

**Public Employer Health Purchasing Committee
Meeting Minutes**

September 27, 2010
1 – 4 pm

Clackamas Community College,
Wilsonville Training Center, Room 111/112
29353 Town Center Loop East
Wilsonville, Oregon

Meeting materials can be found online at:
<http://www.oregon.gov/OHA/OHPB/committees/pub-hlt-bn-prch-mtgs.shtml>

Committee Members in Attendance:

Cathy Bless
Caren Cox (by phone)
Diane Lovell
Zue Matchett
Lynn McNamara, Vice-Chair
Steve McNannay, Chair
Barbara Prowe
Linda Shames
Madilyn Zike (by phone)

OHA Staff in Attendance:

Bobby Green, OHA
Kelly Harms, OHPR
Katie Mikesell, OHA
Barney Speight, OHA
Felisa Haggins, Oregon Health Policy Board member

Meeting Summary:

Call to Order, Approval of Minutes

Chair Steve McNannay called the meeting to order at 1:05 pm. Meeting minutes from the May 24, 2010 meeting were approved as submitted.

Committee Action Alternatives – Barney Speight

Speight explained his proposal for presenting recommendations from other subcommittees of the Oregon Health Policy Board (OHPB) to the Committee, and how the PEHPC could review and take action on those recommendations. For items relating to contract standards between employer groups and carriers or third party administrators, Speight suggests the following language: “*The Public Employer Health Purchasing Committee of the Oregon Health Policy endorses the attached contract standard, and recommends that public and*

private employers discuss this provision with their carrier or third party administrator for inclusion in their contract.”

For items relating to benefit design (for example, covered services, limits on covered services, cost sharing, etc...), he suggested the following: *“The Public Employer Health Purchasing Committee of the Oregon Health Policy has reviewed the attached benefit design proposal, and recommends consideration of this proposal by public and private employers during their annual review and modification of medical benefit package.”*

The Committee liked this approach. Speight also said that staff will develop a process to follow up with appropriate associations in the public and private sectors to let stakeholders know about the work of OHBP and opportunities for purchasers to move forward. The Committee suggested that public employee unions, the Portland Business Alliance, and the National Federation of Independent Businesses (NFIB), as well as the state’s 100 largest employers, should be added to the distribution list.

Report from Health Improvement Plan (HIP) Committee – Barney Speight

The HIP Committee was chartered by OHPB to develop a health improvement plan for Oregon. The plan will have a strong focus on public health. Speight cautioned the Committee that they might not want to make recommendations on this yet, as the OHPB has not yet heard them.

There are three broad areas of the HIP Committee recommendations:

- The first is full integration of mental, physical and dental health.
- The second is that health care benefits reimburse for the following types of services: evidenced-based tobacco cessation; evidenced-based chronic disease self-management programs such as Living Well; evidenced-based weight management programs such as Weight Watchers; diabetes daily glucose testing supplies; lactation-related durable medical equipment and lactation specialists to provide lactation services; nutrition consultation with a registered dietician and physical activity consultation with a certified exercise physiologists, and consider other medical and surgical treatment options following evidenced-based reviews.
- Model health care benefits provided by all employers should include tobacco cessation, lactation services and equipments, preventive screenings, chronic disease self-management, mental health and dental care.

There were some concerns around how these recommendations could be targeted and implemented, and there was hesitation on endorsing specific programs. Speight noted that federal reform will address some of these areas, and that the State is also looking at benefit requirements in its work on the value-based benefit package.

Report from Administrative Simplification Workgroup – Barney Speight

Administrative simplification centers around the idea that paper claims are more expensive to process, and that widely varying billing processes create confusion and more work. The strategy is to move to a more standardized approach to handling common types of claims. These recommendations came out of the Administrative Simplification Workgroup that contained representatives from the major carriers in Oregon and was supported by those carriers. These recommendations have been adopted by Oregon Health Policy Board. While

federal reform provides guidance to move states towards administrative simplification, Oregon's approach moves more quickly and is based on Minnesota's model which lays out standardized approaches to three common transactions. Oregon will implement its approach through Department of Consumer and Business Services regulations and through legislation to ensure all carriers use the same standards. Speight said it would be useful for the carrier community to know that the large purchasers are supportive of these efforts, and noted that if administrative simplification is adopted and done right, claims can be auto-adjudicated without a claims analyst even looking at them. The full Administrative Simplification report and other information can be found online at:

