

MEDICAID ADVISORY COMMITTEE

April 6th, 2016

3:00 p.m. – 4:00 p.m.

Oregon Health Authority

Barbara Roberts Bldg. Room HSB 137A

500 Summer Street, Salem OR 97301

Public conference line: 888.398.2342

Access code: 3732275

Webinar registration:

<https://attendee.gotowebinar.com/register/5823751726245021700>

AGENDA

Time	Item	Presenter
3:00	Opening Remarks	Co-Chairs
3:10	Oregon 1115 Waiver renewal <ul style="list-style-type: none">• Update and discussion	Lori Coyner, OHA
3:50	1115 Waiver public testimony	Co-Chairs

Materials:

1. Agenda
2. Waiver Renewal [FAQ](#)
3. Waiver Renewal Concept [Document](#)

Next Meeting:

Wednesday, April 27th: 9:00 a.m. – 12:00 p.m.

Oregon State Library bldg. -Room #103- 250

Winter St. NE, Salem, OR 97301

Oregon's Request: Oregon Health Plan (OHP) 1115 Waiver Renewal for 2017-2022 Furthering Health System Transformation

Oregon's Success to Date

- Stood up new model of coordinated care with 16 Coordinated Care Organizations (CCOs), which integrate physical, behavioral, and oral health services in an integrated budget, with 5% of CCO budgets dedicated to a quality incentive program.
- Expanded Medicaid coverage to nearly 450,000 Oregonians and enrolled approximately 90% of all Medicaid members in CCOs. Nearly 95% of all Oregonians are now insured.
- Reduced rate of cost growth per capita by two percentage points, saving the federal government more than \$500 million to-date. Expected to save the federal government \$1.4 billion by the end of the current waiver.
- Maintained good access and patient satisfaction scores, while making improvements to quality and outcomes, including: decreased emergency department visits by 23%, decreased admissions for short-term complications with diabetes, decreased hospital readmissions and increased primary care home enrollment by 61%.

Vision for 2017-2022

1. Expanded focus on integration of physical, behavioral, and oral health care through a performance driven system that makes continual improvements to health outcomes and continues to bend the cost curve.
2. Focus on social determinants of health and health equity across all low-income, vulnerable Oregonians with the goal of improving population health outcomes.
3. Commit to continuing to hold down costs through an integrated budget that grows at a sustainable rate and promotes improved value and outcomes, with additional federal investments at risk for not hitting the target for bending the cost curve.
4. Continue to expand the coordinated care model, including innovative strategies for ensuring better outcomes for Medicaid and Medicare dual eligible members.

Request for 2017-2022

- Commitment to reach a high level agreement on the waiver renewal by this summer and finalize the waiver renewal in 2016.
- Continue the program in its current form for another five years, including an extension of a targeted federal investment tied to a sustainable rate of growth.
- Make some clarifications and provide additional flexibility within the waiver on issues that were always part of the design but that we would like to take to the next level, including:
 - Advancing the integrated budget concept to promote the use of more health-related services and improve social determinants of health.
 - Flexibility to provide better care coordination and outcomes for dual eligible members.
 - Support to continue to promote patient centered, primary care and improve workforce and access in underserved areas, including for American Indians and Alaska Natives.
 - Provide expanded behavioral health and substance use diversion services.

Oregon's Waiver: Proposed renewal and amendments to Oregon's 1115 Demonstration Waiver with the Centers for Medicare and Medicaid Services

Building on the foundation of Oregon's Health System Transformation, furthering progress through lessons learned and success to-date

Demonstration or "Waiver" Goals

Oregon's current demonstration waiver, approved in 2012, has helped transform the delivery system to one of coordinated care, with 16 coordinated care organizations (CCOs) now delivering the vast majority of physical, oral and behavioral health services to Oregon Health Plan (OHP) members. Today, approximately 90% of OHP members are enrolled in a CCO. The combination of the new waiver and Oregon's expansion of Medicaid eligibility under the Affordable Care Act has led to remarkable results:

- Oregon's delivery system reform reaches over 1.1 million Oregonians, approximately 25% of Oregon's population;
- With nearly 95% of Oregonians now enrolled in health care coverage, Oregon has one of the lowest uninsured rates in the nation.; and
- By 2017, the demonstration will have saved the federal and state government over \$1.7 billion. The goal of the demonstration was not only to provide better care and improve health, but also to lower per capita cost.

