

Oregon Health Policy Board

Oregon's Action Plan for Health

Draft Introduction/Executive Summary

An Urgent Call to Action

The Oregon Health Policy Board believes that Oregon must act now to redesign the state's health systems to improve the health of *all* Oregonians and be accountable to the needs of local communities, all at a price that we can afford.

Without action, the current dire circumstances will only get worse:

- The rising costs of health care have made it increasingly unaffordable for individuals, businesses, and for the state. Faced with a 125 percent increase in premiums over the last 10 years, businesses are dropping health insurance coverage because they cannot afford it anymore, leaving thousands of Oregonians without access to primary and preventive health care. Almost 650,000 Oregonians, or 17 percent of the state's population, were uninsured in 2009, which is higher than the national average.
- Even when Oregonians have health insurance coverage, they often have problems getting in to see a doctor. One out of 10 Oregonians who have health insurance still do not have a usual source of care. For Oregon's increasingly diverse population, finding a health care provider who understands their culture or language is an additional challenge.
- The quality of the health care we receive and the resulting health outcomes are inconsistent. Only 50 percent of adult diabetics receive recommended care. Only 44% of adults age 50 or older receive recommended screening and preventive care. Nationally it is estimated that about 30 percent of care provided to patients is either unnecessary or does not lead to improved health. These problems are only more severe for Oregon's communities of color and other underserved or vulnerable populations.

We must address the lack of coordination and integration across our system. Patients often demand and get care that does not improve their health, and never know the true cost of their care. Employers frequently purchase health insurance coverage based on price alone, and not on quality or evidence. Healthcare providers are responsible for patients in their own facilities, but there is typically no coordination between different types of providers. Our mental health, substance abuse, and oral health care needs are too often unaddressed by a fragmented and complicated system. Efforts to improve health in the medical system are too often disconnected from efforts at the community level.

And while the federal healthcare reform package increases access to and funding for health care in a variety of ways, it will not be sufficient or sustainable in and of itself. Without solutions that focus on value and are tailored to our state, costs will continue to spiral upwards and the quality of care will continue to suffer. Oregon deserves better and Oregonians are demanding bold ideas and actions.

The urgent need for immediate action is illustrated by some simple but staggering figures:

- If we had successfully implemented strategies holding the rate of medical inflation to the Consumer Price Index (CPI) over the last five years, health care expenditures in Oregon would have been over \$10 billion or 9 percent lower.¹
- If we had curbed the *growth* of obesity during the past five years, we would have saved \$1 billion in health care expenditures.
- Using bundled or episode-based payments for care related to 10 common acute and chronic conditions would have reduced expenditures by approximately \$2.25 billion or 2% of total health care expenditures in Oregon over the past five years.²

Our Vision: World-class Health and Health Care for all Oregonians

Simple but bold, this statement reflects the Oregon Health Policy Board’s (OHPB) vision for a healthy Oregon. To realize this vision, Oregon must maximize the value of public and private resources spent on health care by achieving world-class results. We believe we can accomplish this vision by focusing on three aims:

- Improve the lifelong health of all Oregonians,
- Increase the quality, reliability and availability of care for all Oregonians, and
- Lower or contain the cost of care so it is affordable for everyone.

This “Triple Aim” is the catalyst for the change that will be required to transform Oregon’s current health care system into a sustainable, high-quality *health* system. This transformation will not be easy and it will not happen overnight. Thoughtful and strategic planning will chart the course for fundamental change.

¹ The price of consumer goods increased at an average rate of 2.4% per year between 2005 and 2009 according to the Bureau of Labor Statistics’ Consumer Price Index (CPI). In contrast, Oregon’s total health care expenditures increased at an average rate of 7.7% per year between 1991 and 2004 according to the Center for Medicare and Medicaid Services’ National Health Expenditure Data. Although more recent health expenditure data is not available, if health care expenditures grew in line with CPI rather than continued on at 7.7%, Oregon would have saved over \$10 billion from 2005-2009 even after accounting for new medical spending attributable to population growth rather than the price of health care.

² Acute conditions include hip replacement, knee replacement, bariatric surgery and acute myocardial infarction. Chronic conditions include asthma, chronic obstructive pulmonary disorder, congestive heart failure, coronary artery disease, diabetes and hypertension.

The Health Consequences of a Fragmented Health System

All across Oregon – in family living rooms, school classrooms and hospital emergency rooms – we see the human impact of the escalating costs of health care every day.

