



# OREGON HEALTH FUND BOARD

November 2008

## Aim High: Building a Healthy Oregon

Overview of Oregon Health Fund Board Recommendations



# At a glance

## The Oregon Health Fund Board and its work

In the spring of 2007, the Oregon Legislature passed Senate Bill 329. This created a 7-member citizen Board to examine the state's health care problems and develop an action plan for reform.

### Building Blocks of Reform

Keystone: Establish The Oregon Health Authority

- Bring everyone under the tent
- Set high standards, measure and report
- Unify purchasing power
- Stimulate system innovation and improvement
- Ensure health equity for all
- Train a new health care work force
- Advocate for federal changes

Over 14 months, a broad cross section of Oregonians (over 150 volunteers from across the state) produced the most extensive analysis of health care in Oregon in 20 years.

The numerous participants, professionals in various fields, worked with the Board to collect and review input from community members and state and local experts. The Board, Committees and Work Groups heard expert testimony, reviewed leading edge research, and studied successful models in other states and countries.

The Board looked at many issues, including how to: increase access to health care; improve the way services are delivered; increase health equity for all Oregonians; and find a way to pay for the changes that is affordable for individuals, businesses and the state.

Over two thousand other Oregonians, a broad cross-section of community members from every corner of the state, attended local meetings to learn about the plan and give input to the Board on their values and priorities for our health care system. The result is a Plan that is comprehensive and visionary while focusing on controlling costs. To read the Plan, go to <http://healthfundboard.oregon.gov>.

## Board members represent Oregon's ethnic and geographic diversity

- **Bill Thorndike**, Medford  
President/Owner, Medford Fabrication
- **Jonathan Ater**, Portland  
Chair & Senior Partner, Ater Wynne LLP
- **Eileen Brady**, Portland  
Co-Owner, New Seasons Market
- **Tom Chamberlain**, Salem/Portland  
President, Oregon AFL-CIO
- **Chuck Hofmann**, MD, Baker City
- **Ray Miao**, Bend  
Volunteer state president, Oregon AARP
- **Marcus Mundy**, Portland  
President, Urban League of Portland

## Reform Process: Oct 2007 - Nov 2008

- 7-member citizen Board
- 7 committees, 2 workgroups, 150 members
- 108 meetings
- 25 statewide community forums, 2000+ participants

**Committees:** Benefits, Delivery Systems, Eligibility and Enrollment, Federal Laws, Finance, Health Equities, Health Information Infrastructure Advisory

**Work Groups:** Quality Institute, Market Reform and Health Plan Exchange

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Read the report: <http://healthfundboard.oregon.gov>.

# Aim High: Building A Healthy Oregon

## Oregon's Triple Aim:

- A healthy population
- Extraordinary patient care for everyone
- Reasonable costs shared equitably

The Triple Aim objectives define the Board's vision — and approach to reform.



### The Board believes:

*Our goal is to provide **health** and extraordinary patient care for everyone at a reasonable cost. Since our goal is health, not just health insurance, **reinventing a sustainable system is essential.***

## The Framework - How to Get There

*The Board believes we can not simply expand access to a broken system, only to see people thrown off during economic downturns. It is a false promise.*

*We need a sustainable plan for health reform.*

Aim High lays out a series of initiatives for accomplishing our vision.

Staged incrementally, it will ensure everyone access to care while making changes that will stem rising costs, improve quality and promote good health. This dual approach is recognized nationally as key to stable, sustainable reform.

The initiatives are arrayed under seven building blocks and undergirded by an Oregon Health Authority, the critical 'integrator' necessary for long-term success (see following page).

