Oregon’s Health System Transformation: The Coordinated Care Model

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Jeanene Smith MD, MPH
Chief Medical Officer- Oregon Health Authority

Oregon Chose a New Way

Better health, Better Care & Lower Costs
- Governor’s Vision – Transform the Delivery System
- Robust public process
- Bi-partisan support
- Federal waiver approved - $1.9B investment tied to quality and reduction in costs
- New coordinated care model starting in Medicaid, aiming to spread to other state purchased coverage, and into Oregon’s Health Insurance Exchange, private payers
Coordinated Care Organizations

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

Key Levers for Transforming 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
Oregon’s Commitments to CMS

Cost and Quality Accountability Plan:

- Reduce the annual increase in the cost of care (the cost curve) by 2 percentage points
- Ensure that quality of care improves
- Ensure that population health improves
- Establish a 1% withhold for timely and accurate reporting of data the first year
- Establish a quality incentive payment pool ongoing

State “Test” for Quality and Access

- Annual assessment of Oregon’s statewide performance on 33 metrics, in 7 quality improvement focus areas:
  - Improving behavioral and physical health coordination
  - Improving perinatal and maternity care
  - Reducing preventable re-hospitalizations
  - Ensuring appropriate care is delivered in appropriate settings
  - Improving primary care for all populations
  - Reducing preventable and unnecessarily costly utilization by super users
  - Addressing discrete health issues (such as asthma, diabetes, hypertension)

- Significant penalties if goals not achieved
### Quality Strategy Includes Supports for Transformation

- Transformation Center and Innovator Agents
- Learning Collaboratives, Technical Assistance
- Peer-to-peer and rapid-cycle learning systems
- Community Advisory Councils: Community health assessments and improvement plan
- Non-traditional healthcare workers
- Primary care home adoption
- Alternative payment efforts with multi-payers

*Plus:* Recent additional funding from Oregon Legislature for investment in Transformation and Innovation efforts across CCOs

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### Meeting the triple aim: what we are seeing so far...

- CCOs serve over 90% of Oregon’s Medicaid population
- Every CCO is living within their global budget.
- The state is meeting its commitment to reduce Medicaid spending trend on a per person basis by 2 percentage points.
- State-level progress on measures of quality, utilization, and cost (for the first 9 months of 2013) show promising signs of improvements in quality and cost and a shifting of resources to primary care.
- Progress may not be linear but data are encouraging.
Results So Far

- Decreased emergency department visits and expenditures
- Increased use of developmental screening in the first 36 months of life
- Increased primary care visits and expenditures
- Increased enrollment in patient-centered primary care homes
- Increased adoption of electronic health records
- Decreased hospitalization for congestive heart failure, chronic obstructive pulmonary disease and adult asthma
- Decreased all-cause hospital readmissions

Spreading the Coordinated Care Model: 

*Health Reform 2.0*

- Changing care model to bend the cost curve and improve health.
- “Proof of concept” in Medicaid, now extend the care model across populations
- Next is other state purchasing and then align with private sector purchasing
- State employees benefit board’s RFP just completed, with negotiation with successful bidders underway, will be held accountable for key elements of coordinated care model.
- School district benefit board’s RFP next
- QHP and other employers’ plans on horizon
Just some of the current and future challenges we are working to address

- Change is hard
- Change is very hard
- Time, resources and expectations
- No time, limited resources and large expectations - old & new paradigm operating at same time
- Need to create the ROI to extend beyond public purchasing for business, especially the self-insured

For more information:

www.health.oregon.gov

- Full Cost and Quality Accountability Plan is posted

Also can contact me at: jeanene.smith@state.or.us