- Children miss school, or come to school sick, because their families can’t afford to take them to the doctor. These children get left behind academically, with consequences that can last a lifetime such as decreased earnings, poorer health, and greater need and use of social support services.
- People with chronic diseases do not see their doctors as often as they should or take the medications they need to control their conditions. Over 19,000 people die each year in Oregon from chronic disease, and those diseases cost the state more than \$1.4 billion annually.
- People with serious mental illnesses die, on average, 25 years earlier than the general population. This is due to largely preventable medical conditions such as cardiovascular disease, diabetes, respiratory illness and infectious diseases.
- One-third of the recent increase in medical costs in Oregon is attributed to obesity.
- Alcohol abuse costs Oregon’s economy \$3.2 billion per year, and the number of Oregon eighth-graders who’ve had a drink in the past 30 days is twice the national average.

Oregon’s Solutions

The ideas in this report come from Oregonians themselves. This *Action Plan* builds directly on the recommendations developed through an extensive public process lead by the Oregon Health Fund Board in 2007 and 2008. Over the past year, the Oregon Health Policy Board (OHPB) and Oregon Health Authority (OHA) were advised by over 300 people from all walks of life who served on almost 20 committees, subcommittees, workgroups, taskforces, and commissions to examine all aspects of the health and health care system. More than 850 people attended six community meetings across the state to provide feedback to the Board. Likewise, many groups around the state such as the Oregon Health Leadership Task Force, OSPIRG, and other community groups have provided input.

Through this process, OHPB members heard about the problems we face from many different viewpoints and received some conflicting input. While not all perspectives can be represented in this report, it is this diversity of perspectives that will lead to successful reforms. The Board has synthesized and prioritized over 100 recommendations into this *Action Plan* reflecting the next best steps Oregon can take to reform its system. We recognize that as we accomplish these steps, we will need to develop additional strategies. The Board thanks everyone who participated in the process of developing these plans and salutes their efforts and willingness to tackle thorny issues. Without their input, wisdom and support, the concepts outlined in this *Action Plan* would never have been possible.

OHPB Committees

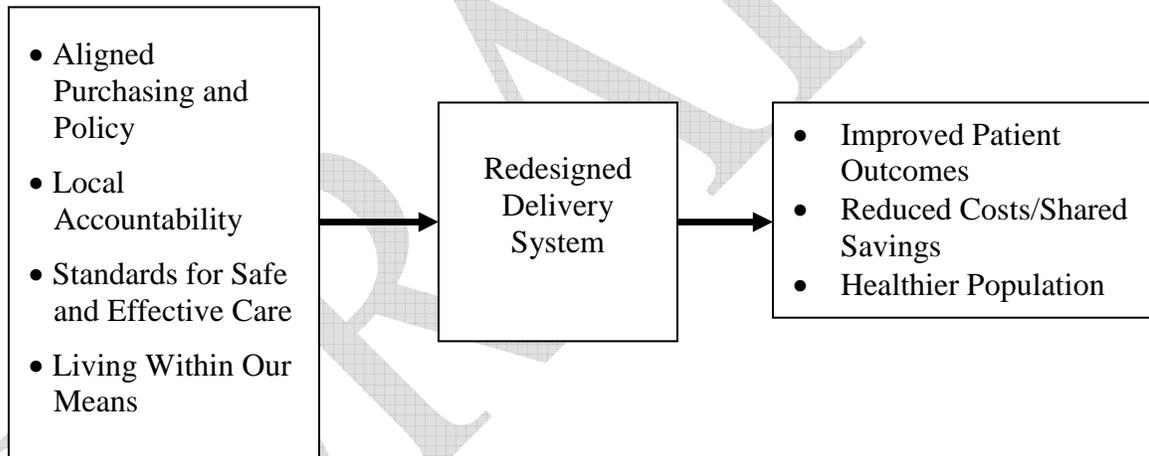
In 2010, the Oregon Health Policy Board convened the following committees to develop recommendations in key system reform areas:

- Administrative Simplification Workgroup
- Health Care Workforce Committee
- Health Equity Policy Review Committee
- Health Improvement Plan Committee
- Health Incentives and Outcomes Committee
- Medical Liability Taskforce
- Public Employers Health Purchasing Committee

Our Theory of Change

If we want to improve the health of our state and ensure that everyone has access to affordable, effective health care, everyone must work together and be accountable to each other in a new way. We must create a common responsibility for health and for stewardship of our fiscal resources.