Oregon is committed not only to the gains it has made, in partnership with this Administration, but to renewing this demonstration and taking it to the next level through targeted modifications to the current waiver. Oregon will continue its coordinated care model developed during the current demonstration period and will expand in key areas, such as the integration of behavioral health, and deepen its focus on improving social determinants of health—all while continuing to maintain a sustainable rate of growth of health care costs. Oregon will build on the lessons learned and take transformation to the next level.

Summary of Key Accomplishments

In the last five years, Oregon transformed the Medicaid system. A high level summary of key accomplishments includes:

- Oregon passed bipartisan legislation in 2011 and 2012 to establish a new integrated and coordinated approach to deliver Medicaid health care services throughout Oregon.
- Stood up 16 Coordinated Care Organizations (CCOs), covering the entire state geographically.
- Enrolled approximately 90% of all Medicaid enrollees into CCOs and this new model of care, including the vast majority of the nearly 450,000 newly eligible Medicaid enrollees under the Affordable Care Act;
- Integrated new services and budgets into the CCO model, including behavioral health, oral health, non-emergency medical transportation, addiction services, and children's wrap around services. These services were not part of the prior managed care model.
- Bent the cost curve by staying within the 3.4% sustainable rate of growth which is 2% less than the President's 2012 budget projection of 5.4%.
- Developed a successful, robust measurement and public reporting process to align incentive metrics; 5% of CCO budgets are now paid based on meeting incentive targets.
- Established a vigorous evaluation of the demonstration and an ongoing learning environment among CCOs.

The impact of Oregon's efforts to transform Medicaid is also driving transformation efforts in other markets and has become a core component of the Oregon health system story. Key components of health system transformation have been included in the contracts for the Public Employees Benefit Board (PEBB) and is planned in 2016 with the Oregon Educators Benefit Board (OEBB) contracts. Last year the Oregon Legislature passed bipartisan legislation for a public process to develop and align metrics across all state programs. Supported by the Comprehensive Primary Care Initiative, we have seen multi-payer collaboratives come together to support patient-centered primary care homes. Legislation currently under consideration would create a work group and process to determine how to better integrate Emergency Medical System providers into transformation efforts and support their work to reduce emergency department visits.

Significant Progress

The success of this system is already visible. Current health system transformation has kept costs below the national rate of growth for health care expenditures (see graph). While doing so, there have been significant improvements in quality, access and health according to data from Oregon's robust quality measurement program. (For a full report of health system transformation, see www.oregon.gov/oha/Metrics/Pages/index.aspx.) Highlights include:

- **Decreased emergency department visits.** Emergency department visits by CCO enrollees have decreased 23% since 2011.
- **Decreased hospital admissions for short-term complications from diabetes.** The rate of adult patients (ages 18 and older) with diabetes who had a hospital stay because of a short-term problem from their disease has dropped by 32% since 2011.
- **Decreased rate of hospital admissions for chronic obstructive pulmonary disease.** The rate of adult patients (ages 40 and older) who had a hospital stay because of chronic obstructive pulmonary disease or asthma has decreased by 68% since 2011.
- **Patient-Centered Primary Care Home (PCPCH) enrollment continues to increase.** CCOs continue to increase the proportion of members enrolled in a patient-centered primary care home—PCPCH enrollment has increased 61% since 2012. Additionally, primary care spending continues to increase, which means more health care services are happening within primary care settings rather than other settings, including emergency departments.

