Transforming Healthcare in Oregon: Coordinated Care Organizations and Patient-Centered Primary Care Homes

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The Challenges Oregon Faced

- Rising healthcare costs outpacing state budget in Oregon Health Plan (Medicaid) and in state employees benefits
- 85 percent of Oregon Health Plan clients were "managed" in silos:
  - 16 managed physical health care organizations
  - 10 mental health organizations
  - 8 dental care organizations.
- Traditional vendor relationships with health plans in both Medicaid and State Employees, without directed accountability nor incentives to be innovative.
- Only a few alternative payment reform efforts by some payers and a few patient-centered medical home pilot efforts

Triple Aim:
A new vision for Oregon

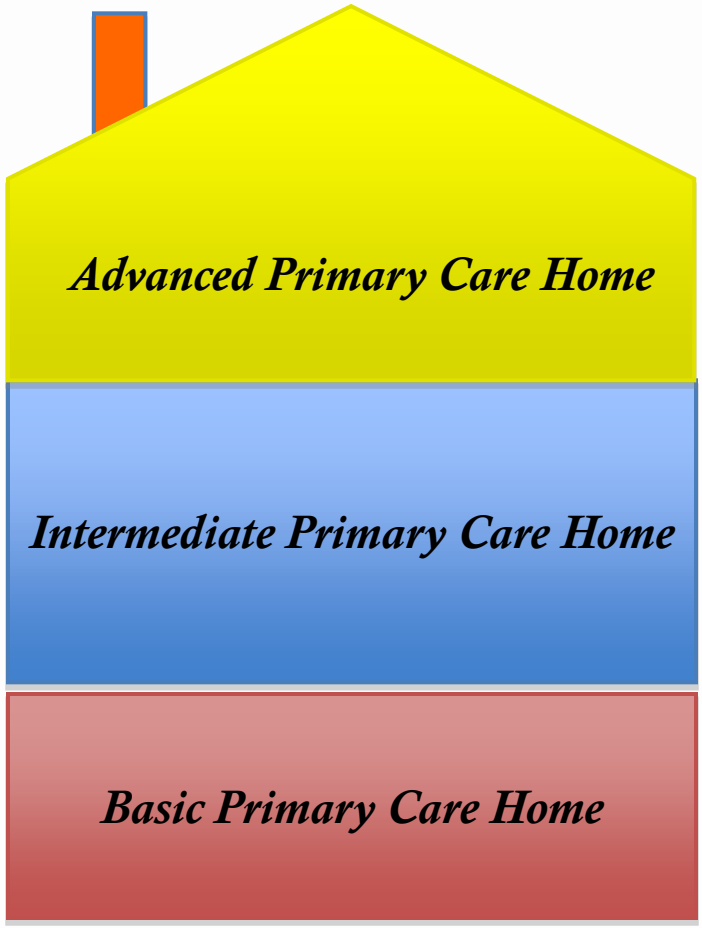
1. Better health.
2. Better care.
3. Lower costs.

Patient and Family Centered: Oregon's Primary Care Home (PCPCH) Model of Care

Oregon's PCPCH Model is defined by six core attributes, each with specific standards and measures set thru a public process:

- **Access to Care** – "*Be there when we need you*"
- **Accountability** – "*Take responsibility for us to receive the best possible health care*"
- **Comprehensive Whole Person Care** – "*provide/help us get the health care and information we need*"
- **Continuity** – "*Be our partner over time in caring for us*"
- **Coordination and Integration** – "*Help us navigate the system to get the care we need safely and timely*
- **Person and Family Centered Care** – "*recognize we are the most important part of the care team, and we our responsible for our overall health and wellness*"

Support Practices to Achieve Higher Levels Of Primary Care "Home-ness"



- Proactive patient and population management
- Accountable for quality, utilization and cost of care outcomes

- Demonstrates performance improvement
- Additional structure and process improvements

- Foundational structures and processes

Aim: 75% of Oregonians have access to care through a PCPCH by 2015

- All OHA covered lives (almost 900, 000) receive care through a Patient-Centered Primary Care Home:
  - OHP (Medicaid/CHIP)
  - Public employees & Oregon educators benefit pools
  - Oregon high-risk pool
  - Family Health Insurance Assistance Program
  - Healthy Kids "Kids Connect"

- Spread to private payers and Qualified Health Plans via the Exchange as 2014 approaches

