



Oregon

Theodore R. Kulongoski, Governor

Office for
Oregon Health Policy & Research
1225 Ferry Street SE, 1st Floor
Salem, Oregon 97301
(503) 373-1779
Fax (503) 378-5511

Date March 10, 2009

TO: The Honorable Laurie Monnes Anderson, Chair
Senate Committee on Health Care and Veterans' Affairs

FROM: Sean Kolmer, MPH
Research Manager
Office for Oregon Health Policy and Research
Oregon Department of Human Services
503-373-1824

SUBJECT: Senate Bill 453, Sections 7-10

Chair Monnes Anderson and members of the committee; I am Sean Kolmer, Research Manager for the Office for Oregon Health Policy and Research (OHPR). I appreciate the opportunity to testify before you to support Sections 7-10 of Senate Bill 453. I want to stress that the reporting program described here is about cost containment, delivery system reform, population health, transparency and health care reform evaluation in Oregon. The Oregon Health Fund Board in their final recommendations and the Governor in his recommended budget support this data reporting program as a necessary first phase in future health care reform.

Good health policy is ultimately informed by consistent, comparable, and comprehensive information of cost and quality. Sections 7-10 of SB 453 proposes creation of an all-payer, all-claims data reporting program to allow better understanding of cost, quality, and access across Oregon's entire health care system. Currently, Oregon has fragmented, inconsistent and incomplete information about how our health care system is performing. Currently, OHPR collects, analyzes and reports using a variety of data sources from a variety of providers including hospitals and ambulatory surgery centers. As valuable and necessary as these programs are, they are narrow and incomplete, and cannot answer the following questions, and hampering the development of effective policy:

- How is Oregon bending the cost curve through health reform efforts?
- Are cost containment efforts successful? What were the successes and what were the failures?
- How much does it cost to treat diabetic patients in Roseburg as compared to Albany? What is the quality outcomes associated with variations in cost?



- How do Medicare beneficiaries compare with the commercially insured in receiving evidence-based health disease care?
- What is the variation in utilization of MRIs in the Portland Metro area as compared to the Bend-Redmond area?
- What is the quality of care delivered to Oregon children?
- What is the highest cost chronic disease in Oregon's health care system?
- What age group has the greatest rate of a particular chronic disease?
How much of health care spending is being delivered to these patients?

These questions and the reporting program proposed in SB 453 are about accountability. Accountability to Oregonians that their health care system is providing the highest quality care, while containing costs.

SB 453 (Sections 7-10) propose reporting of comprehensive (inpatient, outpatient, ambulatory clinic, and pharmacy) claims information from public (Medicare, Medicaid) and private (commercial insurers, third party administrators, pharmacy benefit manager) payers in a consistent, comparable and sustainable way. Through an all-payer, all-claims data reporting program, both cost and quality can be assessed in tandem for the first time in Oregon for statewide health policy planning, quality improvement efforts, and population health improvement. Health care reform is not about cost alone or quality alone, but about the challenge at finding the interplay of both to improve quality while containing costs.

With the policy objective of understanding Oregon's health care system, Section 7 outlines what entities would be subject to reporting. For the most comprehensive picture, it is necessary to require all payers be subject to this reporting program and proposes to include licensed health insurers, third party administrators (TPAs), pharmacy benefit managers (PBMs), Medicaid managed care organizations, Medicaid fee-for-service through the Oregon Health Plan, Medicare Advantage plans, and Medicare from the Centers for Medicare and Medicaid Services. Requiring all payers to report is essential for a comprehensive picture but also allows understanding of variation between payers to effectively focus improvement efforts. For example, looking at total care in a region might suggest there are not problems with children receiving well child visits. However, by having information about each payer, it may show that Medicaid children in that region have significantly lower rates than commercially insured children.

