

Public Employers Health Purchasing Committee Draft Report

Steve McNannay, Chair
Lynn McNamara, Vice-Chair
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Our Charge

- Identify and recommend strategies to align purchasing policies and standards, as well as foster collaboration, across public employers and other interested health care purchasers.
- Develop strategies for disseminating and incorporating uniform quality, cost and efficiency standards and/or model contract terms:
 - For use by OHA health care purchasing programs
 - For voluntary adoption by local governments and private sector entities.



Our Charge (continued)

- These standards are to be based on the best available clinical evidence, recognized best practices and demonstrated cost-effectiveness for health promotion and disease management.
 - Working with other Health Authority programs to commission evidenced-based reviews with the Center for Evidenced-Based Policy at Oregon Health Sciences University



Committee Membership

- Represents organizations that buy benefits for as few as 25 people to over 140,000 people:
 - Public Employees Benefit Board (PEBB)
 - Oregon Educators Benefit Board (OEBB)
 - Public Employees Retirement Systems (PERS)
 - City governments
 - County governments
 - Special districts



2010 – '11 Committee Members

- Cathy Bless, City of Portland
- Ronda Connor, Deschutes County
- Caren Cox, Multnomah County
- Mina Hanssen, Marion County
- Joan Kapowich, PEBB/OEBB
- Diane Lovell, PEBB
- Zue Matchett, PERS Health
- Lynn McNamara, CityCounty Insurance Services
- Steve McNannay, OEBB
- Barbara Prowe, Coalition of Health Care Purchasers
- Linda Shames, Port of Hood River
- Madilyn Zike, Lane County



Areas Examined by the Committee

- Committee met 6 times and heard presentations on:
 - Presence of public purchasers in local and regional health care markets
 - Quality measurement and reporting efforts in Oregon
 - Comparative effectiveness research and evidence-based practice guidelines
 - Patient safety
 - Federal reform and its impact on Oregon's reform efforts
 - Other OHPB committee recommendations



Role of Public Purchasers

- Public entities in Oregon (excluding Medicare) purchase 1/3 of the health benefits for insured people under 65, including:
 - Oregon Health Authority programs
 - Medicaid (OHP)
 - Children's Health Insurance Program (CHIP)
 - Family Health Insurance Assistance Program (FHIAP)
 - Oregon Medical Insurance Pool (OMIP)
 - State employees and dependents
 - Oregon school employees and dependents
 - Local government employees and dependents
- In some regions, up to 50% of coverage is purchased by public entities



Regional Summary of Impact

Region (Counties)	State	OEBB	Local Govt.	Total	Insured Pop. < 65	Percent Penetration
NW Oregon (Clats., Mult., Wash., Clats., Clats., Hood River, Tillam., Yam.)	235,042	55,555	81,774	373,371	1,409,566	26.4%
Salem Area (Marion, Polk)	99,825	20,867	15,246	135,938	275,400	49.4%
Mid-Valley (Benton, Lane, Lincoln)	45,161	10,181	9,405	64,747	173,402	37.3%
S. Willamette Valley (Lane, Douglas, Clatsop)	88,736	19,083	22,354	130,173	360,345	36.1%
S. Oregon (Jackson, Joseph, Curry)	51,339	6,288	8,455	66,082	206,143	32.1%



Regional Summary of Impact (cont.)

Region (Counties)	State	OEBB	Local Govt.	Total	Insured Pop. < 65	Percent Penetration
Can. Oregon (Deschutes, Crook, Jefferson)	27,546	10,208	7,597	45,351	150,329	30.2%
Mid-Columbia (Clatsop, Harney, Wheeler, Wasco, Wallowa)	22,454	7,494	4,847	34,795	77,889	44.7%
SE Oregon (Grant, Harney, Klamath, Lake)	16,268	4,653	5,797	26,718	59,735	44.7%
NE Oregon (Baker, Union, Malheur, Wallowa)	17,101	4,488	5,552	27,141	54,287	50.0%
State Totals	608,976	142,966	161,027	912,969	2,767,094	33.0%



Public Employer Contracting Process

- Surveyed Committee – Significant variation
- Plan Year effective dates vary –
 - 4 in January, others from June to October
- Annual Open Enrollment periods vary –
 - Between 21 to 60 days, most 30 days
- Lead time required for contract changes –
 - Between 6 months and 2-3 years
 - Finalized between 1 day and 8 months prior to plan year
- Dual nature: purchaser-carrier, carrier-provider contracts



Committee Recommendation Process

- With respect to county, municipal, special districts and private employers, the recommendations are voluntary
- Public employers have boards, commissions and/or collective bargaining processes that must ultimately approve any benefit or contract changes
- Two approaches to recommendations:
 - Benefit (coverage) related changes
 - Contracting (carrier & provider) related changes



Committee Recommendation Process

- Benefits related (covered services, limits, cost-sharing):
"The Public Employer Health Purchasing Committee of the Oregon Health Policy Board has reviewed the attached benefit design proposal, and recommends consideration of this proposal by public and private employers during their annual review and modification of medical benefit package."



Committee Recommendation Process

- Contract related:
"The Public Employer Health Purchasing Committee of the Oregon Health Policy Board endorses the attached contract standard, and recommends that public and private employers discuss this provision with their carrier or third party administrator for inclusion in their contract."



Issues Before the Committee

- Administrative Simplification (action)
- Patient Safety (action)
- Standardized Payment Methodology (action)
- Health Improvement Plan (pending)



Administrative Simplification

- Summary of policy proposal:
 - A public-private technical work group will develop companion guides for the electronic exchange of: a) eligibility verification (by December 2010); b) claims (by July 2011); and c) remittance advices (by January 2012).
 - DCBS will adopt administrative rules directing all carriers to implement the companion guides by April 2011 (eligibility verification); October 2011 (claims); and July 2012 (remittance advices) respectively.
 - DCBS will seek statutory authority from the 2011 Oregon Legislative Assembly to extend the required use of such companion guides to third-party administrators and clearinghouses not currently under DCBS jurisdiction.



Administrative Simplification (cont.)

- Committee action:
 - The Public Employers Health Purchasing Committee supports the broad adoption of uniform standards for the electronic exchange of information between providers and carriers. The Committee recommends that public and private employers in Oregon encourage their carriers or third-party administrators to participate in and support the work of the technical work group



Patient Safety

- Summary of policy proposal:
 - Relating to various patient safety requirements included in purchaser-carrier/TPA contract, or in carrier/TPA contracts with providers:
 - CMS Hospital Acquired Conditions (HACs)
 - Oregon Patient Safety Commission hospital reporting
 - Oregon Patient Safety Commission hospital surgical checklist
 - Oregon Association of Hospitals & Health Systems non-payment of serious adverse events
 - Oregon Patient Safety Commission adverse events reporting for non-hospital facilities
 - List of "never events" that define "serious adverse events"
 - Bariatric surgery guidelines (applicable when bariatric surgery is a covered benefit)



Patient Safety (cont.)

- Committee action:
 - The Public Employers Health Purchasing Committee endorses contract provisions relating to patient safety similar to those used by PEBB/OEBB, and recommends that public and private employers in Oregon discuss with their carriers or third-party administrator including patient safety standards in their contracts.



Standardized Payment Methodology

- Committee action — Letter to Board:
 - At its October 25th meeting, the Public Employers Health Purchasing Committee reviewed the draft recommendations of the Incentives & Outcomes Committee which are pending final action by the Health Policy Board.
 - By unanimous vote, the Committee endorsed Recommendation #1: Standardize payment methods (but not rates) to Medicare.
 - Furthermore, the Committee supports an implementation plan for this recommendation that begins with the development of a standardized, statewide Diagnostic-Related Group (DRG) methodology for reimbursement of hospital inpatient services at DRG hospitals.



Health Improvement Plan

- Summary of pending policy proposal:
 - Model health care benefits provided by all employers include:
 - Tobacco cessation
 - Lactation services and equipment
 - Preventive screenings
 - Chronic disease self-management programs
 - Mental health care
 - Dental care



Health Improvement Plan (cont.)

- Committee action:
 - The Public Employers Health Purchasing Committee pended the draft policy proposal from the Health Improvement Plan (HIP) Committee awaiting action by the Oregon Health Policy Board on the final report of the HIP Committee.



Distribution of Recommendations

- Once Committee Report is accepted by the Board, the recommendations will be distributed to appropriate associations in the public and private sectors, including (but not limited to):
 - Public employer groups
 - Public employee unions
 - Portland Business Alliance,
 - National Federation of Independent Businesses
 - Association of Oregon Industries
 - Health insurance carriers and TPAs
 - State's 100 largest employers



Development of Educational Materials

- Committee believes that significant and strategic communication efforts must be undertaken to help public understand:
 - Why these changes are needed
 - Control costs and improve health
 - How to become better consumers of health care
- Committee originally focused on use with their own stakeholders, but realized it was a bigger issue



Next Steps

- Continue to develop recommendations and contract language based on Committee's ongoing work and work of other committees
 - Value-based benefits
 - "Meaningful use"
 - Additional payment and quality recommendations
 - Health Improvement Plan recommendations
 - Evidence-based best practice guidelines
 - Health Equity Review Committee recommendations



Next Steps (continued)

- Development of collaborative process to foster broad implementation of uniform purchasing standards and policies
- Continued analysis of local health care markets



Questions?




