

Oregon's Health System Transformation: The Coordinated Care Model

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The challenges Oregon faced

- Rising healthcare costs was outpacing state budget
- 85 percent of Oregon Health Plan (OHP) clients were “managed” in silos:
 - 16 managed physical health care organizations
 - 10 mental health organizations
 - 8 dental care organizations
- Traditional vendor relationships with health plans: lack of directed accountability and incentives for innovation in contracts in Medicaid, PEBB & OEBB
- Minimal alternative payment reform and patient-centered medical home pilot efforts were underway

Oregon chose a new way

Better health, better care, lower costs

- Governor's vision: transform the delivery system
- Robust public process
- Bi-partisan support
- Federal waiver approved - \$1.9B investment tied to quality and reduction in costs
- New **Coordinated Care Model (CCM)** to start in Medicaid/OHP, aiming to spread to other state purchased coverage (PEBB and OEBC), the Marketplace and private payers

Key elements of the CCM

- Do what works – use best practices
- Have shared responsibility for health among providers, patients and the health plans
- Measure performance
- Pay for outcomes and health
- Provide information so that patients and providers know price and quality
- Maintain costs at a sustainable level

Medicaid Coordinated Care Organizations

- A local network of diverse health care providers working together to deliver care for OHP clients
- Risk-bearing entities with prescribed governance and community advisory councils
- Focus on coordinated care, prevention, chronic illness management and person-centered care

Primary care is vital to Oregon's Health System Transformation

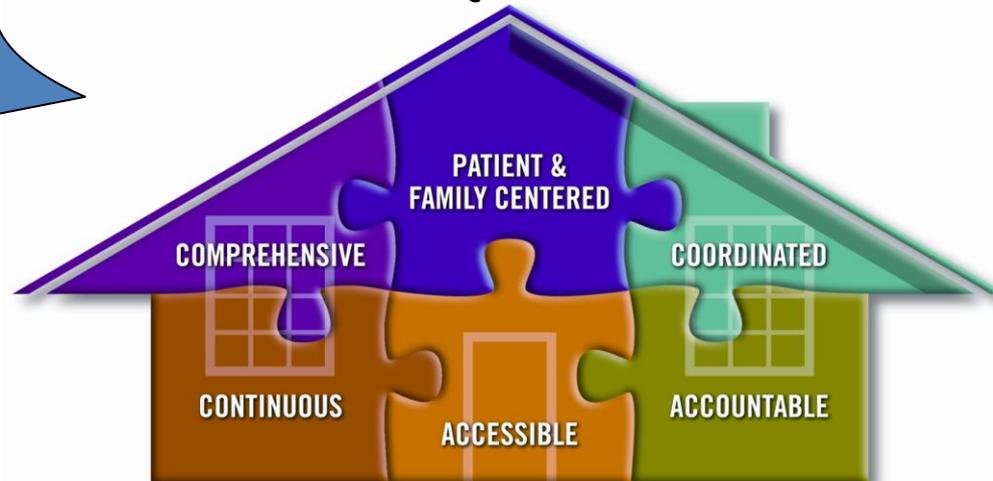
COORDINATED CARE ORGANIZATION

Local accountability for health and resource allocation

Standards for safe and effective care

Integration and coordination of benefits and services

Global budget indexed to sustainable growth



PATIENT CENTERED PRIMARY CARE HOME

Oregon's commitments to CMS

Oregon's Cost and Quality Accountability Plan

- Reduce the annual increase in the cost of care (the cost curve) by two percentage points
- Ensure improvements in quality of care and population health
- Establish a one percent withhold for timely and accurate reporting of data for year 1 of CMS waiver
- Establish a quality pool for years 2-5
- State owes CMS penalties if not successful
- Cannot use benefit cuts to achieve savings

State “test” for quality and access

- Annual assessment of statewide performance on 33 metrics, across 7 quality improvement focus areas:
 - Improving behavioral and physical health coordination
 - Improving perinatal and maternity care
 - Reducing preventable re-hospitalizations
 - Ensuring appropriate care is delivered in appropriate settings
 - Improving primary care for all populations
 - Reducing preventable and unnecessary costly utilization by super-users
 - Addressing chronic health issues (such as asthma, diabetes, hypertension)