## First Steps

By 2015, over three legislative biennia, Oregon can make major progress toward its vision of a healthy Oregon. In order to do so, we must take steps now. In this legislative session, we should:

- Expand coverage to all children and 100,000 uninsured low income adults; this will reduce the number of uninsured by a third.
- Put information and infrastructure pieces in place that will stem rising costs and improve quality and consistency:
  - » Create an all-payer all-claims data base for Oregonians to compare the costs and assess the effectiveness of care statewide and within communities
  - » Require insurers to report administrative costs and other data
  - » Further develop evidence-based medicine guidelines for publicly-financed health care; develop common standards with the private sector
  - » Set standards for 'integrated health homes' that focus on primary/preventive care and a coordinated, comprehensive team approach
  - » Create bulk purchasing for smaller medical practices to use electronic health records developing a database to wisely increase our health work force
  - » Help smaller medical practices adopt electronic health records; take steps to wisely increase our health workforce
- Establish the citizen-lead Health Authority to integrate reform and increase accountability for all stakeholders in the health care system.
- Invest in public health innovation and infrastructure, including tobacco, obesity and chronic disease prevention.

These changes will be funded by restructuring and renewing the current provider tax on large hospitals and insurance companies, and with an increased tax on tobacco products.

## INTEGRATOR

### Establish an Oregon Health Authority: the critical “integrator”

**What it means:** Create a robust, independent citizen Health Authority with non-political leadership to integrate and oversee all aspects of health reform over the long-term.

**Why it is important:** Without a strong independent body to integrate the various stakeholders, policies and ideas, health reform will be subject to short-term special interests. The Authority can: provide rigorous oversight and accountability; organize health policy and the state’s patchwork of regulation, health care purchasing and workforce training; invest in local innovation; and foster thoughtful reform across the state.

#### How it can be accomplished:

- The State, in partnership with communities, will act as a **smart purchaser**, an **integrator** of health care and community services, and an **instigator** of community-based innovation.
- The Authority would provide the power and structure to accomplish this.
- **Smart purchaser:** wise steward of public investments in health and health care. Oregon currently covers 428,040 people through the Oregon Health Plan, family health insurance program subsidies, state employees, and educators.
- **Integrator:** ensure the Triple Aim components are reached in balance.
- **Instigator:** Give resources and collaboration to support new local efforts.



## BRING EVERYONE UNDER THE TENT

**What it means:** Provide affordable health care for all Oregonians.

**Why it is important:** There is a high cost to society from the uninsured and underinsured. When people do not get needed preventive care, it leads to poorer health, higher costs of care later, and increased costs for those paying insurance premiums — causing business to reduce or drop coverage, and more individuals to fall into an insurance coverage gap.

#### How it can be accomplished:

- Expand current state health care programs to cover all children and low income adults; leverage significant federal matching funds currently uncollected.
- Create a package of effective, essential health care benefits for everyone with state-sponsored coverage.
- Stabilize and expand private-sponsored coverage.
- Establish a Health Plan Exchange for individuals and small businesses to comparison shop.
- Develop a Public Plan to be offered through the Exchange.

# 2



## SET HIGH STANDARDS – MEASURE AND REPORT

**What it means:** Build a trusted source of information. Shine a light on what we pay for and how well it works. Improve health outcomes and patient satisfaction. Decrease medical errors, duplication and costs.

**Why it is important:** To control costs and ensure quality, we must be clear about what we're paying for and whether it is working. We currently do not have comparable statewide information to do so.

### How it can be accomplished:

- Collect key performance data from insurers; build a database; begin a benchmarking process; measure and report to public and policy makers.
- Set statewide standards for health outcomes, cost increases, clinical quality, and provider administrative practices.
- Pay providers to keep us healthy — pay for health outcomes rather than by treatment code for illness. Reward the use of evidence-based medicine.
- Standardize billing practices among insurers. Reduce complexity and administrative overhead.
- Hold all health care sectors accountable for reducing overhead, duplication and waste.

# 3



## UNIFY PURCHASING POWER

**What it means:** Leverage health care purchasers' (individuals, business, state) power to negotiate best prices for the most cost-effective care. Reform the system in the process.