This effort will necessitate changing our health care delivery and public health systems so that they get us the outcomes we want at a price we can afford. We must align our reform efforts across the entire health spectrum around the Triple Aim. This will require participation and new accountability from all Oregonians, providers, insurers, governments, employers, and communities. It will also mean developing new partnerships with agencies and organizations not typically thought of in relation to of health – such as the Department of Education, the Department of Agriculture, and the Oregon Liquor Control Commission – to combat population health issues of obesity, alcohol abuse, and improved student health and nutrition.



Our Foundational Strategies

The Board has identified four key strategies that will establish the foundation for this real change. Each builds on and complements the others, and each element is needed if we are to achieve the Triple Aim. Outlined below are the key next steps that the Board has prioritized under each foundational strategy. While there are many other actions we must take to achieve world class health and health care, the Board strongly believes that our energy must focus on these immediate critical steps to develop the momentum and motivation for lasting change.

Strategy #1: Aligned purchasing and policy

Smart and coordinated purchasing and policy throughout the public and private sectors, together with payment reform strategies, can and will change the way care is delivered and population health is managed. If instituted thoughtfully, this redesign of the healthcare delivery system will produce better health outcomes at lower costs.

Priority Action Steps:

- **Legislative action in 2011 creates a public corporation to implement Oregon’s Health Insurance Exchange.** The Exchange has a broad mission to be accountable to the public for achieving all elements of the Triple Aim and managing public and private funding for individuals using the services of the corporation.
 - The OHA has been awarded federal grant for implementation planning that will be completed September 2011.
 - The Governor appoints the corporation board. This public corporation will have the legislative authorities to act as a strong purchaser to drive high value in the health care system.
- **The Oregon Health Authority aligns purchasing policies** across the State’s existing patchwork of health care programs. Key steps include:
 - The OHA standardizes provider payment methodologies across the OHA lines of business by 2013 including Medicaid fee-for-service and managed care, Public Employees Benefit Board, and the Oregon Educators Benefit Board.
 - Legislative action in 2011 will extend these standards to payers statewide.
 - The OHA will work with stakeholders in 2011 to identify specific health conditions and procedures where the potential to impact cost, quality, and patient experience is the greatest. This work will serve as the basis for OHA and statewide implementation of quality improvement, payment, benefit design, and other reforms where alignment is important.
 - OHA and OHPB work with partners to align background requirements for the clinical portion of health professions training and to revise policies that restrict the availability of health professional training programs.

- **The Oregon Health Authority, in partnership with other state and local agencies, leads the way in improving the health of Oregonians** by making the healthy choice the easy choice. Key steps include:
 - Set healthy standards for food and drink served on state and other public campuses.
 - Similarly, adopt tobacco-free campus policies on state and other public property.

Strategy #2: Local accountability

Health and healthcare – particularly primary care, chronic care management and population health – are best designed and managed within natural health eco-systems. Regional entities will act as integrators, bringing together resources to support the health of the community and ensuring that local health systems continuously improve and innovate to meet the needs of their own communities.

To truly achieve local accountability, the OHPB has prioritized **establishing regional organizations that are responsible and accountable** for meeting the unique health needs of their populations. These new organizations will be accountable for improving the health of their communities and managing health care resources through integration of public health, behavioral health, oral health, physical health, and community services.

Priority Action Steps:

- Legislative action in 2011 provides the **authority for regional accountable health organizations** that can accept, manage, and integrate health resources at the local level.
- The OHA **seeks federal permission to streamline funding** to these regional organizations and works with communities to monitor and ensure local accountability for health outcomes and system costs.
- These regional organizations will be responsible for **integrating public health and behavioral, oral, and physical health care services** locally through the use of community health workers and other innovative approaches.
- The OHPB sets a goal of **five regional organizations in operation by 2012**.

Strategy #3: Standards for safe and effective care

Our health professionals must pool their knowledge to create systems care based on experience and evidence about outcomes, and must then act within these standards to deliver increasingly safe and effective care. Health care purchasers must contract for and expect this level of excellence.

