



OFFICE OF THE COUNTY ADMINISTRATOR
PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

MEMORANDUM

TO: Clackamas County Board of County Commissioners
FROM: Gary Schmidt, County Administrator
RE: Contracts Signed on Board's Behalf During Recess
DATE: January 15, 2026

REQUEST: This is an update only about 1 contract signed on the Board's behalf by the County Administrator during the Board's recess from December 18, 2025 to January 12, 2026.

BACKGROUND: Per County Code Appendix C, C-050-0100 (5), the County Administrator has the authority to sign contracts on behalf of the Board of County Commissioners, in any dollar amount, when the Board is on recess for at least two weeks. The following contract was signed during the Board's recent recess:

1. **Health, Housing and Human Resources:** Approval of a Revenue Healthcare Services Contract with CareOregon for the Primary Care Payment Model Program. Contract Value is approximately \$1,000,000 for 1 year. Funding is through CareOregon. No County General Funds are involved.

RECOMMENDATION: This is an update only, no further action is required by the Board.

Respectfully Submitted,

Gary Schmidt, County Administrator

Attachments:

Attachment #1: CareOregon Revenue Healthcare Services Contract



Mary Rumbaugh
Director

County Administrator
Gary Schmidt

Approval of a Revenue Healthcare Services Contract with CareOregon for the Primary Care Payment Model Program. Contract Value is approximately \$1,000,000 for 1 year. Funding is through CareOregon. No County General Funds are involved.

Previous Board Action/Review	<ul style="list-style-type: none"> 2025 Agreement September 4, 2025, Agenda Item IV.H.3 FY23-24 Agreement July 20, 2023, Agenda Item II.C.5 FY22-23 Agreement June 9, 2022, Agenda Item II.D.11 FY21-22 Agreement June 24, 2021, Agenda Item A.10 		
Performance Clackamas	Healthy People		
Counsel Review	Yes: Ryan Hammond	Procurement Review	No
Contact Person	Sarah Jacobson	Contact Phone	503-742-5303

EXECUTIVE SUMMARY: The Health Centers Division of Health, Housing, and Human Services Department requests approval of a Revenue Agreement with CareOregon, Inc. The purpose of this agreement is to receive revenue through the Primary Care Payment Model Program. The Health Centers Division is eligible to receive a per-member-per-month (PMPM) value-based payment based on the level of achievement in Clinical Quality metrics. The clinics participating in this program are Beavercreek, Gladstone, Sunnyside, and Sandy.

The Primary Care Payment Model program supports primary care transformation by facilitating knowledge of and accountability for: engaging assigned populations in a timely and clinically appropriate manner, reducing health disparities, integration of oral, behavioral, and primary health care, and active contributions to reducing the total cost of care. The clinical metrics of this program include childhood immunizations, diabetes control, postpartum care, well-child visits, screening for depression and follow-up, and meaningful language access.

Under this value-based payment agreement, Health Centers have received significant revenue:

- FY20-21: \$1.39 million
- FY21-22: \$1.43 million
- FY22-23: \$1.50 million
- FY23-24: \$1.73 million,
- FY24-25: \$1.94 million

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Mary Rumbaugh
Director

RECOMMENDATION: The staff respectfully requests that the County Administrator, Gary Schmidt, approve this contract (12400) with CareOregon, Inc. and sign on behalf of Clackamas County.

Respectfully submitted,

Mary Rumbaugh

Mary Rumbaugh
Director of Health, Housing & Human Services

CareOregon, Inc.
Healthcare Services Contract
Primary Care Payment Model

This Healthcare Services Contract (HSC) is between CareOregon, Inc. (CareOregon) and County of Clackamas, Oregon (Provider), to enable Provider's participation in the Primary Care Payment Model (PCPM) Program (PCPM Program). For purposes of this HSC, CareOregon, and Provider shall each be referred to individually as a "Party" and collectively as the "Parties".

RECITALS

- A. Health Share of Oregon (CCO) is a Limited Liability Company contracted with the Oregon Health Authority (OHA) to operate as a Coordinated Care Organization under a series of Contracts, including but not limited to, Medicaid and Non-Medicaid Contracts, herein intentionally referred to in the singular as the "CCO Contract."
- B. CareOregon and Provider entered into a Provider Agreement (Provider Agreement) whereby Provider has been providing and continues to provide services to CCO Members. As stipulated in the Provider Agreement, Provider is subject to all the laws, rules, regulations, and contractual obligations governing the provision of care to CCO Members.
- C. Through this Agreement, CareOregon and Provider endeavor to improve the health of its Member community through efforts focused on outpatient preventive services, quality focused reimbursement models, and the provision of additional financial support to participating providers.

