

## **Abstract for Oregon Application for the State Innovation Models (SIM) Initiative**

Oregon proposes to test and accelerate the spread of its Coordinated Care Model (CCM). The primary goal of the Coordinated Care Model is to more effectively—and at less cost—meet the health care needs of our State’s population and achieve the Triple Aim. We are essentially trying to change both the care model and the business model. We intend to realign incentives with the State’s purchasing power now and as we move forward, so that our Medicaid enrollees, state employees, Medicare beneficiaries, and those purchasing qualified health plans on Oregon’s Health Insurance Exchange (“the Exchange”) have high quality, low cost options that are sustainable over time.

The model is currently being implemented in Medicaid through new Coordinated Care Organizations (CCOs), under the State’s recently approved Medicaid 1115 Waiver demonstration, and is focused on the value gained through flexibility offered to local communities to institute payment and delivery system reform. Oregon’s SIM proposal requests funds for a Transformation Center in the Oregon Health Authority that will test the CCM elements that contribute to rapid and sustainable change, including leadership, governance, provider infrastructure, geography, clinical areas of focus and integration, market dynamics, patient demographics, and payment mechanisms. The goal of the Transformation Center is to ensure as rapid and successful a transformation as possible in the Oregon delivery system. Projected state and federal savings expected from implementation of the Coordinated Care Model in Oregon totals \$372 million over a 3-year period.

Requested SIM funds total \$59.9 million also build infrastructure to assure that data necessary for thorough testing of the model is available, is timely and accessible, is gathered across state entities that impact the care provided (breaking down state bureaucratic barriers), incorporates both public and private sources, and is analyzed thoroughly and rapidly disseminated to provide tools for change throughout Oregon. The Center will also expand the use of “innovator agents,” provide learning collaboratives and conferences, and conduct effective communication to assist with the diffusion of best practices throughout the state. Innovation will move bi-directionally from the state to the CCOs, health plans and systems and their participating providers and back to assure that transformation occurs at all levels. This will allow Oregon to facilitate the Centers for Medicare and Medicaid Innovation’s (CMMI) ability to replicate the Coordinated Care Model and share with other states across the country that may have not yet adopted delivery system reform.

The Transformation Center can accelerate the adoption of the Coordinated Care Model by evaluating, disseminating and spreading to other payers the most effective delivery system and payment innovations. Stakeholders (CCOs, providers, consumers, and communities) will be heavily involved in both the creation and ongoing work of the Transformation Center, as they are now with the creation of the Coordinated Care Model and implementing CCOs. The Center will facilitate rapid transformation of care for Medicaid and CHIP populations in communities across the state (totaling approximately 640,000 individuals), and will foster the spread of these new models to additional populations and payers, including Medicare at 654,000 beneficiaries and private plans (such as those covering approximately 134,000 state employees). These efforts will create a “tipping point” at which delivery system transformation can spread across the entire state, and will ultimately lead to better health outcomes and quality of care at lower cost for a preponderance of Oregonians.