

Oregon's Health System Transformation: Annual Update



January 2016



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Executive Summary

Today, more than 1 million Oregonians receive care through the Oregon Health Plan (OHP), Oregon's Medicaid program. And of those Oregonians, more than 90 percent receive high quality care through a coordinated care organization (CCO). Oregon's CCO model is one of the country's leading models of integrated health care which provides better health and better care at a lower cost.

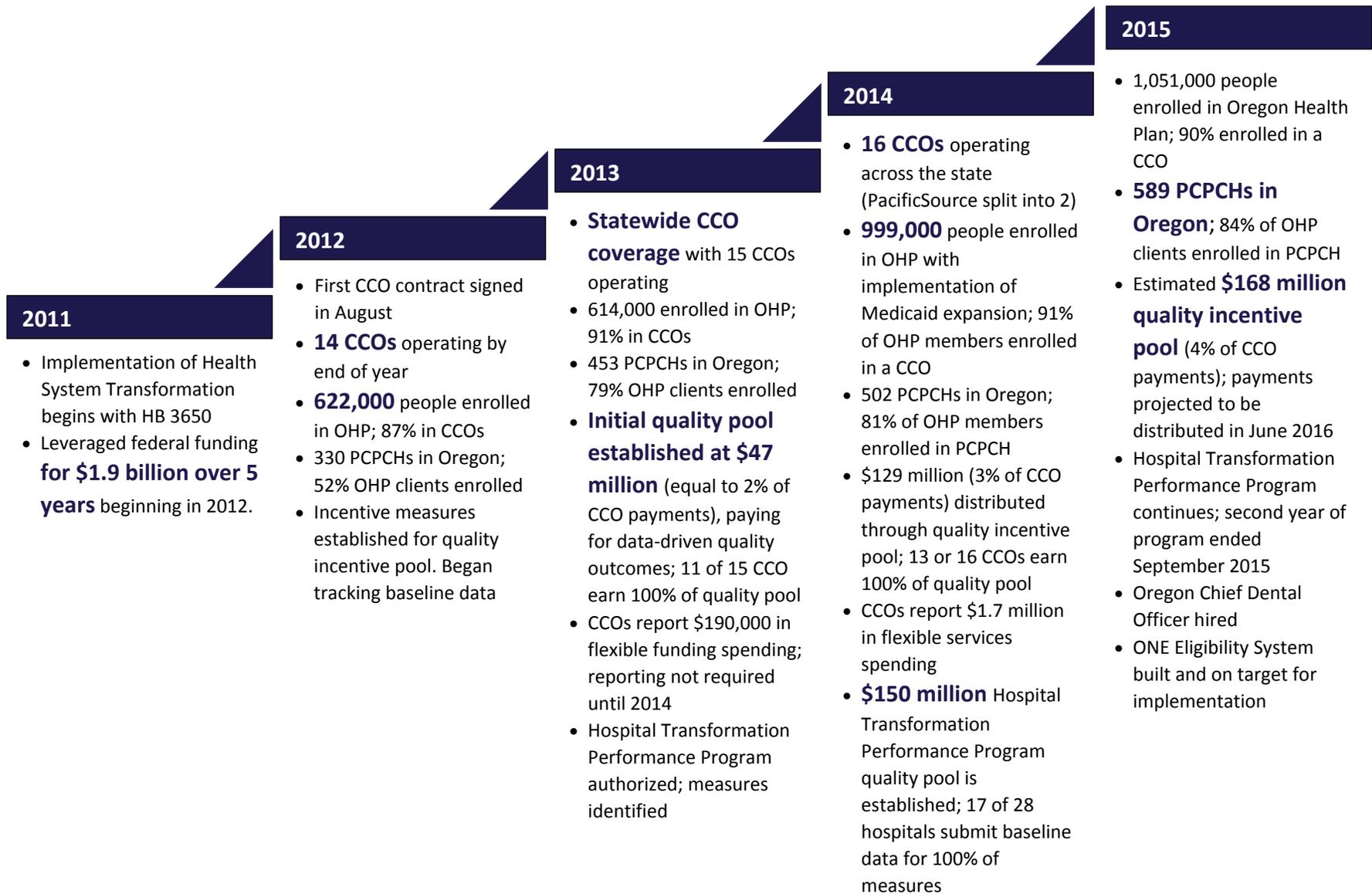
More and more Oregonians – beyond the Oregon Health Plan — are receiving care through this transformed system. Right now, about 94 percent of Oregon's providers see OHP members at their primary practice site. When these providers transform their model of care, these changes reach not only OHP members, but also benefit patients across a provider's practice.