Medicaid CCO quality incentive pool: how it works

The incentive pool is based on 17 of the 33 metrics

- Phase 1: Distribution by meeting improvement **or** performance target, with a minimum floor for all CCOs
- Phase 2: Challenge pool (remainder) distributed based on four metrics
 - PCPCH enrollment
 - Screening for depression and follow-up plan
 - Use of SBIRT screening tool for substance abuse
 - Optimal diabetes care

Quality strategy includes supports for transformation

- Transformation Center and Innovator Agents – to spread innovations, sharing of “*what works*” across the delivery system
- Learning collaboratives, technical assistance, peer-to-peer and rapid-cycle learning systems
- Community Advisory Councils: community health assessments and improvement plan, coordinated across the communities
- Non-traditional healthcare workers
- Primary care home adoption

Meeting the Triple Aim: what we are seeing so far...

- CCOs serve over 90 % of Oregon's Medicaid population
- Every CCO is living within their global budget
- The state is meeting its commitment to reduce Medicaid spending trend on a per person basis by 2 percentage points
- State-level progress on measures of quality, utilization, and cost show promising signs of improvements in quality and cost and a shifting of resources to primary care
- Progress may not be linear but data are encouraging

Meeting the Triple Aim: progress to date

Increased:

- Use of developmental screening in the first 36 months of life
- Primary care visits and expenditures
- Enrollment in patient-centered primary care homes
- Adoption of electronic health records

- Emergency department (ED) visits and expenditures
- All-cause hospital readmissions
- Hospitalization for congestive heart failure (CHF), chronic obstructive pulmonary disease (COPD) and adult asthma

Decreased:

Decreased ED utilization

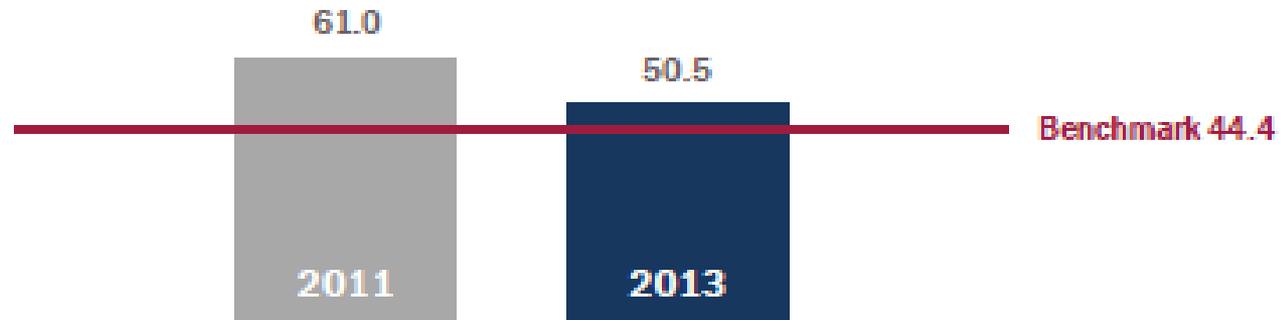
- ED visits decreased 17 percent since 2011
- The cost of providing services in EDs decreased by 19 percent

Statewide

(Lower scores are better)