Now, therefore, in consideration of the mutual promises herein, the Parties agree as follows:

AGREEMENT

I. Administration/Interpretation of HSC.

The Parties agree and understand that the foregoing Recitals, and Exhibit A through Exhibit F to this HSC are incorporated herein by reference with the same force and effect as if fully set forth in this HSC.

The Parties further agree and understand that the Provider is participating in the PCPM Program as outlined in the Primary Care Payment Model Program Guide as amended from time to time, which is incorporated herein by reference, with the same force and effect as though fully set forth herein.

The Parties agree and understand that this HSC is supplemental to the Provider Agreement and that the applicable provisions of the Provider Agreement are incorporated by reference into this HSC. Nothing in this HSC may be construed to waive any of the obligations or other commitments Provider has made pursuant to the Provider Agreement. Thus, the Parties acknowledge and agree that this HSC is subject to the terms and conditions of the Provider Agreement and all applicable Policies. Notwithstanding the foregoing and to the extent that the Provider Agreement and this HSC include provisions that are applicable, all Policies shall be consistent with the Provider Agreement.

For purposes of this HSC, any capitalized words not otherwise defined in this HSC shall have the meaning set forth in the Provider Agreement.

II. Term and Termination

A. Term. This HSC is effective as of **January 1, 2026** (Effective Date) and shall remain in effect through **December 31, 2026** (Termination Date) unless sooner terminated as stipulated for herein.

B. Termination. Other than as modified and expressly stated immediately below, the Termination provisions found in the Provider Agreement will remain as described therein.

i. Either Party may terminate this HSC with or without cause upon providing 30 days written notice to the other Party.

- ii. CareOregon, in its sole discretion, may terminate this HSC immediately for any of the following reasons:
 - a. an employee, agent, contractor, or representative of either Party actively participating in performing the responsibilities hereunder has violated any applicable laws, rules, or regulations;
 - b. fraud, dishonesty, substance abuse, or personal conduct of an employee, agent, contractor, or representative of either Party which may harm the business and/or reputation of either Party;
 - c. inability to perform the responsibilities hereunder or incompetence demonstrated in performance of responsibilities under this HSC; or,
 - d. the termination of the Provider Agreement.
- iii. The Party initiating the termination, under any circumstance, shall render written Legal Notice of termination to the other Party and must specify the Termination provision giving the right to termination, the circumstances giving rise to termination, and the date on which such termination will become effective.
- iv. Upon Termination under any circumstance, funding will cease immediately, any payments not yet made by CareOregon to Provider shall not be made, and any remaining balance of payment disbursed in advance under this HSC that has not been used for, or committed to, this Program shall be promptly returned to CareOregon prorated from the date of termination to the end of the Term of this HSC.
- v. Should the Oregon Health Authority (OHA) cease or Quality Pool funding to the CCO, CareOregon reserves the right to terminate this agreement effectively immediately with no additional payment due.

III. Description of PCPM Program; Incentive Payment Components, and Reporting Requirements. Provider agrees to assume the duties, obligations, rights, and privileges applicable to participating in the PCPM Program pursuant to the designated exhibits, parts, and sections of this HSC.

A. Description of the PCPM Program. Provider agrees to participate in the Primary Care Payment Model Program (PCPM Program) with the description and obligations as further stipulated in the 2026 PCPM Program Guide.

- i. **Payment Components.** CareOregon agrees to make payments to Provider based on the terms specified in Exhibit B of this HSC. Should the Oregon Health Authority (OHA) reduce Quality Pool funding to the CCO, CareOregon reserves the right to subsequently reduce PCPM Program rates.
- B. **Reporting Requirements.** From time to time, CareOregon may request certain information or the submission of certain reports concerning various aspects of this HSC including but not limited to any progress made towards any identified targets, compliance with the terms of this HSC, number of members served, etc. At the reasonable request of CareOregon, Provider shall provide such information or submit such reports and shall make its personnel available to discuss expenditures, records, the progress of PCPM Program or other topics related to this HSC. CareOregon shall provide reasonable notice along with detailed instructions on any material requested from the Provider, should any such request be made.
- C. **Provider Contact.** Provider agrees that the Provider Contact named below is responsible for all aspects of the HSC, including monitoring progress and performance, obtaining all necessary data and information, and notifying CareOregon of any significant obstacles in pursuit of this HSC. Provider will notify CareOregon if the Provider Contact changes.