While Oregon's health system transformation supports better models of care delivery, it also strives to control the cost of health care, creating a sustainable system of care. As Oregon Health Plan members receive high quality preventive and coordinated care, rates of high cost services such as emergency room visits and unnecessary hospital readmissions have declined. In addition, financial data indicates coordinated care organizations are holding down costs. **Oregon is staying within the budget that meets its commitment to the Centers for Medicare and Medicaid Services to reduce the growth in spending by 2 percentage points per member, per year.**

Another key step of health system transformation is the progress toward paperless, electronic health systems. To continually improve member service and data systems, OHA is adopting the Kentucky eligibility system (kynect) for eligibility determination in the Oregon Health Plan. Oregon Health Authority staff have recently begun using this technology in-house. Oregon's new online eligibility system is called **OregONE**ligibility (ONE). In addition, electronic health records are being used more throughout Oregon provider practices — improving providers' ability to access medical records across systems. And other innovations such as the Emergency Department Information Exchange (EDIE) and PreManage are making a real difference in getting people to the right care, in the right place, at the right time.

We also know health disparities remain. Approximately 5 percent of Oregonians remain uninsured. We know that rural Oregonians, communities of color, immigrant children and adults, women, LGBTQ people and low-wage working families are disproportionately affected. More information on some health disparities will be available in the January 20, 2016 CCO Metrics Report.

Health System Transformation accomplishments 2011-2015:



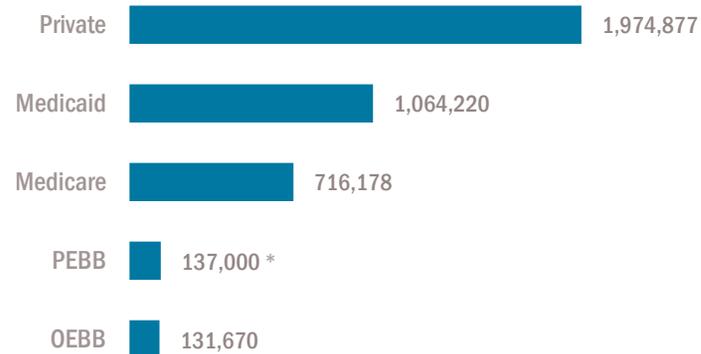
Who we serve: a snapshot

Today, more than 1 million Oregonians receive their health care coverage through the Oregon Health Plan (Medicaid). And more than 90 percent of those enrolled in the Oregon Health Plan receive care through a transformed system — a local, coordinated care organization delivering services through a model that coordinates physical, mental, and dental health care.

Medicaid	2012	2013	2014	2015
Total enrolled in any medical assistance program	667,854	659,114	1,064,220	1,130,462
<i>Enrollment includes all Medicaid programs, such as Citizen Alien Waived Emergent Medical (CAWEM).</i>				
Total Oregon Health Plan enrollment	622,129	614,183	999,496	1,051,620
<i>Includes Medicaid recipients eligible for all OHP benefits. Medicaid clients excluded from the total include recipients eligible under the following classes: Medicare beneficiary before spend down, Medicare beneficiary after spend down, reinstated transplant – prescription drugs only, and CAWEM – covers emergency medical services only.</i>				
Total CCO enrollment	543,312	558,599	907,542	948,388
Percent of OHP members enrolled in a CCO	87.3%	90.9%	90.8%	90.2%

Other types of coverage	2014
OEBB	131,670
PEBB	137,000*
Medicare	716,178
Private	1,974,877
TOTAL	2,859,725

Enrollment by types of health care coverage, 2014.



*Note this value was updated on January 21, 2016 due to a scrivener's error in the original publication.

Oregon Health Plan members

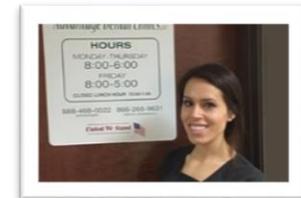
Oregon's transformed health system is making a difference – bringing better health, better care, and lower costs to Oregonians. Community partnerships are supporting innovative practices at the local level. And through changes in the health care delivery system that allow providers to focus on prevention, care coordination, and better management of care for those with chronic health conditions, Oregon Health Plan members are seeing results that are leading to better health outcomes and improved quality of life.

“Bud Perry got his life back under control after 14 years of active alcoholism that left him homeless on the streets of Eugene. With assistance from a team of primary care practitioners, mental health specialists, addiction therapists and peer counselors, he **stabilized his condition through the integrated services** offered by Willamette Family, a provider in the Trillium CCO that serves OHP members in Lane County.”



“Children of Klamath County suffering a mental crisis had to be taken over two hours away for crises respite care. Klamath Basin Behavioral Health and Cascade Health Alliance partnered to open Pine View, a crises respite care center in Klamath Falls. **This keeps the kids close to home, family and school** while being treated instead of having to drive over 100 miles away for care.”

