STCs were updated to incorporate the approved changes to Attachment K and are available on Medicaid.gov.

We look forward to continuing to partner with you and your staff on the Oregon Health Plan section 1115 demonstration.

If you have any questions, please contact your project officer, Ms. Linda Macdonald. Ms. Macdonald can be reached at (410) 786-3872, or by email at Linda.Macdonald@cms.hhs.gov.

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

Sincerely,

A handwritten signature in black ink that reads "Kim Howell". The signature is written in a cursive, flowing style.

Kim Howell
Director
Division of State Demonstration and Waivers

Enclosure

cc: David Meacham, ARA Seattle Regional Office

Attachment K – Comprehensive Primary Care Plus Protocol

This protocol provides the conditions the state will operate the Comprehensive Primary Care Plus (CPC+). The state will submit for CMS approval updates to Attachment K as conditions outlined in this protocol change.

CPC+ is a national advanced primary care medical home model that aims to strengthen primary care through a regionally-based multi-payer payment reform and care delivery transformation. Under this model, developed by the Center for Medicare & Medicaid Innovation (CMMI) in CMS, CPC+ practices are paid for attributed Medicare beneficiaries while states pay CPC+ practices for attributed Medicaid beneficiaries. CPC+ builds upon and enhances the PCPCH model.

It includes two primary care practice tracks with incrementally advanced care delivery requirements and payment options, (1) a PMPM payment and (2) a reducing PMPM payment with offsetting incentive payment, to meet the diverse needs of primary care practices in Oregon and support health transformation. The care delivery redesign ensures practices in each track have the infrastructure to deliver better care to result in a healthier patient population. The multi-payer payment redesign gives practices greater financial resources and flexibility to make appropriate investments to improve the quality and efficiency of care, and reduce unnecessary health care utilization. Building upon the PCPCH model, CPC+ will provide practices with a robust learning system, as well as actionable patient-level cost and utilization data feedback, to guide their decision making. Oregon was granted participation in the model by CMMI effective January 1, 2017 for a five-year period.

- i. CPC+ seeks to improve the quality of care patients receive, improve patients' health, and spend health care dollars more wisely. Practices in both tracks will make changes in the way they deliver care, centered on key Comprehensive Primary Care Functions: (1) Access and Continuity; (2) Care Management; (3) Comprehensiveness and Coordination; (4) Patient and Caregiver Engagement; and (5) Planned Care and Population Health.
- ii. To participate in this model as a CPC+ provider, providers must be a PCPCH provider (PCPCH provider requirements are specified in www.primarycarehome.oregon.gov) and be selected for participation by CMS.
- iii. CPC+ providers will be separated into two tracks: Track 1 and Track 2. Practices in each track must meet CMMI's CPC+ practice requirements, as specified by the CMMI Practice Care Delivery Requirements. Track 2 providers must meet all Track 1 practice requirements, plus additional requirements for higher level functionality to address higher acuity beneficiaries.
- iv. To support the delivery of comprehensive primary care, CPC+ includes three payment elements:

1. **Care Management Fee (CMF):** Practices in both tracks receive a non-visit based CMF paid on a PMPM basis for each Medicaid beneficiary attributed to the practice. For the Medicaid FFS population, the amount is adjusted for each practice to account for the intensity of care management services required for the practice's specific population. Each practice is assigned to a risk Tier (PCPCH Tiers 1-4, and PCPCH Tier 5-Star), which specifies CMF payment amount by Tier.
2. **Performance-based incentive payment:** The state for the Medicaid FFS population and participating CCOs for their Medicaid populations will prospectively pay and retrospectively reconcile a performance-based incentive based on how well the practice performs on patient experience measures, clinical quality measures, and utilization measures that drive total cost of care. For the Medicaid FFS population, these payments will be made per Medicaid beneficiary attributed to each practice. The performance measures are annually determined based on experience and results to date and agreed upon by the state and CMMI as required in the CPC+ memorandum of understanding (MOU) between CMMI and the state. The retrospective reconciliation will be developed with assistance from CMMI and agreed to by the state and CMMI as required by the CPC+ MOU. Such payments will be broadly consistent with 42 CFR 438.6.
3. **Alternative Payment Methodology for more advanced CPC+ providers (Track 2) Comprehensive Primary Care Payment Methodology:** Track 1 practices continue to bill and receive payment from Medicaid FFS for the FFS population and the CCO service rate for the Medicaid CCO population as usual. Track 2 practices also continue to bill as usual, but the Medicaid FFS or CCO payment will be reduced to account for shifting a portion of Medicaid FFS or CCO payments into prospective Comprehensive Primary Care Payments (CPCP). Given expectations that Track 2 practices will increase the comprehensiveness of care delivered, the total amount of this CPCP hybrid payment will be larger than the FFS payment amounts they are intended to replace.

v. **Payment under the Medicaid Fee Schedule and Alternative Payment Methodology:** The CPC+ model for the Medicaid FFS population has the following reimbursement structure:

1. **Medicaid PMPM CMF rates for Track 1 clinics recognized under Oregon 2017 PCPCH criteria:**
 - PCPCH Tier 1: \$2
 - PCPCH Tier 2: \$4
 - PCPCH Tier 3: \$6
 - PCPCH Tier 4: \$8
 - PCPCH Tier 5-star: \$10

Medicaid PMPM CMF rates for more advanced CPC+ providers (Track 2) recognized under 2017 PCPCH criteria. Track 2 providers are paid at the Track 2 Tier 3/4/5 levels:

- PCPCH Tier 3: \$9
- PCPCH Tier 4: \$12
- PCPCH Tier 5-star: \$18

2. Performance based incentive payment, built into payment model; paid per attributed Medicaid beneficiary per month:

<i>Incentive Payment Amounts - Utilization (PMPM)</i>	<i>Quality (PMPM)</i>	<i>Total (PMPM)</i>
Track 1 clinics	\$1.00	\$2.00
Track 2 clinics	\$2.00	\$4.00

3. Alternative Payment Methodology for more advanced PCPCHs (Track 2)

- Track 2 providers under Medicaid FFS will be paid through an Alternative Payment Methodology (APM) that mirrors available payment options defined by CMS as an upfront payment (Comprehensive Primary Care Payment) and corresponding FFS claims reduction, together termed the “hybrid payment.” Practices will select a hybrid payment option each year, and can increase the upfront payment at their own pace. Practices must reach either 40% CPCP/60% FFS or 65% CPCP/35% FFS by 2019 as illustrated in the table below.

Track 2 Possible Payment Choices by Year

Payment ratio	2018	2019	2020	2021
CPCP%/FFS% options available to practices	25%/75%			
	40%/60%	40%/60%	40%/60%	40%/60%
	65%/35%	65%/35%	65%/35%	65%/35%

- Examples of more advanced CPC+ providers (Track 2): PCPCH 5-star clinics, Clinics with robust risk stratified population management and RN complex care management, Clinics with Behavioral Health Integration and/or Clinical Pharmacy Integration.