These improvements translate directly into better health for Medicaid enrollees and savings for Oregon and the federal government. The state has already extended the coordinated care model elements to public employees and is planning to expand the model to more Medicare and Medicaid dual-eligible beneficiaries. As more people are covered through coordinated care plans, the benefits spread across the state and create critical momentum for Oregon and CMS to achieve mutual reform goals. More and more Oregonians – beyond the Oregon Health Plan — are receiving care through this transformed system. Right now, about 94% of Oregon's providers serve OHP members at their primary practice site. When these providers transform their model of care, the changes reach not only OHP members, but also patients across a provider's practice.

The Next Level of Reform

The intense, collaborative effort to reshape the health delivery system in Oregon has led to important gains and also laid the groundwork for the next level of reform. We have learned a great deal and have a clear view of where we need to concentrate our efforts over the next several years. With this waiver renewal and amendment, Oregon seeks to build on our success with the coordinated care model to meet the following key goals across the next five years:

1. Build on Oregon’s Medicaid delivery system transformation with a stronger, expanded focus on integration of physical, behavioral, and oral health care through a performance-driven system aimed at improving health outcomes and continuing to bend the cost curve;
2. Deepen our focus on addressing the social determinants of health and improving health equity across all low-income, vulnerable Oregonians to improve population health outcomes;
3. Commit to ongoing sustainable rate of growth that includes the 2% test, putting the federal investment at risk for not meeting that target and adopting a payment methodology and contracting protocol for CCOs that promotes increased investments on health-related services and advances the use of value-based payments;
4. Expand the coordinated care model by implementing innovative strategies for providing high-quality, cost-effective, person-centered health care for Medicaid and Medicare dual -eligible members.

Strategies

We anticipate employing the following strategies to achieve these key goals; not all require a waiver amendment.

Build on transformation, including integration

- Expand the behavioral health services integration through partnerships with counties, corrections, and community-based programs.
- Continue to reward CCOs for providing high quality care and access to services through the quality pool but move to more outcome based metrics for measuring performance.
- Continue investing in the Hospital Transformation Performance Program, which furthers the transformation goals, ensures sustainable funding, and aligns care coordination across the delivery system.
- Refine and advance the coordinated care model through a robust measurement program, expanded Patient-Centered Primary Care Home program and an expanded Health Information Technology infrastructure and Transformation Center.

Address social determinants of health and health equity

- Through an enhanced rate setting methodology and new contracting strategies, promote CCO and provider use of health-related services, including flexible services and community benefit initiatives aimed at addressing the social determinants of health.¹
- In partnership with our local housing agency, increase access to housing and housing supportive services for vulnerable populations.
- Partner with the Oregon Early Learning Council to provide in-home mental health screening and referral services to families with young children.
- Ensure access to health care services for American Indians and Alaska Natives.
- Expand the use of traditional health care workers within the delivery system.

¹ Flexible services, specifically authorized through the waiver, are cost-effective services offered instead of or as an adjunct to covered benefits (e.g., home modifications and healthy cooking classes). Community benefit initiatives are community-level—as opposed to member-specific—interventions, such as investments in provider capacity and care management capabilities. Both flexible services and community benefit initiatives (collectively referred to as “health-related services”) aim to address the social determinants of health.

Commit to sustainable rate of growth

- In addition to enhancing the CCO rate setting methodology to promote greater use of health-related services and investments in social determinants of health, promote greater adoption of value-based payment arrangements between CCOs and their network providers.

Expand the coordinated care model

- Increase the health care workforce in underserved areas and in behavioral health settings using evidenced-based, best practices for recruiting and retaining workforce.
- Promote better coordination and improve health outcomes for those Medicare and Medicaid dual-eligible members (this initiative might be addressed after renewal).

Financing Support and Initiatives

Oregon will request targeted federal financial participation for a select number of key state programs to support taking health system transformation to the next level and to provide a financial incentive for meeting the 2% test annually. The targeted programs identified for investment are vital to advancing health system transformation and improving social determinants of health, such as investing in a more robust behavioral health system for Oregon's most vulnerable residents. Currently, state funds support these services and programs to meet health-related needs that Medicaid, as it is currently structured, does not. We propose a ramp down in the federal investment over the course of the renewal period as we realize additional savings from health system transformation.