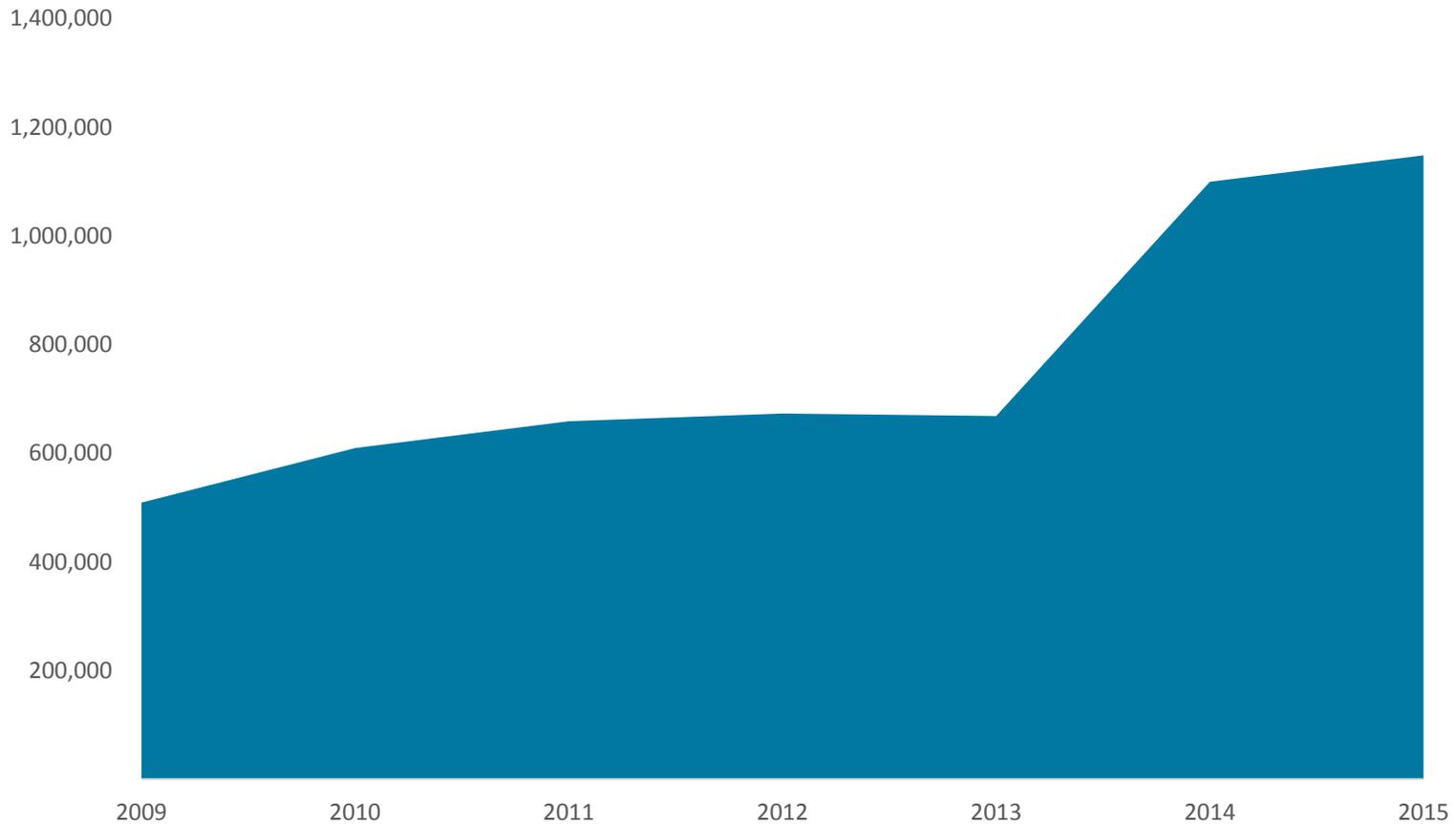
“Children and pregnant mothers served by Umatilla-Morrow and Malheur County Women, Infants, and Children (WIC) and Head Start programs have **benefited greatly from preventive on-site oral health services** provided by Advantage Dental Services. Jose, 6, had OHP coverage, so the hygienist worked with Head Start and his parent to schedule an appointment. The dentist found multiple infected areas that needed restorative treatment. By treating this early, Jose can get the needed preventive care, eliminate pain and stay focused on learning.”



“Ron, of Ron’s Barber Shop in Tillamook, has been sole parent to his daughter, Ronnie Alyssa. He’s endured the challenge of insulin-dependent diabetes with no health insurance. Now on OHP, he shares his experiences and knowledge as a member of the Community Advisory Council for Columbia Pacific CCO.”

Medicaid enrollment from 2009 to present

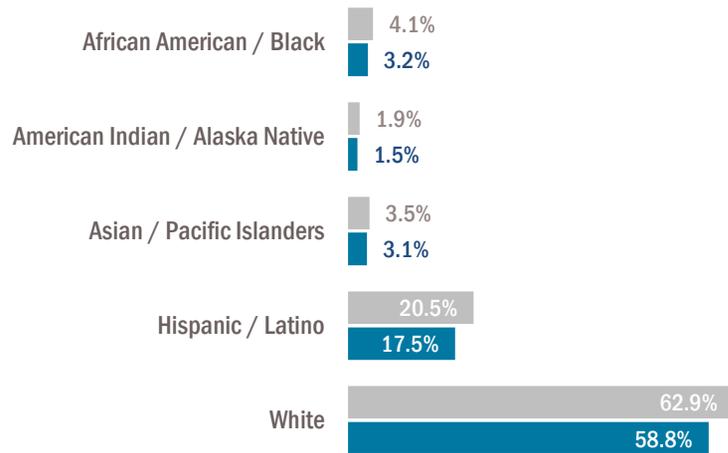
With the Medicaid enrollment expansion in January 2014, an increasing number of Oregonians receive health insurance coverage through the Oregon Health Plan. Almost 436,000 gained coverage between January 2014 and June 2015, a 71 percent increase since 2013.



