
**Oregon's Waiver:
Proposed renewal to Oregon's 1115
Demonstration Waiver with the
Centers for Medicare and Medicaid Services**



Oregon's waiver

- 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; and
 - Test new approaches to defining, and limiting benefit packages.

Oregon's CMS Waiver History

- **1994:** Oregon Health Plan created through a waiver with CMS
- **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
- *2017: Next level of Medicaid system reform*

Oregon's Current Waiver Creating Health System Transformation

Oregon's Coordinated Care Model



Key Accomplishments During Current Waiver Period

- Stood up 16 Coordinated Care Organizations (CCOs), covering the entire state geographically.
- Enrolled approximately 90% of all Medicaid enrollees into CCOs and this new model of care, including nearly all of the 450,000 newly eligible Medicaid enrollees under the Affordable Care Act.
- Integrated new services and budgets into the CCO model, including behavioral health, oral health, non-emergency medical transportation.
- Bent the cost curve by staying below 2% of the President's 2012 budget projection of 5.4%.
- Improved quality of care for OHP members with a focus on coordinated care and Patient Centered Primary Care homes.

Key Accomplishments (Continued)

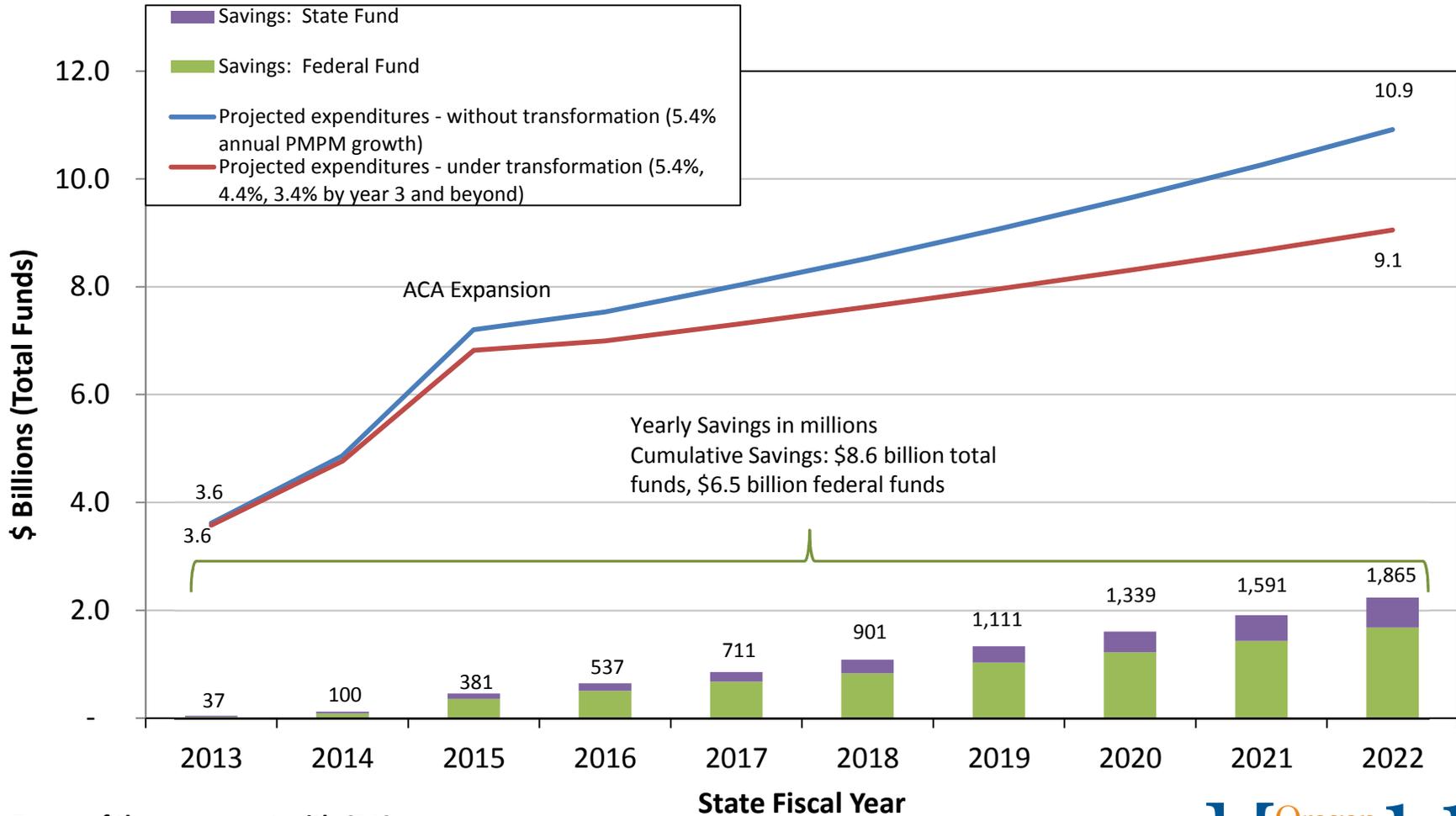
- Developed a successful, robust measurement and public reporting process to align incentive metrics; 4% of CCO budgets are now paid based on meeting incentive targets.
- Established a vigorous evaluation of the demonstration and an ongoing learning environment among CCOs through the Transformation Center.
- CCOs showed significant improvements in quality, access and health according to data from Oregon's robust quality measurement program such as decreased Emergency Department visits, dramatic increases in Patient Centered Primary Care enrollment, significant increases in EHR adoption, and increases in quality metrics such as developmental screening for young children.