**Why it is important:** The state pays for health care for many Oregonians (including OHP clients, public employees and others) and can use its purchasing clout to push for more efficient delivery of care that effectively meets users' needs.

### How it can be accomplished:

- Use the State as a model.
- Create a Public Employers Health Cooperative to consolidate purchasing power for prescription drugs, insurance and services.
- Establish a health insurance exchange.
- Implement regulatory actions to contain health care costs through the Health Authority and the responsible agencies of the State.

## 4



### STIMULATE SYSTEM INNOVATION AND IMPROVEMENT

**What it means:** Focus on public health throughout the state; work with communities to promote wellness and provide innovative solutions to stay healthy, improve care and reduce costs.

**Why it is important:** Poor health is only partially due to lack of medical care; greater drivers are destructive behaviors such as tobacco use and alcohol abuse, unmanaged chronic conditions, and social determinants such as income, education, geography and ethnicity.

#### How it can be accomplished:

- Develop new models for early intervention and managing chronic disease, avoid hospitalization.
- Develop integrated health home teams to coordinate the patient's various providers, integrate their recommendations, and improve care.
- Broaden public health focus; promote and reward innovative community solutions. Dedicate tax money to reducing behaviors that cause chronic conditions. Work with schools, employers, community organizations to target chronic diseases responsible for poor health and rising costs.
- Begin health care payment reform analysis.
- Adopt health information technology throughout Oregon.
- Provide high quality, dignified end-of-life care for everyone.
- Establish a Medical Liability Reform Council.

## 5



### ENSURE HEALTH EQUITY FOR ALL

**What it means:** Ensure we get to the root causes of ill-health. Address the social determinants, reduce disparities, remove barriers to care, and improve the quality of care.

**Why it is important:** The quality and availability of health care in Oregon often depends on where you live, how much you earn and your ethnic background. There are disparities in how health care is dispensed to those most in need. Social determinants such as housing, education, violence and neighborhood livability impact health and must be addressed. Health equity is woven into each of the other Building Blocks.

#### How it can be accomplished:

- Promote good health and chronic disease management and prevention.
- Reduce barriers by ensuring that every resident is included in coverage expansions, working with our Congressional Delegation to address federal citizenship documentation barriers, and conducting aggressive outreach to multi-cultural communities.
- Improve quality by strengthening the public health system, using integrated health home models to coordinate care, authorizing direct reimbursement for Community Health Workers, building a culturally competent workforce, dispensing meaningful information, collecting and analyzing health disparity data.

# 6



## TRAIN A NEW HEALTH CARE WORKFORCE

**What it means:** Strengthen Oregon's initiatives to recruit, train, license and retain a healthcare work force to meet our needs.

**Why it is important:** With an aging and increasingly diverse population, a renewed focus on primary care, and the impending retirement of a significant number of physicians, it is clear that Oregon will need a greater number of health care workers at all levels in the future, especially in rural areas.

### How it can be accomplished:

- Develop a statewide workforce strategy. Identify the needs, resources and gaps in all regions of the state.
- Strengthen initiatives to train, recruit, license and retain a modern workforce.
- Encourage professionals to work at the 'top of their licenses', thus expanding the reach and depth of the current workforce.
- Ensure providers are culturally prepared to work with Oregon's diverse population. Recruit and retain minority health care workers.

# 7



## ADVOCATE FOR FEDERAL CHANGES

**What it means:** Remove federal barriers to Oregon's reform. Lead the national health reform debate.

**Why it is important:** Federal policies prevent Oregon from effectively reforming and improving our health care system, and expanding coverage to everyone. We currently are failing to capture significant federal matching funds.

### How it can be accomplished:

- Increase Medicare reimbursement payments to Oregon providers.
- Obtain additional Medicaid waivers to expand coverage to the uninsured.
- Capture federal matching funds for innovation and educating Oregon's health care workforce.
- Gain federal tax benefits for those covered by individual and self-employed policies.

