

Transforming the Oregon Health Plan through Coordinated Care

Tina Edlund, Director of Policy
Oregon Health Authority

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Senate Bill 1580 Launched Coordinated Care Organizations

- Follow up to 2011's HB 3650
- Strong bi-partisan support
- A year of public input – more than 75 public meetings or tribal consultations
- Built on 1994's Oregon Health Plan that covers 600,000 Oregonians today

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What we will cover

- OHP Health System Transformation: Moving forward
- Why change is necessary
- Coordinated Care Organizations: Basics
- Federal Partners
- Timelines

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Why transform?

CCOs moving forward

- "Request for Application" available for potential Coordinated Care Organizations.
- Dozens of entities in all corners of state have filed non-binding Letters of Intent
- First CCOs will be up and running in August

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Unsustainable:

- Health care costs are increasingly unaffordable to individuals, businesses, the state and local governments
- Inefficient health care systems bring unnecessary costs to taxpayers
- When budgets are cut, services are slashed.
- Dollars from education, children's services, public safety
- 2014: as many as 200,000 Oregonians will be added to OHP

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Cost: if food were health care

If groceries had risen at the same rates as medical inflation since the 1930's:

✓ 1 dozen eggs	\$80.20
✓ 1 roll toilet paper	\$24.20
✓ 1 dozen oranges	\$107.90
✓ 1 pound bananas	\$16.04
✓ 1 pound of coffee	\$64.17
Total for 5 items	\$292.51

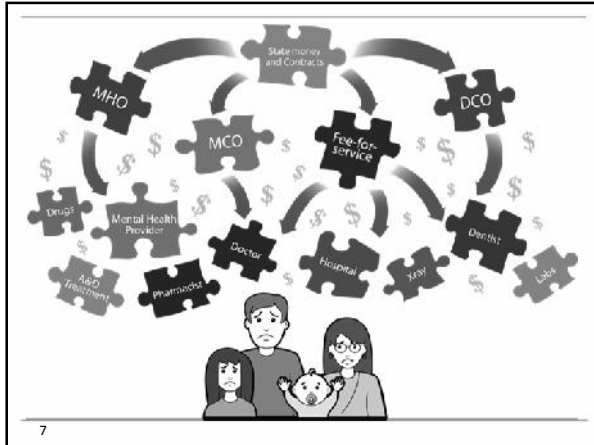


Source: American Institute for Preventive Medicine 2007

Cost of fragmentation

- Behavioral health major driver of bad outcomes and high costs
 - Human and financial cost
- Chronic conditions
 - Care delayed is too often care denied

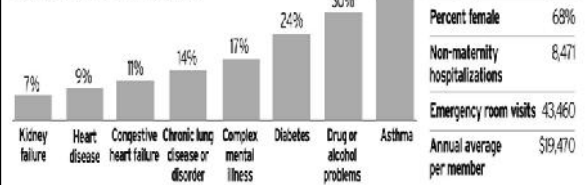
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Frequent adult hospital users

Most common health problems of the 25 percent of Oregon Health Plan adults managed by CareOregon. They account for 83 percent of adult medical costs – meaning 16,100 patients cost \$311 million a year.*



*CareOregon manages care for 160,000 of the 600,000 adults and children on the Oregon Health plan.

Source: CareOregon

DAN AQUAYO/THE OREGONIAN

Average age	46 years
Percent female	68%
Non-maternity hospitalizations	8,471
Emergency room visits	43,460
Annual average per member	\$19,470

The complicated puzzle

- 85 percent of OHP clients:
 - 16 managed care organizations
 - 10 mental health organizations
 - 8 dental care organizations.
- Remainder: “fee-for-service” arrangements between the state and local providers.
- No incentives or payment codes for health
- Estimated 80% of health care dollars go to 20% of patients, mostly for chronic care

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We can do better:
Coordinated Care

Flexibility: pay for non-traditional health workers and other means to coordinate care

Addressing behavioral health: Reduced ED visits by 49% and reduced costs per patient \$3,100.

Central Oregon pilot project



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Coordinated Care Organizations

Replace today's MCO/MHO/DCO system

Local health entities that deliver health care and coverage for people eligible for Medicaid (the Oregon Health Plan).

- ✓ Local control
- ✓ One point of accountability
- ✓ Global (single) budget
- ✓ Community health workers
- ✓ Patient-centered primary care homes
- ✓ Expected health outcomes
- ✓ Health Equity
- ✓ Integrate physical and behavioral health
- ✓ Focus on prevention
- ✓ Reduced administrative overhead
- ✓ Electronic health records

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GOAL: Triple Aim

A new vision for a healthy Oregon

- 1 **Better health.**
- 2 **Better care.**
- 3 **Lower costs.**

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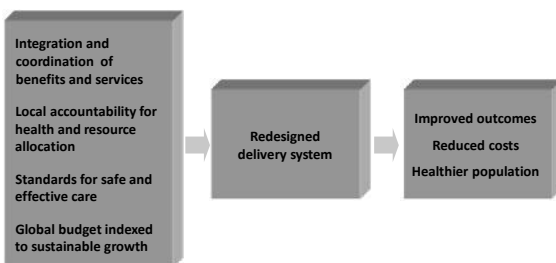
Coordinated Care Organizations

How does the physician assistant model fit in?