Priority Action Steps:

- OHA leverages increased federal funding and partner with regional accountable health organizations to **implement patient-centered primary care homes** in five regions of the state by 2013, with all Oregonians having access to one of these homes by 2015.
 - These initiatives will: implement Oregon’s patient-centered primary care home standards; integrate physical, behavioral, oral, and public health services; incent an

- adequate distribution of workforce to deliver care; and include private insurers where possible to support system-wide payment restructuring.
- OHA will continue current partnerships and expand efforts to implement these initiatives across all payers within regions.
 - The OHA works with private insurers and other stakeholders to address implementation considerations for a **value and evidence-based benefit plan** so it can be offered across OHA lines of business by January 2012 and the Oregon Health Insurance Exchange in 2014.
 - OHA convenes key stakeholders to **gain consensus around the identification and development of Oregon-based best practice guidelines and standards of care** that can be uniformly applied across public and private health care to drive down costs and reduce unnecessary care.
 - Legislation in 2011 **changes medical liability laws** to encourage physicians and facilities to disclose medical errors and discuss them with their patients, and clarifies insurer and provider responsibilities

Strategy #4: Living within our means

We cannot continue to dedicate an ever increasing amount of our financial resources to health care – at the expense of all other services, including education and public safety. As such, we must learn to create and innovate within a budget. We must do it now and use our budgeting process to spur a new era of innovation.

Priority Action Steps:

- The OHPB sets **OHA and statewide targets for overall health care expenditures**, limiting increases to a specified economic index. The Board’s goal is to force innovation and efficiency while maintaining quality.
- The OHA and the Department of Consumer and Business Services (DCBS) partner to **reduce administrative burden in the health care system**.
 - Legislation in 2011 streamlines insurance administrative functions by requiring the same processes and language to be used by all payers.
 - Through administrative rule, DCBS adopts “uniform companion guides” that provide standard instructions for electronic communications between providers and payers, and they also phase-in the requirements for electronic communication by October 2013.
 - OHA begins to implement administrative standardization in Medicaid fee-for-service and managed care, Public Employees Benefit Board, Oregon Educators Benefit Board, and Addictions and Mental Health Division.
- The OHA, working with stakeholders, will target key cost, quality, and efficiency concerns by **implementing bundled payments** through OHA programs and partnerships at the regional level.
- The OHA will seek federal permission and remove administrative barriers in order to **aggregate and better leverage a wide variety of current funding streams** for use by regional health organizations.

Fundamental Cross-cutting Considerations

The Board acknowledges there are several cross-cutting priorities that frame the work around our key strategies and has identified key next steps to address these concerns.

- **Health Equities** — Efforts to improve our health system must include a focus on eliminating health disparities and inequities, by providing culturally-specific, effective care for all Oregonians. Historical health, economic and social policies in the United States and Oregon disadvantaged communities of color and other diverse communities, often with tragic consequences. Oregon’s population is increasingly diverse and our changing demographics have profound challenges and implications for Oregon’s health care system and our ability to provide effective care, not the least of which is having a provider workforce that reflects Oregon’s growing diversity. Despite these challenges, there are many opportunities to create equitable health outcomes for all of Oregon. Priority action steps for health equity include:
 - OHA incorporates incentives for using **community health workers** as key team members in primary care provision. Community health workers are effective because they are members of the communities in which they work and share language and experience with patients.
 - Health care professional regulatory boards require **cultural competence continuing education** for licensed health care professionals.
 - OHA ensures that **all health data collected and analyzed within OHA includes the appropriate level of detail** about race, ethnicity, national origin, language, ability, sexual orientation, occupation and geography.
- **Health Information Technology and Exchange** — Health Information Technology (HIT) and Health Information Exchange (HIE) are essential supports for the change strategies and priority action steps outlined above. The OHPB supports the Health Information Technology Oversight Committee goal of achieving widespread adoption and use of electronic health records among a majority of Oregon providers by the 2013-2015 biennium. The outcome of this accomplishment will be better support for clinical decision-making, improved patient care and coordination, and enhanced public health data and surveillance. The value of HIT will be enhanced by secure, efficient sharing of health information via a statewide Health Information Exchange (HIE). Information exchange improves safety and quality by giving all medical personnel the information they need to treat patients appropriately, no matter where the patient shows up, and reduces the need for patients to fill out repetitive medical forms for every new provider they see. HIE also has the potential to produce significant cost savings by helping consumers avoid duplicative tests and helping providers use information from previous visits to make care more efficient.
- **Access to Care** — Ensuring all Oregonians have access to affordable health services that are accessible and culturally competent requires a multi-pronged effort. This effort should include: coverage expansions; easier ways for people to assess their coverage options, with streamlined enrollment processes; better access to appropriate care for all

Oregonians; and improvements in health equity that will ensure this promise is met for everyone in the state. However, even with our best efforts around expanding coverage, there will be some Oregonians who remain uninsured. It is critical that we have a strong safety net system to provide this population with high quality, timely care.