Data source: Administrative (billing) claims

Benchmark source: 2012 National Medicaid 90th percentile

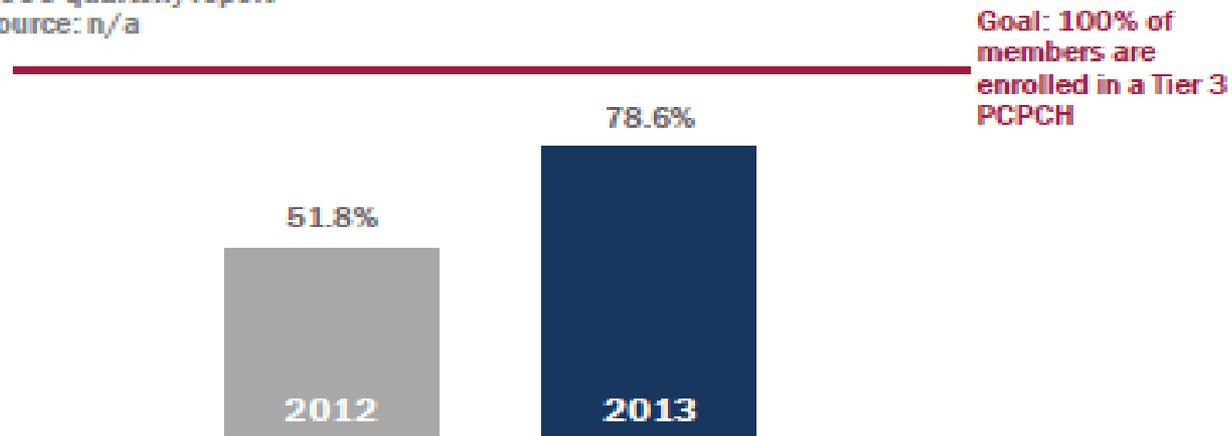


Increased primary care

- Outpatient primary care visits increased by 11%
- Spending for primary care and preventive services are up 20%
- Enrollment in PCPCH has increased by 52% since baseline

