

HB 2009 – Health Reform for a Healthy Oregon **Streamlining of state health functions gains value and cost-savings**

Streamlining State Health Functions:

Oregon Health Authority and Health Policy Board

- The Authority structure consolidates and aligns state health purchasers and programs to maximize efficiencies and organize the state's patchwork of health policy and health services.
- Provides a thoughtful and careful transition from current health-related structures in DHS and other agencies. Will enable coordinated and efficient state healthcare purchasing and reduce waste of uncoordinated and duplicate efforts.
- The Policy Board merges the resources of the Oregon Health Fund Board and the Oregon Health Policy Commission to one citizen-led, Governor-appointed Oregon Health Policy Board to guide Oregon health policy in partnership with stakeholders and experts in health and the delivery of healthcare. It can move to implement the needed reforms to gain value and reduce costs.

POLST (Physician-Ordered Life Sustaining Treatment) Registry

- The POLST registry is an example of a system innovation that better coordinates healthcare treatments not only in a clinical setting but even at a person's own home by emergency personnel. It assists providers to provide the level of care desired by the patient.
- The state will contract with OHSU to develop, implement and maintain the registry, building on the pilot work already underway in Clackamas County that was funded with private donations.
- Under the agency's public health authority, the registry would be aligned with federal HIPAA provisions that allow the safe and secure collection and dissemination of identifiable health information for the health of the population, a critical ability for the registry to function beyond small pilots and serve all the citizens of Oregon.

Gaining Value and Cost Savings

HB 2009 implements the best first steps recommended by the Oregon Health Fund Board for system changes that will deliver direct cost savings to Oregon. Estimates of savings that could be realized from implementing the following policies are based on the experiences of states with similar initiatives and adjusted for population and demographic differences.

Public Employer Purchasing Collaborative

- Brings together purchasers of public healthcare (PEBB, OEBB, local purchasers such as counties and cities, also potentially Medicaid and Corrections) to align efforts for the most efficient purchasing processes, collaborate on value-based and cost-effective benefit design, and payment reform strategies to achieve quality outcomes.
- Savings can be achieved through streamlining contracting processes and administrative costs and leverage for best prices for the most cost-effective quality care.

Clinical Improvement Assessment Project

- Collaborate with insurers to promote the use of evidence-based health care by aligning both recommended clinical guidelines and developing common standards for the use of expensive medical technology. Comparing the clinical effectiveness of medical treatments helps both payers and providers of health care to make more informed coverage and patient-care decisions.
- Estimated potential savings: Up to \$650 million in 3 years; Up to \$4.2 billion in 10 years*

Focus on Patient-Centered Primary Care Homes and Payment Reform

- Coordinated primary and preventative care, such as the care provided in the integrated health home model, is critical to improving individual and population health and reducing the risk of increased emergency room and hospitalization costs.
- By setting common quality and performance standards for primary care and care coordination, this can provide state purchasers the ability to align reimbursement policies that reduce fragmentation and make our system more sustainable.
- Promoting Patient-Centered Primary Care Home - Estimated potential savings: Up to \$44 million in 3 years; Up to \$190 million in 10 years*

Coordinate and Maximize Electronic Health Record Adoption and Interconnectivity

- Coordinates public and private statewide efforts in electronic health records adoption and interconnectivity that are federally required for Oregon's healthcare providers to be eligible for millions of federal health information technology stimulus dollars.
- Without a state plan to implement interconnectivity of electronic health records, the state's hospitals and providers can not take advantage of enhanced Medicare and Medicaid payments and risk reductions in payments from the federal government
- Estimated Potential Savings: Up to \$990 million in 10 years (Note: Investment in the initial three years is likely to be greater than savings during this time.)*

Healthcare Workforce Initiative

- An appropriately trained robust workforce is needed to support the delivery reforms necessary for delivery system reform that will translate into cost savings.
- Will partner with public and private stakeholders to maximize assessing and stimulating healthcare workforce development. Will allow for better targeting of educational and other incentive investments.
- Savings by partnering with the work already ongoing with the Oregon Healthcare Workforce Institute and the existing processes of healthcare licensing boards to define the workforce needs for Oregon.

Improved Transparency: Healthcare Facilities, Insurers and Claims Reporting

- Analysis of state and local investments in healthcare utilization, quality and cost across all insurers is an essential part of the infrastructure needed to pursue comprehensive cost containment. Such a program will drive competition in the market by creating the transparency necessary for legislators, consumers and healthcare purchasers to make choices based on quality and cost.
- Transparency of increases in the administrative portion of premiums.
- Standardizing forms and processes for health care administrative transactions – Estimated potential savings: Up to \$42 million in 3 years; Up to \$350 million in 10 years

*Estimates of cost savings from Oregon Health Fund Board November 2008 report, "Aim High: Building a Healthy Oregon, Appendix C – Bending the Cost Curve in Oregon

