

Oregon Action Plan for Health

An urgent call to action

In 2009, the Oregon legislature created the Oregon Health Policy Board and gave it the charge to create a comprehensive plan for health reform for our state. This Plan meets that charge by laying out a timeline for actions and strategies that reflect the urgency of the health care crisis and will lead Oregon to a more affordable world-class health care system.

Over the past ___ months the Board has heard from hundreds of Oregonians around the state – individuals, small business owners, policy makers, members of the health care community, and state and local government.

Everyone is facing the same challenge: costs are too high, outcomes are unsatisfactory, and care is fragmented. As a state, we have an imperative. The cost of health care for the State of Oregon accounts for ___% of state spending in a time when we are facing a \$3.5 billion shortfall. If we do not act today to reign in these costs, they will continue to overwhelm the state budget. The same is happening with family budgets and business budgets.

Meanwhile, for all the dollars we spend, the quality of our care is uneven and the allocation of our resources is illogical.

We can do better. We must do better. And we must take action now.

To achieve a world class quality of health in Oregon, all recommendations in the plan were pointed to achieve three important objectives – also known as the “Triple Aim.” These simply stated objectives are powerful because within them they encompass all that we would hope our state health system would include:

Triple Aim

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.

Under the Triple Aim, this Action Plan includes steps towards creating a health system in Oregon in which:

- 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 quality information they need to make better decisions and keep delivery systems accountable;

- Quality and consistency of care is improved and costs are contained through new payment systems and standards that emphasize outcomes and value rather than volume;
- Communities and health systems work together to find innovative solutions to reduce overall spending, increase access to care and improve health; and,
- Electronic health information are available when and where it is needed to improve health and health care through a secure, private health information exchange;

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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 more than 100 recommendations into this *Action Plan*, which clearly identifies the next steps Oregon should 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 strategies outlined in this *Action Plan* would never have been identified.

The Oregon Health Policy Board is a nine-member citizen board appointed by the governor. Board members serve four year terms, and include representatives from consumers, business, public health, and health care.

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Foundational Strategies for Action

The Action Plan for Health calls for actions by policy makers, health care providers, consumers, stakeholders, the Oregon Health Authority and others who are affected by our current broken health system.

These actions are staged to begin immediately and carry through over the next several years until Oregon has the system and infrastructure changes necessary to meet the goals of the Triple Aim of better health, contained cost, and improved access.

To get to this kind of fundamental change, the Board has identified eight key strategies upon which to build the foundation. Each builds on and complements the others, and each has specific actions that are identified on page _____. More detail about actions can be found beginning on page _____.

#1 Spend health care dollars in a better way to lower costs

Align public purchasing, reduce overhead, increase efficiencies and set budgets

Health care is expensive and becoming more so by the day. Health care accounts for 22% of the state budget, which is currently threatened by a \$3.5B shortfall. 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 as deficits strain Oregon's 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. We must act now to bend the cost curve.

While cost reduction will come from a variety of overall improvements to the health system, such as improved prevention strategies, increased equity and other actions, there are specific steps to be taken directly related to costs.

The Action Plan cost reduction tactics include aligning the health care purchasing for the more than 850,000 people who receive health care through the Oregon Health Authority, reducing administrative overhead in the health care industry, crafting value-based essential benefit plans with innovative payment strategies, and setting "global" budgets for health care.

For more information on how these and other strategies will bend the cost curve downward, go to page _____.

#2 - Focus on prevention

Improve health, lower cost and allow smarter allocation of resources

80% of the contribution to lifelong health lies outside of the medical care system. To realize the Triple Aim, the Board is calling for a focus on prevention both within the health care system and beyond it, in the places we live, learn, work and play. The Action Plan for Health

calls for a health system that integrates public health, health care, and community-level health improvements to achieve a high standard of overall health for all Oregonians regardless of income, race, ethnicity, or geographic locations. Reforms must occur in every one of those settings if we hope to improve lifelong health for all Oregonians.

New focus on prevention will also mean our health system will strive to prevent chronic diseases by reducing obesity, tobacco use, and drug and alcohol abuse, among other things. In addition, innovations and integration among public health, addictions and mental health, health systems and communities to increase coordination and reduce duplication must be supported. For more detail about the focus on prevention, go to page ____.

#3 Improve health equity ***Better health and lower costs for everyone***

Health equity means reaching the highest possible level of health for all people. Health inequities are a result of health, economic and social policies that have disadvantaged communities of color, immigrants and refugees, and other diverse groups over generations. These disadvantages result in tragic health consequences for diverse groups and increased health care costs for everyone. We must achieve health equity to reach the Triple Aim.

Oregon's health system must ensure everyone is valued equally and health improvement strategies are tailored to meet the unique needs of diverse population groups. For more detail on the Health Equity strategy, go to page ____.

#4 Make it easier for Oregonians to get affordable health insurance and quality care ***Health insurance exchange***

One of the cornerstones of the Board's reform proposals is a health insurance exchange that will provide a one-stop central marketplace for consumers and small businesses to access insurance products, including a value-based essential benefits package, at an affordable cost. Health plans in the exchange will meet higher standards than those in the market at large on measures such as outcomes, quality and cost.

Oregon's health insurance exchange will be designed to work for individuals, small businesses, and participating insurance carriers by providing useful, comparative information on health plan offerings, benefits and costs; helping individuals, small employers and their employees to access insurance that meets their needs; helping people access premium tax credits and Medicaid; and simplifying options and processes across the industry.

In addition, the exchange will be the conduit through which individuals with income up to 400% of the federal poverty level (\$88,200 for a family of four in 2010) will access the federal premium tax credits that will make health insurance much more affordable for many people. In

addition, individuals with income up to 250% of the federal poverty level will gain access to cost-sharing assistance through the exchange.

Additionally, certain small business purchasing through the exchange may be eligible for tax credits of up to 50 percent of their contribution to employee insurance premiums. All small businesses using the exchange can offer a greater number of high-quality plans for their employees to choose from and will have the same type of buying power that large businesses currently enjoy. Using the exchange should also help keep administrative costs lower too.

The exchange should be administered by a mission-drive public corporation with a governing board and high level of public accountability.

#5 Reduce barriers to health care

Adequate insurance, adequate providers, and easy access to care

By 2014, it is estimated that 93% of all Oregonians will have access to health care coverage via insurance market reforms, expansions of Medicaid, creation of state health insurance exchanges, and federal tax credits to help make coverage offered through exchanges more affordable. This expanded access to health insurance is an important advancement. The next step is to make sure there is access to health care, both for the newly covered and for the 7% of Oregonians who will remain uninsured. Ensuring access to care means building a robust workforce trained to deliver care in new ways and making sure we have enough health care providers in all areas of the state. It means finding locally relevant solutions to access problems caused by geographic, cultural, or other social and economic barriers. .

For more detail on expanding access to health care through a health insurance exchange, go to page _____. For more detail on how to build Oregon's health care work force go to page _____.

6 Set standards for safe and effective care

Primary care homes, electronic health information, and evidence-based care

There is little consistency across our health system in how care is delivered, paperwork is processed, and information is exchanged. The differences contribute to lack of coordination between providers, poor quality care, unnecessary administrative complexity, and ultimately higher costs. Oregon's public and private sectors can work together to create guidelines, standards, and common ways of doing business that increase efficiency, provide better customer service and transparency, and reduce system costs.

One key improvement endorsed by the Board is the concept of a "patient-centered primary care home." Under this model, people have more than a doctor – they have access to a team of health care professionals that focus on wellness and prevention, coordination of care, active management and support of individuals with special health care needs and a patient and family centered approach to all aspects of care.

Standardization and use of evidence-based best practices are strategies that improve care delivery, technology, and health insurance. For more detail on patient-centered primary care homes, go to page _____. For more detail on health information technology, go to page _____. For more information on evidence-based care and benefit design, go to page _____.

#7 Involve everyone in health system improvements

Consumers, patients, health partners and regional health organizations

Health care consumers, patients, and citizens are at the core of Oregon’s health system reform efforts. Under successful reform, consumers and patients will be the ultimate beneficiaries: our social and environmental context will support their individual efforts to stay healthy; it will be easier and more affordable for many of them to get health care; and the care they get will be of higher quality. But patients and consumers are key players on the front end of reform as well. For more information, go to page _____

The Board also proposes an infrastructure of partners to support 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 through collaboration, and patients are at the center of interventions . For more information, go to page _____.

Additionally, in many ways, health is most effectively supported and health care most effectively delivered at the local level. Communities and regions are more likely to have a common vision for health and can develop locally relevant solutions based on shared knowledge and context. Platforms for meaningful dialogue and negotiation are easier to find or create within communities and regions than at the state or national level. Combined with federal health *insurance* reforms, local and regional *delivery system* reforms have the potential to shift Oregon onto a new path toward achieving the triple aim.

