

Federal Health Reform in Oregon: Implications for Transforming Care Delivery

(Based on Oregon Health Policy and Research understanding as of 4-6-2010)

Policy/program area	What federal reform does	Where there is state flexibility	Interactions with Oregon reforms and programs	Details to be determined	Funding, pilots, and other opportunities
Primary care payment reform & primary care homes	<ul style="list-style-type: none"> ▪ Increases Medicaid reimbursement to primary care docs for primary care services to 100% of Medicare for 2013-14. ▪ Creates a Medicaid medical home demonstration project for patients with chronic conditions starting January 2011; (see last column). 	<ul style="list-style-type: none"> ▪ State’s choice to apply for medical home pilot project. 	<ul style="list-style-type: none"> ▪ Medicaid medical home demonstration is well aligned with planned pilots in Oregon. ▪ Small potential for medical home standards that HHS sets for demo. project to conflict with Oregon standards. <p><i>OHPB Incentives & Outcomes Committee to review.</i></p>	<ul style="list-style-type: none"> ▪ Medical home standards; specific requirements for planning grants 	<ul style="list-style-type: none"> ▪ Federal government will cover 100% of incremental cost for Medicaid primary care reimbursement increase ▪ Medicaid medical home pilot opportunities: <ul style="list-style-type: none"> ○ Planning grants available Jan. 2011, \$25M total available. ○ 90% federal financing for first 8 quarters of demonstration. ○ Secretary shall award grants for community health teams to support medical homes; amount and dates not given.
Other payment reform	<ul style="list-style-type: none"> ▪ Authorizes several payment reform and/or system transformation pilots under Medicaid and Medicare - see last column ▪ Value-based purchasing (VBP) in Medicare: <ul style="list-style-type: none"> ○ Value-based incentive payment to hospitals beginning with discharges in October 2012 ○ Value-based adjustment for physician fee schedule developed by 2012; implemented 2015-17 ○ Plans for VBP in skilled nursing facilities, home health, and ambulatory surgical centers to be created in 2011 ▪ Hospital-acquired infections: Medicaid will 	<ul style="list-style-type: none"> ▪ State’s choice to apply for pilot projects. 	<ul style="list-style-type: none"> ▪ Potential intersection with OR hospital quality reporting requirements (incl. infections) because hospitals can opt out of reporting to feds if states report instead. <p><i>OHPB Incentives & Outcomes Committee to review.</i></p>	<p>Much of the strategy for value-based purchasing in Medicare yet to be developed.</p>	<ul style="list-style-type: none"> ▪ Medicaid payment reform pilots: <ul style="list-style-type: none"> ○ Global payments for safety-net hospitals – 5 states, 2010-12. ○ Bundled hospital & physician payments, CMS to develop method for grouping episodes of care – 8 states, 2012-16. ○ Pediatric Accountable Care Organization demonstration – number of awards not stated, 2012-16. ▪ Medicare payment reform pilots: <ul style="list-style-type: none"> ○ Independence at Home demonstration program for high-needs patients (Jan 2012) ○ Medicare Accountable Care Organization