The state has the obligation to supply useful, meaningful information to the general public. Through the collaboration between OHP, Department of Consumer and Business Services, reporting entities, providers and other stakeholders, a limited public data system (Section 8, subsections 6-7) will allow more informed health care decision making by patients, providers, payers, and policy makers. To protect patients and providers, no patient or provider (i.e. physician) identifiers will be accessible or reporting and all information reported will be subject to HIPAA. The level of transparency proposed is something we are asked by many Oregonians who want to better understand the health care quality and the value they receive for the hard earned dollars they are being asked increasingly to contribute. The all-payer, all-claims reporting program will better empower patients to be more informed participants with their providers in the health care decisions they make together.

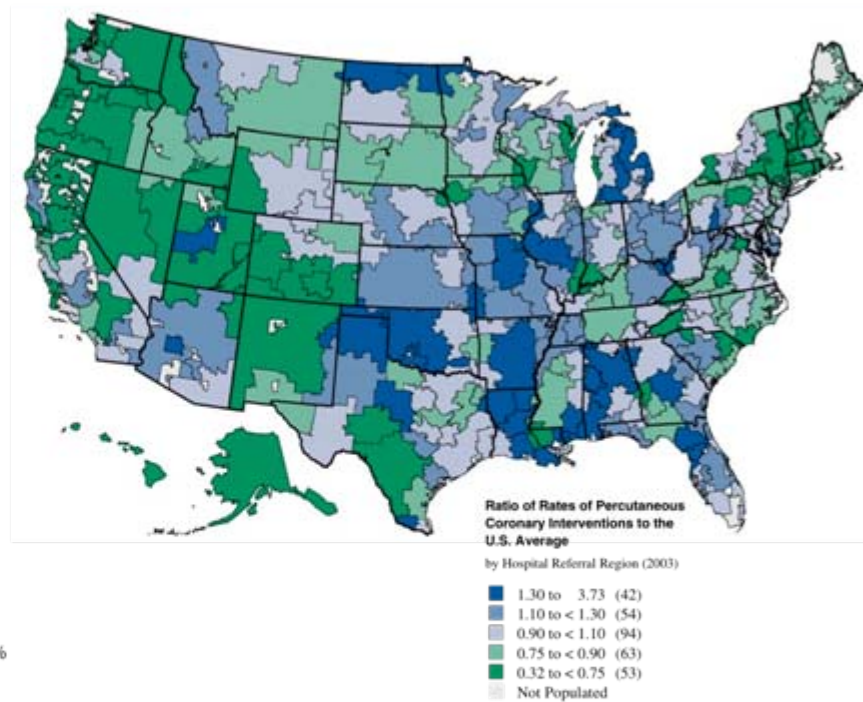
Sections 7-10 of SB 453 propose creation of an all-payer, all-claims data reporting program, and through this effort:

- Providers can benchmark their performance, identify opportunities for quality improvement, and design effective quality improvement initiatives.
- Purchasers can identify and reward high-performing providers who delivery high-quality, high-value care to their patients
- Consumers can access information to help guide critical health care decisions.
- Policy makers can make improved strategic decisions for the priorities of Oregon, both by providing funding and also through the development of public-private partnerships at the local level for development of community specific initiatives.

This reporting program provides the opportunity for more accountability of the health care system to every Oregonian who should receive high-quality, cost effective care.

I would like to thank you for your time and would be more than happy to answer any questions you might have and in addition be a future resource for any addition questions you might have.

