

**AMENDMENT NUMBER 3 TO HEALTH PLAN SERVICES CONTRACT
COORDINATED CARE ORGANIZATION
CONTRACT 139064 BETWEEN
THE STATE OF OREGON
OREGON HEALTH AUTHORITY**

AND

**Eastern Oregon Coordinated Care Organization, LLC
601 SW 2nd Avenue
Portland, Oregon 97204**

1. This is amendment number 3 (“Transformation Amendment”) to Health Plan Services Contract, Coordinated Care Organization, Contract # 139064 (the “Contract”), between the State of Oregon, acting by and through its Oregon Health Authority (OHA), and Eastern Oregon Coordinated Care Organization, LLC (Contractor). This Amendment is effective July 1, 2013, regardless of the date of signature, subject to approval by the US Department of Health and Human Services, Centers for Medicare and Medicaid Services.
2. The Contract is hereby amended as follows:

- a. Exhibit K, Opening Paragraph, is hereby amended as follows, deleted language is struck through (~~struck through~~) and new language is **bold and underlined**:

Contractor shall prepare a “Transformation Plan” that is a specific plan (plans, timeline, benchmarks, milestones, and deliverables) demonstrating how and when Contractor will achieve Health System Transformation, aligned with the quality and incentive specifications established in Exhibit B Part 9. **The Transformation Plan will include Attachment 1 “Transformation Deliverables and Benchmarks” which is Attached to this Exhibit K and hereby incorporated into this Contract with this reference.** The purpose of this Exhibit K is to set forth the procedure Contractor shall follow to prepare **and implement** the Transformation Plan (**including Attachment 1**) required by this Contract.

- b. Exhibit K, Section 1., is hereby amended as follows, deleted language is struck through (~~struck through~~) and new language is **bold and underlined**:

1. Initial Transformation Plan

- a. Contractor shall provide the following deliverables, and OHA will respond to these deliverables, on the schedule describe below:

	Deliverable	Deliverable Date
(1)	<u>Draft Plan.</u> Contractor furnishes OHA with a draft of a Transformation Plan.	January 15, 2013
(2)	<u>OHA Comments.</u> OHA furnishes Contractor with written comments on its draft Transformation Plan.	February 1, 2013

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|-----|---|------------------------------|
| (3) | <u>Final Draft.</u> Contractor submits final draft language of its Transformation Plan for approval by OHA. | February 15, 2013 |
| (4) | <u>OHA Acceptance.</u> OHA furnishes Contractor with written approval of its draft Transformation Plan. | March 1, 2013 |
| (5) | <u>Amendment Signature. OHA sends approved Transformation Amendment to Contractor for signature.</u> | <u>April 15, 2013</u> |
| (6) | <u>CMS Approval. OHA sends signed Transformation Amendment to CMS for Approval.</u> | <u>May 1, 2013</u> |
| (7) | <u>Effective Date. Transformation Amendment becomes effective.</u> | <u>July 1, 2013</u> |

b. Contractor’s Transformation Plan must include, at minimum:

- (1) Developing and implementing a health care delivery model that integrates mental health and physical health care and addictions and dental health, when dental services are included. This plan must specifically address the needs of individuals with severe and persistent mental illness.
- (2) Continuing implementation and development of Patient-Centered Primary Care Home (PCPCH).
- (3) Implementing consistent ~~alternative payment method~~ **Alternative Payment Methodologies** that align payment with health outcomes.
- (4) Preparing a strategy for developing Contractor’s Community Health Assessment and adopting an annual Community Health Improvement Plan consistent with SB 1580 (2012), Section 13.
- (5) Developing a plan for encouraging ~~electronic health records~~ **Electronic Health Records**; health information exchange; and meaningful use.
- (6) Assuring communications, outreach, Member engagement, and services are tailored to cultural, health literacy, and linguistic needs.
- (7) Assuring that the culturally diverse needs of Members are met (cultural competence training, provider composition reflects Member diversity, non-traditional health care workers composition reflects Member diversity).

- (8) Developing a quality improvement plan focused on eliminating racial, ethnic and linguistic disparities in access, quality of care, experience of care, and outcomes.

Contractor's Transformation Plan may include any other elements that are part of Contractor's strategy for Health System Transformation.

Following review and written approval of the Transformation Plan **and Transformation Amendment**, by OHA, and following any necessary approval by DOJ or CMS, the Transformation Plan **Amendment** is incorporated in this Contract by this reference, and Contractor's obligations under the Transformation Plan **Amendment** are obligations under this Contract.

