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# Better health and lower costs: Improving Oregon Health Plan services

## Proposed Coordinated Care Organizations

We all have a stake in improving health care for people who count on the Oregon Health Plan for care. Costs are skyrocketing for families, employers and government. While some local communities have done a great job of finding innovative ways to do things better, there hasn't yet been a statewide approach to providing high-quality health care while keeping costs under control. Today services such as mental and physical health care are usually offered separately, in fragmented and uncoordinated ways so that patients have gaps in their care. Providers are paid for treating illness, not for preventing it. Patients with chronic conditions don't get services that will keep them healthy and help them avoid unnecessary hospitalizations or emergency care.

At the same time, the state's current fiscal reality means that the state is faced with making serious reductions in provider payments in order to achieve budget targets. With this reality is an opportunity to reduce our future costs to OHP, stabilize the system and protect services.

In June of 2011, Governor Kitzhaber and the state Legislature passed a bill that would create coordinated care organizations (CCOs) across the state. These organizations would be responsible for all of the care for Oregon Health Plan patients in their communities.

By February 2012, a draft plan for how CCOs would operate will be presented to the Legislature, with a goal of launching the first CCO in July of 2012.

## The Coordinated Care Organization Model of Care — keeping people healthier

Coordinated care organizations (CCOs) would manage care for OHP clients by taking the best thinking in Oregon and creating local organizations focused on one thing: reducing the barriers that stand between patients and good health. Because each community is different, there may be different models for a CCO. For CCOs to be successful, providers must want to participate, patients must be satisfied and actively involved with their own care, quality must be excellent and costs must be controlled. The criteria for how CCOs would operate is being developed with input from clients, providers, stakeholders and the public.

## Key elements of coordinated care organizations

As the plans for creating this new model of care are being developed, there are some fundamental elements.

**LOCAL CONTROL:** Because each community is different, there may be different models for a CCO. One model might be a network of health care providers of all types, working with community health workers, providing comprehensive care for patients.

### GET INVOLVED

Stay informed with updates  
on CCO work groups and learn  
about upcoming public meetings.  
Go to [www.health.oregon.gov](http://www.health.oregon.gov).

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**COORDINATION:** CCOs would integrate physical health, mental health, and dental health services to create a single point of accountability for the health of the entire population they serve.

Providers within a CCO network would have the flexibility and incentive to focus on keeping patients healthier through preventive care and managing chronic conditions before they become severe.

**GLOBAL BUDGETS AND SHARED SAVINGS:** CCOs would be reimbursed for OHP services through a global budget designed to cover all types of care. That would allow opportunities for organizations and providers to be paid in a different way and to allocate resources more strategically through the CCO. The idea is that there would be less pressure for unnecessary services and more ability for providers and health workers to spend time on care that focuses on wellness and prevention. And if a CCO meets performance goals – healthier patients and fewer hospitalizations for instance— there could be opportunities for shared savings among providers and organizations.

**METRICS/PERFORMANCE MEASURES:** Accountability and transparency will be key to the success of this new model. Coordinated care organizations will operate under contracted performance standards and benchmarks in order to ensure that care is being improved while costs are being reduced. Performance standards will include clinical, financial and operational metrics.

**PRIMARY CARE HEALTH HOMES:** One proposed element of coordinated care organizations is an emphasis on primary care health homes as the center of patients' coordinated care. A primary care health home is not a place. It is a team that works on keeping patients at their healthiest, focusing on preventive care and managing chronic health conditions. By having a primary care home, patients are able to stay healthier and get their needs met by their provider, so they can stay out of the emergency room.

## How Coordinated Care Organizations would affect you

### Proposed start date: July 2012

#### Oregon Health Plan clients

Nothing is changing today. As work is done to create Coordinated Care Organizations, there is a special emphasis on maintaining stability of care for everyone served by the Oregon Health Plan.

Under the CCO model, clients who need it would have access to more personalized attention and better-coordinated care. Instead of being sent from provider to provider where their records may or may not be available, a client's mental health, physical health, care for chronic conditions and other needs would be provided by a team of people. This team will have electronic access to their patients' health records and the flexibility and incentive to get people the care they need.

#### Providers

Nothing is changing today. During this time of budget reductions it will be important to set up Coordinated Care Organizations in a way that makes things better for front line providers and allows them to practice care with more flexibility and control.

Having metrics would allow for providers and CCOs to be paid based on patient outcomes. There would be opportunities for shared savings and more incentive and help for preventive care.

As the criteria and standards for CCOs are being developed, OHP clients, providers, advocates and stakeholders can stay involved and informed. Go to [www.health.oregon.gov](http://www.health.oregon.gov) to learn more.