Variation in Geographical Utilization

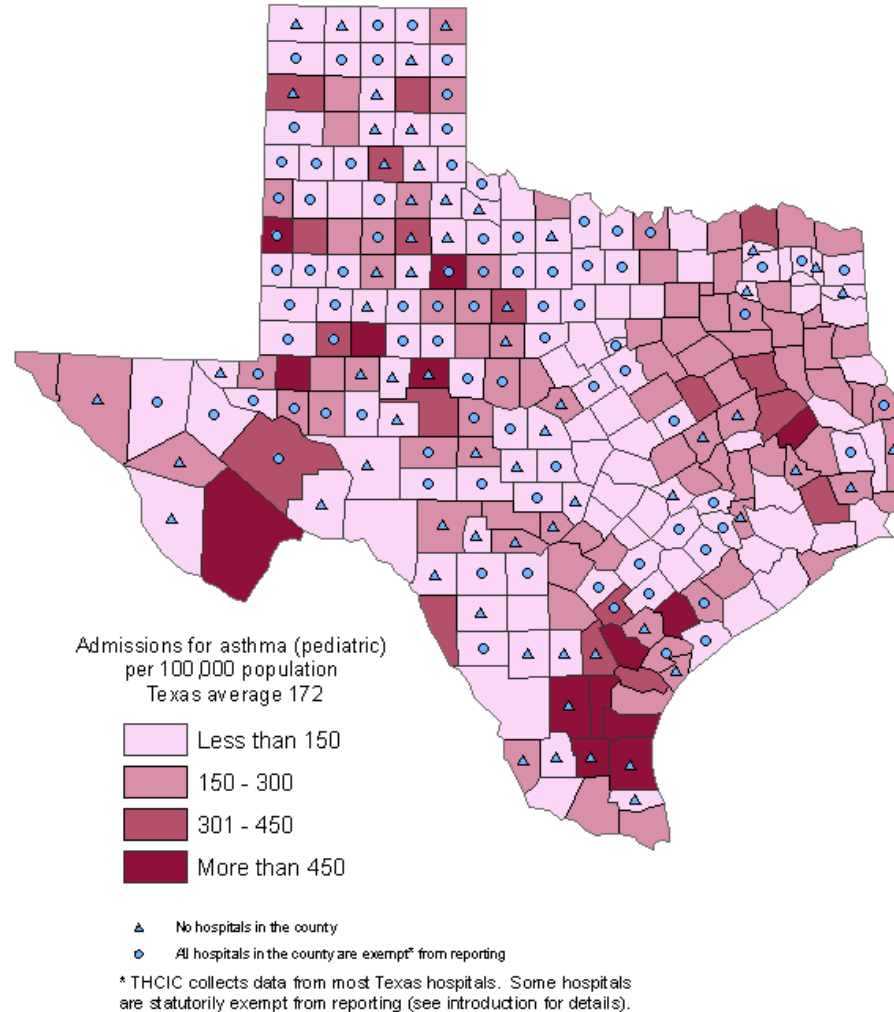


Map 2. Percutaneous Coronary Interventions

In 42 hospital referral regions, rates of PCI were at least 30% higher than the United States average of 11.3 per 1,000 Medicare enrollees. In 53 hospital referral regions, rates were more than 25% lower than the national average.