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	<p>cease to pay in July 2011; Medicare will reduce payments to hospitals in top quartile of infection rates by 1% beginning 2015</p> <ul style="list-style-type: none"> ▪ Medicare hospital payment reductions starting FY2012 based on % of preventable readmissions; future expansions possible ▪ Establishes federal CMS Innovation Center to test new payment reform models (Jan 2011) 				<p>pilots beginning Jan 2012, 3-year, 5,000 beneficiary minimum</p> <ul style="list-style-type: none"> ○ Bundled payments for acute and post-acute care on 10 conditions, with shared savings; pilots 2013; expand in 2016 if successful ○ Community Care Transitions Program for Medicare patients at high risk of hospital readmission, Jan. 2011, 5-yr funding, \$500M total available ○ Extension of Deficit Reduction Act hospital quality gainsharing demonstration through Sept. 2011
Quality standards – accountability, measurement, and reporting	<ul style="list-style-type: none"> ▪ HHS to develop national quality improvement strategy ▪ Instructs CMS to create a set of quality standards for adult Medicaid (similar to recently released core measure set for kids under SCHIP reauthorization in 2009) ▪ Adds reporting incentives and penalties under Medicare’s Physician Quality Reporting Initiative (PQRI) – see last column. ▪ Instructs CMS to develop quality reporting systems for long-term care, hospice, inpatient rehab, and cancer hospitals by 2014 ▪ Establishes Federal Coordinated Health Care office to improve care for dual eligibles 	<ul style="list-style-type: none"> ▪ Little state flexibility here, apart from presumed ability to comment during rules process for measure or strategy development 	<ul style="list-style-type: none"> ▪ Will need to ensure that quality metrics adopted by Oregon don’t burden providers by diverging strongly from federal requirements. <p><i>OHPB Incentives & Outcomes Committee to review.</i></p>	<ul style="list-style-type: none"> ▪ Much of the quality strategy and measures yet to be developed. 	<p>Physician Quality Reporting Initiative incentives:</p> <ul style="list-style-type: none"> ▪ 0.5% additional incentive for participation in 2011 and for incorporation of HIT meaningful use standards in 2012 ▪ Penalty for non-participation beginning 2014.
Behavioral health integration	<ul style="list-style-type: none"> ▪ Authorizes two demonstration programs – see last column. 	<ul style="list-style-type: none"> ▪ State’s choice to apply for 	<ul style="list-style-type: none"> ▪ Co-location grant is possible source of 	<ul style="list-style-type: none"> ▪ Not applicable. 	<ul style="list-style-type: none"> ▪ Co-location of primary and specialty care in community-based mental health program

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		demonstration projects	support for ongoing behavioral health integration work in Oregon		setting, \$50M available for 2010 and sums as necessary for 2011-14 <ul style="list-style-type: none"> ▪ Medicaid reimbursement for emergency stabilization services (under EMTALA) in private mental health facilities – number of awards not stated, 2010-15
Multi-share models	<ul style="list-style-type: none"> ▪ Law does not address these non-insurance coverage programs directly. 	<ul style="list-style-type: none"> ▪ Not applicable. 	<ul style="list-style-type: none"> ▪ Unclear how Oregon’s newly certified multi-shares would interact with Exchange or federal subsidies targeted at small businesses; need federal clarification. 	<ul style="list-style-type: none"> ▪ Not applicable. 	<ul style="list-style-type: none"> ▪ Not clear.
Comparative effectiveness research & evidence-based care guidelines	<ul style="list-style-type: none"> ▪ Creates a Patient-Centered Outcomes Research Institute at CMS; sunsets the similar Federal Coordinating Council for Comparative Research created by the stimulus act (ARRA). 	<ul style="list-style-type: none"> ▪ Not applicable. 	<ul style="list-style-type: none"> ▪ How state comparative effectiveness efforts can complement federal work to be determined. <p><i>Health Services Commission, Health Resources Commission to review.</i></p>	<ul style="list-style-type: none"> ▪ Law contains further details on Center operation & management. 	<ul style="list-style-type: none"> ▪ None noted.
HIT/HIE/ Electronic Health Records	<ul style="list-style-type: none"> ▪ HIT provisions are woven into many of the law’s reform initiatives (e.g. quality reporting requirements); analysis is ongoing. 	<ul style="list-style-type: none"> ▪ Analysis ongoing. 	<ul style="list-style-type: none"> ▪ Analysis ongoing <p><i>Health Info. Technology Oversight Council (HITOC) to review.</i></p>	<ul style="list-style-type: none"> ▪ Analysis ongoing. 	<ul style="list-style-type: none"> ▪ Analysis ongoing.