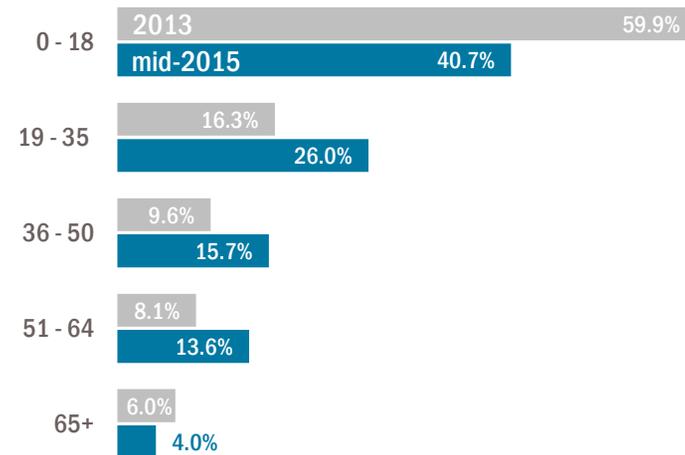
Oregon Health Plan demographics

Despite this influx of new members, the racial and ethnic makeup of the Medicaid population has remained largely consistent. However, the age distribution has shifted: in 2013 and earlier, the majority of the population were children and adolescents; with the enrollment expansion in 2014, more adults were eligible for Medicaid and the proportion of members ages 19-64 increased, with the greatest increase being members ages 19-35.

Racial and ethnic makeup of OHP members in 2013 and mid-2015.



Age distribution of OHP members in 2013 and mid-2015.



By the numbers

- Nearly 30 percent of Oregon Health Plan members are people of color.
- More than 40 percent of OHP members have a non-English language on record.
- After English, the top six known spoken languages are: Spanish, Russian, Vietnamese, Chinese languages, Somali, and Arabic. OHP members speak 68 other languages.

Open-card members

Today, there are just over 114,000 Oregon Health Plan members who are not enrolled in a coordinated care organization. The vast majority meet criteria to be exempt from enrollment.

Open-card Population	Count
Clients with Medicare	75,863
Clients with third-party coverage	41,079
Clients with tribal status	11,689
Clients with enrollment exemption	17,763
Clients with disease or case management	868
Clients who could be enrolled in a CCO	11,168

Inequities and health care

Inequities and health care

Health equity is one of the Oregon Health Authority's core values. We are committed to access to good health for all Oregonians, no matter where they live or what their background.

About organizational efforts:

OHA has worked internally and externally to pursue health equity and organizational diversity and inclusion, including:

- Partnered with Multnomah County, Immigrant and Refugee Community Organization (IRCO) Africa House, Oregon Association for Liberia, Sierra Leone Association and other community partners to address the Ebola crisis and prepare Oregon's African immigrant and refugee communities for the potential public health emergency in a culturally responsive manner. OHA's Office of Equity and Inclusion has also worked closely with divisions across the agency.
- Developed and implemented a client (public) civil rights complaint procedure. Produced and distributed nondiscrimination communication tools throughout the state. Established a statewide, toll-free telephone line to report discrimination.
- Worked with community partners on applications to establish new access points for health care. Oregon received four awards totaling \$3.8 million to serve 14,157 new patients.
- Certified 515 Peer Support and Peer Wellness Specialists, 171 Community Health Workers and 18 Doulas, exceeding CMS goals.
- Collaborated with the Department of Human Services to draft and adopt the Alternate Formats and Language Access Services Policy for OHA and DHS in June 2015.

By the numbers

- More adult Medicaid members report using tobacco than all Oregon adults, though the disparity appears to be driven by cigarette smoking. Almost 30 percent of adult Medicaid members report cigarette smoking, while just over 16 percent of the general population does.



Care coordination keeps Malik's asthma under control.

- While almost half of adult Medicaid members are current on colorectal cancer screening, Hispanic members are less likely to have received this recommended service (28.3 percent).

Despite exciting progress and success in health care coverage and access, approximately 5 percent of Oregonians remain uninsured. We know that rural Oregonians, communities of color, immigrant children and adults, women, LGBTQ people and low-wage working families are disproportionately affected.

Financial sustainability

Health System Transformation accomplishments

- ✓ Implemented new coordinated care model delivery system in Medicaid – stood up 16 coordinate care organizations in 2014
- ✓ Implemented coordinated care model in the Public Employees Benefits System, reaching 130,000 individuals
- ✓ Pay for performance, accountability and transparency: CCOs were paid for performance on 17 outcome metrics through quality incentive pool, while reporting outcomes on 33 metrics to federal partners for the 2013 and 2014 calendar years
- ✓ Medicaid expansion: More than 400,000 Oregonians were added to the Oregon Health Plan, for a total of more than 1 million members
- ✓ The number of Patient-Centered Primary Care Homes (PCPCHs) has increased from 330-589. OHP clients enrolled in PCPCHs increased from 52% in 2012 to 84% in September 2015
- ✓ Per member cost growth has been limited to 3.4% per year
- ✓ CCOs are increasing utilization of Alternate Payment Methodologies

