Guiding principles for creating and evaluating CCOs

Coordinated Care Organizations (CCOs) are networks of health care providers who have agreed to work together in their local communities. Initially this is for Medicaid patients.

CCOs will have the flexibility to support new models of care that are patient-centered and team-focused, and should be able to reduce health disparities. They should be able to better coordinate services and focus on prevention, chronic illness management and person-centered care. They will have flexibility within their budget to provide services alongside today's OHP medical benefits with the goal of providing better health, better care and lower costs for this population.

CCOs will be local. They will have one budget that grows at a fixed rate for mental, physical and ultimately dental care. CCOs will be accountable for health outcomes of the population they serve. They will be governed by a partnership among health care providers, community members, and stakeholders in health systems that have financial responsibility and risk.

The OAFP has prepared this list of principles we believe should be integrated into all CCOs. Please use this as a guide when evaluating or creating CCOs in your community.

PAYMENT

CCO payments to providers must align with the type of care they want the community to receive. To do that, there must be an adequate base rate to provide primary care to patients plus additional incentive payments for becoming a PCPCH and achieving quality benchmarks. For example, CMS is paying primary care practices with PCPCH aligned services participating in the Comprehensive Primary Care Initiative (CPCI) an average of $20 per member per month for Medicare fee-for-service patients. Payment will vary between payers, but you should review the array of services which are to be provided by you as a PCPCH with the services you would provide under the CPCI and seek to have such services equitably compensated on a per member per month basis to encourage broad participation and sustainability.

ALIGNMENT

PCPCH innovations should be focused as close to the patient's home as possible. For instance, community health workers should be closely aligned with the PCPCH whether employed by the PCPCH, the hospital system, or the CCO.

Attributing patients to clinics must be done in a timely manner and should align with the wishes of patients and their families.

GOVERNANCE

CCOs must have inclusive and responsive leadership. The primary care physician on the CCO board should be a spokesperson for PCPs in the community.

The CCO must have a clear definition of its catchment area.

There must be an effective internal review process with accountability to the global budget.

Insurance principles must be observed to ensure access to medical services throughout the budget year.

INNOVATION

Rural hospitals are vitally important to their communities. CCOs must support innovations in the way rural hospitals are paid, so they don't suffer financially as the health of the population improves.

The CCO should incentivize patients to improve their own health.

CCOs should balance freedom for communities to innovate with direct payment for health care services.

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