Pediatric Asthma Admissions

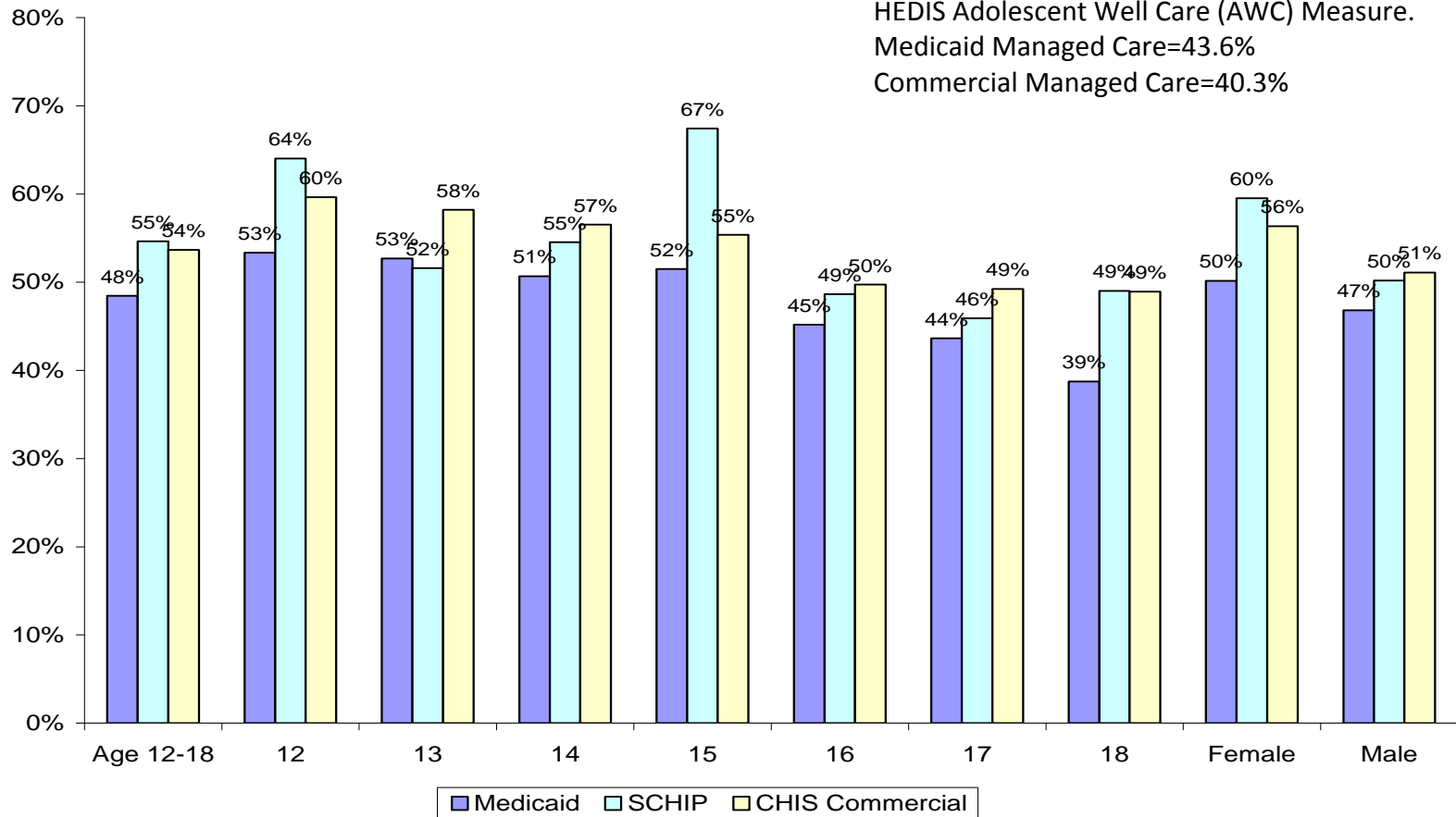


Source: <http://www.dshs.state.tx.us/THCIC/Publications/Hospitals/PQIRReport2002/Table11.pdf>

Variation in Populations Following Evidence-Based Guidelines

Percent of Adolescents with Adolescent Well Care Visits by Age, Gender, and Plan Type, SFY2007

