

Oregon's Health System Transformation

Better health, better care, lower cost

Oregon's health system transformation started with the creation of coordinated care organizations (CCOs), which serve Oregon Health Plan members. The Oregon Health Authority is now working to spread the coordinated care model to other plans and payers. The ultimate goal of these efforts is to bring better health, better care and lower costs to Oregonians.

Timeline of Oregon's health reform

- **2011:** In June 2011, Governor Kitzhaber and the Legislature passed a bi-partisan bill (House Bill 3650) proposing a statewide system of coordinated care organizations (CCOs)
- **2012:** State legislation passed creating CCOs; Medicaid waiver approved; CCOs launched
- **2013:** Oregon awarded State Innovation Model grant to help spread the model to other payers
- **2014:** Dental care integrated into CCOs
- **2015:** Coordinated care model elements included in new health plans for state employees

State Innovation Model Grant

The Centers for Medicare and Medicaid Innovation awarded a State Innovation Model (SIM) grant to Oregon for up to \$45 million for three and a half years. Oregon is testing innovative approaches to improving health and lowering costs across the health care system, including Medicaid, Medicare and the private sector. The grant supports innovation in three areas:

- **Rapid learning**
 - Learning collaboratives and technical assistance for CCOs
 - Promote health equity across sectors and payments
- **Delivery models**
 - Evaluate methods of integrating primary, specialty, behavioral and oral health care
- **Payment models**
 - Test global budget for CCOs and a starter set of alternative payment models

Transformation Center

Launched in March 2013, the Transformation Center uses SIM funding to support CCOs and the adoption of the coordinated care model throughout the health care system. Key activities include providing technical assistance and organizing learning collaboratives that foster peer-to-peer sharing of best practices.

Oregon's coordinated care model

Through the coordinated care model, Oregonians are experiencing improved, more integrated care. With a focus on primary care and prevention, health plans using the coordinated care model are able to better manage chronic conditions and keep people healthy and out of the emergency department.

Key elements of the coordinated care model include:



The coordinated care model was first implemented in coordinated care organizations.

What are coordinated care organizations?

A coordinated care organization (CCO) is a network of all types of health care providers (physical health care, addictions and mental health care and sometimes dental care providers) who have agreed to work together in their communities to serve people who receive health care coverage under the Oregon Health Plan (Medicaid). Today, 16 CCOs operate across the state.

How coordinated care organizations work

CCOs are local. They have one budget that grows at a fixed rate for mental, physical and ultimately dental care. CCOs are accountable for health outcomes of the population they serve. They are governed by a partnership among health care providers, community members and stakeholders in the health systems that have financial responsibility and risk.

How coordinated care works within CCOs

Before CCOs	With CCOs
Fragmented care	Coordinated, patient-centered care
Disconnected funding streams with unsustainable rates of growth	One global budget with a fixed rate of growth
No incentives for improving health (payment for volume, not value)	Metrics with incentives for quality and access
Limits on services	Flexible services
Health care delivery disconnected from population health	CCO community health assessments and improvement plans
Limited community voice and local partnerships	Local accountability and governance, including a community advisory council

Incentives for better services

Through the coordinated care model, the state measures and pays for performance. In 2013, we showed large improvements in the following areas:

- ✓ **Decreased emergency department visits.** Emergency department visits by people served by CCOs have decreased 17% since 2011 baseline data.
- ✓ **Decreased hospitalization for chronic conditions.** Hospital admissions for congestive heart failure have been reduced by 27%, chronic obstructive pulmonary disease by 32% and adult asthma by 18%.
- ✓ **Increased primary care.** Outpatient primary care visits for CCO members increased by 11%, and spending for primary care and preventive services are up over 20%. Enrollment in patient-centered primary care homes has also increased by 52% since 2012.

The full 2013 performance report is available at: oregon.gov/oha/metrics/

Spreading the coordinated care model

The Oregon Health Authority is working to spread the coordinated care model to other plans and payers with the aim of better health, better care and lower costs for all Oregonians.

Public Employees' Benefit Board (PEBB)

Starting in 2015, health plans for state workers will provide care through the coordinated care model. Members will have high-quality, financially sustainable health plan choices. This is the first step in bringing the coordinated care model to private insurers.

Coordinated Care Organization Service Areas

CCO BY REGION

- AllCare Health Plan**
Curry, Douglas, Jackson, Josephine, Klamath
- Cascade Health Alliance**
Klamath
- Columbia Pacific CCO**
Clatsop, Columbia, Coos, Douglas, Tillamook
- Eastern Oregon CCO**
Baker, Blaine, Grant, Harney, Lake, Malheur, Morrow, Sherman, Unionville, Umatilla, Wallowa, Wheeler
- FamilyCare, Inc.**
Clackamas, Multnomah, Washington, Marion
- Health Share of Oregon**
Clackamas, Multnomah, Washington
- Intercommunity Health Network CCO**
Benton, Lincoln, Linn
- Jackson Care Connect**
Jackson
- PacificSource Community Solutions: Central Oregon**
Crook, Deschutes, Jefferson, Klamath
- PacificSource Community Solutions: Columbia Gorge**
Hood River, Wasco
- PrimaryHealth of Josephine County**
Douglas, Jackson, Josephine
- Trillium Community Health Plan**
Benton, Lane, Linn
- Umpqua Health Alliance**
Douglas
- Western Oregon Advanced Health**
Coos, Curry
- Willamette Valley Community Health**
Benton, Linn, Marion, Polk, Yamhill
- Yamhill Community Care Organization**
Clackamas, Marion, Polk, Washington, Yamhill

Number of CCOs per county
Overlapping CCO areas vary by zip code