The OHPB has prioritized the development of regional frameworks for health care delivery, such as regional accountable health organizations that are responsible for meeting the unique health needs of their populations. Such new regional organizations would be able and accountable for improving the health of their communities, reducing avoidable health gaps between different cultural groups, and managing health care resources through. For more information on regional frameworks for health care delivery, go to: _____.

#8 Measure progress

The best-run and most successful businesses always know where they stand: what raw materials cost, how much inventory they have, how many orders they have for their goods or services, and a clear plan or vision of where they want their business to be in a year or in five to 10 years. If Oregon is to transform its health care system, it needs to know these same types of things.

This *Action Plan* is the clear vision and plan, and a variety of metrics will help us assess whether we are achieving that vision and implementing plans successfully. The Oregon Health Policy Board (OHPB) and the Oregon Health Authority (OHA) are working on three levels to develop strong measurement tools around health outcomes, quality, cost, and health information. For more information on measuring progress, go to: _____.

Actions

In the following table, the Health Policy Board has listed the actions we believe are priorities for moving health reform in Oregon forward. While there are many other actions we must take to achieve world class health and health care, listed in a more detailed timeline in Appendix ____, the Board strongly believes that our energy must focus on these immediate critical steps to develop the momentum and motivation for lasting change. For each action, key dates and actors are shown and checkmarks indicate the foundational strategies with which that action is aligned.

Action	Action dates	Who will Act	Smarter spending	Focus on prevention	Health equity	Exchange	Reduce barriers to health care	Standards for safe and effective care	Involve everyone
<ul style="list-style-type: none"> ▪ Set a target for total health care spending in Oregon (by all payers) 	2011: Set target	OHPB	✓						✓
Align and coordinate health care purchasing <ul style="list-style-type: none"> ▪ Standardize certain provider payments to Medicare methodology (not rates) to set stage for future payment reform 	2011: Pass legislation for standards 2011: Begin implementation in OHA 2013: Statewide implementation	Legislature OHA Partners	✓			✓			✓
<ul style="list-style-type: none"> ▪ Focus quality and cost improvement efforts to achieve critical momentum 	2011: Identify areas with greatest potential for improvement	OHA	✓		✓	✓		✓	✓

<ul style="list-style-type: none"> Introduce innovative payment methods that reward value 	<p>2012: Implement in OHA's focus areas 2013: Extend beyond OHA</p> <p>2011: Require standardized communication between payers and providers about eligibility, claims, etc. 2011: Create authority to extend standards to clearinghouses and third-party administrators 2011-2013: Phase-in standards for OHA, insurance companies, TPAs and clearinghouses</p>	<p>OHA Partners</p> <p>DCBS</p> <p>Legislature</p> <p>DCBS, OHA</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>□</p> <p>✓</p>						<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>
<p>Reduce administrative costs in health care</p>	<p>2011: Set nutrition standards for food and beverages in public institutions 2011: Make all state agencies and facilities tobacco-free 2012: Implement standards; work with partners to extend to private sector</p>	<p>OHA</p> <p>Partners</p>	<p>✓</p> <p>✓</p> <p>✓</p>							<p>✓</p> <p>✓</p> <p>✓</p>
<p>Decrease obesity & tobacco use</p>	<p>2011: Set common expectations for OHA data systems 2012-14: Roll-out standards in OHA systems and work with partners to extend to private sector data collection</p>	<p>OHA & partners</p>								<p>✓</p>
<p>Collect & analyze detailed information (including race, ethnicity, language, etc.)</p>										

Establish a mission-driven public corporation to run the Oregon Health Insurance Exchange	<p>2011: Establish corporation board and Exchange</p> <p>2011: Receive federal implementation funds.</p> <p>2012-14: Implementation</p> <p>2014: Enrollment and coverage begin Jan. 1</p>	Governor, Legislature OHA	✓			✓	✓	✓	✓	✓	✓	
Promote local and regional accountability for health and health care	<p>2011: Explore regional frameworks in cooperation with community stakeholders.</p>	OHA & partners	✓			✓					✓	
Build the health care workforce												
<ul style="list-style-type: none"> Use loan repayment to attract primary care providers to rural and underserved areas 	<p>2011: Develop sustainable financing</p> <p>2012: Implement and expand loan repayment</p>	Legislature, Office of Rural Hlth.	□	□	□	✓	□	□	□	□	□	✓
<ul style="list-style-type: none"> Standardize prerequisites for clinical training via a student "passport" 	<p>2011: Develop consensus requirements</p> <p>2012: Introduce passport</p>	OHA & partners	□	□	□	✓	□	□	□	□	✓	□
Extend requirement to participate in Oregon's health care workforce database to all health professional licensing boards.	<p>2011: Legislation</p>	Legislature						✓				✓
Establish patient-centered primary care homes (PCPCHs) across the state	<p>2011: OHA implements PCPCHs in regions where is has significant purchasing power</p> <p>2015: 75% of all Oregonians have access to PCPCH</p>	OHA & partners	□	✓	□	✓	□	□	□	□	✓	✓
Introduce value-based benefit designs	<p>2012: Offer value-based benefit package in OHA coverage</p> <p>2014: Offer VBBP in Oregon Exchange</p>	OHA & partners	✓	✓	□	□	□	□	□	□	✓	□

Expand the use of health information technology (HIT) and exchange (HIE)	<p>2011: Consolidate HIE planning and implementation in a single Office of Health Information Technology (OHIT)</p> <p>2011: Establish a public-private state-designated entity to connect local, regional, and statewide HIE.</p> <p>2012: Transition HIE services and operation to the state-designated entity</p>	OHA	✓	✓	✓	✓	✓	✓	✓	✓
Develop consensus around clinical best practices	<p>2011: Create 10 sets of Oregon-based best practice guidelines and standards of care for use in public and private settings</p>	OHA & partners	□	□	□	□	✓	□	✓	✓
Strengthen medical liability system performance	<ul style="list-style-type: none"> ▪ Remove barriers to full disclosure of adverse events by providers and facilities ▪ Clarify that statements of regret or apology may not be used to prove negligence 	Legislature								
	<p>2011: Enact law preventing liability insurers from canceling coverage or refusing to defend providers who disclose errors</p> <p>2011: Amend Oregon's "apology" law</p>	Legislature					□		✓	✓
		Legislature						□		✓

These key actions and other steps described in Section III of this Action Plan will result in a coordinated, integrated health system with the patient at the center, where services are high quality, costs are controlled, and every Oregonian enjoys the best possible health.

What will be different after the Action Plan for Health?

Now: Fragmented system with different standards, reporting requirements, and reimbursement methods (often based on who pays for care) and where many people lack access to even basic care.

The future: A coordinated and regionally integrated health system where every Oregonian has high-quality health care and the patient is at the center. Health systems and providers publicly report on common standard measures that improve health, and constantly work to raise the bar on quality. Insurance companies and providers use technology to streamline administrative systems, lower costs and improve timeliness and efficiency.

Now: Treatment of symptoms when they happen.

The future: A holistic approach that focuses on the patient, not the symptoms, and emphasizes preventive care and healthy lifestyles.

Now: Doctors treat patients.

The future: A community-based team of health care professionals, not just doctors, will help keep people healthy and treat them when they are sick. All the care a patient gets will be coordinated and the patient will be a part of all the decisions concerning their health.

Now: Doctors and hospitals get paid for the amount of services they provide.

The future: Providers get paid for keeping people healthy or returning them to health if they get sick. Just like with a family budget, health systems and doctors will have a “global” budget to manage the care their patients need. To ensure that patient care is not sacrificed to the bottom line, providers will show they are meeting health care quality guidelines and providing the best care for their patients.

Now: Paper-based records in doctor’s offices and hospitals.

The future: Private, secure electronic medical records help providers see the complete health picture of their patient. They can instantly know what tests, medications or procedures a patient has received or what diagnosis has been made, no matter how many health care professionals the patient uses. This eliminates costly duplications or potentially life-threatening complications. Electronic health records also allow patients easier to access their own files so they take more control of their own health.

Now: Insurance premiums have increased 125% over 10 years, and health care costs continue to outpace what we can afford.

The future: Our health care system will be highly efficient. Both providers and insurance companies will be accountable for reducing or controlling costs while consumers will have the information they need to choose providers and affordable insurance plans, based on their health, values, and life circumstances.

Now: Public health organizations take care of communities; doctors take care of individuals.

The future: All parts of the health system will collaborate to assure health. Community-based prevention programs that help keep people healthy will connect seamlessly to preventive clinical services like cancer screenings and immunizations, to self-management services for people living with chronic disease, and to acute or emergency care. Together, clinical and public health providers will be accountable for the health of the whole community.

Now: Public health provides a large amount of medical care to underserved populations.