If Contractor does not have an OHA-approved Transformation Plan by ~~90 days after the Effective Date~~ **the Deliverable Date identified in Subsection 1.a.**, Contractor shall continue to negotiate with OHA regarding the Transformation Plan. Contractor's failure to have an OHA-approved Transformation Plan by 120 days after the ~~Effective Date~~ **final Deliverable Date identified in Subsection 1.a.** is a material breach of this Contract under Exhibit D, Section 10.a(3) of this Contract.

- c. Exhibit K, is hereby amended to add a new Section 5., as follows:

5. Periodic Update of Transformation Plan

Contractor shall periodically update the Transformation Plan and the Transformation Amendment to continue strategic planning and implementation of specific plans (plans, timeline, benchmarks, milestones, and deliverables) demonstrating how and when Contractor will achieve Health System Transformation, aligned with the quality and incentive specifications established in Exhibit B Part 9. An updated Transformation Plan and Transformation Amendment will be developed in 2015, using a schedule and accountabilities similar to Section 1.a, of this Exhibit. The updated Transformation Plans and Transformation Amendments are intended to continue the progress of transformation and integration.

- d. Exhibit K, is hereby amended to Attachment 1 which is attached to this Amendment as Appendix A and hereby incorporated into the Contract with this reference.
3. OHA's performance hereunder is conditioned upon Contractor's compliance with provisions of ORS 279B.220, 279B.225, 279B.230, 279B.235, and 279B.270, which are hereby incorporated by reference. Contractor shall, to the maximum extent economically feasible in the performance of this Contract, use recycled paper (as defined in ORS 279A.010(1)(gg)), recycled PETE products (as defined in 279A.010(1)(hh)), and other recycled products (as "recycled product" is defined in 279A.010(1)(ii)).
4. Except as expressly amended above, all other terms and conditions of the initial Contract and any previous amendments are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the initial Contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

Coordinated Care Organization -- Transformation Amendment -- July 1, 2013

5. Signatures

IN WITNESS, THE PARTIES LISTED BELOW HAVE CAUSED THIS AMENDMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED OFFICERS.

CONTRACTOR

By RL/PM Date April 18, 2013
Authorized _____
Title Chief Contract Officer

OHA

By Judy Mohr Peterson Date 4/18/2013
OHA _____

Approved as to Legal Sufficiency:

Approved by Theodore C. Falk, Senior Assistant Attorney General, April 11, 2013, email in Contract file.

Reviewed by Office of Contracts & Procurement:

By Tammy L. Hurst Date 4/24/13
Tammy L. Hurst, Contract Specialist _____

Exhibit K - Attachment 1 - Transformation Deliverables and Benchmarks

A. Definitions for Exhibit K

For purposes of this Exhibit K, these terms have the following meanings:

- (1) **“Baseline”** means the Contractor’s status in effect on the Contract Effective Date, primarily in light of any policies, procedures, operational or contractual arrangements or Provider arrangements, including but not limited to materials submitted during RFA 3402 as well as information submitted to OHA during the readiness review process.
- (2) **“Benchmark”** means an objectively identifiable and measurable standard that the Contractor will report on to measure its progress in executing its Transformation Plan and that is the Contractor’s target for the transformation area to be achieved by July 1, 2015.
- (3) **“Milestone”** means an identified incremental outcome that is both a short-term target and a logical step that moves the Contractor toward achieving its Benchmark. A Milestone may represent a stage or phase that is met on the way to achieving the Benchmark. A Milestone should be achievable on or before July 1, 2014.

B. Transformation Plan Deliverables

Contractor shall provide the following deliverables for every transformation area on the schedule described below. Contractor shall combine the reports for all transformation areas and Benchmarks into a single report.

Deliverable	Deliverable Date
(1) Initial progress report	January 1, 2014
(2) Milestone report	July 1, 2014
(3) Second progress report	January 1, 2015
(4) Benchmark report	July 1, 2015

Progress, Milestone and Benchmark reports must address each transformation area, including actions taken or being taken to achieve the Milestone and Benchmark, outcome of these activities, and process improvements. Contractor shall also describe how its Community Advisory Council (CAC) was involved in the process and informed of the outcomes in each transformation area.

Progress and Milestone reports must also identify any areas where the Contractor has encountered barriers to achieving a Milestone or Benchmark, and describe its efforts to work with OHA through the Innovator Agent and Learning Collaborative to develop alternative strategies to reach the Benchmark.