<http://www.oregon.gov/OHPPR/HEALTHREFORM/AdminSimplification/AdministativeSimplificationWorkgroup.shtml>

Update on Development of Educational Presentation – Kelly Harms

Harms spoke to the group about the work going on around the value-based benefit package and how it intersects with the educational presentation requested by the Committee. Focus groups have been meeting and will continue to meet to discuss how the benefit plan could be implemented and administered by carriers and providers, and whether there is interest in these plan by employers and other consumers. The preliminary information that has come out of them is that careful messaging is very important and must be done strategically, not just about this benefit package, but reform efforts in general.

Harms said that these findings will help the OHA develop presentations, literature, and other materials that will be available for the Committee to use. Information will be multi-modal and will give people some simple steps they need to know to talk to their doctor.

Announcements

Barbara Prowe informed the Committee that Frank Johnson would be a speaker at the Oregon Coalition of Health Care Purchasers Annual Conference and would be discussing the benefit design for public employees in Maine. A flyer with the conference information was distributed. Prowe will work to set up a breakfast meeting between Frank Johnson and Committee members. Prowe also distributed the latest update on the work of the Oregon Health Leadership Council.

Update on Work of Incentives and Outcomes Committee – Jeanene Smith

The Incentives and Outcomes Committee (also referred to as Ins and Outs Committee) is working on recommendations to be sent to this Committee and OHPB. It is a large committee with two subcommittees, both with several workgroups, and it is now coming back together to develop one coherent set of recommendations. Both groups focused on where major spending occurs and which of these areas should be addressed. The preliminary recommendations are as follows:

1. Standardize payment methods to Medicare DRGs for hospital inpatient and outpatient, ASCs, and physician and professional services. The consensus is that everyone should use the same methodology required by the federal government for Medicare. This might need legislative language to enforce, but OHA could require it in their contracts. There is more work that needs to be done around this, by it should happen as soon as possible and OHPB should put statutory language in place to ensure it happens.

2. The committee recommends getting away from fee-for-service payments. Everyone should be measuring and paying for performance in the same way. The committee could not achieve consensus on a core set of metrics to use. There is support for doing pilots around episode or bundles of care, but the committee has not been able to prioritize which conditions to use in the pilot and recommends more work to choose the priorities.
3. Experiment with different ways of paying and focusing on high variation and high impact treatments.
4. Patient experience of care. While this is a component of primary care home standards and there are lots of metrics for it, it will be important to have a standard that all providers could use, instead of each system or insurer having separate standards. There is still more work to be done with this one.
5. Move forward decisively on primary care redesign – Oregon already has primary care home standards and framework, and needs to use them. The Payment and Reform Subcommittee looked at payment for the primary care home tiers. The first tier would receive a base payment, and then the second and third tiers would receive pay-for-performance incentives.
Barbara Prowe commented that at the Patient Centered Primary Care Collaborative meeting there was increasing interest even by small practices.
6. Stop spending an ever greater share of public and private resources on health care. We must learn how to measure the delivery system efficiency, and create and use benchmarks to set cost targets and payment levels.

Dr. Smith will come to the next meeting to give an update on the Incentives and Outcomes Committee recommendations.

Development of Committee Report to OHPB – Barney Speight and Kelly Harms

Kelly Harms will send out the report framework. There will be a draft report and Steve McNannay and Lynn McNamara will give a presentation to OHPB on November 16, 2010. OHPB will take the report under advisement, send recommendations or changes back, and then rule on it. Topics will include patient safety or “never events”, administrative simplification, health improvement plan, and possibly health information technology.

As the Committee looks forward to 2011, a work plan will be created. Members should let Speight and Harms know about topics they are interested in discussing.

Public Comments

None.

Adjournment

Chair McNannay adjourned the meeting at 3:50 pm.