The future: As more people get health insurance coverage, public health systems will be able to devote more time and resources to the functions essential to assure population health, like assuring the safety of our food and water, responding to outbreaks of flu or other diseases, and developing policies to support healthy individual decisions and community environments.

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Taking Advantage of Federal Reform Opportunities for Real Change

The passage of the Affordable Care Act of 2010 augments Oregon's long history of health addressing problems in the health care system. The insurance reforms contained in the legislation combined with the various funding opportunities and policy changes will leverage our state to drive delivery system reforms and make health care affordable for everyone in the following ways:

Coverage and Access

Federal reform provides resources to make insurance more widely available and affordable including:

- Provisions to make insurance companies more accountable and remove barriers that in the past kept sick people from getting the coverage they needed, dropped coverage for mistakes on insurance applications, or charged them much more for coverage if they could find justifications. These measures will take effect now through 2014. 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. Federal laws also now protect children: insurers can no longer deny coverage for children because of pre-existing conditions.
- Considerable funding for expansions of health insurance coverage options. This additional funding includes expansion of Medicaid to low-income adults up to 138% of poverty, and federally-funded tax credits for individuals up to 400% of poverty to purchase insurance through a state health insurance exchange.

Prevention and Population Health

Federal health reform makes significant investments in prevention and public health by providing funding opportunities to support key strategies for Oregon's Health Improvement Plan. These funding sources enhance and integrate prevention and health promotion in state and community health policy planning.

Delivery System Reform

Federal reform provides increased funding for care delivery settings that focus on preventive and primary care. This additional support should help Oregon toward its goal of making affordable, high-quality primary care available to everyone through patient-centered primary care homes. The ACA 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.

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More information on the Foundational Strategies for Action

OHPB Committees

The Oregon Health Policy Board has two statutory committees that met throughout 2010. Their work was key to informing the Foundational Strategies in Oregon's Action Plan for Health.

- **Public Employers Health Purchasing Committee** – Identifies and make specific recommendations to achieve uniformity across all public health benefit plan designs, develops action plans for ongoing collaboration amongst public and private purchasers, and identifies uniform provisions for state and local public contracts for health benefits.
- **Health Care Workforce Committee** – Has a statutory charge to coordinate efforts to recruit and educate health care professionals and retain a quality workforce to meet the demand created by expansions in health insurance coverage, system transformation and an increasingly diverse population.

Additionally, the OHPB convened the following advisory groups in 2010 to develop recommendations on five crucial aspects of health reform.

- **Administrative Simplification Workgroup** – Developed recommendations for standardizing administrative transactions between health plans and health care providers, with the goal of reducing health insurance administrative costs in order to make coverage more affordable.
- **Health Equity Policy Review Committee** – Proactively evaluates recommendations made throughout the policy making process to assure they promote the elimination of inequities and promote health equity.
- **Health Improvement Plan Committee** –Developed recommendations to the Oregon Health Policy Board regarding the development and implementation of a plan incorporating policy, systems, and environmental approaches to promote population health and prevent chronic disease at the state and local levels.
- **Health Incentives and Outcomes Committee** – Evaluated and developed initial recommendations to the Board for transparent payment methodologies that provide incentives for cost-effective, patient-centered care and reduce variations in cost and quality of care. The Committee also made recommendations to the Board about initial quality metrics that could be used by all purchasers of health care, third-party payers and health care providers to evaluate payment reform.
- **Medical Liability Taskforce** – Examined current state medical liability laws and policies, their impact on the cost and delivery of health care, and developed a range of medical liability reform proposals for consideration by the Oregon Health Policy Board and the Oregon Legislature.

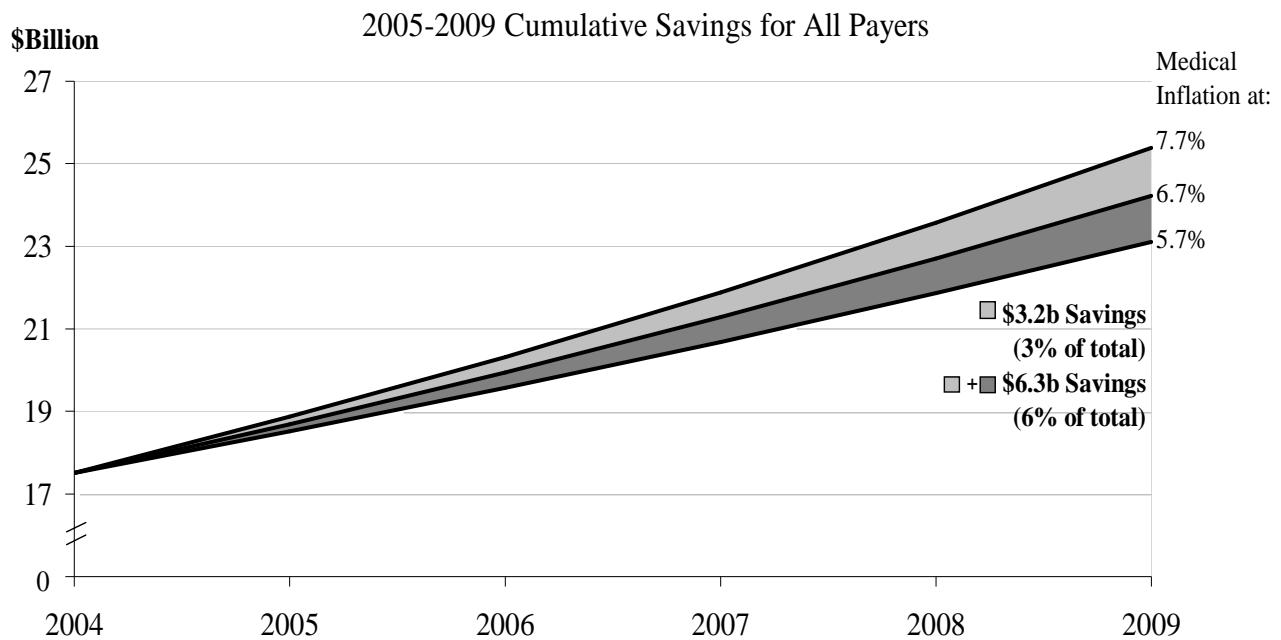
Strategy #1
Spend health care dollars in a better way to lower costs
Align public purchasing, reduce overhead, increase efficiencies

Health care is expensive and becoming more so by the day. Health care accounts for ___% of the state budget, which is currently threatened by a \$3.5B shortfall. 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 as deficits strain Oregon’s 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. We must act now to bend the cost curve.

We can do better.

The Oregon Health Policy Board (OHPB) believes that we need to limit health care spending over time to a fixed rate of growth and plans to flesh out this goal in 2011. The Board believes that through the reforms outlined in this report, we can also foster innovation within fixed resources.

Oregon Could Have Saved \$6.3b in 5 years by Reducing Medical Inflation



Decisive actions to implement the strategies and tactics in this report can help stem rising health care costs and it is important to recognize that delaying these efforts is costly. Had Oregon successfully implemented strategies to reduce the rate of medical inflation by two percentage points over the last five years, it would have saved \$6.3 billion or 6% of total health care expenditures.

The following examples demonstrate savings opportunities that could have been realized by earlier action:

- Had we successfully contained the growth of obesity during the last five years, Oregon would have saved approximately \$1 billion in health care expenditures.
- Instituting bundled or episode-based payments for care related to 10 common acute and chronic conditions in 2005 could have reduced expenditures by approximately \$2.25 billion over the last five years.
- Holding the growth in insurance companies' general administrative expenditures to CPI could have saved \$36 million to \$119 million over the last 5 years.

Developing necessary infrastructure and pursuing cost containment approaches will pose many challenges. Leaders and stakeholders must develop creative and courageous solutions in order to overcome technical, organizational and political roadblocks.

Note: It is important to keep in mind that this attempt to better understand potential cost savings is subject to considerable uncertainty. These estimates of cost savings are considered rough approximations and are subject to revisions in accordance with the changing landscape of health care reform. It is not possible to add up these estimates in order to approximate aggregate potential savings in the Oregon health care system because many of these policies reinforce one another as well as target common instances of unnecessary costs. In many cases, the following estimates predict savings to Oregon's health care system without determining how savings might accrue to individuals, health care providers, carriers or payers.

Key ways that Oregon can bend the cost curve:

- **Focusing on prevention will yield significant returns on investment by improving health.**

Population health initiatives aimed at reducing the prevalence of chronic diseases would yield substantial returns on investments. For example, tobacco use prevention activities will save at least \$1.32 for every \$1 invested. Additional investments to create healthy environments, promote healthy lifestyles and discourage alcohol abuse will likely generate savings on health care expenditures that more than outweigh the costs of these efforts. Please see page ___ for a more in depth description of this strategy.