Provider Contact: Angie Amundson
E-mail: aamundson@clackamas.us

IV. Representations and Warranties.

- A. **General Warranty.** Provider represents and warrants that Provider, its agents, and its representatives possess the knowledge, skill, experience and valid licensure necessary to perform the services contemplated under this HSC and will perform such services in a timely manner and with the maximum reasonable degree of quality, care, and attention to detail.

B. Provider expressly represents and warrants to CareOregon that Provider is eligible to participate in and receive payment pursuant to this HSC. In so doing, Provider certifies by entering into this HSC that neither it nor its employees, agents, and representatives are: (1) placed on the Tier Monitoring System by CareOregon's Peer Review Committee; (2) have documented contract and/or compliance issues; or (3) are presently declared ineligible or voluntarily excluded from entering into this HSC by any federal or state department or agency.

V. **General Provisions.** To the extent applicable and only as related to the services contemplated under this HSC, the provisions below supplement the relevant sections in the Provider Agreement.

A. Provider understands and agrees that Provider is not eligible to participate in or receive funding from CareOregon if Provider is placed on the Tier Monitoring System by CareOregon's Peer Review Committee or has documented contract and/or compliance issues. Should it be determined that Provider was ineligible to receive payments from CareOregon pursuant to this HSC, Provider expressly agrees to promptly repay all such payments disbursed to it under this HSC and all funding associated with this HSC will be discontinued until Provider is removed from the CareOregon Tier Monitoring System or has resolved compliance issue(s) to CareOregon's satisfaction. Any discontinued funding that has been withheld will not be disbursed.

B. Provider authorizes CareOregon to withhold or deduct from amounts that may otherwise be due and payable to Provider under this HSC any outstanding amounts that Provider may owe CareOregon for any reason, including but not limited to overpayments made by CareOregon under the Provider Agreement, in accordance with CareOregon's recoupment policy and procedure.

C. **Force Majeure.** Neither Party shall be deemed in default of this HSC to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its negligence provided such Party gives notice to the other Party, as soon as reasonably practicable, specifying the nature and the expected duration thereof. Failure of a Party to give notice shall not prevent such Party from relying on this Section except to the extent that the other Party has been prejudiced thereby. Notwithstanding the foregoing, any dates and

obligations specified in this HSC shall be subject to change at CareOregon's discretion, without liability on either Party.

D. Amendments and Waivers. No amendment, modification, assignment, discharge, or waiver of this HSC shall be valid or binding without prior written consent (which shall not be unreasonably withheld) of the Party against whom enforcement of the amendment, modification, assignment, discharge or waiver is sought. A waiver or discharge of any of the terms and conditions hereof shall not be construed as a waiver or discharge of any other terms and conditions hereof.

E. Confidentiality and Marketing.

- i. Provider agrees to uphold all confidentiality provisions of the Provider Agreement and this HSC, and specifically to safeguard all confidential information including the health information of Members as it applies to all activities related to this HSC.
- ii. Both Parties agree that this HSC and all negotiations and related documentation will remain confidential and that no press, news releases, or other publicity release or communication to the general public concerning the obligations contemplated herein will be issued without providing a written copy of the communication to the other Party and receiving the other Party's prior written approval, unless applicable law requires such disclosure. In addition, both Parties agree that they must obtain written permission prior to using the other Party's name, trade name, image, symbol, design, or trademark in any marketing, advertising, or promotional campaign in any medium or manner. Email approval by CareOregon or the Provider Contact specified herein will suffice as written approval.
- iii. **HIPAA and HITECH.** Notwithstanding anything to the contrary, both Parties agree to implement and maintain systems that protect PHI, as required by HIPAA, HITECH, the Provider Agreement, and the Business Associate Agreement, if applicable.

F. Insurance. Provider and CareOregon each agree to maintain, at all times during this HSC and at their own cost and expense, commercial general liability insurance, professional liability insurance, and workers' compensation insurance coverage in amounts standard to its industry. If

the Oregon Tort Claims Act is applicable to either CareOregon or the Provider, this section is modified by its terms.