February 2012:
Senate Bill 1580 Launched Transformation

- Follow up to 2011's HB 3650- Health Care Transformation
- Strong bi-partisan support
- Shaped by public input – more than 75 public meetings or tribal consultations over 1 year
- Built on Oregon's broad health reform efforts including consolidating state health care purchasing through the new Oregon Health Authority
- Aim to sustain the Oregon Health Plan that covers 640,000 Oregonians today and spread Patient-Centered Primary Care Home efforts
- Ready and align the delivery system for health care reform, as also proceeding with a state-based health insurance exchange

Coordinated Care Organizations

- A local network of all types of health care providers working together to deliver care for Oregon Health Plan clients.
- Risk-bearing entities with prescribed governance
- Care is coordinated at every point – from where services are delivered to how the bills are paid.

Changing health care delivery

Benefits and services are integrated and coordinated

One global budget that grows at a fixed rate

Metrics: standards for safe and effective care

Local accountability for health and budget

Local flexibility

Global budget In Medicaid

Current system

- MCO/MHO/DCO/FFS
- Payments based on actions
- No incentives for health outcomes

CCO global budget

- One budget for physical health, behavioral health and in 2014, dental health
- Accountable to health outcomes/metrics
- Local vision, shared accountability, shared savings
- Flexibility to pay for the things that keep people healthy

What's in a CCO Global Budget?

***Capitated component*:** include PMPMs of physical and mental health managed care and for the FFS enrollees moving into CCOs

***CCO optional services**:* include residential alcohol and drug treatment services, OHP dental coverage, and selected targeted case management programs that are offered in only one or a few counties

***CCO transformation incentive payments** :* outside of the capitated portion to provide:

1) infrastructure for metric reporting and delivery system transformation efforts in year 1
2) incentive for meeting both cost & health outcomes metrics (later years)

Better health = Lower Costs

- Agreement with federal government to reduce projected state and federal Medicaid spending by over 10 years. Oregon will lower the cost curve two percentage points in the next two years, from 5.4 to 3.4 %.

- Up-front investment of $1.9 billion from the U.S. Dept. of Health and Human Services over five years to support coordinated care model by investing in some currently state-only programs that impact Medicaid population, if we stay on track for savings

What does the 2 % test apply to?

- Expenditures for Medicaid populations who enroll in a CCO are subject to a review to assure savings are being achieved
- "Must include" populations: non-disabled adults, children and disabled adults
- Voluntary: individuals who are dually eligible and tribal members
- Applies to all services that make up the CCO's global budget, plus selected services that will be phased in during SFY 14 and 15
- LTC are NOT included in global budget or 2 % test

Key Levers for Savings Expected

- **Patient-Centered Primary Care Homes**
  - CCO required to aid implementation across their networks to meet the state's standards
- **Physical and Mental Health Integration**
  - Enhanced screenings and interventions
  - Alignment of services across the CCO
- **Improved care management experienced by beneficiaries in CCO's**
  - Enhanced care planning/transitions of care
  - Innovator agents, community health workers
- **Administrative efficiencies in CCO's**
- **Flexible Benefits**

Medicaid CCO Timeline and Status

- CCO RFA and certification process started in March, 2012
- CMS Waiver approved in July, 2012
- Eight CCOs were certified and started August 1, 2012
- A total of 15 CCOs as of November 2012.
- Fee-for-service transitioning to CCOs as of November also

NOW

90 % of all Medicaid population in CCOs , and access to a CCO in each county in Oregon

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Coordinated Care Model Spreading Beyond Medicaid

- ***State Purchasing Power:*** Key elements included in State employees RFP out for 2014 plan year
- ***Multi-payer partnerships*** underway in Primary Care Home enhanced payment via CMMI/Medicare and private payers
- ***Oregon Transformation Center*** - aim to include CCOs and other payers in learning collaboratives on alternative payment methodologies, share innovations
- ***Exchange's Qualified Health Plans:*** *development* underway to potentially include similar elements, metrics, accountability

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What helped us get this far so fast?

- "Burning Platform"- only option was transformation
- Collaboration around a Strategic Vision through "Oregon-style" public discussion and dialogue
- Legislative and Executive branch leadership to build bipartisan support
- Help validating and verifying our approach with national and other states' expertise and experiences
- Close contact and dialogue with HHS/CMS even before submitting our waiver, and continues as we are implementing

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Questions?

For more information:

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