- **Aligning and coordinating health care purchasing will increase the value of health care while reducing costs.**

The Oregon Health Policy Board (OHPB) believes that the OHA and the new public corporation that will administer the Oregon Health Insurance Exchange discussed on page ___ can play a key role in bending the cost curve. Additionally, the Oregon Health Authority purchases health insurance coverage for nearly one in four Oregonians, approximately 850,000 in total. The Oregon Health Authority aligns purchasing policies across the State's existing patchwork of health care programs. The Board has identified the next steps to achieve this alignment.

- Beginning in 2011 with full implementation by 2013, the OHA standardizes provider payment methodologies to Medicare methodology (not rates) across the OHA lines of business, 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, health equity, 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.
- Working with providers, purchasers and other stakeholders, the OHA will target key cost, quality, and efficiency concerns by introducing innovative payment methods (e.g., bundled payments, pay-for-performance, and others) through OHA programs in 2012 and beyond in 2013.

By being smart purchasers that seek to drive value, the Authority and the exchange can help bring medical costs in line with what is affordable to the State, businesses, and consumers. For example, we estimate that by paying for care for 10 common acute and chronic conditions using bundled or episode-based payments, Oregon would save approximately \$500 million annually by preventing rehospitalizations and unnecessary care.

➤ **Patient-centered primary care homes improve care coordination and appropriate access to preventive services.**

These care improvements can reduce duplicative tests and services and avoid costly hospitalizations through better disease management. Although current patient-centered primary care home proposals target specific subsets of the population, Oregon could expect to save approximately \$650 million or 1.9% of total health care expenditures per year after a 5-year program initiation phase if Oregon were to provide primary care homes to the entire population and employ community health teams to link services and provide additional practice support.

➤ **Standards for safe and effective care can reduce administrative costs and unnecessary care**

Nationally it is estimated that about 30 percent of care provided to patients is either unnecessary or does not lead to improved health. We can improve health outcomes while reducing costs by creating and applying standards based on the most current research and technology.

For example, OHA can generate considerable savings by developing common processes to simplify and expedite various forms of health care administration. Estimates indicate that by encouraging providers and payers to adopt automated electronic communications and a uniform language for these communications, we could save approximately \$92 million to

\$202 million a year upon full implementation. The Board has identified the following next steps:

- Adopt “uniform companion guides” that establish the uniform language for automated communications between providers and health plan offices.
- Phase-in requirements for everyone to use electronic communications, including legislative action to extend requirements to clearinghouses and third-party administrators.

Similarly, developing a standard methodology for determining how much providers are to be paid for a given service could significantly reduce providers’ efforts to ensure they have been reimbursed according to their contracts with insurers and greatly simplify the ensuing negotiations.

Also, OHA could promote efficiency by improving the medical liability system. Encouraging integrated delivery systems to adopt a voluntary program to quickly disclose medical errors to patients and provide early offers to compensate those patients could reduce legal and administrative fees while treating patients with greater respect and fairness. The University of Michigan Health System found that instituting such a program led to a 59% decrease in average monthly cost of medical liability.

➤ **Regional integrated health information systems increase efficiency**

Developing and connecting regionally integrated health information systems can help ensure appropriate, responsive and cost-effective health care across the state. Local and regional Health Information Exchanges (HIEs) are under development in a number of Oregon communities and are a key building block for system improvements to enhance population health and to improve the health care delivery system. A newly established Office for Health Information Technology (OHIT) will provide coordinated health information exchange planning and implementation efforts. Legislation introduced in 2011 to define and enable the designation of the State Designated Entity (SDE) will connect local and regional health information exchange operations that will efficiently leverage resources to maintain and promote statewide availability and secure transfer of electronic health information.

Sharing patient information in a secure, efficient manner has the potential to substantially reduce costs. It will support efforts to track patients’ medical outcomes, reduce errors and make medical processes more efficient. It can empower consumers to better understand their own health, choose high-quality providers and make healthier choices. Information sharing can vastly improve public health agencies’ ability to track disease and combat chronic illness leading to improved population health. It is estimated that health information systems connected across Oregon HIE services will provide significant annual health care savings including:

- \$57.7 to \$90.7 million per year for avoided laboratory testing and imaging services.
- \$33.3 million per year for increased physician practice productivity.

➤ **Federal health reform will reduce health care costs for Oregonians**

Finally, federal health care reform is expected to halve the number of uninsured Oregonians while saving money for businesses and individuals. Current economic forecasts suggest that in 2019 annual individual and family annual health spending will fall by \$1.8 billion and businesses will save \$30 million annually. Also, as more people are able to access health insurance, Oregon will reduce the amount of uncompensated care that providers experience. Hospitals alone could experience a \$340 million reduction in annual uncompensated care by 2015 and \$440 million by 2019 (however, some hospitals will also experience partially offsetting reductions in Medicaid Disproportionate Share Hospital payments beginning in 2014).

Strategy #2: Focus on Prevention

Improve health, lower cost, and allow smarter allocation of resources

It's not a new concept, but it is a powerful one: preventing diseases, injuries, and poor health is more effective and often far less expensive than treating illness when it occurs. To truly transform the health care system, we need to shift our focus from intervention to prevention.

Tobacco use and obesity are priorities because of their enormous impact on longevity, quality of life and health care spending. The human toll of tobacco use in Oregon continues to dramatically surpass all other preventable causes of death and disease. Focused prevention efforts and evidence-based cessation benefits can provide a return of \$1.32 for every dollar Oregon spends on providing tobacco cessation treatments. One-third of the recent increase in medical costs in Oregon is attributed to obesity. The U.S. Centers for Disease Control and Prevention estimate that medical costs for individuals with obesity are \$1,429 higher [[dbl check: annually?]] than those of normal weight. By reducing obesity and obesity-related chronic diseases like diabetes, Oregon stands to realize a significant return on investment.

To come: added language regarding drug and alcohol addiction.

What We Need to Achieve

We need a health system that integrates public health, health care and community-level health improvement efforts to achieve a high standard of overall health for all Oregonians, regardless of income, race, ethnicity, or geographic location.

To achieve this, we must:

- Prevent chronic diseases by reducing obesity and tobacco use;
- Stimulate innovation and integration among public health, health systems and communities to increase coordination and reduce duplication;
- Focus resources for drug and alcohol addiction toward prevention and treatment;
- Improve health equity and population health by improving social, economic and environmental factors.

Next Steps

80% of the contribution to lifelong health lies outside of the medical care system. To realize the triple aim, the Board is calling for a focus on prevention both within the health care system and beyond it, in the places we live, learn, work and play. Reforms must occur in every one of those settings if we hope to improve lifelong health for all Oregonians.

- **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 most convenient choice. Key steps include:
 - To help reduce obesity, legislative action in 2011 provides direction to the Department of Administrative Services to set minimum nutritional standards for

- food and beverages sold in cafeterias, stores and vending machines in state agencies, schools, universities.
 - The OHA will identify the standards used based on scientific evidence, considering standards that are used already nationally such as those used by the federal Centers for Disease Control and Prevention on their campuses.
 - To help reduce tobacco use and exposure, OHA
 - Adopts tobacco-free campus policies in 2011 for state agencies, addictions and mental health facilities contracting with OHA, and hospitals.
 - Supports evidence-based tobacco prevention strategies such as raising the price of tobacco products and dedicating a portion of the proceeds to comprehensive, effective prevention efforts. Every dollar invested in tobacco prevention yields an estimated \$5 return on investment.
 - OHA encourages private entities to align with public obesity and tobacco use prevention policies in future years.
- **Increasing the effectiveness and efficiency of Oregon’s public health system** in the following ways:
- Developing regional frameworks for health, such as regional accountable health organizations. These entities would be responsible for local health policy, health improvement planning, priority setting, system development, financial investment, and health outcomes including reduction of health disparities. A key task for these regional entities would be to conduct community health assessments and, in partnership with all local players, develop local Health Improvement Plans, focused on reducing obesity and tobacco use and improving chronic disease prevention and management. Such plan should include steps for evaluating the impact of recommended actions, including the impact on reducing disparities and achieving health equity.
 - Ensure that existing state data systems have capacity to collect, manage and analyze public health performance measures including demographic data on race, ethnicity, country of origin, language, employment, sexual orientation, ability, income and education level, and to tie those data to clinical, emergency and hospital data through state and regional Health Information Exchanges wherever possible.

Drug and alcohol addiction goes here.

- **Further health equity by:**
- Exploring the most effective ways to support schools and districts in addressing health-related barriers to learning. Decreasing health disparities for Oregon populations requires fundamental social, economic and environmental changes. Key among these is the relationship between educational attainment and health. Poor health in childhood negatively affects educational attainment, which in turn reduces future income and decreases the practice of good health behaviors. Better student health, particularly for diverse populations, will help to increase high school graduation rates and improve health outcomes.