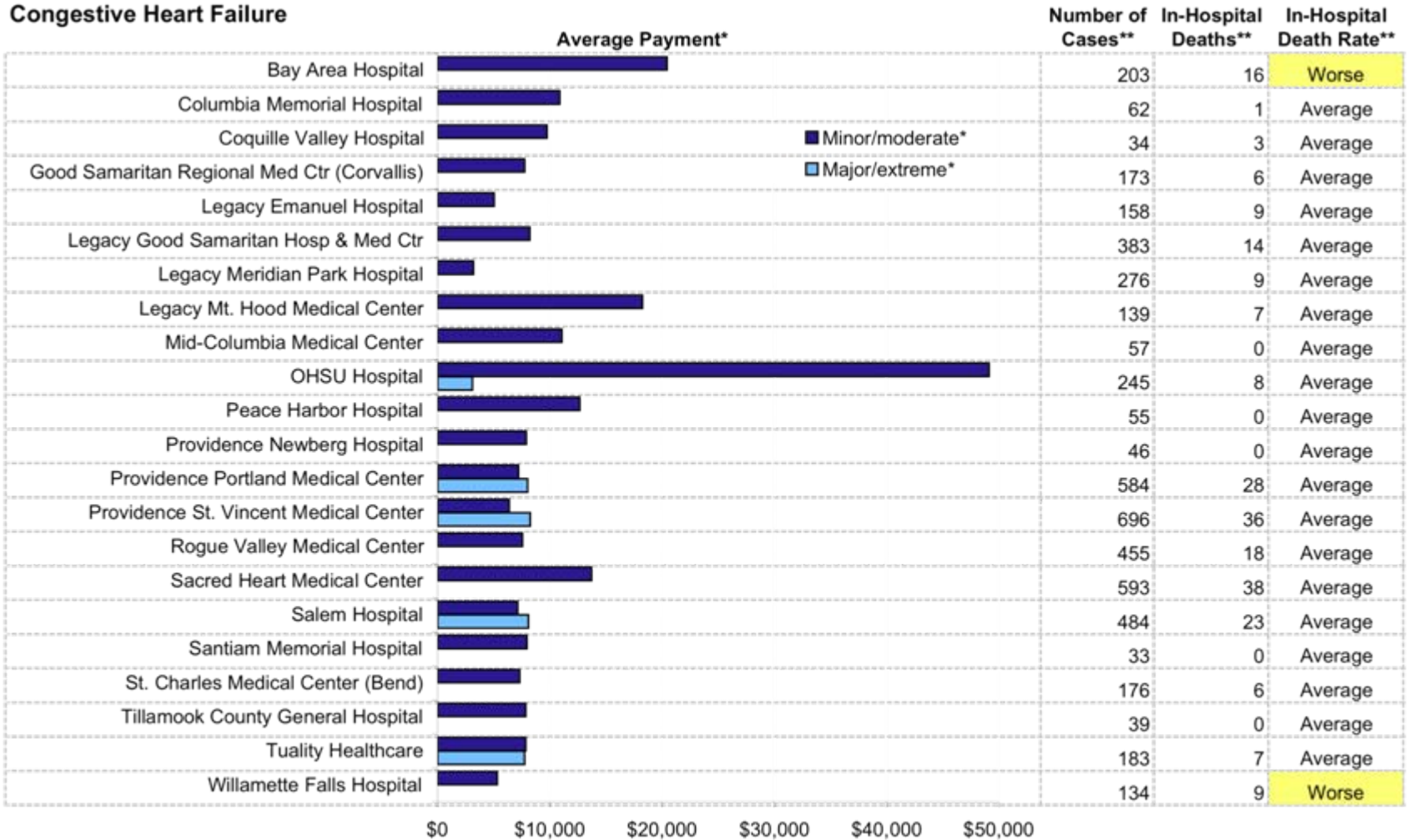
National Committee Quality Assurance (NCQA)
 HEDIS Adolescent Well Care (AWC) Measure.
 Medicaid Managed Care=43.6%
 Commercial Managed Care=40.3%



Children's Health Insurance Programs: Follow-up Studies - December 9, 2008

Variation in “Value” (Cost & Quality)