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Administrative Simplification	<ul style="list-style-type: none"> ▪ Establishes deadlines for HHS to issue new and revised HIPAA standards for electronic transactions to eliminate variation. Compliance deadlines phased in from 1/1/2013 to 1/1/2016) ▪ Requires Medicare providers to accept electronic remittance advice and funds transfer by 1/1/2014 	<ul style="list-style-type: none"> ▪ State could require compliance sooner. 	<ul style="list-style-type: none"> ▪ Federal standards will address some of the same topics for which HB 2009 requires OHPR to develop minimum standards; will need to consider need for state-level standards if federal ones supersede them. <p><i>OHPB Administrative Simplification Workgroup to review.</i></p>	<ul style="list-style-type: none"> ▪ HHS rules will not be issued until 7/1/2011 to 7/1/2014. 	
Medical Liability reform	<ul style="list-style-type: none"> ▪ Public Health Service provides medical liability coverage extended to professionals practicing at free clinics (effective on enactment). ▪ Creates demonstration grants - see last column. 	<ul style="list-style-type: none"> ▪ Not applicable. 	<ul style="list-style-type: none"> ▪ Task Force on Medical Liability, which will begin to meet in April, could consider developing a reform approach that would qualify for funding. <p><i>OHPB Taskforce on Medical Liability to review.</i></p>	<ul style="list-style-type: none"> ▪ None noted. 	<ul style="list-style-type: none"> • Authorizes HHS to award planning grants (1-yr) and demonstration grants (5-yr) to states for voluntary alternatives to tort litigation, FY2011-16, \$50M total available
Medicare payments	<ul style="list-style-type: none"> ▪ Analysis is ongoing, but the law affects Medicare payments in several ways, including increased reimbursement to hospitals in Oregon for FY2011-12 and reducing Medicare Advantage payments beginning in 2012. 	<ul style="list-style-type: none"> ▪ Analysis ongoing. 	<ul style="list-style-type: none"> ▪ Analysis ongoing. 	<ul style="list-style-type: none"> ▪ Analysis ongoing. 	<ul style="list-style-type: none"> ▪ Analysis ongoing.

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Healthcare workforce	<ul style="list-style-type: none"> ▪ Authorizes many workforce training and/or retention grants – see addendum at below. ▪ Several investments and regulatory changes in support of primary care workforce: <ul style="list-style-type: none"> ○ Increased funding for the National Health Service Corps: \$320M in 2010 building to \$1.15B in 2015; increases annual max. loan repayment to \$50,000 (from \$35K) ○ 10-year cap on primary care practice requirement for physician loan recipients (vs. life of loan) and reduced interest rate for non-compliance (2% down from 18%). ○ Redistributes unused residency positions to primary care, priority to shortage areas ○ See also primary care related grants and pilot projects in addendum. ▪ Directs HHS to review its methodology for designating shortage areas, with a final rule due by July 2011 ▪ Creates National Healthcare Workforce Commission and provides funding for state and regional workforce planning and analysis centers (see addendum) ▪ Increases flexibility around training locations and activities that count for Medicare funding for residents (DGME and IME) 	<ul style="list-style-type: none"> ▪ State’s choice to apply for various funding opportunities. 	<ul style="list-style-type: none"> ▪ Many potential sources of support for workforce development priorities identified by the Workforce Committee and others (see addendum) <p><i>OHPB Healthcare Workforce Committee to review.</i></p>	<ul style="list-style-type: none"> ▪ Eligibility and requirement details for funding opportunities 	<ul style="list-style-type: none"> ▪ See list of opportunities listed in addendum.

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Addendum – Healthcare Workforce Funding, Pilots, and other Opportunities

Based on OHPR staff understanding as of 3-30-2010

Base funding for healthcare professional training

- Potential funding for development, operation, or capacity building of primary care training programs (family medicine, internal medicine, pediatrics, and physician assistant)
- Potential funding for new or expanded primary care residency programs at teaching health centers
- Grants for residency training in preventive medicine or public health

- Potential funding for training programs and loan repayment in general, pediatric, & public health dentistry
- Potential funding for mental or behavioral health training programs
- Extends nurse education grant program thru 2014
- Clarifies which nurse-midwifery programs are eligible for advanced education nursing grants - could impact programs depending on accreditation status
- Expands allowable uses of nursing workforce diversity grants

