



KATE BROWN
Governor

September 28, 2017

Zeke Smith, Chair
Dr. Carla McKelvey, Vice-Chair
Oregon Health Policy Board
500 Summer St NE
Salem, OR 97301

Dear Chair Smith and Vice-Chair McKelvey:

Today, 95 percent of all Oregonians and 98 percent of Oregon children have health care coverage. Coordinated care organizations have improved quality and outcomes while reducing costs, saving billions in state and federal tax dollars. I am committed to continuing the progress Oregon has made to expand coverage while continuing to hold down costs to support a sustainable health care budget.

In January, you submitted a report of the board's community listening sessions and recommendations for advancing the health care transformation through the state's coordinated care model. Your report and recommendations provide a sound foundation for establishing the state's health transformation goals and defining expectations for the next five-year coordinated care organization (CCO) contracts.

As the Oregon Health Authority (OHA) begins to develop the process for the next CCO contracts, I would like the board to obtain input and provide more specific recommendations to OHA for how the state and CCOs can further transform health care to continue improving health outcomes, increase value, and hold down costs. Specifically, I'd like the board to provide more specific recommendations in the following areas:

Focus on social determinants and equity. Impacts of where we live, learn, work, and play have a bigger impact on health and equity than most of what happens in the doctor's office. Social determinants such as food, housing, and education are critical for health and wellness. A theme from your listening sessions was the need to accelerate community coordination to address social determinants of health in order to improve the health and well-being of families and communities in the state. A core goal for the next five years should be building stronger partnerships between the health care system and other social systems, aligning outcomes across those systems to advance community health improvement plans and improve health equity, and encouraging greater investment into prevention and social determinants.



Increase value and pay for performance: Oregon's model of setting outcome goals and paying CCOs for meeting quality improvement targets is one of the model's strongest assets. It has proven its success. Going forward, it will only retain its value if it results in continued quality improvement. The bar should continue to be raised on quality and outcomes, disparities should be reduced, and the amount of payments tied to performance should increase over time. The board should also consider ways to accelerate performance-based payments across the entire delivery system, building on the momentum of the collaborative multi-payer efforts such as Oregon's work on primary care payment reform and extend value-based payments for specialty and hospital services.

Improve the behavioral health system: There's no doubt that we have more to do to improve behavioral health care in Oregon. We have one of the highest rates of mental illness, and far too many Oregonians remain in emergency rooms and in high-cost inpatient hospital rooms awaiting access to appropriate, community-based mental health care. Special focus is needed to ensure children with serious behavioral health care needs are addressed as a priority. No child should be left for days, weeks, or months in an emergency room because he or she cannot obtain access to needed mental health services.

Maintain a sustainable cost growth: Oregon has proven that it is possible to bend the cost curve and maintain a sustainable budget. In light of our commitment in our federal waiver to continue to hold down costs, and the expectation established by the Legislature in the Medicaid budget to further reduce medical cost growth, the board should provide recommendations for ongoing financial sustainability. This should include recommendations for addressing major cost drivers in order for the health system to continue to operate within a sustainable budget, as well as recommendations for continuing financial transparency and accountability.

I commend your efforts last year and commitment to engage a broad range of communities and stakeholders as you consider recommendations. As you deliberate on your recommendations, I expect you'll continue to provide opportunities for the public and stakeholders to engage and provide recommendations to you on the best way to achieve the above goals. I direct the Oregon Health Authority to provide the staff and resources needed to complete this work.

Sincerely,



Governor Kate Brown