

Oregon's Health System Transformation: The Coordinated Care Model

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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



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
- More details on metrics at <http://www.oregon.gov/oha/pages/metrix.aspx>

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