

Oregon Health Policy Commission: Road Map for Health Care Reform

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Commission Overview

- Established in 2003 – House Bill 3653
 - ◆ Replaced Oregon Health Council

- Membership

- 10 Voting Members

- Vanetta Abdellatif
 - Jonathan Ater, Vice Chair
 - Kerry Barnett, Chair
 - Geoff Brown
 - Alice Dale
 - Vickie Gates
 - Denise Honzel

- Jim Lussier
 - Steve Sharp
 - Rick Wopat, MD

- 4 Legislators

- Representative Mitch Greenlick
 - Representative Ron Maurer
 - Senator Richard Devlin
 - Senator Ben Westlund

Commission Overview

Statutory Purpose

- Develop a plan for and monitor the implementation of the state's health policy.
- Identify and analyze significant health policy issues affecting the state.
- Prepare and submit to the Governor and the Legislative Assembly resolutions relating to health policy and health care reform.
- Provide a forum for discussion of health policy and health care issues facing the citizens of Oregon.

OHPC Principles for Improving Our System

- Simplify
- Invest in prevention
- Manage chronic and catastrophic care
- Align incentives
- Increase transparency
- Maintain a broad and strong safety net
- Better to ration what is covered than to ration people
- Focus on children

Charge from the Governor

- Road Map for Reform with concrete steps
- Implement over the near term
- Access for all Oregonians to affordable health care
- Sustainable financing

Overview of Reform Approach

- Health care is a shared social responsibility
- Five-year time horizon
- Support and improve current programs and structures that work; overhaul those that don't
- Recognize that access, cost, transparency, and quality are intertwined

Overview of Approach (Continued)

- Make rational coverage decisions
- Highest priority to prevention, care management and catastrophic care
- Encourage delivery system integration and alignment of payment incentives
- Maximize available federal, state, and private financing
- Coordinate with other reform efforts

Crafting the Roadmap

- Commission worked on the Roadmap between March 2006 and June 2007
- Assisted by Workgroups and other interested parties

OHPC Recommendations

1. Coverage for children
2. Individual coverage requirement
3. Public coverage and subsidies
4. Health Insurance Exchange
5. Sustainable system financing

OHPC Recommendations (Continued)

6. Delivery system reforms

- ◆ Quality
- ◆ Transparency
- ◆ Value-based purchasing
- ◆ Health information technology
- ◆ Patient safety
- ◆ Reimbursement reform

7. Support for community efforts to improve access and delivery

8. Rigorous implementation evaluation

Individual Coverage Requirement

- Require everyone to obtain affordable health insurance
- Broad definition of qualifying policies
- Non-participants face penalties

Public Coverage and Subsidies

- Expand OHP to 200% FPL
- Adults with employer-sponsored coverage must take it
- Maximize federal match
- Sliding-scale premium subsidies up to 300% FPL
 - ◆ Subsidies based on affordability
 - ◆ Minimum benefit plan based on prioritized list

Health Insurance Exchange

- “Market Organizer” -- Central forum for buying and selling health insurance
 - ◆ Individuals and small employers
- Mechanism for pre-tax purchasing of private coverage and access to public subsidies
- “Smart Purchaser” emphasizes value-based purchasing, payment incentives, cost control
- Defines affordability standard
- Defines range of packages available for purchase

Health Insurance Exchange: Cost Containment & Administration

Cost Containment Tools:

- Benefit design
- Expectations placed on insurance carriers
- Value-based purchasing (“smart buyer”)

Administration:

- Public/private hybrid structure
- Sustainable, internally generated funding
 - ◆ Sources could include transaction or membership fee, premium on policies

System Financing

- **Preliminary estimates: \$550 million/year**
 - ◆ Includes coverage for all uninsured children
 - ◆ Expansion of Oregon Health Plan (Medicaid) to 332,000 enrollees (incl. 249,000 uninsured, 83,000 previously covered)
 - ◆ Premium subsidies for individuals up to 300% FPL (employer based and individually purchased insurance)
 - ◆ Seek savings through system efficiencies
- **Develop broad-based, sustainable financing**
 - ◆ Payroll assessment discussed in report
 - ◆ Recognize that many employers already pay for coverage; could eliminate or reduce payroll tax for those that offer coverage
- **Other funding options in report**

Improving System and Care Quality

- Create Quality Institute
 - ◆ Public-private collaborative effort to improve information collection, measurement, public reporting from all sectors
 - ◆ Coordinating with but separate from the Exchange
- Collaborate to improve value-based purchasing
 - ◆ Purchasing standards that include quality measures, employee access to quality information, provide incentives to choose high value plans

Improving System and Care Quality

- Establish widespread use of shared electronic health records
 - ◆ Leadership, coordination, privacy, security, interoperability, pilot programs
- Improve collaboration and state leadership to improve health care safety
 - ◆ Encourage the participation of all hospitals, nursing homes, ambulatory surgery centers, and other health care facilities in the Oregon Patient Safety Commission's voluntary reporting program on adverse events.

Improve Access & Delivery

- **Prioritize Primary Care & Prevention**

- ◆ Promote primary care medical home model to improve timely, affordable access to comprehensive care
- ◆ Realign incentives to create a high value health care system that encourages primary care, disease management

- **Support local access collaboratives**

- ◆ Community-created solutions to improve access to quality, affordable health care
- ◆ Integrate public health and health care systems: use local collaboratives to coordinate work on disease prevention, care management

Evaluating Reform Successes

- **Components:** well-planned baseline data, implementation and outcome assessment
- **Independent, unbiased evaluator**
 - ◆ Capitalize on current infrastructure: Office for Health Policy and Research, Oregon Health Research Evaluation Collaborative
- **Assess and Report**
 - ◆ Participation, demand for and use of services
 - ◆ Provider capacity changes
 - ◆ Health outcomes, disparities, quality
 - ◆ Financial impacts

Creating a High Value, Affordable Health Care System

- Requires:
 - ◆ Affordable access for all, everyone participates
 - ◆ High quality, coordinated and safe care
 - ◆ Cost efficient, evidence-based care
 - ◆ Continuous system improvement
 - ◆ Sustainable financing
- Reform must address all components