For the population to achieve optimal health outcomes, available services must be effective and appropriate to patients’ needs. Barriers to access must be understood and removed in the context of the varied socio-demographic landscape of the state, including diverse culture, language, income level, geography, health status and other social and economic factors.

- As part of ensuring access, OHA should continue **to provide technical assistance and support to local community-based health care access initiatives** including multi-share approaches.
- ***Bending the Cost Curve*** — Healthcare is expensive and becoming more so by the day. Rising healthcare costs threaten our health and our system of medical care. Everyone is feeling the squeeze: businesses struggle to provide their employees with health insurance and increasingly require employees to pay a greater share of the bill; public insurance rolls expand even as deficits strain state budgets; individuals put off necessary care until health problems become emergencies. Left unchecked, this trend will undermine our best efforts to improve the health of Oregonians.

The Oregon Health Policy Board believes that the Oregon Health Authority and the new Oregon Health Insurance Exchange can take a key role in bending the cost curve. By being smart purchasers that seek to drive value and placing more emphasis on preventing disease, the Authority and the Exchange can be catalysts for bringing medical costs in line with what is affordable to the state, businesses, and consumers.

- ***Measuring Progress*** — If Oregon is to transform its health care system, we need to know where things stand now and whether our efforts are moving the state closer towards world-class health for all Oregonians. We also need to put tools into the hands of consumers, purchasers, and policymakers so they have the information they need to make good decisions. Dynamic and robust data systems, and well as in-depth analysis of the data, will provide that type of transparency. The following efforts, among others, will help us achieve it:
 - **Oregon Scorecard and statewide quality metrics** — The Board is developing a Scorecard, or a data snapshot of health and health care in Oregon, to provide a starting point for measuring progress towards the Triple Aim. Additionally, the Board and the Oregon Health Authority will continue working with communities, providers, insurers and others stakeholders to develop quality and efficiency metrics that can be used to inform policy decisions, set targets for future performance and evaluate the impact of reform strategies, especially for populations facing health disparities and inequities.
 - **Oregon All-Payer, All-Claims (APAC) Reporting System** — Beginning in 2012, Oregon will have a consolidated dataset of claims paid by Medicare, Medicaid, commercial insurers, third party administrators and pharmacy benefit

managers. This will enable us to see how performance and costs vary between geographic areas and health systems within the state.

- **Oregon Health Care Workforce Database** — Legislation proposed for 2011 would improve data about Oregon’s health care workforce capacity by requiring all professional licensing boards to submit information to Oregon’s Healthcare Workforce Database.
- **Consumer and Patient Engagement** — At the core of Oregon’s health reform efforts is the patient. Every other player in the system must be responsible for and accountable to this consumer. Likewise, consumers need to be responsible for their own health and behaviors that contribute to their health status. Patient and family engagement are critical and responsibility for patient engagement should be clearly articulated and allocated among providers, payers, and plans. When patients and families participate as full partners with health care professionals, system performance improves. A first action step in this area is:
 - The OHPB works closely with communities and providers to develop **standard measures for patient engagement and experience of care** in 2011 and fold these measures into regional systems of accountability and patient-centered primary care home initiatives.
- **Shifting Focus to Prevention** — Every aspect of the health system needs to prioritize prevention – from benefit design to primary care homes to integration of public health efforts. Efforts are already underway to move towards a benefit design that eliminates barriers to preventive services. Patient-centered primary care homes standards, to which prevention activities and services are central, have been developed and are being piloted across the state. Work must continue on ways to integrate and connect public health activities around prevention with clinical practices on a local and regional basis.
- **Federal Health Reforms** — Oregon’s reform work will be shaped in part by the Patient Protection and Accountable Care Act (PPACA), passed early in 2010. Federal reform by itself will not create healthy Oregonians, control costs, or fundamentally change the delivery system. It does, however, provide us with funding opportunities for planning and implementing the comprehensive reforms we think will accomplish our Triple Aim. Notable elements of federal reform include:
 - **Increased funding for care delivery settings that focus on preventive and primary care**, which will help Oregon toward its goal of making affordable, high-quality primary care available to everyone through patient-centered primary care homes. The PPACA also allows for experimentation with new models of payment and care delivery outside of primary care. Implementation of innovative care models will be supported by the development, recruitment, and retention of a robust health care workforce, trained to deliver care in new ways in the communities where it is most needed.
 - Primarily federally funded **expansions of coverage through Medicaid for adults up to 133 percent of poverty** will mean most low-income people in Oregon will

have access to health insurance coverage by 2014. Increased safety net funding will help provide access to care for people who do not qualify for Medicaid.