- Maximizing electronic health record adoption and connectivity and ensuring collection of race and ethnicity data to effectively track health disparities. This effort will include partnerships with the Oregon Health Information Technology Extension Center and with statewide health information exchange efforts under the Health Information Technology Oversight Council.

For more information

Please see: Oregon Health Improvement Plan Committee Report and appendices (link to web site and other ways of getting the report – by phone/email)

Health Information Exchange [Strategic](#) and [Operational](#) Plans for Oregon. Health Information Technology Oversight Committee.

http://www.oregon.gov/OHPPR/HITOC/Documents/hitoc_reports.shtml

Strategy #3 –Improve Health Equity ***Better health and lower costs for everyone***

Health inequities are unnecessary, unjust, and avoidable. They are the result of health, economic and social policies that have disadvantaged communities of color, immigrants and refugees, and other diverse groups over generations. These disadvantages result in tragic health consequences for Oregon’s diverse populations and increased health care costs for everyone. Oregon is:

- 47th in the number of African American diabetes deaths per 100,000 population by race/ethnicity (60.5 per 100,000 compared to 40.2 per 100,000 in the United States)
- 47th in the number of African American deaths caused by stroke and other cerebrovascular diseases per 100,000 population (73.1 per 100,000 in Oregon compared to 61.7 per 100,000 in the U.S.)
- 26th in the percentage of African American and Latino live births by cesarean delivery, though both are slightly better than U.S. averages
- 25th in the percentage of African American and 30th for Hispanic Latino mothers beginning prenatal care in the first trimester, both below U.S. averages.

As Oregon’s population becomes increasingly diverse, we must develop a public health and health care system that effectively meets the needs of Oregon’s diverse and geographically disparate populations:

- The Latino population has almost doubled in the last 10 years, and is now the largest minority population with well over 400,000 people.
- Asian Americans number over 130,000 in the state.
- American Indian and Alaska Native and Black/African-American populations number 67,000 and 63,000 respectively but experience disproportionate health burdens that result in unacceptable costs for individuals, families, communities, and health systems.
- International migration is adding to the cultural and language diversity of the state, with the Russian community continuing to grow, along with Somali and Iraqi populations. Oregon is expected to add 197,000 through international immigration over a 30-year period ending 2025.

These demographics create significant opportunities for improvement and challenge Oregon’s health system to provide care in culturally appropriate ways, including developing a provider workforce that reflects our state’s growing diversity. Recruiting and retaining a racially and ethnically diverse workforce is essential to assuring effective health practices, access to care, and health outcomes for populations experiencing significant health burdens. Unfortunately, few of Oregon’s medical school graduates represent minority communities. In 2007, only eight of 121 graduates were Latino, African American, Native American, or Pacific Islander. As these groups and other minority populations continue to grow, it is important to have health care providers who understand the cultural norms and expectations (including patients’ values, beliefs, religion, and communication styles) of each minority population, and who speak the language or who have high quality translation and interpretation services available.

What We Need To Achieve

Reach the highest possible level of health for all people.

In implementing health care reform, the Oregon Health Policy Board and the Oregon Health Authority will strive proactively to avoid creating or maintaining health policies that perpetuate or increase these avoidable and unjust health inequities. OHA and its Board are committed to promoting health equity for all people in all regions of the state, inclusive of race, ethnicity, socioeconomic status, occupation, ability and sexual orientation. Tackling health inequities also requires looking at the ways in which jobs, working conditions, education, housing, social inclusion, media and even political power expand or limit individual and community health. When health and societal resources are distributed equally, population health will be equitable as well.

Next Steps to Realize Health Equity

Despite these challenges, many opportunities exist to create equitable health outcomes for all of Oregon's diverse populations. These are directly connected to the Board's other key foundational strategies.

- **Using Community Health Workers as team members for the delivery of primary care, behavioral health care, and community prevention improves health outcomes** because they are trained and trusted members of the communities in which they work and share culture, language, and experience with patients. This is especially important in communities of color or other underserved communities. Community health workers are already successfully providing culturally specific, preventive, patient-centered health care in some of Oregon's most underserved areas. Creating incentives to encourage the use of community health workers is prioritized in the OHPB's strategies for a healthy Oregon.
- **Ensuring that licensed health care providers receive ongoing training in cultural competence.** With Oregon's increasingly diverse population and strong evidence of racial and ethnic disparities in health care, it is imperative that health care professionals are educated to work effectively with diverse groups. Ongoing training in cultural competence will improve provider-patient communications, public health efforts, and health outcomes.
- **Doing more to collect and analyze data at the most granular levels of race, ethnicity, national origin, language, ability, sexual orientation, education and literacy level, and occupation** will help health systems, community groups, and consumers better understand quality and health outcomes. This helps ensure that our efforts are improving the health and lives of diverse communities within Oregon.

For More Information

Please see: Health Equities Policy Review Committee Report
(link to web site and other ways of getting the report – by phone/email)

Strategy #4

Make it Easier for Oregonians to get Affordable Health Insurance and Quality Care

Health Insurance Exchange

Many Oregonians currently cannot afford insurance for themselves or their families. The uninsured put off needed care and are forced to seek emergency care when small issues turn into large ones due to inattention. The health insurance exchange will help people get insurance coverage, which will help them seek care when they need it and in the most appropriate, lowest cost settings for their needs.

An estimated 150,000 previously uninsured Oregonians will take up individual coverage through the health insurance exchange. Thousands more will gain coverage through the exchange as members of small employer groups. As more Oregonians have health insurance, providers will not need to recoup the costs of providing uncompensated care to the uninsured by increasing charges to the insured population. The newly insured will benefit, as will providers and the currently insured.

What We Need To Achieve

A mission driven public corporation that will coordinate purchasing strategies through a strong health insurance exchange

Oregon's health insurance exchange must work for consumers and participating insurance carriers by: providing useful, comparative information on health plan offerings, benefits and costs; helping individuals, small employers and their employees to access insurance that meets their needs; helping people access premium tax credits and Medicaid; and simplifying options and processes across the industry. Health plans in the exchange will meet higher standards on outcomes, quality, and costs.

An exchange that proves its value to consumers and other stakeholders will flourish, ensuring access to quality, affordable health plans.

Next Steps in Implementing an Exchange

An exchange will be most successful if developed consistently with the overall health reform goals in the state. Together the OHA and Legislature can ensure that Oregon's exchange is consumer-oriented, easy to use and offers value now and in the future.

- **Establishing a mission-driven public corporation to coordinate purchasing strategies for all Oregonians, starting with a health insurance exchange for the individual and small group markets.** The legislation will ensure accountability of the corporation through strong public participation, annual reporting, and the use of consumer advisory groups and surveys. A public corporation with the legislative authorities to act as a strong

purchaser can drive high value in the health care system. This organization will be built to be:

- a publicly accountable organization that is responsive to consumers, health plans and the state but fiscally separate from state budget cycles;
- flexible and agile;
- an entity that effectively works with state and business partners to ensure access for Oregonians of all income levels and in all geographic areas of the state.

To optimize accountability to consumers, the general public, vendors, and state and federal governments, the exchange charter should include a consumer oriented mission statement and provisions such as: public meetings and records; public input processes; Governor appointment and Senate confirmation of Board members; annual reporting to the Governor and Legislature; consumer surveys; inclusion of ex officio board members (the Oregon Health Authority and Department of Consumer Services directors and a member of the Oregon Health Policy Board); and consumer advisory groups.

- **Establishing a governing board to lead the public corporation.** The Policy Board supports the establishment of a public corporation governing board that will implement and run the exchange, guide the corporation, and ensure the exchange mission is the organizing principle for exchange operational planning, implementation and administration.
 - Exchange board members will have experience and knowledge in individual insurance purchasing; business; finance; consumer retailing (especially web-based access for consumers); health benefits administration; individual and small group health insurance; and other areas to be identified.
 - To ensure no conflicts of interest arise, board members should not make their living from the health care or health insurance industry. To ensure the exchange's accountability to consumers and the state, the Corporation board will include two high level state employees: the directors of the Oregon Health Authority and the Department of Consumer and Business Services, as well a member of the Oregon Health Policy Board.
- **Conducting operational planning for the exchange based on the Policy Board's vision and principles.** Under the Policy Board's direction and the exchange legislation to be considered in 2011, continue developing plans to implement an exchange for use by the public by 2014.
- **Building the exchange to advance health equity by taking into consideration the needs of Oregonians of various races, ethnicities, ages, geographies, physical and mental abilities and other considerations.** This includes but is not limited to the following efforts:
 - Education and marketing must be targeted to various communities in order to help people understand the value of the exchange and to learn how to use it to improve their access to insurance and health care services.
 - Community organizations of all types must be encouraged to become trained "navigators" that will help individuals and small businesses use the exchange to determine eligibility for assistance, assess health plan options and enroll in coverage.