G. Indemnity; Defense. Each Party agrees to waive any claims, losses, liability, expenses, judgements, or settlements (referred to herein as Claims) against the other Party for any Claims arising out of or related to the services performed under this HSC which result from the waiving Party's own negligence. Further, each Party hereby agrees to defend, indemnify and hold harmless the other Party, its officers, directors, and employees from and against third Party claims, loss, liability, expense (including reasonable attorney's fees), judgements or settlement contribution arising from injury to person or property, arising from negligent act or omission on its part or its officers, directors, volunteers, agents, or employees in connection with or arising out of: (a) services performed under this HSC, or (b) any breach or default in performance of any such Party's obligations in this HSC including, without limitation, any breach of any warranty or representation. In the event that either Party, its officers, directors, or employees are made a Party to any action or proceeding related to this HSC then the indemnifying Party, upon notice from such Party, shall defend such action or proceeding on behalf of such Party at the indemnifying Party's sole cost and expense. Each Party shall have the right to designate its own counsel if it reasonably believes the other Party's counsel is not representing the indemnified Party's best interest. Indemnification duties under this HSC shall be at all times limited by the tort claim limits provided in the Oregon Tort Claims Act and the Oregon Constitution. This indemnity shall not be limited by reason of any insurance coverage required under this HSC and shall survive termination of this HSC.

H. Compliance and Licensure. Provider and CareOregon shall, at all times during the term of this HSC comply with all applicable federal, state and local laws, rules and regulations, and shall maintain in force any licenses and obtain applicable permits and consents required for performance of services under this HSC; the Parties shall provide to each other copies of such applicable current valid licenses and/or permits upon request. The Parties represent and warrant that, to the best of their knowledge, officers, directors, employees, subcontractors, agents and other

representatives are not excluded from participating in any federal health care programs, as defined under 42 U.S.C. 1320-a7b (f), and to their knowledge, there are no pending or threatened governmental investigations that may lead to such exclusion. Each Party agrees to notify the other of the commencement of any such exclusion or investigation with seven (7) business days of first learning of it. The Parties represent that they and their employees are not excluded from Federal healthcare programs and are not included in the Office of Inspector General (OIG) and General Services Administration (GSA) exclusion lists. Additionally, if an employee is identified to be on such lists, that employee will immediately be removed from any work related directly or indirectly to this HSC. The Parties shall have the right to immediately unilaterally terminate this HSC upon learning of any such exclusion and shall keep each other apprised of the status of any such investigation.

- I. **Relationship of the Parties.** CareOregon and Provider are independent entities. No provision of this HSC or the Provider Agreement is intended to create nor shall be construed to create an employment, agency, joint venture, partnership or any other business or corporate relationship between the Parties other than that of independent entities.
- J. **No Third-Party Benefit.** This HSC shall not create any rights in any third parties who have not entered into this HSC, nor shall this HSC entitle any such third Party to enforce any rights or obligation that may be possessed by such third Party.
- K. **Assignment or Delegation.** Except as otherwise specifically provided for herein, the Parties shall not assign or delegate any or all of their rights or responsibilities under this HSC without the prior written consent of the other Party.

<signature page follows>

**Agreed to on behalf of County of
Clackamas, Oregon:**



Signature

Name: Gary Schmidt

Title: County Administrator

Date: 12/23/2025

Agreed to on behalf of CareOregon:


Signature

Name: Teresa Learn

Title: Chief Financial Officer

Date: _____

Exhibit A

Description of PCPM Program Components

For the period of this HSC, the following participating clinics are eligible to receive a per member per measure per month (PMPMPM) incentive payment.

All PMPMPM payments will be calculated using CareOregon membership as of the 5th of each calendar month, where membership is defined as members who are assigned to participating clinics that have primary health plan coverage of CCO Oregon Health Plan and members who are assigned secondary health plan coverage of CCO Oregon Health Plan with primary health plan coverage of CareOregon Medicare Advantage.

For performance evaluation, data submission, and measure specific reporting requirements, please refer to the 2026 PCPM Program Guide.

A. QUALITY INCENTIVE REPORTING TERMS

1. If CareOregon is unable to obtain data for any measure indicated as "EHR/eCQM", Clinics agree to submit member level or aggregate performance data for the Electronic Health Record (EHR)/Electronic Clinical Quality Measure (eCQM). Clinics for which this data is already provided to CareOregon are not required to submit a duplicate data set.
2. Provider agrees that requests to change clinical quality measures in this HSC will not be granted.
3. Provider agrees that requests to change clinical quality measure specifications in this HSC will not be granted.
4. Provider agrees that any data changes will occur at the administrative data source (e.g., claims or member assignment). Provider agrees that requests to change measure performance in this HSC will not be granted.