C. Benchmarks for 2013 – 2015 Transformation Plan Amendment

This section addresses eight transformation areas, corresponding to the eight areas required to be included in Contractor’s Transformation Plan. Within each of the eight areas of transformation, this section establishes one or more Benchmarks. Progress will be measured from a Baseline that begins with the Contract Effective Date. This section describes how Contractor will measure progress toward achieving each Benchmark, including one or more Milestones. A Benchmark and at least one Milestone required for each transformation area. Contractor will report on progress, Milestones and Benchmarks using the schedule described in Section B.

- (1) Area of Transformation:** Developing and implementing a health care delivery model that integrates mental health and physical health care and addictions and dental health, when dental services are included. This area of transformation must specifically address the needs of individuals with severe and persistent mental illness.

Benchmark 1.1	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> Contractor will have a process for tracking Members identified as appropriate for co-management developed. Communication and referral plan in place. Number of Members co-managed, or referred, reported monthly.
Milestone(s) to be achieved as of July 1, 2014	<ul style="list-style-type: none"> Contractor develops criteria for triggering Intensive Case Management for Members and referrals for Members identified as high risk and needing collaborative mental health, physical health and addictions care coordination and Intensive Case Management.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> Identification and tracking process is evaluated semi-annually. Improvement opportunities identified and implemented.
Benchmark 1.2	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> Use existing measurement system with OHA to report on Early Assessment and Support Alliance, Assertive Community Treatment, Supported Employment and associated wrap around programs.
Milestone(s) to be achieved as of July 1, 2014	<ul style="list-style-type: none"> Early Assessment and Support Alliance, Assertive Community Treatment, Supported Employment and associated wrap around programs available to all Members in all 12 counties.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> Achieve fidelity for programs as established by State standards.
Benchmark 1.3	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> Count the number of counties with contracts between medical clinics and Community Mental Health Program clinics for provision of specific behavioral health services in medical clinics.
Milestone(s) to be achieved as of July 1, 2014	<ul style="list-style-type: none"> Contract with medical clinics in at least three counties as voluntary early adopters.

Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> Contracts with medical clinics in at least three additional counties.
Benchmark 1.4	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> Ratio report of the number of case rate based contracts with social and medical detox Providers as compared to the total number of social and medical detox Providers. Count the number of contracts with residential addictions Providers. Count the number of outpatient, integrated, behavioral health and addictions contracts. (Count each county group as one contract.)
Milestone(s) to be achieved as of July 1, 2014	<ul style="list-style-type: none"> 1:1 ratio of case rate based contracts with social and medical detox Providers. Contract with all three existing residential addictions Providers per the jointly defined payment model established at February 2013 meeting. Complete pilot contracts with at least three communities as optional early adopters for outpatient behavioral health and addictions integration.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> 1:1 ratio of case rate based contracts with social and medical detox Providers. Contract with all three existing residential addictions Providers per the jointly defined payment model established at February 2013 meeting Complete contracts with the remaining nine counties for outpatient behavioral health and addictions integration.

(2) Area of Transformation: Continuing implementation and development of Patient-Centered Primary Care Home (PCPCH).

Benchmark 2	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> Contractor will measure the number of Members assigned to a certified PCPCH at each tier level. Implement Alternative Payment Methodologies for PCPCH certified Providers, such as modified fee for service payments, PMPM chronic disease management payments, Pay for Performance bonus payments, and a shared savings program Implement technical assistance tools to assist PCPCH Providers in meeting quality outcomes. Implement strategies to develop certified PCPCH Member engagement programs for certified PCPCHs.
Milestone to be achieved as of July 1, 2014	<ul style="list-style-type: none"> At least 25 % of Members will be assigned to a certified PCPCH at any tier level. Seek agreement with and implement Alternative Payment Methodologies in at least three certified PCPCHs. Identify and seek approval of PCPCH certified Providers on technical assistance tools that will assist them in meeting

	<p>quality outcomes.</p> <ul style="list-style-type: none"> Identify and seek approval of PCPCH certified Providers on how Contractor can assist with Member engagement.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> At least 50 % of Members will be assigned to a certified PCPCH at any tier level. Contractor will have all PCPCH certified Providers contracted using consistent Alternative Payment Methodologies. Contractor will have consistent technical assistance tools available to PCPCH certified Providers. Contractor will have consistent Member engagement tools available to PCPCH certified Providers.