- **Improving access to care by ensuring that participating health plans are of high quality and value** for the consumer, and providing consumers with access to premium tax credits and cost-sharing assistance.
 - Information on participating plans, including quality and access measures, will be readily available to consumers seeking to find or change a health plan. Reporting on measures such as access to care will help consumers determine which plans works best for them. Participation in the exchange will be a sign to consumers that a health plan meets higher standards than those in the market at large on measures such as access, quality and cost.
 - Plans participating in the exchange will use innovative payment methods (e.g. bundled payments, pay-for-performance), evidence- and value-based benefit designs, and standards for primary care, care coordination, and other elements to provide value to consumers and purchasers.
 - The exchange will be the conduit through which individuals with income up to 400% of the federal poverty level (\$88,200 for a family of four in 2010) will access the federal premium tax credits that will make health insurance much more affordable for many people. In addition, individuals with income up to 250% of the federal poverty level will gain access to cost-sharing assistance through the exchange.

For more information

Please see: Health Insurance Exchange Report and appendices
(link to web site and other ways of getting the report – by phone/email)

Strategy #5

Address remaining barriers to health care

Enough health care providers and easy access to care

Today, 17% of Oregonians are uninsured. We project that, by 2014, 93% of all Oregonians will have access to health care coverage as a result of insurance market reforms to remove barriers, expansions of Medicaid, creation of state health insurance exchanges, and federal tax credits to help make coverage offered through exchanges more affordable. Oregon's Medicaid enrollment is expected to grow by 60%. Despite these gains, 7% of Oregonians will remain uninsured.

We have a responsibility to ensure that newly-covered can find health care providers and a moral obligation to make certain that the remaining uninsured still have access to care. Decisive action must be taken now to ensure that Oregon has a health care workforce capable of meeting the demand for quality services in 2014 and beyond.

What We Need To Achieve

All Oregonians should be able to get the health services they need close to home, from a team of appropriately trained health care providers.

While expansions in health insurance will provide unprecedented levels of coverage, they will also put unprecedented pressure on the delivery system. We also know that having health insurance is not the same thing as having access to care. To ensure that Oregonians can get the health care they need, when and where they need it, we must:

- Foster the development of local and regional solutions for health care access that include Oregon's traditional safety-net providers;
- Improve the capacity and distribution of the primary care workforce;
- Expand education and training opportunities;
- Train, recruit, and retain a workforce that is diverse, culturally competent, and prepared to change the way health care is delivered; and
- Successfully implement insurance expansions.

Next Steps

The strategies below address both our current health care workforce needs and the needs Oregon might have in the future, when health care delivery looks different than it does today.

- **Develop regional frameworks for health in cooperation with community stakeholders.** Communities and regions are uniquely qualified to develop locally relevant strategies to improve health outcomes and address the health disparities that exist within their populations. Oregon's traditional safety net providers have significant experience providing health care services to diverse populations within fixed resources and their expertise would

benefit any regional frameworks. Development of entities such as regional accountable health organizations will reduce fragmentation and improve access by integrating physical, behavioral, oral health, and long-term care at the local level.

- **Revitalize the state's primary care practitioner loan repayment program** to help meet the demand for care and support a renewed emphasis on preventive and primary care across the health system. Loan repayment effectively encourages providers to choose primary care and to practice in rural and underserved communities.
 - Oregon's Primary Care Services Program, which provides partial loan repayment to primary care providers in return for service time in rural or underserved areas, should be funded at a level that would provide these areas of the state with at least 30 additional professionals every year. [[Need to add size of impact]]. The Legislature and the Office of Rural Health should investigate sustainable financing mechanisms.

- **Align student requirements for clinical training.** To streamline and increase capacity in the final stages of training for health professionals, OHA will work with relevant stakeholders to:
 - Standardize student prerequisites for clinical training (drug testing, criminal background check, HIPAA training, etc.) via a student "passport" (2011).
 - Establish uniform standards for student clinical liability to reduce the time and expense of contract negotiations between educational institutions and training sites and explore ways to encourage more community-based and outpatient practices to serve as clinical training sites (2012).

- **Revise policies that prevent public educational institutions from responding quickly to health care workforce training needs.** Current interpretation of a law designed to ensure that public investment does not adversely impact private business means that private entities can block development of new public training programs or program locations even if they do not intend to offer the training themselves. The result is that training programs for high-demand health care occupations may not be equally available to rural and urban students or to rural or underserved communities. OHA will convene stakeholders in the first half of 2011 to draft revisions to the law.

- Use a range of methods to **recruit and retain a workforce that is racially and ethnically diverse and culturally competent.** Improving the diversity and cultural competence of Oregon's health care workforce will produce a range of benefits including increased access to care for vulnerable populations, improved patient-provider communication and quality of care, and expanded availability of living wage careers for racial and ethnic minorities.
 - OHA will collaborate with health care professional regulatory boards and professional societies to identify the best methods of ensuring that licensed health care professionals receive ongoing training in cultural competency.
 - OHA will incorporate incentives for using community health workers into primary care payment reform and implementation of patient-centered primary care home standards.

- **Adopt payment systems that encourage use of the best provider (or provider team) for a given care need.** Payment structures like fee-for-service tend to encourage higher-level practitioners to see patients even when the same care could be provided as well or better—and less expensively—by other qualified providers. This means we are not using our health care workforce as fully as we could be, which reduces access and increases the overall cost of care. Rapid transition to more comprehensive and/or accountable payment systems, particularly in primary care, will enable practices to build teams that use the best combination of providers to meet patient needs in an efficient way.
- **Expand health care workforce data collection** for a more complete picture of Oregon's health care workforce. Complete and accurate information on all licensed providers is essential for design and evaluation of strategies to improve access, including efforts to increase workforce diversity.
 - Legislative action to extend participation requirements for Oregon's health care workforce database to all health professional licensing boards in 2011, with actual reporting to begin with the boards governing licensed mental and behavioral health care professionals.
- **Successful implementation of insurance expansions.** For coverage expansions through Medicaid and a newly created health insurance exchange to be successful, Oregonians must know what their insurance options are and how to access them. This will entail:
 - Developing outreach and marketing plans that effectively utilize community partners;
 - Implementing application assistance strategies;
 - Implementing efficient electronic eligibility and enrollment systems that will increase current system capacity;
 - Developing clear communication strategy about eligibility and coverage information for public and private insurance options; and,
 - Assessing eligibility and enrollment requirements to ensure that current policies do not create inequities and/or unnecessary burden.

For more information

Please see: Healthcare Workforce Committee Report and appendices
(link to web site and other ways of getting the report – by phone/email)

6 - Set standards for safe and effective care

Primary care home, electronic health information, and evidence-based care

The health care each of us receives varies for a number of reasons, leading to less than optimal health outcomes in some instances and overuse of care in others. We need to create the standards and other tools that will ensure that high quality, effective care is uniformly provided to everyone. Oregon's 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. Public and private health care purchasers must expect this level of excellence and build these expectations into contracts.

We need standards to achieve:

- **A sustainable system that links payment to achieving improved value.** The Board envisions a health care system where the tools are available to pay for quality while living with a budget, hold providers responsible for the quality and efficiency of care they provide, and rewards good performance and keeps total spending to a fixed rate of growth. Restructured and incentive payments that reward care coordination in new delivery models such as patient-centered primary care homes (PCPCHs) are key examples. Designed to put patients at the center of their relationship with the delivery system, PCPCHs can reduce unnecessary Emergency Department visits and hospitalizations while increasing adherence to treatments and improving self-care.
- **Electronic health information and administrative data available when and where it is needed.** Increase the quality and safety of health care with better information at the point of care;
 - Increase the efficiency of the health care system with standard electronic processes for claims and payments;
 - Improve population health through better surveillance of disease outbreaks, immunization records and variations in quality/cost by community; and
 - Ensure patients have access to their personal health information to share with others involved in their care and enable better health care and lifestyle choices.
- **Health care is consistently high quality, evidenced based, and safe.** Care should be guided by evidence-based practice guidelines built on the best available research in order to reduce inconsistency, improve health outcomes, and eliminate unnecessary costs. Additionally, our medical liability system should be a more effective tool for improving patient safety, and providing more efficient and equitable compensation for patients who are injured due to medical errors.
- **Health insurance that pays for high-value services which produce the best health results for the money spent on them.** These value-based benefit plans prioritize access to the most effective (or high value) health services and prevention activities and make them available through the exchange. Conversely, these plans reduce or eliminate barriers to the most effective health services and create disincentives for less effective services or ones that have little impact on health through the design of health care benefits.