Next Steps

This waiver renewal will require some changes to bring reform to the next level, but it will leave the underlying program intact. Oregon will be submitting a request to renew the current 1115 Demonstration Waiver and requests the following commitments from CMS and federal partners:

- Reach high level agreement on the waiver renewal by this summer and finalize the waiver renewal in 2016.
- Continue the program in its current form for another five years, including a targeted, budget neutral federal investment to maintain sustainability and continue to limit the growth of health care costs. Most of the savings accrue to the federal government and the investment is recouped through those savings.
- Clarify and provide additional flexibility within the waiver on issues that have always been part of the waiver design but require some improvement.

For questions about the Waiver renewal process or content, please contact:
Lori Coyner by email at Lori.A.Coyner@State.OR.US.

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March 16, 2016

To: Oregon Health Plan (OHP) Stakeholders

From: Lori Coyner
Medicaid Director
Oregon Health Authority

Subject: Opportunity to comment on Oregon Health Plan (OHP) renewal request to the Centers for Medicare and Medicaid Services (CMS)

Since Oregon’s existing five-year Oregon Health Plan (OHP) 1115 Demonstration (or “waiver”) ends in June 2017, the Oregon Health Authority (OHA) is developing a waiver renewal request to the federal Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS). Approval of this request will enable the state to continue the highly successful health system transformation work that has taken place statewide by extending the Demonstration for an additional five years, beginning July 1, 2017 and continuing through June 30, 2022. The state will also request to amend the Demonstration, as appropriate, to further transform and improve the health delivery system for low-income Oregonians.

This letter is to give Oregon Health Plan stakeholders and other interested individuals and organizations information and an opportunity to comment on the state’s upcoming request to CMS.

Goals of the request

With this renewal and amendment request, Oregon, with a shared commitment with the federal government, will seek to build on our success with the coordinated care model to meet the following key goals across the next five years: (Learn more at www.Health.Oregon.gov)

- I. Build on the transformation of Oregon’s Medicaid delivery system with a stronger, expanded focus on integration of physical, behavioral, and oral

health care through a performance driven system with the goal of improving health outcomes and continuing to bend the cost curve;

- II. Improve the social determinants of health and health equity across all low-income, vulnerable Oregonians with the goal of improving population health outcomes;
- III. Commit to ongoing sustainable rate of growth that includes the 2% test (limiting spending increases), a federal penalty for not meeting that target, and an integrated budget that promotes increased spending on health related services and advances the use of value based payments
- IV. Establish supportive partnerships with CMS to expand the coordinated care model by implementing innovative strategies for providing high-quality, cost-effective, person-centered health care for Medicaid and Medicare dual eligible members.

Background

Since 1994, the Oregon Health Plan (OHP) Demonstration has provided the state's most vulnerable residents with high-quality, evidence-based health care while containing spending growth, saving the federal and state government more than \$33.9 billion over the life of the waiver.

Oregon's current Demonstration, approved in 2012, helped transform the delivery system to one of coordinated care, with 16 coordinated care organizations (CCOs) now delivering the vast majority of physical, oral and behavioral health services to OHP members. Today, approximately 90% of OHP members are enrolled in a CCO. Oregon was with the first wave of states that expanded Medicaid eligibility under the Affordable Care Act. Today, the Oregon Health Plan serves more than 1.1 million Oregonians, or approximately 25% of Oregon's population. Additionally, Oregon has one of the lowest rates of uninsured with nearly 95% of Oregonians now enrolled in health care coverage. This new system of health care delivery has led to better health, better care and lower per capita costs, saving the federal and state government together more than \$1.7 billion, and saving the federal government more than \$1.4 billion, during the current approval ending in 2017.