Congestive Heart Failure

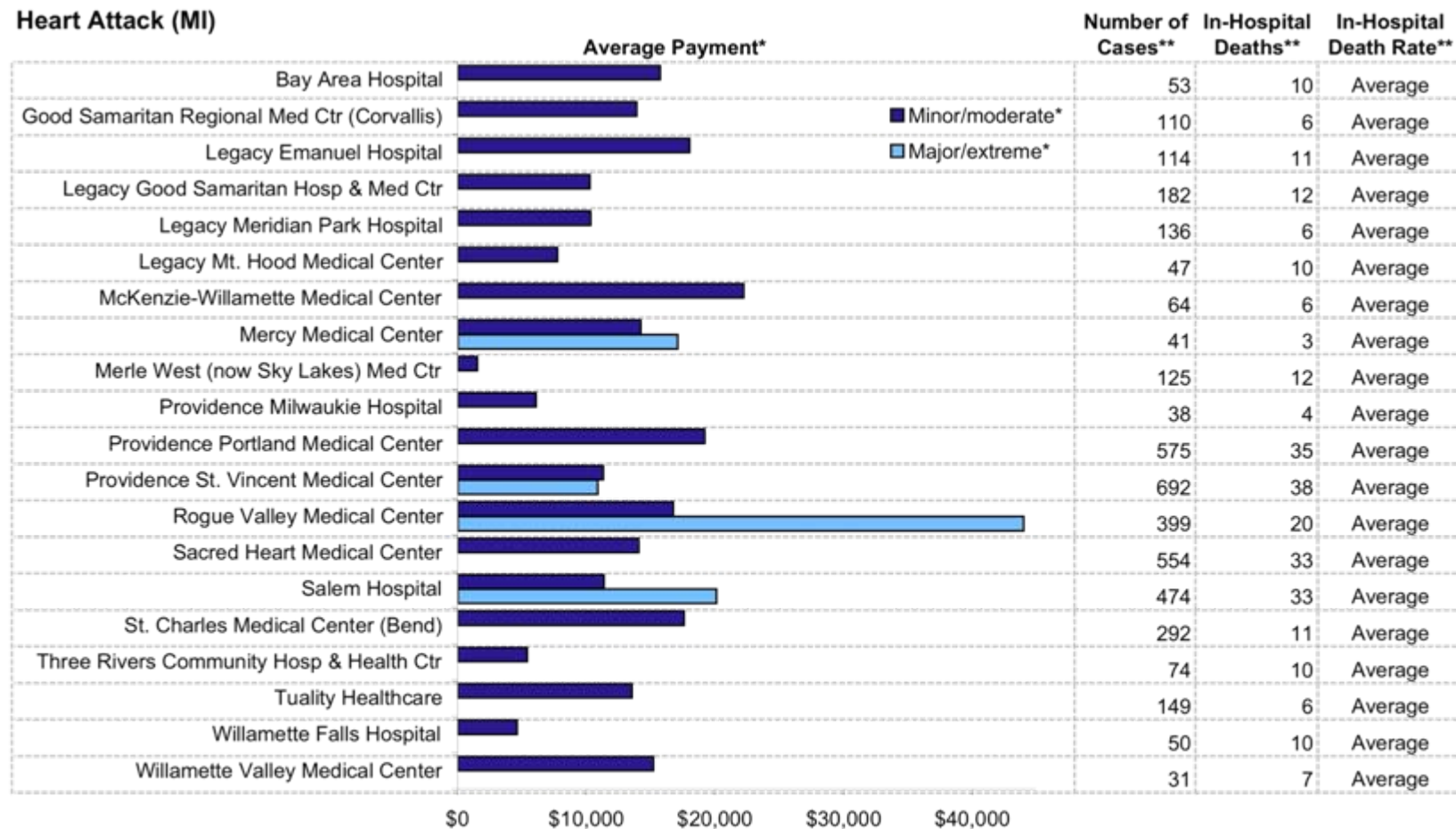


* - Refer to [glossary](#) for "Severity of Illness" definition

** - Source: [2006 Inpatient Quality Indicators](#)

Source: Office for Oregon Health Policy & Research. <http://www.oregon.gov/OHPPR/RSCH/comparehospitalcosts.shtml>

Heart Attack (MI)



* - Refer to [glossary](#) for "Severity of Illness" definition

** - Source: [2006 Inpatient Quality Indicators](#)

Source: Office for Oregon Health Policy & Research. <http://www.oregon.gov/OHPPR/RSCH/comparehospitalcosts.shtml>