- Beginning in 2014, federally funded tax **credits for people up to 400 percent of poverty** will allow more individuals and families afford private health insurance premiums. Many people will also qualify for cost-sharing assistance to help lower their out-of-pocket costs.
- New federal **health insurance reforms** taking effect now through 2014 make insurance companies more accountable and remove barriers that in the past kept sick people from getting the coverage they needed, or charged them much more for coverage if they could find it. Recognizing the changing face of families, federal law now allows adult children to stay on their parents’ health insurance plan until they are 26. This is a population that has historically high rates of uninsurance.

Our Infrastructure Proposal: Partners for Health

The Board proposes an infrastructure for our transformed health care system — one in which existing players may have new roles and functions, while new entities are created to further the Triple Aim.

The Oregon Health Authority

The Oregon Health Authority, which purchases health care for almost 850,000 people, or approximately 1 in every 4 Oregonians, will align purchasing strategies across the state’s health programs, including Public Health, the Oregon Health Plan, HealthyKids, employee benefits and public-private partnerships. This alignment allows the OHA to focus on health and preventive care, provide access to health care, reduce health disparities, and reduce waste in the health care system. OHA can provide technical and policy assistance to local communities as they transition to being accountable for their own health and health care delivery systems. As a major health care purchaser, the OHA can coordinate and partner with the private sector to create and implement system-wide care improvement and cost reductions.

The Oregon Health Policy Board and the Oregon Health Authority leadership, in consultation with the Governor’s Office and Legislature, are responsible for setting annual and long-term targets for the Triple Aim goals in Oregon, and to track and monitor all statewide progress towards achievement of these goals. This includes population health goals, such as reducing obesity and tobacco use, as well as improved patient outcomes. Plans for achieving Triple Aim goals must also take into account the changing demographics of Oregonians and the fiscal realities facing the state.

A Public Corporation that will Administer the Health Insurance Exchange

A public corporation should be established with a broad mission to be accountable for organizing the purchasing of health insurance in the individual and small group insurance markets (at a minimum), as proscribed by federal health reform. It is also responsible for achieving all elements of the Triple Aim, as well as managing and maintaining a global healthcare budget, for lives using the services of the corporation, and should have the flexibility to expand to serve

additional publicly and privately insured populations wanting to use it. The corporation should be responsible for:

- Assuring all health insurance contracts are aligned to achieve the same outcomes and administrative efficiencies.
- Selecting benefit designs and the qualified health plans to administer them for the federal insurance exchange for small groups and individuals.
- Serving as the fiduciary entity for all revenue received and distributed for people using the services of the corporation.
- Furthering policies that move toward locally accountable care.

Locally Accountable Care

The Board believes that communities hold great promise for fundamental change through organizing an efficient use of resources and tailoring health improvement initiatives to meet the needs of their residents. The actual organization of some of these local entities is beginning to develop and there are several communities around the state who are working to organize planning efforts at the local level. The development of these local entities should be a priority of the Oregon Health Authority and the new public corporation that is administering the health insurance exchange.

The Board envisions these local entities will establish governance structures to:

- Create relationships and contracts with providers in a health system that integrates physical, behavioral and public health.
- Assume accountability for quality of services delivered and health outcomes within their integrated health system(s).
- Create a collaborative environment for the local integrated health systems to innovate towards achieving local triple aim goals and staying within the local global budget.
- Create a culture of health in their locality, including programs or initiatives that help people make healthier lifestyle choices.
- Set, measure, and track local progress on Triple Aim goals.

Qualified Health Plans

Federal health reform will dictate the baseline for qualified health plans. Oregon will have an opportunity to set higher standards, particularly for those plans contracting with the new public corporation, to orient their services towards achieving Triple Aim goals while still offering risk management, care coordination and administrative support services.

Coordination with Health Care Providers

Health care providers are key partners in true system reform. Their insight and experience will be critical in changing system incentives in ways that improve the coordination of care and health outcomes, reduce or eliminate unnecessary or duplicative care, and ultimately control costs in a transformed and accountable health system. They also have a vital role in engaging patients in their own health, as well as integrating and coordinating public health activities with their clinical practices.