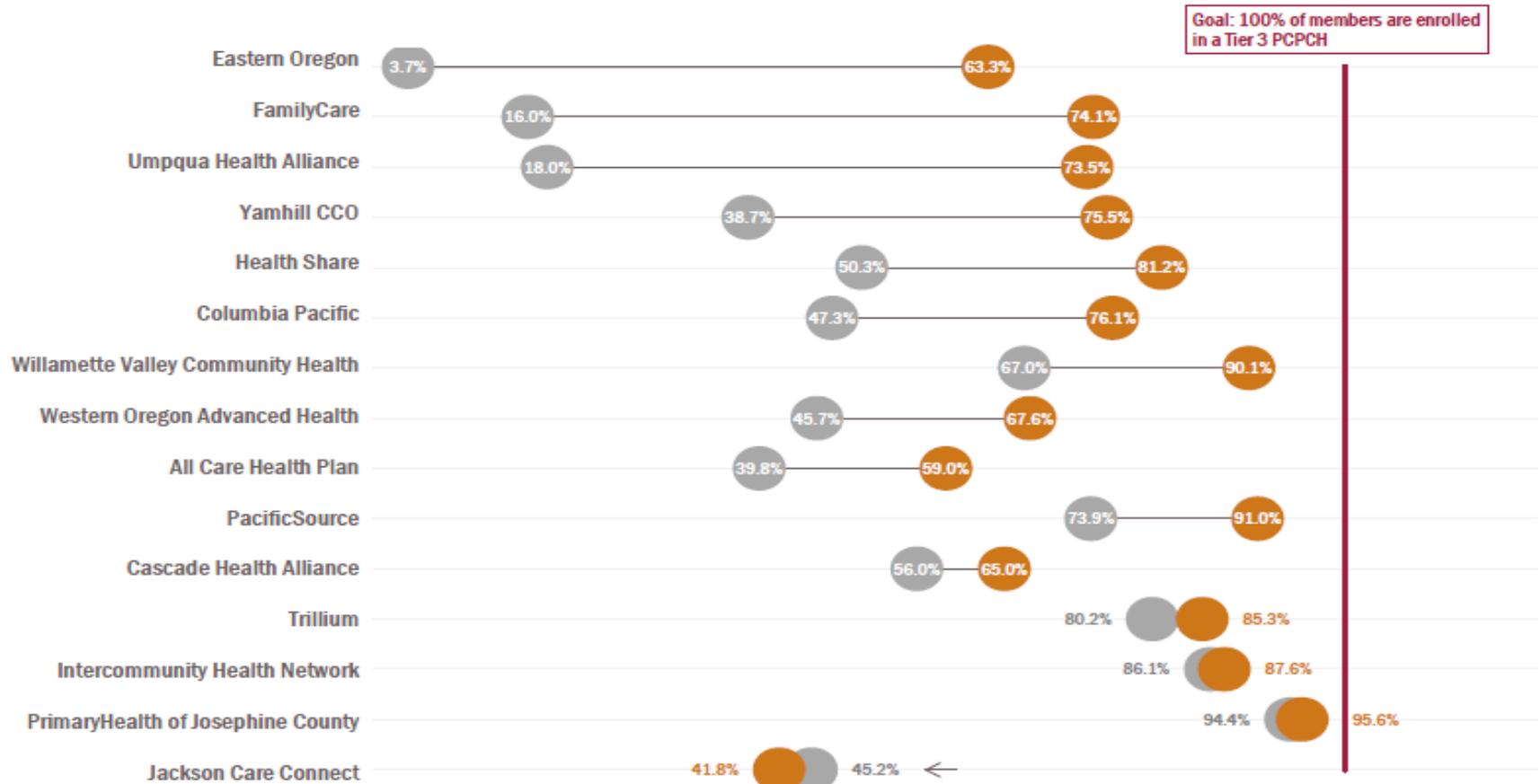
Statewide

Data source: CCO quarterly report
Benchmark source: n/a



PCPCH enrollment by CCO

Percentage of patients who were enrolled in a recognized patient-centered primary care home in 2012 & 2013



Decreased CHF hospitalizations

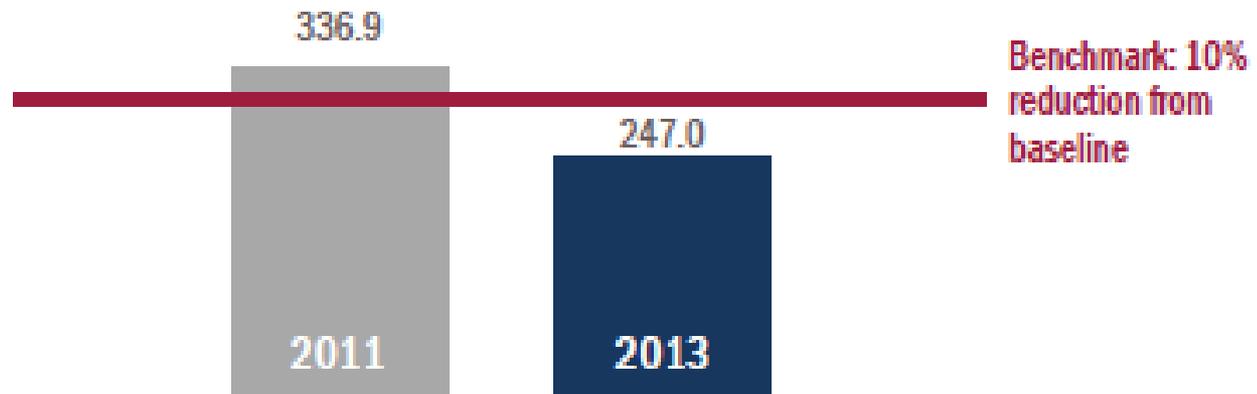
- Admission rate decreased by 27 percent

Statewide

(Lower scores are better)

