

## Transforming the Oregon Health Plan Through Coordinated Care

### What It Means For Oregon's Physician Assistants

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## What We Will Cover

- History of Oregon Health Plan (OHP) Transformation
- Senate Bill (SB) 1580 Section by Section
  - What stays the same?
  - What changes?
- Oregon CCO Update
- Suggested steps for Physician Assistants

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## Why Transform?

- Unsustainable costs
- Budgetary crisis
- Quality concerns
- Access concerns

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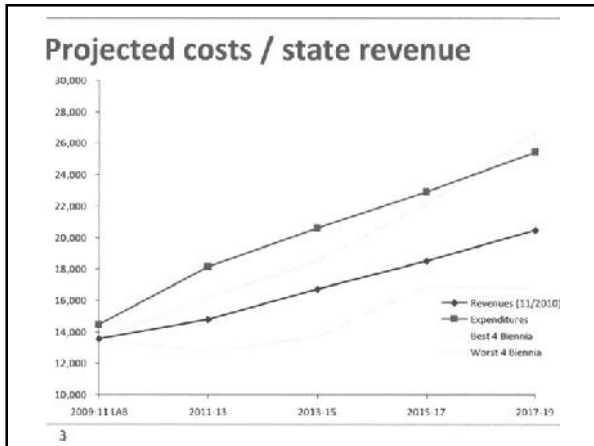
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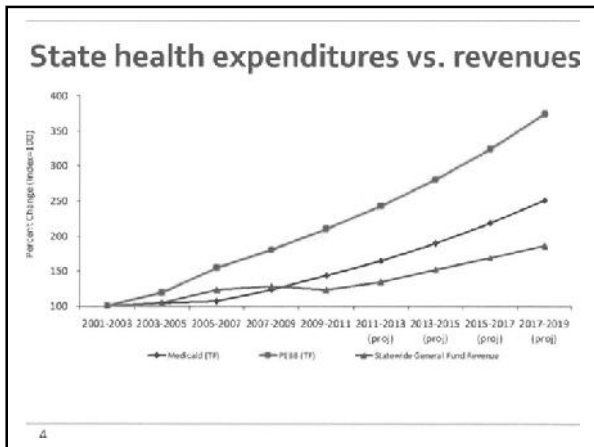
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### HEALTH INDICATORS FOR SELECTED COUNTRIES

Country	Life Expectancy (yrs)	Infant Mortality Rate	Physicians per 1000 people	Nurses per 1000 people	Per capita expenditures on health (USD)	Healthcare costs as a percent of GDP	% of government revenue spent on health	% of health costs paid by government
Australia	81.4	4.2	2.8	9.7	3,137	8.7	17.7	67.7
Canada	80.5	5.0	2.2	9.0	3,895	10.1	16.7	69.8
France	81.0	4.0	3.4	7.7	3,601	11.0	14.2	79.0
Germany	79.8	3.0	3.5	9.9	3,588	10.4	17.6	76.9
Japan	82.6	2.6	2.1	9.4	2,581	8.1	16.8	81.3
Norway	80.0	3.0	3.8	16.2	5,910	9.0	17.9	83.6
Sweden	81.0	2.5	3.6	10.8	3,323	9.2	13.6	81.7
UK	79.0	4.8	2.5	10.0	2,992	8.4	15.8	81.7
<b>USA</b>	<b>78.1</b>	<b>6.7</b>	<b>2.4</b>	<b>10.6</b>	<b>7,290</b>	<b>16.0</b>	<b>18.5</b>	<b>45.4</b>

Source: Commonwealth Fund, 2007

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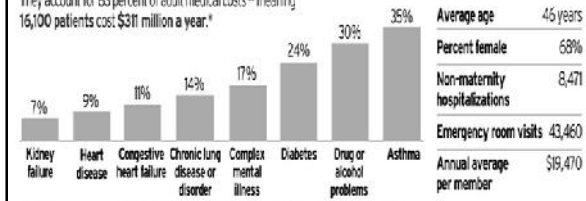
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### Frequent adult hospital users

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.\*



Average age	45 years
Percent female	68%
Non-maternity hospitalizations	8,471
Emergency room visits	43,460
Annual average per member	\$19,470

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

Source: CareOregon

DAN AGUIAR/THE OREGONIAN

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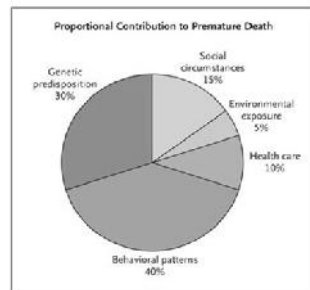
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### Determinants of Health and Their Contribution to Premature Death.



