

Oregon's CCO Quality Incentive Program: Funding overview

The Quality Incentive Program gives bonus payments to improve health care quality for Oregon Health Plan (OHP) members

The federal government allows states to have programs that help improve the quality of care Medicaid members receive. In Oregon, our program is called the CCO Quality Incentive Program (QIP).

In the QIP, CCOs earn bonus payments based on how well they perform on a set of health care quality measures. To earn this bonus money, CCOs must provide better and better care each year. Because these are bonuses, CCO are not guaranteed to earn them. [Independent evaluation](#) has shown the program was successful in driving improvements overall from 2012 to 2017.

Bonus payments are on top of monthly payments that cover the cost of care

Each month OHA pays CCOs a fixed, predefined amount of money for each OHP member that a CCO has enrolled in their plan. These are called “per-member-per-month” or “capitation” payments. CCOs use this money to pay for future care OHP members receive from providers.

OHA develops capitation rates by estimating how much CCOs will likely pay in providing care to OHP members. The federal government reviews OHA’s capitation rates and approves the rates provided to cover members’ OHP benefit and health care costs.

CCOs review and accept these rates as reasonable for covering the cost and coordination of care for OHP members. You can learn more about how these payment amounts are created on the [OHP rate development page](#).

In 2022, per-member-per-month payments to CCOs totaled nearly seven billion dollars. Of this, approximately five billion came from the federal government; the rest came from state funds.

Bonus payments have increased significantly since the start of the program

The amount of bonus money CCOs could earn through the QIP changes every year. Each year, OHA decides how much money is in the QIP by considering budgetary and other factors. On average, 73% of these funds are from the federal government and 27% from state funds (biennial average for 2023-2025).

In the first year of the program (2013), the QIP had approximately \$42 million dollars, which was 2% of the total per-member per-month payments that year. **For 2022, the QIP had approximately \$300 million dollars.** This was 4.25% of that year’s total per-member, per month payments.

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CCOs decide how to spend bonus payments

OHA does not oversee or regulate how CCOs spend these bonus payments. CCOs decide whether and how to share bonus payments with clinics providing care, community-based organizations, and other partners. CCOs must submit to OHA a written distribution plan for their QIP earnings.

Two public committees make decisions about the QIP

The [Health Plan Quality Metric Committee](#) (HPQMC) sets a list of measures that can be used. Then each year, the [Metrics and Scoring Committee](#) votes on which measures to include in the program and sets performance expectations that CCOs must meet to earn the bonus money.

The Metrics and Scoring Committee currently meets virtually through Zoom on the third Friday of the month. The Metrics and Scoring Committee is a public body that accepts and welcomes public comments related to discussion topics.

For more information about [public testimony](#) and meeting times, please visit the Metrics and Scoring Committee [webpage](#).

Learn more

- [The CCO Quality Incentive Program Overview](#)
- [Quality Incentive Program Benchmarks and Improvement Targets](#)
- [Quality Incentive Program Bonus Pools](#)