Health System Transformation by the numbers

Calendar year	2012	2013	2014	2015
OHP financial Info				
Total Oregon Health Plan spending	\$2,992,293,276	\$3,181,679,727	\$5,510,644,116	\$5,950,507,615
Patient Centered Primary Care Homes				
Number of patient-centered primary care homes (as of 12/31/15)	330	453	502	604
Oregon Health Plan members enrolled in a Patient-Centered Primary Care Home	52 percent	79 percent	81 percent	84 percent*
CCO Incentive Measures**				
Number of CCOs earning 100 percent of Quality Pool	--	11 of 15	13 of 16	TBD
Number of measures in Quality Incentive Pool		17	17	17
Number of statewide and incentive metrics tracked and reported publicly		33	33	33
Quality pool percentage (Percentage of total payment available through achieving quality metrics)		2 percent	3 percent	4 percent
Hospital Quality Pool Funding***				
Number of hospitals meeting measures	--	--	28	TBD
Number of hospitals meeting 100 percent of measures	--	--	17	TBD
Number of hospitals meeting 75 percent of measures	--	--	28	TBD

*2015 data are as of Q3 and not final for the calendar. Also note that this includes CCO clients enrolled in PCPCHs, not all OHP members.

**Note: PacificSource had single contract in 2013, so quality pool was distributed across 15 CCOs; PacificSource split in 2014 and OHA distributed to 16.

***The Hospital Transformation Performance Program runs the federal fiscal year, not the calendar year. Data in the CY 2014 column are for the baseline year of the program, October 2013 - September 2014. Final data for the second year of the program (October 2014 - September 2015) will be finalized in June 2016. All 28 DRG hospitals participating.

Bending the cost curve: Oregon's Medicaid Agreement with the Centers for Medicare and Medicaid Services

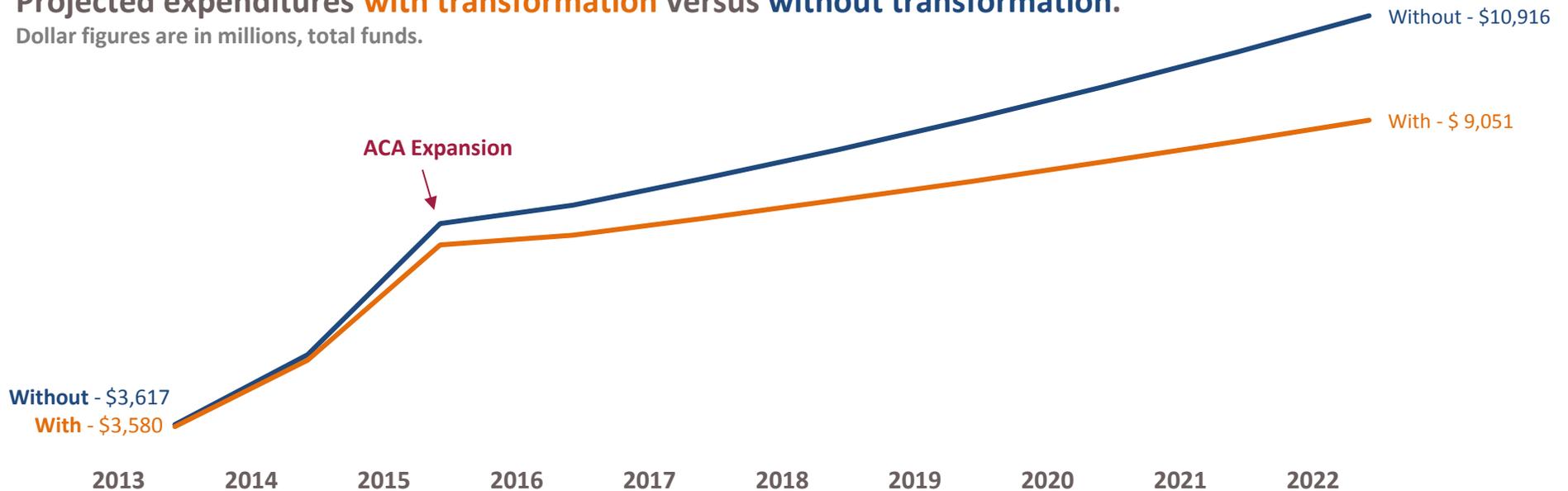
As part of Oregon's Medicaid demonstration, the state agreed to reduce the Oregon Health Plan's per capita medical expenditure trend (i.e., the increase in capitation) by 2 percentage points over the final three years of the demonstration, while maintaining standards of access and quality.

Cumulative projected savings due to transformation: \$8.6 billion



Projected expenditures **with transformation** versus **without transformation**.

Dollar figures are in millions, total funds.



Terms of the agreement with CMS:

Without transformation baseline trend = 5.4% PMPM growth annually (President's Budget trend, OMB).

With transformation savings targets = PMPM expenditures increases cannot exceed 4.4% in the year 2 of the demonstration (July 2013 – June 2014) and 3.4 percent in year 3 (July 2014 – July 2015) and beyond.

