

**Payment Reform Subcommittee of the Oregon Incentives & Outcomes Committee
Meeting Summary - DRAFT**

July 8, 2010
1:00 – 3:00 p.m.

Subcommittee Members in Attendance

Bart McMullan, MD, Chair, Payment Reform Subcommittee
Chris DeMars, MPH
Stephanie Dreyfuss
Steve Jaspersen
David Labby, MD
Robert Marsalli (by phone)
William Murray (phone)
William Olson
Morgan O'Toole
Jim Russel
Sujata Sanghvi (by phone)
David Schlactus
Rick Wopat, MD

Subcommittee Members Not In Attendance

David Dorr
Megan Haase, FNP

Policy Board Members in Attendance

Eileen Brady

Staff in Attendance

Jeanene Smith
Gretchen Morley
Lynn-Marie Crider

Public Attendance

Approximately 6 members of the general public were present for the meeting.

Meeting Summary (Committee actions or decisions in bold)

Dr. McMullan convened the meeting at 1:00.

Committee approved minutes from the 6/10/10 meeting.

Lynn-Marie Crider indicated that staff has been asked to meet with representatives of major insurers to determine the current prevalence of payment methods for each type of provider, to understand what payment methods they believe are preferable and why, and to learn what the barriers are to adoption of the methods. Staff will also seek to identify the measures of quality that insurers are currently using so that the committee can build on those, if it makes sense.

Subcommittee members noted that variation in payment methodologies are costly. They encouraged staff to ascertain whether insurers using DRG or other Medicare-based

payment methodologies are using the current Medicare methodologies or continuing to use prior years' schedules or methods.

Gretchen Morley explained that the Office of Multicultural Health is developing a set of questions to assist committees in considering the impact of their recommendations on health equity. Staff will circulate this tool to committee members.

Eileen Brady shared some thoughts with the subcommittee. She said payment reform is one of the most important pieces of work. She would like to see action-oriented incremental reform recommendations that can be used for common contracting standards.

Jeanene Smith reviewed the subcommittee work plan document in the materials. The subcommittee's recommendations should inform purchasing standards, identify next steps, and build toward where we want to get long-term. Recommendations must go to the Policy Board in October.

There will be a work group on primary care to build on the work of the advisory committee on standards for primary care homes.

The other two work groups – one on payment for hospital services and the other on payment for physician specialty care will look at where we are now, what evidence there is that changing payment would make a difference, and what might be the next steps that can be taken in 12-18 months. The work of these groups should be driven by data analysis and tested against the principles developed by the subcommittee.

Eileen Brady said she'd like to see the subcommittee address chronic conditions—diabetes, asthma, coronary artery disease, depression, hypertension, and congestive heart failure.

Lynn-Marie reviewed some of the data reviewed in the materials.

Some ideas that came forward in discussion were these:

- This work will be successful only if costs are reduced or at least that bend the cost trend.
- We will need to just start trying things, knowing that adjustments will need to be made.
- The question for this group is not exactly what measures of quality should be used but rather how much of payment should be based on some measure of quality.
- We need to address utilization but also price. The Federal Employee Health Plan data showing Oregon to be a high cost compared to other parts of the country for the same benefit design is very interesting and consistent with industry experience. It would be helpful to see if there is more recent data than that cited in the materials.
- It would be helpful to know what how other countries are bundling care for payment purposes.

Bart McMullan asked the work groups to maintain a list of parking lot issues for later discussion.

Lynn-Marie Crider announced work composition. [Note: The work group composition has since been revised, so it is not included in these notes.]

Group 1 (hospital) will meet after this subcommittee meeting and again on August 10, 9 am.

Group 2 (specialty care) will meet after this subcommittee meeting and again on August 9, 9 am.

Jeanene Smith will be in touch with those who wish to participate in Group 3 (patient-centered primary care home).

Dr. McMullan adjourned the meeting at 2:30.

The next scheduled meetings of the committee are:

Full Incentives and Outcomes Committee

Thursday, July 15, 2010, 8:30 am - Noon
Clackamas Community College,
Wilsonville Campus
Rooms 111/112
29353 Town Center Loop East
Wilsonville, OR

Payment Reform Subcommittee

Thursday, August 12, 2010, 1:00 - 3:00 pm
Northwest Health Foundation
Bamboo Room
221 NW 2nd St.
Portland OR