

**Oregon Department of Consumer and Business Services
Division of Financial Regulation, Bulletin No. DFR 2021-3**

TO: Providers and other Health Care Entities

DATE: April 19, 2021

RE: Certificate of Authority Requirements for CMS Global and Professional Direct Contracting Model Participants

Purpose

This bulletin provides guidance on insurance licensure requirements for provider groups or other health care entities participating or applying to participate as a Direct Contracting Entity (DCE) in the Global and Professional Direct Contracting (GPDC) Model established by the Centers for Medicare and Medicaid Services (CMS).

Authority

ORS 731.354, 731.026, 750.055

Background

CMS offers several Accountable Care Organization (ACO) programs. ACOs are groups of doctors, hospitals, and other health care providers, who contract with CMS to provide coordinated care for Medicare patients. For its newest ACO program, CMS selects the organizations that participate as a Direct Contracting Entity (DCE) in the Global and Professional Direct Contracting (GPDC) Model. The GPDC Model is a set of two voluntary risk-sharing options aimed at reducing expenditures and improving quality of care for beneficiaries in Medicare Fee-For-Service (FFS), also known as original Medicare. The GPDC Model is expected to increase Medicare beneficiaries' access to innovative, affordable care while maintaining all original Medicare benefits. A DCE may offer benefit enhancements and beneficiary engagement initiatives to beneficiaries with no requirement that beneficiaries accept these benefits or services.

Under the terms of their agreement with CMS, each DCE must secure a financial guarantee for each 12 month period of participation to ensure it can repay all shared losses and any other amounts owed under the GPDC Model. If CMS does not receive payment for shared losses and other amounts owed by the date the payment is due, CMS will pursue payment under the financial guarantee and may withhold payments otherwise owed to the DCE under this model or any other CMS program.

Relative to other CMS programs, the GPDC Model places an emphasis on voluntary alignment, allowing beneficiaries to choose the health care providers with whom they want to have a care relationship. The risk-sharing options are anticipated to appeal to a broad range of providers because they are expected to reduce burden, support a focus on beneficiaries with complex, chronic conditions, and encourage participation from organizations that have not typically participated in Medicare FFS or other CMS ACO programs.

Guidance

The Division of Financial Regulation finds that provider groups and other health care entities that have been approved by CMS to participate as a Direct Contracting Entity in the Global and Professional Direct Contracting Model are not required at this time to have a certificate of authority under ORS 731.354, 731.026, or 750.055. Nothing in this bulletin shall be construed to limit the division's authority under the Oregon Insurance Code or its ability to continue enforcing the laws of the State of Oregon.

This bulletin takes effect immediately. It remains in effect until superseded by a further bulletin of the Division of Financial Regulation.



Andrew R. Stolfi
Insurance Commissioner and Director
Oregon Department of Consumer and Business Services

April 19, 2021

Date