(3) Area of Transformation: Implementing consistent Alternative Payment Methodologies that align payment with health outcomes.

Benchmark 3	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> Contractor will track the number of Primary Care Providers, Provider payments, and the number of Members served by clinics that are piloting Alternative Payment Methodologies. Contractor will track the number of hospitals and Provider payments that are piloting Alternative Payment Methodologies. Implement Alternative Payment Methodologies for Providers who become PCPCH certified such as modified FFS payments, PMPM chronic disease management payments, P4P bonus payments and a shared savings program. Contractor will annually review its PCPCH payment methodologies to determine effectiveness; including growth in the number of certified PCPCHs, growth in enrollment and Member engagement, and improvement in value-based performance measures.
Milestone to be achieved as of July 1, 2014	<ul style="list-style-type: none"> Identify and seek approval from Participating Providers on Alternative Payment Methodologies to be piloted with Providers, certified PCPCH clinics, and hospitals. Contractor will begin piloting Alternative Payment Methodologies via contract amendments, in compliance with OHA reimbursement requirements and Oregon Association of Hospitals and Health Systems (OAHHS) recommendations for payment of Type A and Type B hospitals. Contractor will implement a capitation payment system with a least one primary care clinic. Contractor will implement a capitation payment system with at least one Type A hospital. Contractor will implement an actuarial-based process for cost-based payments that is not solely financially based.. Contractor, with the help of OHA and OAHHS, will develop

	<p>a sound rationale for continuation of cost-based payment (or equivalent financial support) for hospitals, Provider based clinics, Fully Qualified Health Clinics, and Rural Health Clinics utilizing variables such as demographics, geography, and financial factors.</p> <ul style="list-style-type: none"> • Contractor, with the help of its hospitals and OAHHS, will develop a rural hospital, value-based dashboard (with performance metrics) that will be used to award shared Contractor savings to hospitals. • Contractor, with the help of its hospitals and community CAC, will support a community-based health care delivery model that sustains access to local services and repurposes current infrastructure and staff as needed.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> • Measure effectiveness of efforts to transform payment delivery. • Measure outcomes of Providers who have moved to Alternative Payment Methodologies.

(4) Area of Transformation: Preparing a strategy for developing Contractor’s Community Health Assessment and adopting an annual Community Health Improvement Plan consistent with SB 1580 (2012), Section 13.

Benchmark 4	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> • Contractor will measure the number of counties with regular, continued local county and regional CAC (R-CAC) meetings. • Contractor will measure the number of local county CACs with completed community needs assessment reports and CHIP selection documents. • Contractor will measure the number of counties with active CHIP committee members.
Milestone to be achieved as of July 1, 2014	<ul style="list-style-type: none"> • 100 % of Contractor’s counties will have or be participating in an established local CAC and R-CAC with persistent, regular meeting times, as determined by the committee members. • 100% of CAC’s will have a complete Community Needs Assessment analysis and proposed CHIP. • Contractor’s CHIP will be submitted to OHA by 6/30/2014. • 100% of CACs will have implemented CHIP in their respective county and begin tracking outcomes.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> • 100% of local counties will have or be participating in active CACs with consistent regular meetings and an established structure including, but not limited to, a mission, vision, goals and appointed leadership positions. • 100% of CACs will have implemented or be participating in a CHIP in their respective county, actively track outcomes measurements and begin making necessary changes and improvements, and provide an annual progress report.

(5) Area of Transformation: Developing a plan for encouraging Electronic Health Records; health information exchange; and meaningful use.

Benchmark 5	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> • Electronic Health Record assessment and tracking will be started in 2013 and completed in 2014. Baselines will be established at that time and benchmarks to increase usage will be confirmed.
Milestone to be achieved as of July 1, 2014	<ul style="list-style-type: none"> • Contractor will establish the HIE steering committee by mid-2013. • HIE strategy and plan will be determined in 2013. • Contractor will provide Members access to health information through an online Member customized portal.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> • Contractor agrees to participate in OHA’s upcoming process to assess the next phase of statewide HIE development (including assessing the scope, financing and governance of statewide HIE services). In particular, Contractor will make appropriate executive and staff resources available for an interview with an OHA consultant, and will participate in a brief series of stakeholder workgroup meetings if requested by OHA. After the OHA process concludes and the next phase of statewide HIE services are defined, Contractor will update the HIE component of this transformation plan at the next update cycle. • Contractor will begin to implement strategy and plan developed by the steering committee. • Contractor will measure the number of Members that access the online customized portal.

(6) Area of Transformation: Assuring communications, Outreach, Member engagement, and services are tailored to cultural, health literacy, and linguistic needs.

Benchmark 6	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> • Contractor will measure the percentage of materials revised according to the policy. • Contractor will measure the number of demographics data reports completed and disseminated to Providers. • Contractor will measure the percentage of Contractor staff who have successfully completed training. • Contractor will measure the completion of interpreter certification plan report.
Milestone to be achieved as of July 1, 2014	<ul style="list-style-type: none"> • Contractor will develop and adopt policy, and 10% of consumer materials have been revised accordingly. • 70% of county and/or regional demographics reports have been completed. • Contractor will develop training and Contractor leadership has successful completed training – 10% of staff. • Interpreter certification options have been assessed and compiled into report; decision has been made to determine

	next steps.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> • 60% of consumer materials have been revised according to the policy. • All county and/or regional demographics reports have been completed and disseminated to 80% of Participating Providers. • 95% of Contractor staff has completed training and processes have been implemented to ensure ongoing and new hire training incorporate key elements of culturally and linguistically appropriate services training. • Final benchmark will be developed according to interpreter certification decision based on summary report (See Milestone 4).

(7) **Area of Transformation:** Assuring that the culturally diverse needs of Members are met (Cultural Competence training, provider composition reflects Member diversity, non-traditional health care workers composition reflects Member diversity).

Benchmark 7	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> • Contractor will measure the number of clinics surveyed and the number of clinic profiles developed. • Contractor will measure the percentage of Participating Providers and clinic staff that have completed training.
Milestone to be achieved as of July 1, 2014	<ul style="list-style-type: none"> • 100% of surveys will be completed. • Training will be developed and piloted in three clinics.
Benchmark to be achieved as of July 1, 2015	<ul style="list-style-type: none"> • One hundred percent of clinic profiles will be developed and utilized in coordination of care for Spanish-speaking Members. • 75% of Participating Providers and clinic staff have completed training and processes have been developed for continuing education.

(8) **Area of Transformation:** Developing a Quality Improvement plan focused on eliminating racial, ethnic and linguistic disparities in access, quality of care, experience of care, and outcomes.

Benchmark 8	
How Benchmark will be measured (Baseline to July 1, 2015)	<ul style="list-style-type: none"> • Contractor will assess the completion of data collection methods and the percentage of race, ethnicity and language data collected on the population. • Contractor will assess the development and implementation of standard data collection and sharing methods defined by OHA. • Contractor will measure the percentage and satisfaction of Providers and clinic staff who have completed the cultural competence training. • Contractor will assess the effectiveness of the process to collect data via the health assessment. <ul style="list-style-type: none"> ○ Completeness

	<ul style="list-style-type: none"> ○ Utility in providing culturally competent service and care ○ Surveys and claims analysis of comparison groups to measure engagement in self-care, access to care, use of services and cost of care.
<p>Milestone to be achieved as of July 1, 2014</p>	<ul style="list-style-type: none"> ● Contractor will have developed data collection methods and used existing methods to confirm demographic data has been collected on 30% of Members. ● Standards for data collection and sharing will be established and operational for the Oregon Medicaid population. ● Training and development will be completed in three clinics. <ul style="list-style-type: none"> ○ Data collection process using the health assessment is established, staff is trained and data is systematically captured in the Contractor operating system (confirmed by audit process) ○ Audit process demonstrates that race, ethnic, linguistic, disability, health literacy barriers identified in the health assessment are addressed. ○ Specific quality indicators to measure Member engagement, access to care, use of services and cost of care are defined, Baselines are identified and Benchmarks for 7/1/15 are established.
<p>Benchmark to be achieved as of July 1, 2015</p>	<ul style="list-style-type: none"> ● Contractor will have reliable and accurate demographic data on 70% of the population. ● Standards regarding data collection and sharing for the Oregon Medicaid population are sustained. ● 75% of Participating Providers and clinic staffs have completed training, and processes have been developed for continuing education. ● <ul style="list-style-type: none"> ○ Audits demonstrate data collection via the health assessment is sustained. ○ Audits process demonstrates that Contractor is meeting benchmarks to address race, ethnic, linguistic, health literacy, disability barriers identified in the health assessment. ○ Defined quality indicators on Member engagement, access to care, use of services and cost of care meet benchmarks.