5. Participating clinics agree to data submission as further outlined in the 2026 PCPM Program Guide.

Exhibit B

Payment Terms and Other Conditions of Participation

A. Conditions of Payment:

1. CareOregon agrees to pay participating clinics a monthly PMPMPM incentive payment, provided this HSC is fully executed, according to the following timelines:
 - a. If this HSC is executed prior to December 26, 2025, PMPMPM will commence on the HSC effective date.
 - b. If this HSC is executed after December 31, 2025, CareOregon will advise Provider when the first payment processing month can occur due to system requirements.
 - c. Due to system processing requirements at CareOregon, no retroactive payments will be remitted to Provider due to late HSC execution.
 - d. Measure improvement targets will not be adjusted based on the timing of HSC execution.
2. CareOregon shall deliver the PMPMPM payments to the same location that fee for service claims payments are paid unless Provider has requested CareOregon to use an alternate bank for the PMPMPM payments.
3. EFT/Remittance Advice. If Provider is able to accept payments and remittance advice electronically, CareOregon will provide the appropriate forms to Provider for requesting PMPMPM payments be directly deposited to their designated bank account using Electronic Fund Transfers (EFT). Provider shall promptly complete and return the forms to CareOregon for receiving payments via EFT.
4. Providers participating in an APM program at the time of HSC execution will continue to receive APM payments in the same manner and/or bank location unless revised instructions are provided to CareOregon.

5. CareOregon will not adjust prior PMPMPM payments due to membership assignment revisions.
6. CareOregon may suspend payments to participating clinics that cease to meet eligibility requirements. CareOregon may subsequently resume payments upon notification of eligibility fulfillment during the HSC period. Provider is encouraged to contact CareOregon to discuss circumstances in cases where unusual, unforeseen, or extenuating situations exist that inhibit Provider from meeting program requirements.

B. Payment Levels

Initial clinic PMPM payment levels at the time of HSC Execution for participating clinics will be as follows:

Clinic Name	Clinic Risk Score	PMPM
Beavercreek	2	\$4.89
Gladstone Clinic	2	\$9.78
Sunnyside Clinic	2	\$9.78
Sandy Health Clinic	2	\$9.78

For clinics who participated in the PCPM Program in calendar year 2025, the PMPM will be informed by overall performance across the Quality, Oral Health, Behavioral Health, and Equity components of the Program.

For clinics who are newly participating in the PCPM Program through this Agreement:

If CareOregon has sufficient historical 2025 performance data to establish a PMPM based on that data, the 2026 PMPM will be set accordingly, based on clinic risk score. If sufficient data is not available, the 2026 PMPM will be set at the midpoint of the potential payment range, based on clinic risk score.

C. Other Conditions of Program Participation:

1. All participating clinics must be recognized by CareOregon as a primary care provider in order to qualify for payment under the PCPM Program. In the event that a clinic is pending recognition, no payment will be due until such recognition is finalized, at the sole discretion of CareOregon.
2. To ensure appropriate payment of funds under this HSC, Provider will ensure clinic-specific billing for each participating clinic. Clinic-specific billing requires claims submission using professional claims forms (CMS-1500 or 837P) with a clinic-specific National Provider Identifier (NPI) submitted as the billing provider (CMS-1500 item 33a or 837 loop ID 2010AA).
3. If the State of Oregon or the contracted Coordinated Care Organization changes the requirements for Patient Centered Primary Care Home (PCPCH) Supplemental Payment, this HSC will be re-evaluated.
4. Provider agrees to notify CareOregon at PaymentModel@careoregon.org and MetroPRS@careoregon.org within thirty (30) days of any changes that may affect any participating clinic's ability to maintain any of the eligibility requirements of the PCPM program.
5. Provider agrees that payments received will be used to support the appropriate participating clinic(s) located in the CareOregon service area.
6. This HSC may be amended by CareOregon upon written notice to Provider to reflect immaterial programmatic changes to the CareOregon PCPM program. Any other changes to this HSC can only be amended by a written agreement signed by the Parties hereto.

7. Provider agrees to work with CareOregon to coordinate activities with CareOregon for each deliverable/task as required in the 2026 PCPM Program Guide.