



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
<p><b>Primary care payment reform &amp; primary care homes</b></p>	<ul style="list-style-type: none"> <li>▪ Increases Medicaid reimbursement to primary care docs for primary care services to 100% of Medicare for 2013-14.</li> <li>▪ Creates a Medicaid medical home demonstration project for patients with chronic conditions starting January 2011; (see last column).</li> </ul>	<ul style="list-style-type: none"> <li>▪ State’s choice to apply for medical home pilot project.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Medicaid medical home demonstration is well aligned with planned pilots in Oregon.</li> <li>▪ Small potential for medical home standards that HHS sets for demo. project to conflict with Oregon standards.</li> </ul> <p><i>OHPB Incentives &amp; Outcomes Committee to review.</i></p>	<ul style="list-style-type: none"> <li>▪ Medical home standards; specific requirements for planning grants</li> </ul>	<ul style="list-style-type: none"> <li>▪ Federal government will cover 100% of incremental cost for Medicaid primary care reimbursement increase</li> <li>▪ Medicaid medical home pilot opportunities:                             <ul style="list-style-type: none"> <li>○ Planning grants available Jan. 2011, \$25M total available.</li> <li>○ 90% federal financing for first 8 quarters of demonstration.</li> <li>○ Secretary shall award grants for community health teams to support medical homes; amount and dates not given.</li> </ul> </li> </ul>

## Federal Health Reform in Oregon: Implications for Transforming Care Delivery

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

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<b>Other payment reform</b>	<ul style="list-style-type: none"> <li>▪ Authorizes several payment reform and/or system transformation pilots under Medicaid and Medicare - see last column</li> <li>▪ Value-based purchasing (VBP) in Medicare:               <ul style="list-style-type: none"> <li>○ Value-based incentive payment to hospitals beginning with discharges in October 2012</li> <li>○ Value-based adjustment for physician fee schedule developed by 2012; implemented 2015-17</li> <li>○ Plans for VBP in skilled nursing facilities, home health, and ambulatory surgical centers to be created in 2011</li> </ul> </li> <li>▪ Hospital-acquired infections: Medicaid will cease to pay in July 2011; Medicare will reduce payments to hospitals in top quartile of infection rates by 1% beginning 2015</li> <li>▪ Medicare hospital payment reductions starting FY2012 based on % of preventable readmissions; future expansions possible</li> <li>▪ Establishes federal CMS Innovation Center to test new payment reform models (Jan 2011)</li> </ul>	<ul style="list-style-type: none"> <li>▪ State's choice to apply for pilot projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potential intersection with OR hospital quality reporting requirements (incl. infections) because hospitals can opt out of reporting to feds if states report instead.</li> </ul> <p><i>OHPB Incentives &amp; 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"> <li>▪ Medicaid payment reform pilots:               <ul style="list-style-type: none"> <li>○ Global payments for safety-net hospitals – 5 states, 2010-12.</li> <li>○ Bundled hospital &amp; physician payments, CMS to develop method for grouping episodes of care – 8 states, 2012-16.</li> <li>○ Pediatric Accountable Care Organization demonstration – number of awards not stated, 2012-16.</li> </ul> </li> <li>▪ Medicare payment reform pilots:               <ul style="list-style-type: none"> <li>○ Independence at Home demonstration program for high-needs patients (Jan 2012)</li> <li>○ Medicare Accountable Care Organization pilots beginning Jan 2012, 3-year, 5,000 beneficiary minimum</li> <li>○ Bundled payments for acute and post-acute care on 10 conditions, with shared savings; pilots 2013; expand in 2016 if successful</li> <li>○ Community Care Transitions Program for Medicare patients at high risk of hospital readmission, Jan. 2011, 5-yr funding, \$500M total available</li> <li>○ Extension of Deficit Reduction Act hospital quality gainsharing demonstration through Sept. 2011</li> </ul> </li> </ul>
<b>Quality standards – accountability,</b>	<ul style="list-style-type: none"> <li>▪ HHS to develop national quality improvement strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Little state flexibility here,</li> </ul>	<ul style="list-style-type: none"> <li>▪ Will need to ensure that quality metrics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Much of the quality</li> </ul>	<p>Physician Quality Reporting Initiative incentives:</p> <ul style="list-style-type: none"> <li>▪ 0.5% additional incentive for participation in</li> </ul>