Data source: Administrative (billing) claims

Benchmark source: OHA consensus, based on prior performance trend



Decreased COPD hospitalizations

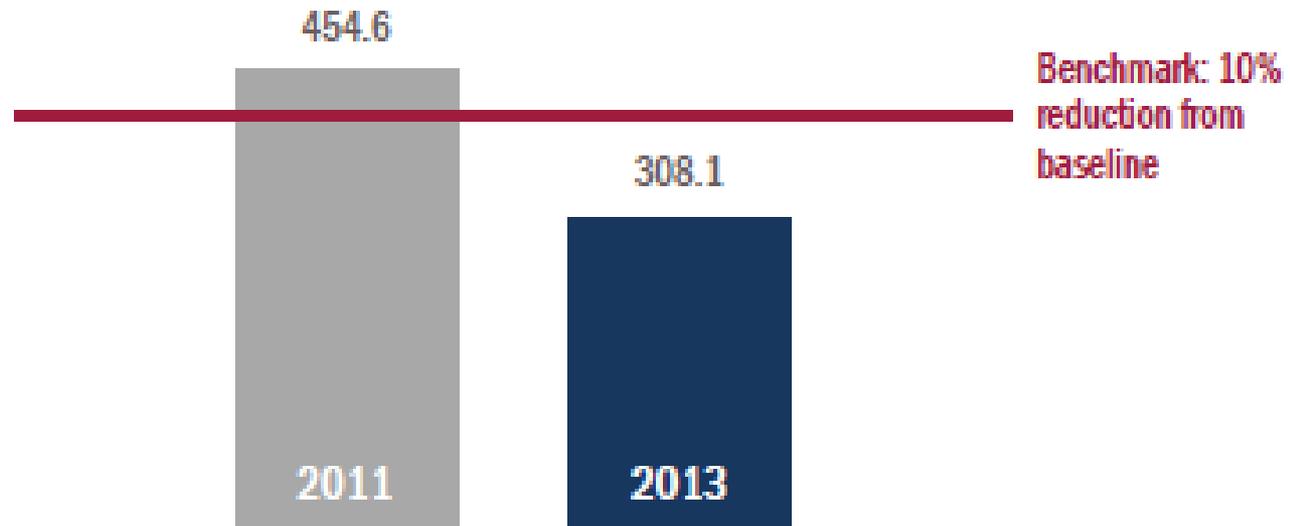
- Admission rate decreased by 32%

Statewide

(Lower scores are better)

Data source: Administrative (billing) claims

Benchmark source: OHA consensus, based on prior performance trend



Decreased adult asthma hospitalizations

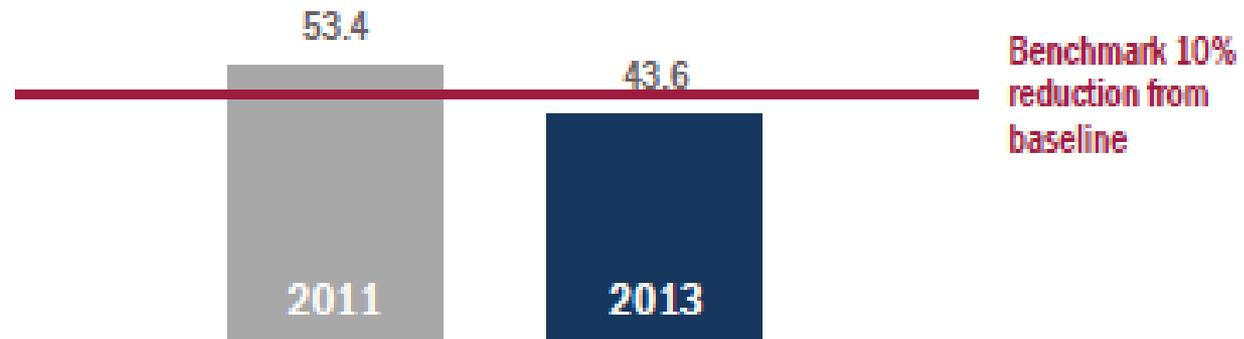
- Admission rate decreased by 18%

Statewide

(Lower scores are better)

Data source: Administrative (billing) claims

Benchmark source: OHA consensus, based on prior performance trend



Extending the model beyond Medicaid

- Foster broad implementation of the CCM
- Align purchasing policies and standards between PEBB, OEBC, the Marketplace and individual and small group market
 - Goal: create a model RFP that can be adopted by all health insurance market segments
- 2015 PEBB medical contracts include contract language, activities, and benefits that align with the six CCM principles

Achieving value through coordinated purchasing efforts

- Oregon
 - Previous PEBB and other Oregon purchasers' efforts led to a common health plan RFI that evaluated the key elements to improve care
 - Federal SIM grant asks Oregon to further spread CCM beyond Medicaid to broader population
- National level
 - National Business Coalition on Health's eValue8 effort, built upon Oregon's earlier PEBB work
 - Catalyst for Payment Reform's model health plan contract language

Questions?

- Lots of detail available in your meeting materials
- Also more available at: www.health.oregon.gov
 - Full Cost and Quality Accountability Plan is posted
 - More details on metrics at <http://www.oregon.gov/oha/pages/matrix.aspx>

Discussion Questions

- What additional information or resources about the CCM would assist in developing an understanding and influencing your market segment?
- What are the barriers and opportunities of your market segment as it begins to think about innovative purchasing strategies?
- What aspects of the CCM are important to your organization and market segment?
- How can the CCM enhance your current health care purchasing or delivery strategies?

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Preparation for next meeting

- Discuss the CCM with your stakeholders, business partners and health care providers
- Identify the benefits the CCM would provide for your members
- “Homework” specific questions in the meeting materials
- Be prepared to discuss at the next meeting- will start to inform the subsequent environmental scan