Overview of Our Reform Plan

While it is critical we adopt some structural changes to our system immediately to address the urgency of our health care crisis; the Board understands that some reforms must, by necessity, have a more gradual glide path towards change. We recognize that not every insurance company, hospital, health care provider, community, employer or consumer is ready for the changes that must happen to transform our system, and that our strategies must be flexible and accommodate all levels of preparedness. We also understand that our early efforts must earn the confidence of the state before we can move on to implement other necessary reforms.

OHA will create the process and structures in which progress can be made towards aligning state purchasing, creating local accountability, and standardizing care, and do this all while living within our means. But make no mistake, change will happen and everyone needs to take steps to make the transition as graceful as possible. The timeline below provides an outline for implementation of these actions and Board recommended sequencing.

Foundational Strategy	Immediate Actions (now through 2011 legislative session)
<p>Align purchasing and policy</p>	<p>Oregon Health Authority (OHA) begins to better align state purchasing.</p> <p>2011 Legislature establishes a public corporation with strong purchasing authority to operate the Oregon Health Insurance Exchange.</p> <p>2011 Legislature lays the foundation for transition away from fee-for-service payments by requiring standardization of payment methods (not rates) for some services to Medicare methods in OHA and statewide.</p> <p>OHA, in partnership with other state and local agencies, promotes healthy behaviors by setting nutrition standards for food and beverages and adopting tobacco-free campus policies in all state agencies and facilities.</p>
<p>Local accountability</p>	<p>2011 Legislature establishes statutory authority for regional health organizations.</p>
<p>Standards for safe and effective care</p>	<p>OHA partners with local delivery systems to pay for patient-centered primary care homes in accordance with Oregon standards.</p> <p>OHA completes design of a value-based benefit package for use in state-purchased coverage and in the future Health Insurance Exchange.</p> <p>OHA works with key stakeholders to gain consensus around identification and development of Oregon-based quality standards, best practice guidelines and standards of care for implementation across OHA and statewide.</p> <p>Legislation in 2011 changes medical liability laws to encourage physicians and facilities to disclose medical errors and discuss them with their patients, and clarifies insurer and provider responsibilities.</p>

Foundational Strategy	Immediate Actions (now through 2011 legislative session)
<p>Living within our means</p>	<p>OHPB sets OHA and statewide targets for total health care expenditures to incent innovation and efficiency while maintaining quality.</p> <p>DCBS and OHA adopt and apply electronic communication standards for core administrative and financial communications; 2011 Legislature authorizes extension of standards to third party administrators, self-insured plans, and clearinghouses.</p> <p>OHA begins development of bundled payments and other innovative payment approaches for implementation in OHA programs and through private sector partnerships.</p> <p>OHA continues LEAN management, focusing on continuous improvement, efficiency and eliminating processes that do not add value for OHA clients and customers.</p>
<p>Fundamental cross-cutting considerations</p>	<p>OHA begins to implement strategic and operational plans for Oregon Health Information Exchange.</p> <p>OHA establishes key information tools to educate policy development, address health disparities, and inform evaluation including the all-payer, all-claims database, requirements for collection of race, ethnicity, and other demographic data, and a complete health care workforce database.</p> <p>Federal health reforms begin, including elimination of pre-existing coverage limits for children and lifetime limits for everyone, as well as allowing children to remain on parents insurance through age 26.</p>



Foundational Strategy	Next best steps in 2011-2013
<p>Align purchasing and policy</p>	<p>Oregon Health Authority successfully aligns purchasing policy across all OHA lines of business.</p> <p>Health Insurance Exchange Board is established and begins implementation of insurance exchange starting with individuals and small groups.</p> <p>OHA and OHPB work with partners to align background requirements for clinical training and to revise policies that restrict the availability of health professions training programs.</p>
<p>Local accountability</p>	<p>The OHA works actively with communities to implement regional organizations that integrate public health, behavioral health, oral health, and physical health services and that are responsible and accountable for health care workforce development and improving the health of their communities, with a goal of five organizations in operation by 2012.</p>
<p>Standards for safe and effective care</p>	<p>Patient-centered primary care home payment systems that encourage the most efficient use of the health care workforce—including community health workers as critical links between clinical and community services—are operational in at least five regions of the state by 2013.</p> <p>Oregon’s value-based benefit package is offered through state lines of coverage by January 2012 and in the Oregon Health Insurance Exchange January 2014.</p> <p>OHPB considers if evidence-based practice guidelines can reduce medical errors and malpractice costs and if so, may propose legislation.</p> <p>OHPB and OHA work with stakeholders to develop or endorse desired health care workforce competencies for new models of care delivery.</p>
<p>Living within our means</p>	<p>OHPB sets OHA and statewide limits on growth in health care expenditures to a specified economic index.</p> <p>OHA continues to change incentives and encourage efficient use of workforce capacity by implementing bundled payment and other innovative payment approaches in key focus areas, both within OHA programs and more broadly through private partnerships.</p> <p>OHA develops standardized processes for prior authorization for services, referrals, and plain language billing for consumers.</p> <p>OHA and regional health organizations seek federal approval to aggregate and leverage multiple funding streams into a single source for use by regional integrated health systems.</p>