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<b>measurement, and reporting</b>	<ul style="list-style-type: none"> <li>▪ 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)</li> <li>▪ Adds reporting incentives and penalties under Medicare’s Physician Quality Reporting Initiative (PQRI) – see last column.</li> <li>▪ Instructs CMS to develop quality reporting systems for long-term care, hospice, inpatient rehab, and cancer hospitals by 2014</li> <li>▪ Establishes Federal Coordinated Health Care office to improve care for dual eligibles</li> </ul>	<p>apart from presumed ability to comment during rules process for measure or strategy development</p>	<p>adopted by Oregon don’t burden providers by diverging strongly from federal requirements.</p> <p><i>OHPB Incentives &amp; Outcomes Committee to review.</i></p>	<p>strategy and measures yet to be developed.</p>	<p>2011 and for incorporation of HIT meaningful use standards in 2012</p> <ul style="list-style-type: none"> <li>▪ Penalty for non-participation beginning 2014.</li> </ul>
<b>Behavioral health integration</b>	<ul style="list-style-type: none"> <li>▪ Authorizes two demonstration programs – see last column.</li> </ul>	<ul style="list-style-type: none"> <li>▪ State’s choice to apply for demonstration projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Co-location grant is possible source of support for ongoing behavioral health integration work in Oregon</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Co-location of primary and specialty care in community-based mental health program setting, \$50M available for 2010 and sums as necessary for 2011-14</li> <li>▪ Medicaid reimbursement for emergency stabilization services (under EMTALA) in private mental health facilities – number of awards not stated, 2010-15</li> </ul>
<b>Multi-share models</b>	<ul style="list-style-type: none"> <li>▪ Law does not address these non-insurance coverage programs directly.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unclear how Oregon’s newly certified multi-shares would interact with Exchange or federal subsidies targeted at small businesses; need</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not clear.</li> </ul>

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			federal clarification.		
<b>Comparative effectiveness research &amp; evidence-based care guidelines</b>	<ul style="list-style-type: none"> <li>▪ Creates a Patient-Centered Outcomes Research Institute at CMS; sunsets the similar Federal Coordinating Council for Comparative Research created by the stimulus act (ARRA).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>▪ How state comparative effectiveness efforts can complement federal work to be determined.</li> </ul> <p><i>Health Services Commission, Health Resources Commission to review.</i></p>	<ul style="list-style-type: none"> <li>▪ Law contains further details on Center operation &amp; management.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None noted.</li> </ul>
<b>HIT/HIE/ Electronic Health Records</b>	<ul style="list-style-type: none"> <li>▪ HIT provisions are woven into many of the law's reform initiatives (e.g. quality reporting requirements); analysis is ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing</li> </ul> <p><i>Health Info. Technology Oversight Council (HITOC) to review.</i></p>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>
<b>Administrative Simplification</b>	<ul style="list-style-type: none"> <li>▪ 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)</li> <li>▪ Requires Medicare providers to accept electronic remittance advice and funds transfer by 1/1/2014</li> </ul>	<ul style="list-style-type: none"> <li>▪ State could require compliance sooner.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul> <p><i>OHPB Administrative Simplification Workgroup</i></p>	<ul style="list-style-type: none"> <li>▪ HHS rules will not be issued until 7/1/2011 to 7/1/2014.</li> </ul>	

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			<i>to review.</i>		
<b>Medical Liability reform</b>	<ul style="list-style-type: none"> <li>▪ Public Health Service provides medical liability coverage extended to professionals practicing at free clinics (effective on enactment).</li> <li>▪ Creates demonstration grants - see last column.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task Force on Medical Liability, which will begin to meet in April, could consider developing a reform approach that would qualify for funding.</li> </ul> <p><i>OHPB Taskforce on Medical Liability to review.</i></p>	<ul style="list-style-type: none"> <li>▪ None noted.</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Medicare payments</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analysis ongoing.</li> </ul>
<b>Healthcare workforce</b>	<ul style="list-style-type: none"> <li>▪ Authorizes many workforce training and/or retention grants – see addendum at below.</li> <li>▪ Several investments and regulatory changes in support of primary care workforce:               <ul style="list-style-type: none"> <li>○ 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)</li> <li>○ 10-year cap on primary care practice requirement for physician loan recipients</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ State’s choice to apply for various funding opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Many potential sources of support for workforce development priorities identified by the Workforce Committee and others (see addendum)</li> </ul> <p><i>OHPB Healthcare</i></p>	<ul style="list-style-type: none"> <li>▪ Eligibility and requirement details for funding opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▪ See list of opportunities listed in addendum.</li> </ul>

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	<p>(vs. life of loan) and reduced interest rate for non-compliance (2% down from 18%).</p> <ul style="list-style-type: none"> <li>○ Redistributes unused residency positions to primary care, priority to shortage areas</li> <li>○ See also primary care related grants and pilot projects in addendum.</li> </ul> <ul style="list-style-type: none"> <li>▪ Directs HHS to review its methodology for designating shortage areas, with a final rule due by July 2011</li> <li>▪ Creates National Healthcare Workforce Commission and provides funding for state and regional workforce planning and analysis centers (see addendum)</li> <li>▪ Increases flexibility around training locations and activities that count for Medicare funding for residents (DGME and IME)</li> </ul>		<p><i>Workforce Committee to review.</i></p>		