# Timeline

## HEALTHCARE REFORM STRATEGY

**Keystone:** Oregon Health Authority

Act as an integrator of health care and community services, a smart purchaser, and an instigator of community-based innovation.

## BUILDING BLOCKS

### Bring everyone under the tent

Expand coverage for all children and low-income adults.

Expand coverage for all Oregonians.

### Set high standards

Establish an all payer, all claims data collection program.

Establish an Oregon Quality Institute.

### Unify purchasing power

Create a Public Employers Health Cooperative.

Establish a health insurance exchange.

Implement regulatory actions to contain health care costs.

### Stimulate system innovation and improvement

Implement the integrated health homes.

Integrate behavioral health services with physical health services.

Establish a Payment Reform Council.

Provide high quality and dignified end-of-life care to all Oregonians.

Establish programs to promote community based innovation.

Expand public health throughout Oregon.

Establish a Medical Liability Reform Council.

Promote the adoption of health information technology across Oregon.

### Ensure health equity for all

Prevent health disparities before they occur, reduce barriers to care, and improve quality of care.

### Train a new health care workforce

Ensure Oregon's health care workforce is sufficient.

### Advocate for federal change

Align federal policy with Oregon's reform efforts.



# Building Blocks

## KEYSTONE: OREGON HEALTH AUTHORITY

Robust, independent citizen Health Authority with non-political leadership to integrate and oversee all aspects of health reform over the long-term.

### 1 BRING EVERYONE UNDER THE TENT

#### The vision:

- Affordable health care for all Oregonians
- An essential benefit package

#### Stage I: 2009 expansion objectives:

- Children <200% FPL
- Adults <100% FPL (<135% FPL with appropriate waiver)

#### Stage I: 2009 financing plan:

- Alternate provider taxes

#### Stage II: 2011 - 2015 expansion:

- Premium assistance plan linked to cost containment and available funding

### 2 SET HIGH STANDARDS – MEASURE AND REPORT

#### Trusted information:

- Uniform, statewide data (Quality, Clinical, Financial)

#### Set high standards:

- Clinical quality measures
- Clinical guidelines
- Population health targets
- Insurance administration practices

#### Measure and report:

- Public reporting to:
  - » Consumers
  - » Providers
  - » Purchasers
  - » Insurers
  - » Policy makers

### 3 UNIFY PURCHASING POWER

#### Coordinated purchasing:

- State and local governments
- Common contract standards
- Purchasing cooperative

#### Oregon Health Insurance Exchange:

- Stage I - begin with current individual market
- Stage II - expand to whole individual market
- Guaranteed issue, premium assistance

#### Regulatory options:

- Review & approve insurer administrative expense increases
- Set ceilings on provider price increases



## 4 STIMULATE SYSTEM IMPROVEMENT AND INNOVATION

### **New models of care:**

- Integrated health homes
- Behavioral health integration
- End-of-life care

### **Community based innovation:**

- Community collaboratives
- Community safety net
- Accountable care communities

### **The public's health:**

- Healthy Oregon Action Plan
- Community-centered health initiatives
- Tobacco and alcohol taxes

### **Medical liability:**

- Medical Liability Reform Council

### **Health information technology:**

- Widespread adoption of health records
- Clinical decision support tools
- Statewide health information exchange
- Privacy and security of personal data

## 5 ENSURE HEALTH EQUITY FOR ALL

- Outreach and education
- Translation services
- Culturally appropriate disease management
- Provider recruitment and training

## 6 TRAIN A NEW HEALTH CARE WORKFORCE

- Reliable data
- Long term needs
- Resources for training
- Recruit, retain
- Licensing
- New models
- Practice at "Top of License"

## 7 ADVOCATE FOR FEDERAL CHANGE

- Federal Laws Committee recommendations
- Seek opportunities for federal reforms

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