Next Steps

- **Move forward decisively to transform the primary care delivery system.** Patient-centered Primary Care Homes (PCPCHs), in which teams of health care providers offer coordinated, comprehensive care in collaboration with patients, are fundamental to achieving Oregon's Triple Aim.
 - All payers and primary care providers need to be involved to realize the full benefits of this care model but OHA will take the lead by formally adopting existing Oregon PCPCH standards and a structure to align payment with those standards.
 - The state will begin to implement PCPCHs in 2011, in regions where it has significant purchasing power, with the goal of adoption of the PCPCH model statewide by 2015.
- **Continue to identify and continuously refine a core set of health and health care quality and efficiency measures** that can be used to assess Oregon's progress towards the triple aim. These measures should align with the measures used in focused quality improvement and cost containment initiatives but would be broader in scope to reflect the range of health and health care reforms underway in the state.
- **Refine elements of the value-based benefit package into a marketable and implementable plan design.** Results of focus groups indicate that there are significant administrative, operational and educational challenges to overcome before the design could be successfully implemented. Even so, participants gave positive feedback about the concept of value-based benefit design. Implementation steps include:
 - Assign accountability within OHA to developing implementation plans for the value-based benefit plan across OHA programs – including Medicaid fee-for-service and managed care, Public Employee Benefits Board, and the Oregon Educators Benefit Board - by January 2012. Consider the use of pilot programs, a phased implementation and/or implementing the most appropriate elements of the design for different populations. This would also include assessing what could be implemented now versus what can be implemented in the new Oregon Health Insurance Exchange in 2014.
 - Creating a sophisticated actuarial tool that can be used by different purchasers to compare their current benefits with the value-based essential benefit plan and assess how it will lower their healthcare expenditures. This will include additional actuarial work on each value-based service to weigh costs and savings for each intervention
 - Examining how benefit design can be coupled with payment incentives to increase the use of effective services and treatments to improve health.
 - Working with impacted stakeholders to address administrative and operational concerns.
- **Develop and set health information exchange (HIE) policies, requirements, standards and agreements** to further the exchange of health information between health care providers, hospitals, medical labs, pharmacies, ambulatory surgery centers, long-term care

facilities, and state and local health departments. This would include privacy and security requirements for the secure and appropriate exchange and use of health information.

- **Develop uniform methods for payers to make clinically significant decisions, such as prior authorization of diagnosis or treatment and approval of referrals for further care.** Prior authorization and referral requirements are important ways health plans try to make sure they pay only for appropriate care. However, these processes are unnecessarily time-consuming and costly for providers and plans. In 2011, OHA will lead a process for developing uniform methods for requesting authorization and uniform approval standards that are consistent with good medical practice.
- **Change state law to remove barriers that discourage physicians and facilities from disclosing medical errors and discussing them with their patients.** A critical first step in patient-centered reform is ensuring that when a patient suffers unanticipated harm in the course of treatment, a thorough investigation is done and any errors are disclosed to and discussed with the patient and the patient's family. Disclosure to patients is the first step both for involving patients in managing their own care and in negotiating fair payments to compensate for negligence without unnecessary legal costs.

The following steps will be taken to remove barriers to disclosure:

- We will allay physician fears that discussing an error with a patient will be treated as non-cooperation by their malpractice insurer through legislative action forbidding insurers from refusing to defend a lawsuit or cancelling a policy because a physician discloses an error.
- We will allay concerns that discussing errors with patients will be used to establish liability for medical negligence by legislation to amend the state's apology law, which currently protects physicians, so that it protects health care facilities as well.

In addition, with the legislature's assent, we will invite physician practices to participate in the Patient Safety Commission's error reporting program, which helps physicians learn to assess the cause of errors, how to prevent them from happening again, and how to disclose them to their patients.

- **Identify and develop 10 sets of Oregon-based best practice guidelines and standards** that can be uniformly applied across public and private health care to drive down costs and reduce unnecessary care. This work will be conducted by the Oregon Health Services Commission and the Oregon Health Resources Commission in close collaboration with providers, the Center for Evidence-Based Practice, and other key stakeholders.
- **Exploring the potential of evidence-based guideline safe harbors.** OHA has received federal funding to consider using evidence-based guidelines to replace the traditional medical malpractice rules in specific situations. In other words, for carefully described situations where there is strong evidence that patients do better when physicians follow a particular course of treatment, the malpractice law could require physicians to use best practices rather than just avoiding substandard practices. The hope is that by adopting guidelines clarifying expectations for providers and giving physicians that follow them a

safe harbor from malpractice liability, medical errors and legal costs can both be reduced. During 2011, OHA will continue to investigate the value of the concept and discuss it with a broadly representative group of Oregonians.

For more information

On primary care home and payment reform:

- Oregon Patient-Centered Primary Care Home Standards (*newest one with pediatric update*)
- Incentives and Outcomes Committee Report and appendices (link to web site and other ways of getting the report – by phone/email)

On electronic health technology and exchange, please see:

Health Information Exchange [Strategic](#) and [Operational](#) Plans for Oregon. Health Information Technology Oversight Committee.

http://www.oregon.gov/OHPPR/HITOC/Documents/hitoc_reports.shtml

On administrative simplification, please see:

Administrative Simplification Work Group Report and appendices
(link to web site and other ways of getting the report – by phone/email)

On value-based benefit design, please see:

- Presentations given to the Health Policy Board in August and October
- Health Services Commission's Sets of Value-based Services
<http://www.oregon.gov/OHPPR/HSC/VBS.shtml>
- Oregon Cost-sharing Workgroup website
- Oregon Health Fund Board's Benefits Committee Report
<http://www.oregon.gov/OHPPR/HFB/Benefits/FinalRecommendation.pdf>
- Health Services Commission's Prioritized List of Health Services
http://www.oregon.gov/OHPPR/HSC/current_prior.shtml

#7 – Involve Everyone in Innovations

Consumers, patients, health partners and regional health care organizations

The fragmented and fragile health care system we have now is on verge of collapse. 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, not on quality or evidence. Health care providers are responsible for patients in their own facilities, but coordination with outside facilities and providers is typically lacking. Our mental health, substance abuse, and oral health care needs are too often unaddressed or under addressed by a fragmented and complicated system that is insufficiently tailored to meet the diverse needs of Oregon’s population. Our public health and medical systems operate in silos and efforts to improve health in the medical sector are too often disconnected from prevention at the community level.

What We Need To Achieve

- **A transformed and coordinated health system where every Oregonian has high-quality health care and the patient is at the center of the innovations.**

The Board proposes an infrastructure of partners to support 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.

Strategic and coordinated communication about the changes Oregon is making and active engagement of patients and consumers in the design and implementation of those changes will be critical to the success of this Action Plan for Health.

Next Steps to Inclusive Innovation

The Board recognizes the truism that “all health care is local” is particularly relevant in a state as geographically, politically and increasingly as racially diverse as Oregon. By establishing a framework in which locally-based innovation and creative problem-solving can thrive, Oregon can move forward delivery system reforms which meet the unique health needs of the local or regional populations, while ensuring that the consumer and patient needs remain at the center of all these efforts.

- **Design a framework to foster public-private partnerships.** Each of these partners for health has specific roles to play; some current partners may have different or evolved responsibilities, while new entities are created to fill gaps in the existing system. These partners include:

- ***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 and educator benefits and public-private partnerships. This alignment allows the OHA to focus on health and preventive care, provide access to health care, reduce health inequities, 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, tailored approaches to reduce health inequities, 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.

The Oregon Health Authority also has a responsibility to provide the statewide support and oversight needed to assist local communities and regions in their focus on world class health. The OHA will collaborate with local partners to identify the best in clinical preventive services for the health care system, provide technical assistance to communities seeking to assess and plan for better health outcomes, and together with partners at the regional and local level review and implement policies, like the Indoor Clean Air Act and menu labeling, that can impact the health of all Oregonians.

- ***A mission-driven Public Corporation to coordinate health care purchasing, beginning with the Health Insurance Exchange***

A public corporation should be established with a broad mission to be accountable for organizing the purchasing of health insurance for everyone, beginning with the individual and small group insurance markets, 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 health care budget for lives using the services of the corporation, it 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.

- ***Public Health Infrastructure***

Local and state public health systems will lead and support other partners in shifting their focus to prevention. The Oregon Health Authority can provide the science, data, tools, and technical assistance needed to assist partners and communities in creating a culture of health and improving and tracking overall health outcomes. Additionally, the OHA will remove policy barriers that hinder health promotion efforts and implement statewide policies to support them. At the community level, public health organizations will be active participants in locally accountable health entities and key resources for development and implementation of local health improvement plans.

- ***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.

- ***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.

- ***Patients and the Public***

The people of Oregon are our most important partners.

