HB 3650: Health System Transformation
Summary of August Work Group Meetings

House Bill 3650 requires the Oregon Health Authority (OHA) to develop many of the details of health system transformation in a proposal for coordinated care organizations (CCO), which would transform the health delivery system beginning with the Oregon Health Plan. The bill requires that OHA submit to the Legislature specific proposals for the CCO criteria for qualification and a CCO global budget methodology in the February 2012 session.

In August, Governor Kitzhaber selected 133 people—from nearly 500 applicants—to serve on four work groups to inform the development of the CCO proposal. The four work groups, chartered under the Oregon Health Policy Board, include:

- CCO Criteria
- Global Budget Methodology
- Outcomes, Quality and Efficiency Metrics
- Medicare-Medicaid Integration of Care and Services

The work groups, which range in size from 35 to 40 members, were selected to represent the diversity of Oregon health care stakeholders. The work groups will meet for three hours monthly between August and November, each month providing input to the Oregon Health Policy Board. All of the meetings are public, and the discussion topics are posted online for additional public comment. Each of the work groups met for the first time over the third week and fourth weeks of August. Because of the size of the workgroups, the meetings are structured so that organizational and background information is presented in a large group setting, and structured, facilitated discussions occur in small group breakouts of 12 to 15 members each.

The discussions from each of the work group meetings will be summarized and presented to the Oregon Health Policy Board along with a summary of public input. The Board's discussion will be summarized, presented to the work groups, and so on. Through this iterative process, the work groups, OHA staff, the public and the Oregon Health Policy Board will together develop the proposal to be presented to the Legislature in February 2012.

This memo will provide an update and summary of the first round of meetings. The agendas, charters, rosters, and meetings schedules for each group, as well as materials from the first meetings, are all posted at www.health.oregon.gov.

CCO Criteria
The CCO Criteria work group will provide input into the qualification criteria and standards for the proposed CCOs.

Summary:
For the first meeting, the group addressed the process for selecting and contracting with CCOs, as well as the topics which should be the focus of the work group's remaining meetings. The CCO Criteria charter identified 17 potential topics that could be considered to qualify organizations as CCOs. Because of the limited time frame, staff identified five certification topics as complex, substantive and appropriate for structured discussion in small group settings: health equity; CCO governance; alternative dispute resolution; CCO financial solvency, risk and business plan; and patient rights. The break out groups were asked whether these are the right topics for their discussion and how they would prioritize them for the remaining meetings. They were also asked what considerations should be most important when developing the process for qualifying organizations.

CCO Certification Topics: The groups agreed, in order of priority, that health equity; patient rights and responsibilities; CCO financial, risk, and business plan; and CCO governance were the topics that should be discussed over the next three work group meetings. There was general agreement that alternative dispute resolution (ADR) should either be moved out of the CCO criteria work group, and that OHA staff and experts should develop an ADR proposal for presentation to the Oregon Health Policy Board and subsequently to the Legislature.

The groups also identified other potential considerations when qualifying CCOs, including care management, integration of long-term care, innovation, health information technology, and consumer engagement strategies.

Certification Process: The groups generally agreed that there were elements in each of the alternatives presented that should be included in the state's process and recommended that health equity be added as a fourth key component that potential CCO qualifying entities would be evaluated against. The groups felt that the certification process should evaluate a core set of criteria, integration and innovation, the business plan, and health equity strategies.

Next Meeting Date: September 21st, 6 – 9 p.m. at the Cherry Avenue Training Center in Keizer.

Global Budget Methodology
The Global Budget Methodology work group will provide input into the global budget methodology for CCOs, including consideration of criteria for determining what funds flow into the global, budget, shared savings arrangements, stop-loss, risk corridors and risk sharing arrangements.

Summary:
The small groups were asked to identify the priority topics for the next few months as well as what the priority considerations should be for determining which programs should be included

in the initial CCO budgets. Future topics will include potential program inclusion/exclusion criteria; managing risk and ensuring outcomes; assuring sustainability; and Medicare integration and ACO implementation. Group members also suggested that other potentially worthwhile discussions include scalability to additional payers, both public and private; developing a process for revising the global budget methodology over time; and changes within OHA's organizational structure to better align with CCOs.

For the focused discussion about determining criteria for how funds are included in the initial CCO budgets, the groups outlined the following:

- Focus on alignment of incentives to reach the triple aim (e.g., avoid perverse incentives; apply a value-centered approach; address market power)
- Define outcome targets and use them to inform the inclusion of programs (e.g., outcome-centered approach; impact on health; trade-off between CCO flexibility and program consistency).
- Consider the nature of program costs (e.g., are program costs predictable or highly variable; programs that are generally centralized and have high fixed costs in relation to variable costs and can be shared across CCOs should likely be carved out).

Next Meeting Date: September 20th, 6 – 9 p.m. at the Cherry Avenue Training Center in Keizer.

Outcomes, Quality and Efficiency Metrics

The Outcomes, Quality and Efficiency Metrics work group will provide input into performance standards and benchmarks to ensure that within CCOs care is being improved while costs are being reduced. Performance standards will include clinical, financial and operational metrics.

Summary:

The focus of the first meeting was to provide feedback on what criteria would be appropriate to use when selecting or changing CCO performance measures, as well as the most important topics for measurement. Examples of criteria include a measure's relevance to transformation goals, the feasibility of data collection, and consistency with other measurement initiatives. Members suggested a few additional criteria, including how well a measure could be communicated with consumers, and emphasized the importance of certain topic areas, including access to care and services.

Next Meeting Date: September 26, 9 a.m. - 12 p.m. at the Clackamas Community College Campus in Wilsonville.

Medicare-Medicaid Integration of Care and Services

The Medicare-Medicaid Integration of Care and Services Work Group will help identify strategies for improving integration of acute care—such as, emergency room visits—and long-term care and services for individuals enrolled in both the Medicare and Medicaid programs within the framework of health system transformation.

Summary:
This work group discussed the population who is dually eligible for Medicare and Medicaid and the key opportunities and challenges presented by better aligning and coordinating Medicare and Medicaid services. The focus included (1) current successes and failures in the delivery of care and services to individuals who are dually eligible; (2) structural changes needed to integrate the Medicare and Medicaid systems; and (3) current disconnects between the health care and long term care delivery systems.

Common themes that arose included the importance of person-centered care and helping people to remain in their homes; the need for better coordination of physical health, mental health, addiction and social services; and the importance of communication between providers and with individuals in a socially and culturally competent manner.

Next Meeting Date: September 22, 6 – 9 p.m. at the Cherry Avenue Training Center in Keizer.