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# Oregon's Medicaid Demonstration: The Oregon Health Plan

Oregon Health Authority  
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# Oregon's Medicaid Program Authorities

- **The State Plan:** A federal/state contract that identifies eligibility, benefits and pricing within existing laws
- **Home & Community-based Services Waivers:** Allows states to include coverage of services as an alternative to mandated nursing homes/other institutions
- **1115 Demonstration Waiver:** Allows states to conduct demonstration projects, outside of the parameters of State Plans

# Oregon's Medicaid and CHIP State Plans

## Can the State Plans be changed?

- Yes, State Plans can be amended, *within the confines of the plans themselves.*
- **SPA** – State Plan Amendment - The State may request the Centers for Medicare and Medicaid Services (CMS) to approve a State Plan Amendment (SPA) to:
  - Make permissible program changes;
  - Make corrections; or
  - Update the Medicaid or Children's Health Insurance (CHIP) State plan with new information.

# Oregon's Medicaid Demonstration: The Oregon Health Plan

**Isn't the Medicaid  
Demonstration just  
another change to the  
State Plans?**

# Oregon's Medicaid Demonstration: The Oregon Health Plan



- Not exactly-

The Demonstration is more of a way to make changes that are outside the State Plans, like “exceptions”.

# Oregon's Medicaid Demonstration: The Oregon Health Plan

## Section 1115 of the Social Security Act



Gives CMS the authority to *waive* certain Federal regulations, or pieces of law, in order to approve experimental, pilot, or demonstration projects, outside of the parameters of State Plans.

### **A Demonstration may allow the State to:**

- Test new approaches to financing & delivering Medicaid-funded services;
- Test new approaches to defining, and limiting benefit packages;

# Oregon's Medicaid Demonstration: The Oregon Health Plan

## Section 1115 of the Social Security Act



### A Demonstration may allow the State to (cont.):

- Provide services not typically covered by Medicaid or CHIP;
- Expand eligibility to individuals not otherwise covered;
- Offer incentives to providers to develop new models of care; and
- Implement other changes or innovations the State may request and have approved.

# Oregon's Medicaid Demonstration: The Oregon Health Plan

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## A Demonstration:

- Must also be “budget neutral” to the Federal government; and
- Will generally last three or five years, and may be renewed and amended.

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## Section 1115 of the Social Security Act



What are some of the features of the OHP for which the State has “Waivers” of Federal law and regulations?

### Health plans

- Federal policy does not generally allow “mandatory” health plan enrollment for Medicaid beneficiaries.
  - Federal policy provides for “freedom of choice” of providers (SSA-Section 1902(a)(23)(A))
  - Federal policy provides for “statewideness and uniformity” of services (SSA-Section 1902(a)(1) .
- These pieces of law and regulation are waived so Oregon can enroll OHP members in health plans as a preferred default delivery system and so that the plans can be locally-based and operated.

# Oregon's Medicaid Demonstration: The Oregon Health Plan

## Section 1115 of the Social Security Act



Features of the OHP for which the State has “Waivers”-  
cont.:

### The Prioritized List of Health Services

- Federal policy does not generally allow benefit packages that are significantly different from basic Medicaid benefits, or requirements.
- Oregon's Prioritized List of Health Services is a unique method of managing benefits and service utilization; and using it requires a waiver of certain benefit and EPSDT requirements (SSA-Section 1902(a)(10)(A).

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Waivers are **NOT** the only Federal “exceptions” CMS has approved for Oregon’s 1115 Demonstration.

**Costs Not Otherwise Matchable** – This means that the Federal government does not provide Medicaid or CHIP matching funds for certain programs or activities, but they have made an exception and provided “expenditure authority” for new approved costs.

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## Section 1115 of the Social Security Act



What are some of the features of the OHP that have ***Costs Not Otherwise Matchable*** approvals?

- MCO enrollment and disenrollment
- Designated State Health Programs (DSHP)
- Uncompensated Care Payments to Tribal Health Programs
- Hospital Transformation Performance Program (HTPP)

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## Section 1115 of the Social Security Act



Other than Waivers and costs not otherwise matchable, how does CMS approve the State's ideas and requests and provide requirements for the OHP?

## Special Terms and Conditions (STCs)

- These set forth CMS's requirements of the State in order to continue receiving the approvals we have and conducting the programs we conduct.
- There are 88 Special Terms and Conditions (STCs) in the current 1115 Demonstration approval.
- These cover everything from required reporting, to OHP metrics and evaluation, to detailed descriptions of OHP programs and populations, to how to make changes.