Metrics Show Progress

- Decreased emergency department visits. Emergency department visits by CCO enrollees have decreased 23% since 2011.
- Decreased hospital admissions for short-term complications from diabetes. The rate of adult patients (ages 18 and older) with diabetes who had a hospital stay because of a short-term problem from their disease has dropped by 32% since 2011.
- Decreased rate of hospital admissions for chronic obstructive pulmonary disease. The rate of adult patients (ages 40 and older) who had a hospital stay because of chronic obstructive pulmonary disease or asthma has decreased by 68% since 2011.
- Patient-Centered Primary Care Home (PCPCH) enrollment continues to increase. CCOs continue to increase the proportion of members enrolled in a patient-centered primary care home—PCPCH enrollment has increased 61% since 2012. Additionally, primary care spending continues to increase, which means more health care services are happening within primary care settings rather than other settings, including emergency departments.

Continuing Oregon's Demonstration Would Save the Federal Government \$6.5 billion

In the 2012-2017 waiver agreement, the state committed to reduce the Oregon Health Plan's per capita medical expenditure trend by 2 percentage points over the final three years of the demonstration, while maintaining standards of access and quality. To date, the federal government has saved more than \$500 million and is expected to save \$1.4 billion by the end of the current waiver.



Terms of the agreement with CMS:

Without transformation baseline trend = 5.4% PMPM growth annually (President's Budget trend, OMB).

With transformation savings targets = PMPM expenditures increases cannot exceed 4.4% in the year 2 of the demonstration (July 2013 – June 2014) and 3.4 percent in year 3 (July 2014 – July 2015) and beyond.



Lessons learned

While Oregon has experienced many successes in the current Demonstration, there have been lessons learned that provide a clear view of where we need to concentrate our efforts such as:

- While some changes can happen quickly, measured improvements in population health, social determinants of health, and health care quality can take years following transformation and require sustained effort.
- Full integration of behavioral health services takes time, effort, and coordination with providers, corrections, counties, other agencies.
- Promoting value through smart use of health-related services by CCOs and providers, including flexible services and community benefit initiatives aimed at addressing the social determinants of health, requires enhanced rate setting methodology and new contracting strategies.

The next level of reform

While the CCO model will stay intact, Oregon seeks to build on our success to meet the following four key goals across the next five years. Only some of these goals require a change in the waiver.

1. Build on transformation including integration.
2. More deeply address social determinants of health and health equity.
3. Commit to maintain a sustainable rate of growth in expenditures.
4. Expand the coordinated care model.

The next level of reform

1. Build on transformation with focus on integration of physical, behavioral, and oral health care through a performance driven system

- Expand the behavioral health services integration through partnerships with counties, corrections, and community-based programs
- Move to more outcome based metrics for measuring performance and quality incentives
- Continue investing in the Hospital Transformation Performance Program, which furthers the transformation goals and aligns care coordination across the delivery system
- Refine and advance the coordinated care model through an expanded Patient-Centered Primary Care Home program, Health Information Technology infrastructure and Transformation Center.

The next level of reform

2. More deeply address social determinants of health and health equity with the goal of improving population health and health outcomes.

- Through an enhanced rate setting methodology and new contracting strategies, promote CCO and provider use of health-related services, aimed at addressing the social determinants of health.
- In partnership with our local housing agency, increase access to transitional housing and housing supportive services for vulnerable populations.
- Partner with the Oregon Early Learning Council to provide in-home nurse visits that include mental health screening and referral services to pregnant women and at risk families with young children.

The next level of reform

3. Commit to continuing to hold down costs through an integrated budget that grows at a sustainable rate

- Promote greater adoption of value-based payment arrangements between CCOs and their network providers.
- Provide new incentives for CCOs to hold down expenditures while improving quality of care
- Put federal investments at risk for not hitting the target for bending the cost curve and improving or maintaining quality.

The next level of reform

4. Continue to expand the coordinated care model

- Create “opt out” policy: Medicare and Medicaid dually eligible members would be enrolled in CCOs unless they opt out.
- Promote patient-centered, primary care and improve workforce and access in underserved areas, including for American Indians and Alaska Natives.

Request

- Commitment to reach a high level agreement on the waiver renewal by this summer
- Finalize the waiver renewal in 2016.
- Oregon is prepared to quickly work through the issues with CMS

For more information on Oregon's
CMS Waiver Renewal process,
visit:

Health.Oregon.gov