Schroeder SA. N Engl J Med 2007;357:1221-1228.

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### GOAL: Triple Aim

An alternative vision for a healthy Oregon

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

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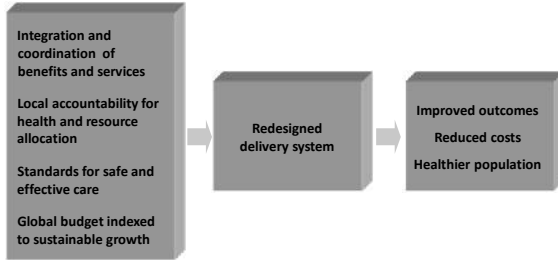
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## Vision of Coordinated Care



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## History of Oregon Health Care Transformation

- SB 329 – Passed by the 2007 Legislature. Established the 7 member Oregon Health Fund Board (OHFB), charged with developing a strategic plan for health care transformation in Oregon. Delivered to Legislature in November, 2008.

[http://www.oregon.gov/OHA/OHPR/HFB/docs/Final\\_Report\\_12\\_2008.pdf](http://www.oregon.gov/OHA/OHPR/HFB/docs/Final_Report_12_2008.pdf)

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## History of Oregon Health Care Transformation (con't)

- House Bill (HB) 2009 – Passed by the 2009 Legislature. Dissolved the OHFB and established the 9 member Oregon Health Policy Board (OHPB), charged with developing an action plan based on the OHFB's strategic plan. Delivered to the Legislature January, 2011.

<http://www.oregon.gov/OHA/action-plan/rpt-2010.pdf>

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### History of Oregon Health Care Transformation (con't)

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- HB 3650 – Passed by the 2011 Legislature. Charged the OHPB with developing an implementation plan based on the OHPB's action plan. Delivered to the Legislature January, 2012.

<http://www.oregon.gov/OHA/OHPB/meetings/2012/2012-0124-cco.pdf>

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### History of Oregon Health Care Transformation (con't)

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- SB 1580 – Passed by the 2012 Legislature. Codifies the implementation proposal delivered by the OHPB.

<http://www.leg.state.or.us/12reg/measpdf/sb1500.dir/sb1580.en.pdf>

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### Coordinated Care Organizations (CCOs)

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Local health entities that deliver health care and coverage for people eligible for Medicaid (the Oregon Health Plan) and also people covered by both Medicaid and Medicare.

Replace current MCO/MHO/DCO system

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

- Will have the flexibility to support new models of care that will improve quality, improve access, and lower costs.
- Will be governed by local health care providers, health systems that have financial responsibility and risk, and community members.
- Will have one budget that grows at a fixed rate for physical, mental, and ultimately dental health services.
- Will be accountable for the health outcomes of the population they serve.

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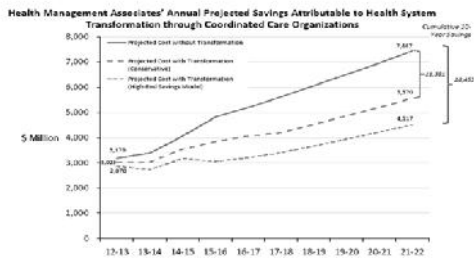
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## Will It Work?

<http://www.oregon.gov/OHA/OHPB/meetings/2012/2012-0124-hma-report.pdf>



©2012 Health Management Associates  
©2012 Health Management Associates' projections are based on 2009-2011 data and 2012-2022 data from Oregon Health Services by applying the growth rates in HMA's model.  
8/12/2012




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## Senate Bill 1580 and Coordinated Care Organizations

- A year of input including more than 75 meetings with almost 1500 participants
- Impacts the 600,000 Oregonians currently covered by the Oregon Health Plan, including dual eligibles
- Sets the stage for federal Medicaid expansion and OEBCB/PEBB/Private insurance payment and delivery system reform.