# The Oregon Health Plan (OHP)

The Oregon Health Plan was created in 1994 as a **Section 1115 Medicaid Demonstration**, allowing the State to:

- **Create** a Medicaid health plan delivery system (new approach to financing and delivering services).
- **Develop** and implement the Prioritized List of Health Care Services (new approach to benefits).
- **Expand** coverage to parents and childless adults (eligibility to previously uncovered individuals).

# Oregon Health Plan Changes Snap Shot

- **1997:** Children's Health Insurance Program incorporated, providing eligible CHIP members same benefits and delivery system as Medicaid members.
- **2002:** Established OHP-Plus and OHP-Standard benefits and included the Family Health Insurance Assistance Program.
- **2007 & 2009:** Expanded CHIP and created Healthy Kids program.
- **2012:** Established Oregon's Health System Transformation

# Today's OHP-Transformation

- Oregon's health system transformation seeks to achieve the three primary aims of
  - **Better health,**
  - **Better care, and**
  - **Lower costs.**
- Transformation began with coordinated care organizations (CCOs).
- The next step is spreading the coordinated care model to other payers.



# Today's OHP-Transformation

## The Transformation Demonstration includes:

- Physical, oral and behavioral health services
- Care Coordination
- All Medicaid or CHIP-eligible populations.



# Today's OHP-Transformation

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
Few incentives for improving health (Payment for volume not value)	Metrics with incentives
More limits on services	Flexible services CCO Community Health
Health care delivery disconnected from population health	Assessments and Improvement Plans
Limited community voice & local area partnerships	Local accountability and governance, including a Community Advisory Council

# Tomorrow's OHP - A Three-step Process of Amendments and Renewal

- **Step 1: Amend current waiver (2012-2017)**  
Request changes to align with legislative direction and intent
- **Step 2: Extend (2017 – 2022)**  
Request extension of existing policy framework with minor updates
- **Step 3: Amend (post 2017 approval)**  
Request more complex changes

# Tomorrow's OHP - A Three-step Process of Amendments and Renewal

## Step 1: Amend

- **Amendment #1** - Extending the Hospital Transformation Performance Program through the duration of the current renewal period – Submitted and awaiting approval.
- **Amendment #2** - Changes to apply to 2017 CCO contracts for value-based Rate improvements and for paying for flexible services –In development – To be submitted Spring 2016

# Tomorrow's OHP - Perpetual Innovation and Transformation

## Step 2: Extend

- Continuation of most of the current “authorities” the State has been granted in the past – Waivers, costs not otherwise matchable, and special terms and conditions allow the state to continue:
  - Contracting with CCOs;
  - Enrolling individuals in health plans;
  - Establishing integrated benefit packages and budgets;
  - Encouraging the use of alternative payment methodologies that reflect member outcomes;
  - Emphasizing prevention and a range of person-centered care services; and
  - Supporting local community transformation work
  - Using quality metrics & quality improvement strategies

# Tomorrow's OHP - Perpetual Innovation and Transformation

## What are we planning for the Demonstration Renewal - cont.

- Continuing all aspects of Transformation, including Behavioral Health residential integration
- Building on CCO technical supports – Transformation Center
- Extending the Hospital Transformation Performance Program (HTPP) through the new period and ensuring alignment with Transformation goals
- Continuing the Tribal Uncompensated Care Program
- Continuing use of the Prioritized List of Health Services

# Tomorrow's OHP - Perpetual Innovation and Transformation

## What are we planning for the Demonstration Renewal - cont.?

- Continuing employing strong Quality Metrics, Monitoring and Quality Improvement
- Continuing bending the cost curve
- Continuing improvements in, and assessing long-term goals for:
  - Rates
  - Global Budgets
  - Alternative Payment Methodologies
  - Flexible Services

# Tomorrow's OHP - Perpetual Innovation and Transformation

## Step 3: Amend

- **Substance Use Disorders** – OHA has convened a stakeholder advisory group to begin working on the implementation requirements that promote a recovery-oriented, coordinated and quality system of care
- **Other opportunities with stakeholder engagement** - Next phases of Health System 2.0 to further improve quality and access within a sustainable system such as an integrated behavioral system and changes that align and improve coordinated care for Medicare/Medicaid members

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For more information on Oregon's Medicaid Demonstration, the Oregon Health Plan, go to:

[www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver](http://www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver)