

### Purpose

Exh. B, Pt. 10, Sec. 4, Para. e in the 2023 Coordinated Care Organization (CCO) describes the requirement for each CCO to create a written distribution plan for its Quality Pool and Challenge Pool earnings. The CCO must also make its plan publicly available. The purpose of the plan is to inform the CCO's Participating Providers, including Social Determinants of Health and Equity (SDOH-E) and public health partners, about CCO strategies and processes for distribution of Quality Pool funds.

The Oregon Health Authority (OHA) has developed this reporting template to ensure CCOs meet the contract requirements and to give Participating Providers and other interested parties clear and consistent information about CCO strategies for Quality Pool distribution.

### Instructions

The CCO must answer all questions in this template to satisfy the contract requirements. Supporting materials and links may be provided, but they must only supplement the answers provided in the template document. A person reading the CCO's responses provided in this template should have a clear and complete picture of the CCO's Quality Pool distribution, without reliance on any other sources.

Unless otherwise noted in a specific question, this template pertains only to Quality Pool funds received in 2023 (Distribution Year 2023) for achievement of 2022 incentive metrics (Measurement Year 2022).

All references to "Quality Pool" within this template include both Quality Pool and Challenge Pool earnings.

### Process

The CCO must submit the completed template in **PDF format** to [CCO.MCOCDeliverableReports@odhsoha.oregon.gov](mailto:CCO.MCOCDeliverableReports@odhsoha.oregon.gov) by August 29, 2023. The CCO must also make the completed template publicly available on its website.

OHA will review the submitted template for completeness. If any response is found to be incomplete, OHA will send a written request for additional information to the CCO contact person listed on the template. The CCO will then have 30 days to provide the requested additional information.

Once OHA approves the submitted template, OHA will notify the CCO via email. OHA will also add a link in the completed template to the CCO's most recent Exhibit L and send it back to the CCO. CCO should not publicly post its completed template until it receives confirmation from OHA that no additional information is needed.

### Questions?

Any questions about the template should be directed to [metrics.questions@odhsoha.oregon.gov](mailto:metrics.questions@odhsoha.oregon.gov).

## 2023 Quality Pool Distribution Plan

**CCO Name:** PacificSource Community Solutions – Marion-Polk CCO

**CCO Contact Person (name and email):** Erin Fair Taylor, [erin.fairtaylor@pacificsource.com](mailto:erin.fairtaylor@pacificsource.com)

**1. Provide an overview of the methodology and/or strategy your CCO uses to distribute Quality Pool and Challenge Pool earnings to Participating Providers, including SDOH-E and public health partners.**

Under the PacificSource Community Solutions (PCS) Marion-Polk CCO community governance model, annual Quality Pool funds are evenly split between PCS and the Willamette Health Council (WHC), the CCO's community governance body. As such, after paying the managed care tax liability (MCO tax), PCS will disburse 50% of the Quality Pool funds (received in 2023/earned in 2022) to pay provider withholds based on 2022 value-based payment arrangement performance. The WHC will direct the distribution of the other 50% of these funds. The methodology is described in further detail below.

### Distributions by PCS

PCS has consistently contracted with providers in aligned value-based payment arrangements such that these funds are shared with them. As a result, consistent with underlying contracting methodology, PCS will use the funds to pay provider withholds as part of 2022 provider value-based payment arrangement performance. PCS contracts with many providers in the region in value-based payment arrangements including the major hospital systems, the Independent Physicians' Association, the two Federally Qualified Health Centers, the three Dental Care Organizations (DCOs), among others.

### Distributions by the WHC

From June 8, 2023, through August 3, 2023, the WHC met weekly with members of its Finance Committee and PCS' Data Analytics Manager to review Quality Incentive Metric (QIM) specifications and create a distribution model based on Quality Pool funds received in 2023/earned in 2022. On August 9, 2023, the Finance Committee finalized the distribution model utilizing the following methodology:

- 90% of total funds will be distributed to healthcare provider groups based on their contributions to QIM performance;
- 5% of total funds will be invested in public health initiatives that support the QIMs; and
- 5% of total funds will be awarded to social determinant of health and equity (SDOH-E) partners via the WHC's 2023 Community Benefit Initiatives (CBI) grant program.

On September 13, 2023, the WHC Finance Committee will provide a final recommendation to the Board of Directors. On October 4, 2023, the WHC Board of Directors will review and vote to approve the Finance Committee's recommended quality pool distribution plan. Although the WHC Board has not yet approved the distribution plan, PCS anticipates that the plan will remain generally consistent with prior years' distribution framework, with slight variations on how funds are distributed among disciplines.

### *Distribution to Participating Providers*

The WHC is utilizing a well-vetted, stepwise process to distribute Quality Pool funds to organizations that have contributed to the success of the metrics. These steps consider the provider types contributing to each metric, membership assignments (or similar representation) by organization and the provider performance for each measure. Payout calculation steps are as follows:

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### *Step 1: Determine the Distribution of the Quality Pool Funds on a Per-Metric Basis*

The Quality Pool funds are first divided among all the quality metrics based on whether the annual target was met. Metrics that are met receive one point; metrics where the annual target was not met receive half a point. From there, the total available WHC Quality Pool funds are divided across the 14 QIMs for 2022 based on points earned.

### *Step 2: Make Calculations for Quality Pool Fund Distribution by Discipline*

This year, the Finance Committee reviewed the distribution methodology and changed the percentages distributed among disciplines. Per QIM, the associated funds were further divided by healthcare provider sector based on their contribution to meeting the metric. These sectors include Behavioral Health, DCOs, Hospitals, OB-GYN, and Primary Care Providers (PCPs). Factors influencing the distribution between sectors include which sector type(s) work directly with members and/or encounter the services for each QIM.

For example, in 2022, the Finance Committee recommended splitting the post-partum measure between PCP and OB-GYN at 20%/80%. In 2023, the Finance Committee reevaluated the split based on claims across provider sectors and recommended changing it to 25% for PCPs and 75% for OB-GYN. Additionally, for the Kindergarten Readiness: Social-Emotional Health (SEH) of 0-to-5-Year-Olds QIM, the Finance Committee recommended distributing funds to a Community-Based Organization that contributed to the overall success of the metric in 2022. Furthermore, the Health Equity: Interpreters QIM was divided among the sectors that provided the most information and support for the measure.

### *Step 3: Use Membership Assignment (or Similar) to Determine Distributions at the Organizational Level*

Once Steps 1 and 2 are complete, the WHC will distribute allocated funds to individual provider groups based on the following:

- Behavioral Health: Funds will be paid out based on each groups' percent of total claims submitted in 2022 (considering claims data for both mental health and substance disorder (SUD) services).
- DCOs: Funds will be paid out based on each DCO's percentage of the total QIM denominator.
- Hospitals: Funds will be split evenly across the three hospital systems in the region.
- OB-GYN: Funds will be paid out based on each group's percent of total claims submitted in 2022 that contributed to the postpartum QIM numerator.
- PCPs: Funds will be paid out based on each PCP group's actual performance on the 2022 QIMs and their percent of the total metric denominator. For any group that had QIM targets that were not met, unearned funds go into a "Bonus Pool." Bonus Pool funds are then divided up proportionally based on percent of total QIM denominator among all PCP groups eligible for a payout.

### *Public Health Partners*

As mentioned above, 5% of the WHC's total Quality Pool funds will be invested in public health initiatives that support the QIMs. Marion County Public Health will receive 80% of available funds; Polk County Public Health will receive 20% of available funds. The split of funds between the two counties is based on percent of total population for the region that resides in each county.

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### *SDOH-E Funding*

This fall, the Community Advisory Council (CAC) will decide which SDOH-E programs will be funded with the SDOH-E portion. The CAC will utilize the grant funding process to prioritize programs that align with the region's Community Health Improvement Plan (CHP) and support at least one of the four SDOH-E domains of Economic Stability, Neighborhood and Built Environment, Education, and Social and Community Health.

**2. Describe your CCO's process for evaluating the contributions of Participating Providers and connecting those evaluations to distributions of funds.**

As described above, the WHC's distribution methodology for their Quality Pool funds paid in 2023/earned in 2022 allocates funds among healthcare provider sectors based on their contributions to meeting the QIMs.

**3. Does your CCO's distribution strategy consider payments made previously to Participating Providers (such as up-front funding to a clinic or non-clinical partner that is intended to help the CCO achieve metrics related to the Quality Pool)? If yes, please describe.**

No. Decisions about this year's distribution of 2023 Quality Pool funds (Measurement Year 2022) in no way consider prior-year payments.

**4. Describe how Participating Providers (including SDOH-E and public health partners) may qualify for CCO distribution of Quality Pool earnings.**

As mentioned in Step 2 above, the Finance Committee considers the qualification of Quality Pool earnings based on whether and the extent to which providers' specialties/disciplines include working directly with members and/or encountering the services for each metric. The WHC will distribute allocated funds to the two county health departments in the region later this year for specific programs/initiatives that support the QIMs. The CAC will award CBI grants to SDOH-E partners in the region later this year, leveraging funds from the SDOH-E portion of the Quality Pool for these investments.

**5. Describe how your CCO distributed its 2021 Quality Pool (Measurement Year 2021) funds to Participating Providers, if different from the process described in #1 and #2 above.**

As mentioned above, the distribution process in 2023 for Measurement Year 2022 is essentially identical to last year's, except for minor fluctuations in the percentages distributed by discipline. It is important to note that the WHC's Board of Directors will vote for final approval of the 2022 measurement year distribution plan on October 4, 2023.

Complete details about recipients and allocation amounts for 2021 Quality Pool (Measurement Year 2021) may be found in the PacificSource Community Solutions-Marion-Polk 2022 Quality Pool Distribution Plan, submitted to the Oregon Health Authority in August 2022.

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- 6. Describe any changes your CCO plans to make to its process for distributing Quality Pool funds in future years (beyond MY2022).**

The general process will most likely be the same, with differing allocations based on any new QIMs (though, at the time of this writing, the 2024 QIMs appear to mirror those of 2023). Additionally, the WHC plans to meet regularly starting in the fall with members of its Finance Committee and PCS' Data Analytics Manager to review the methodology for future years.

- 7. Please provide a link to where the 2023 Quality Pool Distribution Plan (this document) will be publicly available on your CCO's website.**

<https://communitysolutions.pacificsource.com/Providers/DocumentsAndForms>