Technology

ONE System

Technology: Oregon Eligibility (ONE) System

The Oregon Health Authority is in the process of adopting the Kentucky eligibility (kynect) for future Oregon Health Plan members. The system will soon allow individuals and families to determine as well as manage their information online.

The kynect system was chosen because of similarity between Kentucky's and Oregon's state Medicaid rules, policies and system interfaces. Oregon's new online eligibility and enrollment system is called Oregon Eligibility (ONE).

Timeline: What to expect

Though system testing and staff training is ongoing, the initial training phase for OHA eligibility staff concluded in December 2015; OHA eligibility staff are now manually processing OHP applications using ONE.

Starting in early 2016, Oregonians who are *new* to the Oregon Health Plan will be able to:

- Create an online account
- Fill out and submit an application online
- Find out if they qualify for coverage in real-time
- Manage their account information at any time
- Receive electronic notifications related to their account/coverage

Oregonians who are current OHP members will be asked to renew their coverage through the current paper-based renewal process. Once they renew, they will get more information about setting up an account and managing their information in ONE.

System improvements

In addition to providing a simplified online application and enrollment system for Oregonians applying for OHP coverage, ONE also improves system functionality for eligibility determination and case management through:

- Centralized and verified enrollment data
- Coordination between state and federal systems
- Automated case management processes
- Consistent, high-quality data source for mandated operational statistics reporting



For the Slawson family, being in a patient-centered primary care home has been a huge stress reliever.

Applying for health coverage

OregonHealthCare.gov is the place to go to find out more about getting health insurance coverage in Oregon. It provides screening questions that will direct individuals to the best place for health coverage, either HealthCare.gov or directly through the Oregon Health Plan.

Office of Health IT: Innovations that support HST progress

OHA continues to make progress on state health information technology initiatives. OHA is working to ensure that efforts align with and support needs of health care providers, CCOs, health plans and other stakeholders. OHA's Office of Health Information Technology develops and supports effective health information technology policies, programs, and partnerships that support improved health for all Oregonians.

Major activities include:

- Bringing real-time hospital event notifications to all 60 Oregon hospitals, and many CCOs, health plans, and provider clinics to support care coordination across the health care system around emergency and inpatient hospital events. In 2016, OHA will leverage state and federal funding to make this service available to all CCOs, long-term care local office staff, assertive community treatment teams, and care coordinators for our Medicaid fee-for-service population.
- Developing technical assistance for clinics that serve Medicaid members to enable them to use EHRs in a meaningful way and meet federal incentive program requirements. This program will launch in early 2016 through a contract with the Oregon Community Health Information Network (OCHIN).
- Developing new HIT services to launch in 2017 to support efficient and effective care coordination, analytics, population management and health care operations, including: common credentialing database and program, statewide provider directory, and a clinical quality metrics registry program for Medicaid.
- Launching telehealth pilots in five communities, and supporting a telehealth resources and inventory website to link telehealth providers and purchasers (health plans, CCOs, etc.) to each other, through the Telehealth Alliance of Oregon.
- Addressing barriers to information sharing and care coordination across settings, particularly for behavioral health data through a new \$1.6 million grant from the Office of the National Coordinator for Health Information Technology (ONC) to improve care coordination between behavioral and physical health care. Through the project, OHA's subgrantee, Jefferson

Health Information Exchange, is focusing on consent management to enable coordination between primary care, behavioral health and emergency providers, by developing a common consent model that will be supported within the JHIE technology.

Hospital Events: EDIE and PreManage.

- The biggest success in HIT for Oregon stakeholders this year has been the increased adoption of PreManage, the HIT tool that brings real-time hospital notifications to CCOs and primary care coordinators. All 60 Oregon hospitals are now contributing admission, discharge and transfer (ADT) data (both emergency department and inpatient data) to the Emergency Department Information Exchange (EDIE). CCOs, health plan, and providers can subscribe to PreManage to access the EDIE data and better manage their populations who are high utilizers of hospital services.
- Several health plans and about half of CCOs are using (or in process of launching) a PreManage subscription, and nearly 100 clinics in Oregon are subscribers. A September 2015 learning collaborative included many anecdotes about the value of PreManage and EDIE, including:
 - Support for emergency department doctors working with patients seeking opioids;
 - CCO care coordinators finally able to reach homeless members because they have the real-time information when a member is in the ED and can reach out in person and divert to primary care; and
 - Primary care clinics that have seen significant reductions in readmissions by connecting with hospitals through PreManage.



A primary care physician coordinates Jonathan's care with his many specialists.

Electronic Health Record adoption

Through the Centers for Medicare & Medicaid Services Electronic Health Record (EHR) Incentive Programs, eligible Oregon providers and hospitals can receive federal incentive payments to adopt, implement or upgrade and meaningfully use certified EHR technology. Since the inception of the programs in 2011, 6,846 Oregon providers and 61 hospitals have received a total of \$394.2 million in federal incentive payments. (\$265.6 million under the Medicare EHR Incentive Program and \$128.6 million under the Medicaid EHR Incentive Program, as of October 31, 2015).