Since January 2014, approximately 400,000 Oregonians have become newly eligible for Medicaid with the implementation of the Affordable Care Act (ACA) and federal health reform. These newly eligible individuals, as well as those who were already covered by the OHP, are largely served by a coordinated care system through 16 entities statewide called coordinated care organizations (CCOs) that focus on prevention, primary care, care coordination among physical, oral and behavioral health and the needs of their particular communities.

The success of this system is already showing. Current health system transformation has been a success in keeping costs below the national rate of growth for health care expenditures. While holding costs below the national rate of growth, data from Oregon's robust quality measurement program show significant improvements in quality, access, and health (for a full report on health system transformation: www.oregon.gov/oha/Metrics/Pages/index.aspx).

Highlights include:

- **Decreased emergency department visits.** Emergency department visits by people served by CCOs has decreased 23% since 2011 baseline data.
- **Decreased hospital admissions for short-term complications from diabetes.** The rate of adult patients (ages 18 and older) with diabetes who had a hospital stay because of a short-term problem from their disease dropped by 32% since 2011 baseline data.
- **Decreased rate of hospital admissions for chronic obstructive pulmonary disease.** The rate of adult patients (ages 40 and older) who had a hospital stay because of chronic obstructive pulmonary disease or asthma decreased by 68% since 2011 baseline data.
- **Patient-centered Primary Care Home (PCPCH) enrollment continues to increase.** Coordinated care organizations continue to increase the proportion of members enrolled in a patient-centered primary care home. PCPCH enrollment has increased 61% since 2012. Additionally, primary care spending continues to increase, which means more health care services are happening within primary care settings rather than other settings such as emergency departments.

Since the 2012 renewal, the State has further expanded health care access to the State's nine federally recognized Tribes through the Uncompensated Care Program (UCCP) and developed outcome and incentive strategies through the Hospital Transformation Performance Program (HTPP).

Renewal request and potential amendments

With this renewal, Oregon will request that CMS continue to approve all of the State's existing waiver authorities. These authorities will allow the State to:

- Expand the integration of behavioral health services through partnerships with counties, corrections, and community-based programs.
- Build on the success of the Hospital Transformation Performance Program (HTPP) to further support goals of transformation and ensure sustainable funding and alignment of care coordination across the delivery system.

- Refine and advance the coordinated care model through a robust measurement program; expanded Patient-Centered Primary Care Home program; quality incentive payments; expanded HIT infrastructure and Transformation Center.
- Promote a recovery-based model of care and strengthen substance use diversion services along the continuum of care by requesting a Substance Use Disorders Waiver in 2017.
- Increase access to housing and housing supportive services for vulnerable populations.
- Partner with the Oregon Early Learning Council to provide in-home mental health screening and referral services to families with young children
- Ensure access to health care services for American Indians and Alaska Natives.
- Expand the use of traditional health care workers (THWs) within the delivery system.
- Advance integrated budget and rate development strategies to promote the use of flexible services, social determinant investments, and value-based payments.
- Promote better coordination and improve health outcomes for those Medicare and Medicaid dual eligible members
- Increase the health care workforce in underserved areas and in behavioral health settings using evidenced-based, best practices for recruiting and retaining workforce.

In addition, the State would like to build on the successes of the past five years by continuing the Tribal Uncompensated Care Program (UCCP) and Hospital Transformation Performance Program (HTPP), aligning and integrating them into the transformation efforts and enhancing coordinated care for all populations.

OHA appreciates your interest in the OHP. The State will consider all feedback as we develop the requests for these changes. Please share this information with any individuals or groups who may be interested in or affected by the changes. Copies of the draft request and additional information on the 1115 Demonstration waiver can be found at: www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver.aspx.

Please send written comments **by April 15, 2016** to Janna Starr; Health Policy and Analytics; Oregon Health Authority; 500 Summer St. NE; Salem, OR 97301-1079 or Janna.Starr@state.or.us.

Thank you for helping OHA present the best request possible to the federal government in order to continue the Oregon Health Plan and bring better health, better care and lower costs to Oregonians.

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