- **Encouraging the health care delivery system to become more patient- and family-centered** is one of the key strategies to improve health care quality because, when patients and families participate as full partners with health care professionals, system performance improves. As a first step, OHA will work closely with communities and providers to develop standard measures of patient engagement and experience, so we can see where improvements are needed.
- **Engage patients in their own care.** Patients are probably the largest health care workforce available. When patients have the knowledge and resources to manage their health conditions effectively, they can avoid crises and thereby reduce the need for more intensive professional care. In implementing patient-centered primary care homes, OHA will work to incorporate evidence-based chronic disease self-management programs and community health workers to help patients bridge clinical and community-level care. OHA will also explore ways to give provider organizations the technical assistance they may need to involve patients and their families in issues beyond their own care. We will not reach our quality goals without engaging patients and families as advisors in quality improvement and practice design.
- **Develop a comprehensive communication and outreach plan for all health reform activities.** This is different than branding efforts or marketing plans, though it includes those elements, along with educational materials. The changes we are beginning to make are far-reaching and complex and support from patients and consumers will be critical to their success. Communication and outreach must begin immediately so that we can build consumer confidence and patient trust in advance of the large-scale changes to come.
- **Creating effective consumer education** is vital to realizing the potential of value-based benefit designs. For the financial incentives and disincentives of such designs to work, consumers need clear and specific information about what is covered and what their costs would be for a given service. It will be important for the OHA will partner with other public and private sector experts and stakeholders to broadly distribute a variety of consumer education and decision aids in support of new health care and health improvement opportunities, such when value-based benefit plans are made available.
- **Continually improve the public input process** to ensure that we get needed feedback from a wide range of Oregonians throughout the implementation process.

For More Information

Please see:

- Incentives and Outcomes Committee Report and appendices (link to web site and other ways of getting the report – by phone/email)
- Oregon Health Improvement Plan Committee Report and appendices (link to web site and other ways of getting the report – by phone/email)
- Health Insurance Exchange Report and appendices (link to web site and other ways of getting the report – by phone/email)

Strategy #8

Measuring Our Progress

Timely data and meaningful information

The best-run and most successful businesses always know where they stand: what raw materials cost, how much inventory they have, how many orders they have for their goods or services, and a clear plan or vision of where they want their business to be in a year or in five to 10 years. If Oregon is to transform its health care system, it needs to know these same types of things. This *Action Plan* is the clear vision and plan and a variety of metrics will help us assess whether we are achieving that vision and implementing plans successfully.

What We Need To Achieve

Timely, meaningful information about our health and how well Oregon’s health system is performing.

Everyone who participates in the health care system—consumers, providers, employers, insurers, and others—needs timely, accurate information that they can use to help direct their actions and assess the results of those actions. Meaningful data will inform public policy decisions, serve as a resource for patient engagement and development of local solutions, and will help drive broad-based improvements in clinical quality and efficiency.

Next Steps

The Oregon Health Policy Board (OHPB) and the Oregon Health Authority (OHA) are working on three levels to develop strong measurement tools and infrastructure.

- **Oregon Scorecard:** At the big picture level, OHPB is developing an Oregon Scorecard that will provide a simple, statewide overview of the performance of Oregon’s health system with respect to the triple aim: improve the health of all Oregonians; increase the quality, reliability, and availability of care, and reduce or control costs so that care is affordable for everyone.

An early draft of what might be included in an Oregon Scorecard is provided below. This is a work in progress and is intended to provide a starting point for discussion; the indicators may change as health reform progresses or as new data sources and measurement methods are developed. As the scorecard matures, it should serve as one of many resources for informing policy decisions, setting targets for future performance, and evaluating the impact of reform strategies. Please note: a more detailed version of this draft scorecard including information on data sources, indicator definitions, and timeframes is available in Appendix C.

- **Standard quality measures:** On a more operational level, the OHPB and the OHA are also working on standard quality measures that can be used by both public and private entities to evaluate the effect of delivery system changes on health outcomes, the quality of care provided, and return on investment.

- **Improved data sources.** The OHA is working to develop key data sources that are expected to significantly improve the state’s capacity to measure health care quality and cost:
 - *Demographic data collection.* Improving and expanding collection of detailed information on race, ethnicity, language and other demographic factors across all data systems will help the OHPB and OHA identify and address health disparities. This is critical because the data that are available for different population groups reveal unacceptable inequities. For example, the percentage of adults with a tobacco or obesity-related chronic disease is 39% among the general population in Oregon but is 58% among African-Americans and 56% among American Indians and Alaska Natives. Similarly, low-income Oregonians are significantly less likely than middle- or higher-income residents to get recommended cancer screening like mammograms (52% vs. 73%). Action to improve and expand collection of accurate demographic data, as called for earlier in this Plan, will allow us to see if our efforts are truly improving the health and lives of *all* Oregonians.
 - *The Oregon All-Payer, All-Claims (APAC) Reporting System.* By 2012, this system will consolidate health care claims from Medicare, Medicaid, commercial insurers, third party administrators and pharmacy benefit managers. The dataset will include information on diagnoses, procedures, charges, and payments, as well as member demographics and provider information. When the system is fully in place, we will have more timely and detailed cost information and ability to construct claims-based quality indicators that reflect the experience of almost all insured individuals in Oregon. The dataset will also enable OHA to see how performance varies between geographic areas and health systems within the state.
 - *Oregon Health Information Exchange.* Oregon’s plans to develop a system of exchanging electronic medical information across the state will result in vast improvements in the availability and quality of data about health care processes and patient health outcomes. As clinical data—including data from electronic health records or EHRs—become more accessible and better connected, measurement plans will likely be revised to take advantage of this rich information source.

DRAFT Oregon Scorecard

Potential Indicators as of December 2010

Indicator	Oregon	National	Data year
IMPROVE THE HEALTH OF ALL OREGONIANS			
% of adults reporting good or excellent health status	87.1%	84.9%	2009
% of adults with a tobacco- or obesity-related chronic disease	39.0%	Not available	2009
% of Oregonians who currently smoke (adults / 8 th graders)	17.5% / 9.9%	17.9% / not avail.	2009
% of Oregonians who are considered obese (adults / 8 th graders)	24.1% / 11.2%	27.2% / not avail.	2009
% of Oregonians who are physically active (adults / 8 th graders)	56.7% / 57.5%	50.6% / not avail.	2009
Oregon high school graduation rate	66.2%	<i>tbd</i>	2008-9 cohort
Percent of babies born at low birthweight	6.2%	8.2%	2009 (prelim.)
INCREASE THE QUALITY, RELIABILITY, AND AVAILABILITY OF CARE			
Access			
% Oregonians who do not have health insurance			
Overall	17.0%	15.1%	2009
Kids 0 - 18	10.9%	9.0%	2009
Adults 19-64	22.9%	20.7%	2009
Primary care provider density	available Jan 2011	--	--
% adults who had a routine check-up in the last year	67.8%	Not available	2008
% adults who had a dental visit (for any reason) in the last year	71.4%	71.2%	2008
Prevention & chronic disease care quality			
% 2-year olds who are up to date on immunizations	73.8%	71.3%	2008
% women (40-69 years) who got a mammogram to check for breast cancer	73.5%	64.0%	2008 & 2009
% adults (50 years +) who have ever been screened for colorectal cancer	66.8%	61.8%	2008
% diabetics who got an HbA1C test for blood sugar in the last year	86.0%	75.0%	2008 & 2009
Hospital and acute care quality			
% of patient rating hospital quality of care as 'high'	67.0%	66.0%	2008 - 2009
Blood stream infections from central lines (CLABSI) (per 1,000 line days)	0.86	1.92	2009
Hospital deaths related to:			
CABG (coronary artery bypass graft)	2.9%	2.2%	2009
Hip fracture	2.9%	2.2%	2009
Avoidable cost drivers			
Hospital admissions that could have been prevented (per 100,000)			
for chronic heart failure (a chronic disease example)	206.6	415.5	2009
for pneumonia (an acute condition example)	237.7	374.8	2009
for asthma (among kids)	47.6	134.8	2009
% patients with low back pain who got MRIs <i>before</i> more conservative care	36.2%	32.7%	2008
Hospital readmissions rates (ratio of actual to expected readmits):			
for chronic heart failure	23.5	24.7	2006-2009
for heart attack (AMI)	19.1	19.9	2006-2009
for pneumonia	17.1	18.3	2006-2009
Infrastructure			

DRAFT Oregon Scorecard

Potential Indicators as of December 2010

Indicator	Oregon	National	Data year
Rate of EMR adoption (ambulatory settings)	65.0%	44%	2009

REDUCE OR CONTROL THE COST OF CARE

% adults reporting that they didn't get medical care because of cost	10.5%	not available	2008
Average monthly health insurance premium for a family	\$1,069	\$1,085	2009
Per capita expenditures for personal health services	\$4,880	\$5,283	2004
Average annual growth in per capita expenditures	7.7%	6.7%	1991-2004
Per capita personal medical expenditures for:			
Hospital care	\$1,671	\$1,931	2004
Physician and professional services	\$1,433	\$1,341	2004
Rx	\$569	\$757	2004
Dental care	\$354	\$277	2004