Award Information

5-yr grants from HHS; \$125M for 2010 and sums as necessary for 2011-15

Max \$500,000 and 3 years of grant

\$43M available in FY 2011; sums as necessary for FY 2012-15)

5-yr grants from HHS; \$30M for 2010 and sums as necessary for 2011-15

\$35m total available from HHS

Analysis in progress

Analysis in progress

Analysis in progress

Effective Dates

FY 2011-14

FY 2011-15

FY 2011-15

FY 2010-15

FY 2011-13

Analysis in progress

Analysis in progress

Demonstration projects for healthcare professional training

- Potential funding for alternative dental health care provider demonstration project
- Demonstration grants for family nurse practitioner training programs at federally-qualified health centers or nurse-managed health centers
- Demonstration grants to help low-income individuals get health profession training
- Demonstration grants to develop certification programs for home health aides
- Graduate nurse education demonstration program
- Demonstration grants to help educational institutions train physicians likely to work in underserved rural areas

Award Information

5- year project; 15 grants total

Analysis in progress

Analysis in progress

Max 6 states

Max 5 hospitals to receive award

Effective Dates

Within 2 years

FY 2011-14

FY 2010-14

W/in 18 months

FY 2012-15

FY 2010-13

Career development, re-training, and retention

- Potential nursing workforce retention grants
- Primary Care Extension Program to educate primary care providers in prevention, chronic disease management, etc.
- Program to award scholarships to mid-career PH or allied health professionals employed in public sector
- Grants for geriatric education centers & fellowships, and career incentives for advanced degrees in

Award Information

Analysis in progress

Analysis in progress

Analysis in progress

Analysis in progress

Effective Dates

FY 2011-14

FY 2010-15

FY 2011-13

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<ul style="list-style-type: none"> geriatrics ▪ Potential funding for cultural competency training for healthcare professionals ▪ Fellowship training in public health (like the Epidemiologic Intelligence Service, or similar) to address documented workforce shortages ▪ U.S. Public Health Sciences Track to train 800 healthcare professionals per year in “team-based service, public health, epidemiology, and emergency preparedness and response.” Tuition remission and stipend in return for service commitment. ▪ States may award grants to providers serving high proportion (as defined by state) of medically underserved or other special populations. ▪ Support for training of direct care workers in long-term care settings 	<p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>No federal funds provided.</p> <p>Analysis in progress</p>	<p>FY 2010-15</p> <p>FY 2010-13 Begin FY 2010</p> <p>Not given.</p> <p>FY 2011-13</p>
<p><u>Training Pipeline</u></p> <ul style="list-style-type: none"> ▪ Community-based training and education grants for Area Health Education Centers (AHEC) 		
	<p><u>Award Information</u></p> <p>Analysis in progress</p>	<p><u>Effective Dates</u></p> <p>FY 2010-14</p>
<p><u>Loans & loan repayment</u></p> <p>Note: some loan provisions listed in main table above.</p> <ul style="list-style-type: none"> ▪ Increased loan maximums & scholarships to encourage diversity in health professions ▪ Increased maximums for nursing student loans and for nursing faculty loans ▪ Pediatric specialty loan repayment program ▪ Public health workforce loan repayment program ▪ Allied health professional loan forgiveness ▪ Loan repayment for nurses working as faculty (not just as clinicians in critical shortage areas) 		
	<p><u>Award Information</u></p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p>	<p><u>Effective Dates</u></p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p> <p>Analysis in progress</p>
<p><u>Workforce development & coordination</u></p> <ul style="list-style-type: none"> ▪ Grants to states for healthcare workforce development grants. Note: only state “workforce investment boards” are eligible to apply – Workforce Committee does not meet definition. ▪ Grants and/or contracts for national, state, and regional centers for workforce analysis 		
	<p><u>Award Information</u></p> <p>\$150K planning grants requiring 15% match; implementation grants requiring 25% match</p> <p>\$4.5M available nationally</p>	<p><u>Effective Dates</u></p> <p>Begin FY 2010</p> <p>FY2010-14</p>