- ✓ Patient-centered primary care homes
- ✓ Team-based care
- ✓ Focus on wellness and prevention
- ✓ Underserved populations
- ✓ Workforce
 - effective and efficient management of chronic conditions
 - will need increased access to services with federal health reform

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Vision of Coordinated Care



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CMS Medicare/Medicaid Alignment Demonstration

- 3-year demonstration project in many states
- Oregon's way will be through CCOs
- Key features:
 - Align Medicaid and Medicare requirements
 - Passive enrollment of dually eligible individuals in CCOs (with opt out option)
 - Blended Medicare/Medicaid funding and flexibility around spending
 - Integrated Medicare/Medicaid benefits

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Ted Hanberg, 83, was in and out of the hospital until a coordinated care team helped him get congestive heart failure under control

Since then he hasn't had a return to the hospital in more than year and is living independently with his wife and daughter.



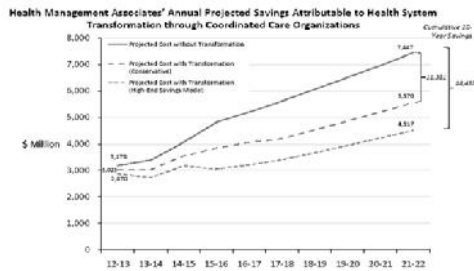
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For Oregon Health Plan Members

- Nothing is changing today
- The first CCOs will be up and running in August 2012
- OHP Members will receive **at least** 30 days notice if care is moved to local CCOs
- Most OHP members will likely not see much change
- Members with chronic illnesses will have more support to help them manage their care
- CCOs are required to have a Community Advisory Council and public information sessions
- OHA staff are ready to help with any questions

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Cost of doing nothing



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What isn't changing

- Oregon Health Plan medical benefits, co-pays or premiums will not change. CCOs will administer OHP as part of their contracts.
- The Prioritized List of Oregon Health Plan Benefits will not change

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Lower costs

Reducing costs while improving care

- A third-party analysis
- Savings would be more than \$1 billion total fund within three years and more than \$3.1 billion total fund expenditures over the next five years.

Federal partnership

- Approximately 60 percent of Oregon Medicaid dollars are paid by the federal government
 - Waiver
 - Financial investment

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Next steps

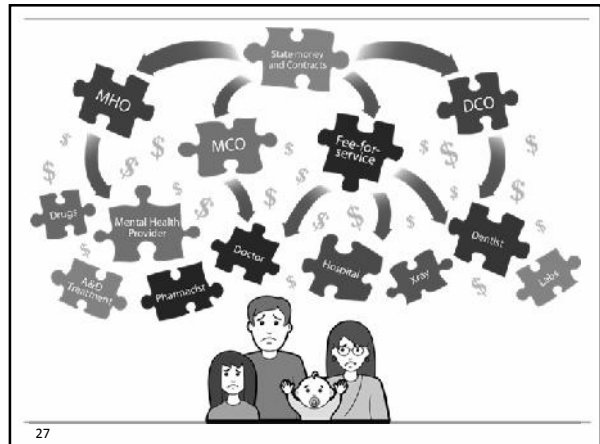
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Timeline – CCOs

As of April 4, 2012

Technical Applications from CCOs due (Wave one)	April 30
Financial Applications from CCO due (Wave one)	May 14
New CCOs Certified	May 28
Medicaid Contracts signed with new CCOs	By June 29
CCO-Medicaid Contracts to CMS	By July 3
Medicaid Contracts effective for new CCOs	August 1

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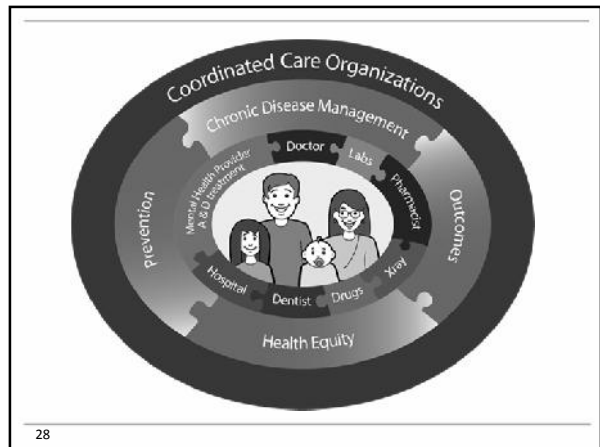
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Timeline Medicare-Medicaid Integration

As of April 4, 2012

Final Medicare-Medicaid Integration Proposal submitted to CMS	April 12
Medicare-Medicaid Integration benefit package due to CMS	June 4
CMS and OHA certification for Medicare-Medicaid Integration	July 31
3-way contracts signed	Sep 20
Medicare-Medicaid Integration 3-way Contract effective	Jan 1, 2013

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Questions about Request for Application?

During the procurement process:

Please send an email to:
RFA.Formalquestions@state.or.us

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www.health.oregon.gov

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