

Oakland Community Health Network Transition to Standardized Rates and Provider Equity Funding Models

- WHO:** Oakland Community Health Network (OCHN), OCHN contracted service providers, and persons served.
- WHAT:** OCHN is transitioning from its current Value-Based Service Models to a Value-Based Care model. This transition is using standardized rates to promote equity and a fee-for-service reimbursement model to support service sustainability. The goal is to improve measurable and sustainable outcomes for persons served.
- WHEN:** Effective October 1, 2024, on the first day of OCHN's Fiscal Year (FY) 2025 calendar year, a rolling transition of various services will begin. The first three transitioned services are Community Living Supports (CLS), Vocational, and Serious Emotional Disturbance (SED) for youth. Effective FY25, OCHN has also established standardized rates and authorization processes for transportation.
- WHY:** In 2018, OCHN piloted the current funding methodology using Service Models to align with the Centers for Medicare and Medicaid Services (CMS) value-based guidelines for persons served. OCHN was the only Pre-paid Inpatient Health Plan (PIHP) to implement these models.
- Since then, OCHN's leadership has identified opportunities to standardize and improve the reimbursement process and funding source management with Value-Based Care. This approach, which focuses on sustainable, improved outcomes for persons served, will significantly enhance OCHN's fund source management and improve stability. The value-based care models bring tangible benefits by using standardized service rates to ensure provider network equity and prioritizing quality life outcomes for persons served.
- HOW:** OCHN's administrative team is creating a funding transition calendar, including proposed dates for transitioning individual behavioral health service lines. OCHN is collaborating closely with its provider network to develop and implement appropriate funding rates and draft new contractual language, removing criteria specific to the Service Models. Examples of these changes include the removing:
- Incentive payments.
 - The 2% profit cap requirement
 - Monthly Financial Status Report (FSR*) submissions
 - Year-end cost settlements.

***Based on the rolling transition, monthly FSR submissions will be replaced with a more accurate and efficient claims adjudication process when applicable.**