Patient-Centered Primary Care Homes (PCPCH)

The Patient-Centered Primary Care Home (PCPCH) Program is an integral part of Oregon’s vision for better health, better care and lower costs for all Oregonians. The program was created by the Oregon Legislature through House Bill 2009 as part of a comprehensive statewide strategy for health system transformation. PCPCH is Oregon’s version of the “medical home,” which is a model of primary care organization and delivery that is patient-centered, comprehensive, team-based, coordinated, accessible, and focused on quality and safety.

In 2010, the [Oregon Health Policy Board](#), which serves as the policy-making and oversight body for the [Oregon Health Authority](#) (OHA), set three goals for the PCPCH program:

1. All OHA purchases for “covered lives” will receive care through a PCPCH;
2. 75 percent of all Oregonians have access to a PCPCH by 2015; and
3. Align primary care transformation efforts by spreading the model to payers outside of the OHA.

PCPCH Model of Care

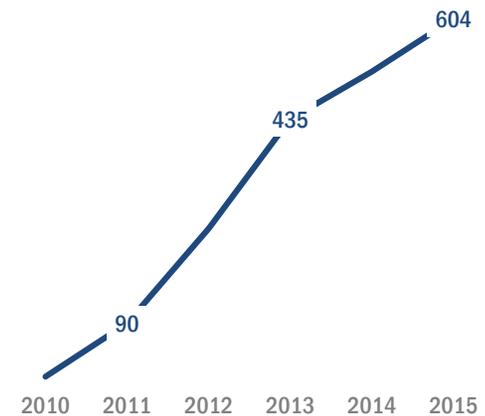
The PCPCH Standards Advisory Committee of Oregon developed six core attributes and a number of standards that describe the care delivered by PCPCHs. The six core attributes include:

- **Accessible** – Care is available when patients need it.
- **Accountable** - Practices take responsibility for the population and community they serve and provide quality, evidence-based care.
- **Comprehensive** - Patients get the care, information and services they need to stay healthy.
- **Continuous** - Providers know their patients and work with them to improve their health over time.
- **Coordinated** - Care is integrated and clinics help patients navigate the health care system to get the care they need in a safe and timely way.
- **Patient- and Family-Centered** - Individuals and families are the most important part of a patient’s health care. Care should draw on a patient’s strengths to set goals and communication should be culturally competent and understandable for all.

PCPCH Program Achievements

- ✓ By the end of 2015, there were 604 recognized PCPCHs, representing over 50 percent of all eligible clinics in Oregon and serving approximately 2 million Oregonians, over half the state's population. More than 95 percent of clinics recognized as PCPCHs chose to reapply for recognition to maintain their PCPCH status
- ✓ The percentage of coordinated care organization members (Medicaid) receiving health care from a recognized PCPCH has increased from 51.8 percent in 2012 to 81.0 percent in 2014. The increase in PCPCH enrollment of CCO members has been especially dramatic in Eastern Oregon, where enrollment has increased from just 3.7 percent to 68.6 percent over the same time period.
- ✓ In 2012 PCPCH Program staff began conducting on-site visits to verify the clinic practice and patient experience accurately reflect the measures a clinic attested to on their PCPCH application. By the end of 2015, a total of 103 site visits had been completed in 23 out of 36 counties in Oregon.
- ✓ In 2013 OHA and the Oregon Health Leadership Council (OHLC) convened a series of meetings that brought together payers and other key partners from around the state to develop consensus-based strategies to support primary care homes in Oregon. Representatives of participating organizations agreed to shared goals, objectives and key actions that support aligning payment with quality by signing a Multi-payer Strategy to Support Primary Care Homes.

Recognized Patient-Centered Primary Care Homes since 2010



Program Evaluation

- Oregon implemented the PCPCH Program as part of the state’s strategy to achieve the Triple Aim of improving the individual experience of care, improving population health management and decreasing the cost of care. A 2013 survey of PCPCH recognized clinics found that:
 - 85 percent of practices feel that PCPCH model implementation is helping them improve the individual experience of care, and
 - 82 percent report progress towards improving population health management.
- A recent study examined the change in health care service utilization and costs over time in PCPCHs compared to non-PCPCH clinics. The study found a significant increase in preventive procedures and a significant reduction in specialty office visit use and cost in the PCPCH group.
- PCPCH clinics demonstrated significantly higher average scores than non-PCPCH clinics for diabetes eye exams, kidney disease monitoring in people with diabetes, appropriate use of antibiotics for children with pharyngitis, and well-child visits for children ages 3 to 6 years.



As an OHP member, Tina Wilson can get the physical, speech and occupational therapy she needs to get back to where she was before her stroke and heart surgery.

Technical Assistance

- Practice Enhancement Specialists and Clinical Transformation Consultants (providers) working with the program are available to help PCPCH clinic staff identify needs, barriers, and areas of improvement, as well as connect them with resources to assist in their primary care transformation journey.
- Through our partnership with [Oregon Health Care Quality Corporation](#), the [Patient-Centered Primary Care Institute](#) (PCPCI) is advancing practice transformation state-wide through technical assistance opportunities and resources. In 2014 PCPCI hosted 15 webinars for over 600 participants, and worked with 24 clinics in a series of Learning collaboratives focused on primary care home model implementation.