Foundational Strategy	Next best steps in 2011-2013
<p>Fundamental cross-cutting considerations</p>	<p>OHA sets statewide health system performance goals.</p> <p>OHA works with stakeholders to develop or endorse standard measures of patient engagement and activation to be folded into primary care homes, payment reforms, and regional health organizations.</p> <p>Oregon Health Information Exchange is fully operational and supports meaningful use of health information technology by providers to improve care quality and coordination.</p> <p>OHA continues to provide technical assistance and support to community-based health care access initiatives.</p>



Foundational Strategy	Action steps and achievements for the 2013-2015 biennium
<p>Align purchasing and policy</p>	<p>In January 2014, Oregon Health Insurance Exchange begins operation and enrollment in Exchange plans begins.</p>
<p>Local accountability</p>	<p>The OHA continues to support development and expansion of regional and community efforts to locally integrate health improvement and health care decisions and be accountable for the outcomes of those decisions, with a goal of an integrated organization in every region of the state by 2015.</p>
<p>Standards for safe and effective care</p>	<p>Patient-centered primary care homes and value-based benefit plans are available across OHA programs and the Health Insurance Exchange.</p> <p>All Oregonians have access to patient-centered medical homes by 2015.</p>
<p>Living within our means</p>	<p>In January 2014, all health plans and providers are using standard electronic methods for billing, paying, and communicating eligibility and financial information.</p> <p>The Oregon Health Authority and the Oregon Health Insurance Exchange continue to incent quality and efficiency through payment reform, state purchasing and public/private partnerships.</p>
<p>Fundamental cross-cutting considerations</p>	<p>Achieve widespread adoption and use of electronic health records to support clinical decision-making, improve patient care and coordination, and enhance public health data and surveillance.</p> <p>In 2014, Federal insurance expansions through Medicaid and tax credits begin; all insurance is guarantee issue and renewable.</p>

Our Vision for 2015 and Beyond

- Oregonians health status is ranked among the highest in the nation overall and by sub-populations.
- Every Oregonian has high quality health care at a price we can afford.
- Consumers can get the care and services they need close to home, from a team of health professionals who understand their culture and speak their language.
- Consumers, providers, community leaders, and policy makers have the specific quality information they need to make better decisions and keep delivery systems accountable.
- New payment systems and quality standards contain costs by emphasizing value and outcomes instead of rewarding volume.
- Communities and health systems work together to find innovative solutions to reduce overall spending, eliminate inequities, increase access to care and improve health.
- Electronic health information is available when and where it is needed to improve health and health care through a secure, private health information exchange.

DRAFT

**Oregon Health Policy Board
Oregon’s Action Plan for Health
Draft Outline**

I. Introduction: An Urgent Call to Action

II. Our Key Strategies

- Aligned purchasing
- Local accountability
- Standards for safe and effective care
- Living within our means

III. Our Infrastructure Proposal

IV. Fundamental Cross-cutting Considerations

- Health equities
- Access to care
- Bending the cost curve
- Measuring progress
- Consumer and patient engagement
- Shifting the focus to prevention
- Federal health reform

V. Next Best Steps to a Healthy Oregon

- Population health
- Quality and payment reform
- Workforce reforms
- Administrative simplification
- Health information exchange
- Medical liability
- Public corporation to administer the Oregon Health Insurance Exchange
- Value-based Benefit Design
- Successful implementation of insurance expansions

VI. Timeline for Next Best Steps

VII. Conclusion

Appendices

Supporting Documents: List of OHPB Committee Reports
Summary of Action Plan Recommendations
Draft Oregon Health and Health Care Scorecard Reference
Bending the Cost Curve Full Summary
Summary of Public Input on *Action Plan*