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Senate Bill 1580 and Coordinated  
Care Organizations

What stays the same?

- The Prioritized List of OHP benefits will not change.
- OHP co-pays and premiums will not change

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SB 1580 – What Does It Do?

- Section 1 – approves the OHPB implementation proposal
- Section 2 – states in the absence of CCO formation, current managed care organizations will continue until 7/1/14. Allows current managed care organizations to become CCOs.
- Section 3 – prevents Oregon Health Authority (OHA) from implementing any provisions that require a federal waiver until federal approval is obtained.

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SB 1580 – Section by Section  
(con't)

- Section 4 – states law became effective on 3/2/2012
- Section 5 –
  - states OHA will adopt rules protecting members from underutilization, emphasizes members must be active partners in their care, allows members access to community health workers, and emphasizes wellness and prevention.

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SB 1580 – Section by Section  
(con't)

- Section 5 (con't) –
  - Establishes the Dual Eligible Project
  - Directs the OHA to develop a provider dispute resolution process using an independent third party arbitrator.
  
- Section 6 – allows the Department of Consumer and Business Services and the OHA to share information

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SB 1580 – Section by Section  
(con't)

- Section 7 – codifies Section 8
- Section 8 – prevents a managed care organization from discriminating against a provider based on their license or certification
  - Does not require a managed care organization to contract with any willing provider.
  - Does not prevent a managed care organization from using different reimbursement models for different types of providers
  - Does not prevent a managed care organization from adopting measures designed for different types of providers

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SB 1580 – Section by Section  
(con't)

- Section 9 – Amends Section 8 to be specific for CCOs.
  
- Section 10 – Implements amendments to Section 8 beginning 7/1/17.
  
- Section 11 – directs OHA to report quarterly to Legislature on implementation progress and results.
  
- Section 12 – repeals Section 11 on 7/1/17

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SB 1580 – Section by Section  
(con't)

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- Section 13 – establishes Community Advisory Committees for CCOs
    - County, community, and provider reps
    - Meet at least quarterly
    - Establish a Community Health Improvement Plan
    - Report annually on progress on the Community Health Improvement Plan
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SB 1580 – Section by Section  
(con't)

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- Section 14 – establishes OHA “Innovator Agents” to be assigned to each CCO
  - Section 15 – Codifies Section 16
  - Section 16 – requires CCO health care providers to share health information with other CCO providers (excludes psychotherapy notes)
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SB 1580 – Section by Section  
(con't)

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- Section 17 – establishes a work group on Patient Safety and Defensive Medicine
    - 8 members: Derek Johnson & Dr. Bud Pierce (co-chairs), Reps. Jason Conger and Chris Garrett, Senators Jeff Kruse and Floyd Prozanski, Larry Mullins, and Vicki Nakashima
    - Charged with developing medmal reform legislation for the 2013 Legislature
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[http://www.oregon.gov/oha/OHPR/PSDM/FinalRecstoGov\\_9%206%2012.pdf](http://www.oregon.gov/oha/OHPR/PSDM/FinalRecstoGov_9%206%2012.pdf)

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SB 1580 – Section by Section  
(con't)

- Section 18 – repeals Section 17 on date 2013 Legislature begins
- Section 19 – establishes Global Budget criteria
- Section 20 – authorizes OHA to develop qualification criteria for CCOs, including financial criteria (reserves) and governance structure.

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SB 1580 – Section by Section  
(con't)

- Section 20 (con't) –
  - CCO Governance
    - A majority of individuals at financial risk
    - At least one MD or primary care NP
    - At least one mental health/chemical dependency provider
    - At least two community members
    - At least one member of the Community Advisory Committee

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SB 1580 – Section by Section  
(con't)

- Section 21 – establishes a 9 member Metrics and Scoring Committee charged with identifying objective outcome and quality measures
- <http://www.oregon.gov/oha/Documents/MetricsScoringCommitteeExchangeMetrics120925.pdf>
- Section 22 – provides CCOs and their providers protection from state and federal anti-trust laws.
  - Sections 23 – 29 – Technical corrections and conforming amendments

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QUESTIONS?

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