Coordinated Care Organization Metrics

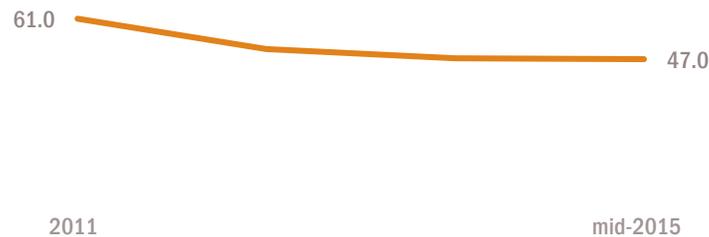
The coordinated care model continues to show improvements in a number of areas for Oregon Health Plan members, such as reductions in emergency department visits, and increases in developmental screening, screening for alcohol and other substance use, and enrollment in patient-centered primary care homes.

One area where improvement is needed continues to be assessments for children in foster care. This measure now includes mental, physical, and dental health assessments (previously the measure only included mental and physical health assessments). Coordination of care and ensuring these children receive timely assessments is needed.

Oregon continues its efforts to transform the health delivery system and measure progress. A full report on the CCO metrics will be published January 20, 2016.

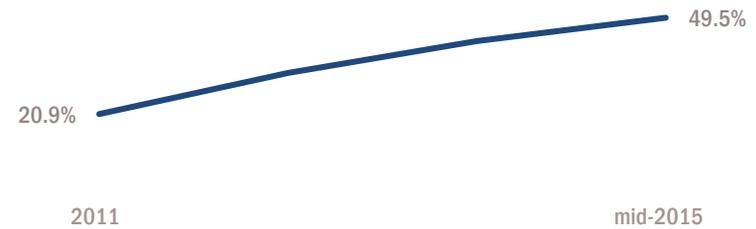
Emergency department visits by people served by CCOs decreased 23 percent since 2011.

While some of these improvements may be due to national trends, CCOs have implemented a number of best practices for reducing utilization.



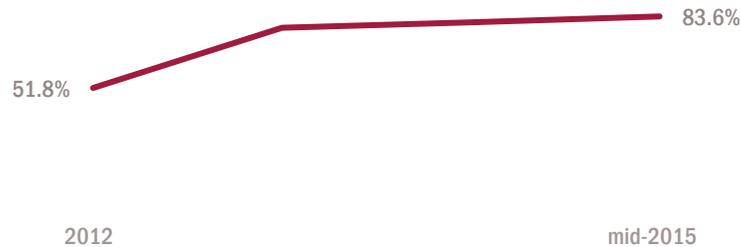
Developmental screening for children has increased 137 percent since 2011.

While some of the early increase is likely due to changes in provider billing in documentation, CCOs have implemented a number of best practices, including working with Early Learning Hubs.



Patient-centered primary care home enrollment has increased 61 percent since 2012.

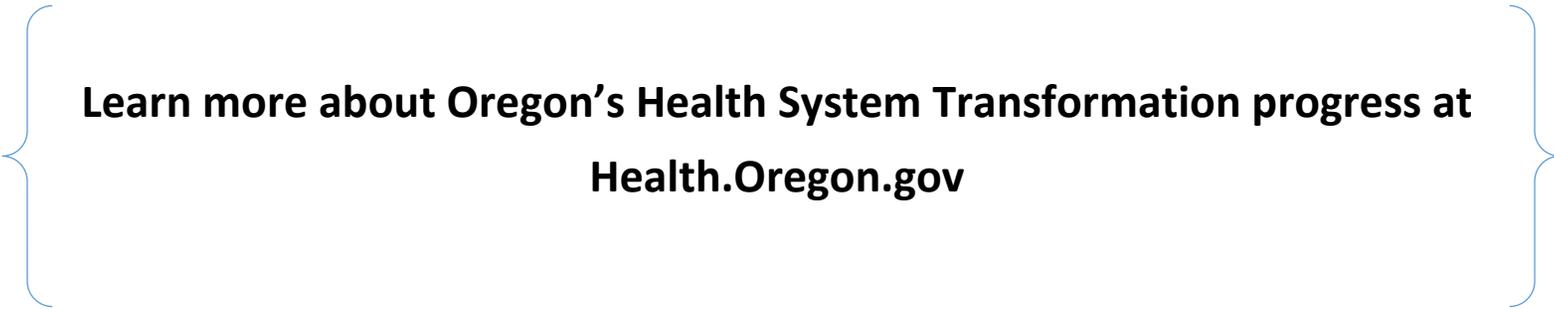
The momentum continued even with the increase in Oregon Health Plan members added since January 1, 2014.



Screening for alcohol or other substance use (SBIRT) has increased significantly.

Pediatric and family practices have increased focus on providing screening to their patients. Previously, the measure only included adults age 18 and older, but now includes adolescents ages 12 and older.





**Learn more about Oregon's Health System Transformation progress at
Health.Oregon.gov**