### Addendum – Healthcare Workforce Funding, Pilots, and other Opportunities

Based on OHP 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

#### 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)

#### Effective Dates

FY 2011-14  
 FY 2011-15  
 FY 2011-15

## Federal Health Reform in Oregon: Implications for Transforming Care Delivery

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<ul style="list-style-type: none"> <li>▪ Potential funding for training programs and loan repayment in general, pediatric, &amp; public health dentistry</li> </ul>	5-yr grants from HHS; \$30M for 2010 and sums as necessary for 2011-15	FY 2010-15
<ul style="list-style-type: none"> <li>▪ Potential funding for mental or behavioral health training programs</li> </ul>	\$35m total available from HHS	FY 2011-13
<ul style="list-style-type: none"> <li>▪ Extends nurse education grant program thru 2014</li> </ul>	Analysis in progress	Analysis in progress
<ul style="list-style-type: none"> <li>▪ Clarifies which nurse-midwifery programs are eligible for advanced education nursing grants - could impact programs depending on accreditation status</li> </ul>	Analysis in progress	Analysis in progress
<ul style="list-style-type: none"> <li>▪ Expands allowable uses of nursing workforce diversity grants</li> </ul>	Analysis in progress	Analysis in progress
<u>Demonstration projects for healthcare professional training</u>		
<ul style="list-style-type: none"> <li>▪ Potential funding for alternative dental health care provider demonstration project</li> </ul>	<u>Award Information</u> 5- year project; 15 grants total	<u>Effective Dates</u> Within 2 years
<ul style="list-style-type: none"> <li>▪ Demonstration grants for family nurse practitioner training programs at federally-qualified health centers or nurse-managed health centers</li> </ul>	Analysis in progress	FY 2011-14
<ul style="list-style-type: none"> <li>▪ Demonstration grants to help low-income individuals get health profession training</li> </ul>	Max 6 states	FY 2010-14 W/in 18 months
<ul style="list-style-type: none"> <li>▪ Demonstration grants to develop certification programs for home health aides</li> </ul>	Max 5 hospitals to receive award	FY 2012-15
<ul style="list-style-type: none"> <li>▪ Graduate nurse education demonstration program</li> </ul>		FY 2010-13
<ul style="list-style-type: none"> <li>▪ Demonstration grants to help educational institutions train physicians likely to work in underserved rural areas</li> </ul>		
<u>Career development, re-training, and retention</u>		
<ul style="list-style-type: none"> <li>▪ Potential nursing workforce retention grants</li> </ul>	<u>Award Information</u> Analysis in progress	<u>Effective Dates</u>
<ul style="list-style-type: none"> <li>▪ Primary Care Extension Program to educate primary care providers in prevention, chronic disease management, etc.</li> </ul>	Analysis in progress	FY 2011-14
<ul style="list-style-type: none"> <li>▪ Program to award scholarships to mid-career PH or allied health professionals employed in public sector</li> </ul>	Analysis in progress	FY 2010-15
<ul style="list-style-type: none"> <li>▪ Grants for geriatric education centers &amp; fellowships, and career incentives for advanced degrees in geriatrics</li> </ul>	Analysis in progress	FY 2011-13
<ul style="list-style-type: none"> <li>▪ Potential funding for cultural competency training for healthcare professionals</li> </ul>	Analysis in progress	FY 2010-15
<ul style="list-style-type: none"> <li>▪ Fellowship training in public health (like the Epidemiologic Intelligence Service, or similar) to address documented workforce shortages</li> </ul>	Analysis in progress	FY 2010-13
<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>	Analysis in progress	Begin FY 2010

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<ul style="list-style-type: none"> <li>▪ States may award grants to providers serving high proportion (as defined by state) of medically underserved or other special populations.</li> <li>▪ Support for training of direct care workers in long-term care settings</li> </ul>	<p>No federal funds provided.</p> <p>Analysis in progress</p>	<p>Not given.</p> <p>FY 2011-13</p>		
<p><u>Training Pipeline</u></p> <ul style="list-style-type: none"> <li>▪ Community-based training and education grants for Area Health Education Centers (AHEC)</li> </ul>			<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 &amp; loan repayment</u></p> <p>Note: some loan provisions listed in main table above.</p> <ul style="list-style-type: none"> <li>▪ Increased loan maximums &amp; scholarships to encourage diversity in health professions</li> <li>▪ Increased maximums for nursing student loans and for nursing faculty loans</li> <li>▪ Pediatric specialty loan repayment program</li> <li>▪ Public health workforce loan repayment program</li> <li>▪ Allied health professional loan forgiveness</li> <li>▪ Loan repayment for nurses working as faculty (not just as clinicians in critical shortage areas)</li> </ul>			<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 &amp; coordination</u></p> <ul style="list-style-type: none"> <li>▪ Grants to states for healthcare workforce development grants. Note: only state “workforce investment boards” are eligible to apply – Workforce Committee does not meet definition.</li> <li>▪ Grants and/or contracts for national, state, and regional centers for workforce analysis</li> </ul>			<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>