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Early data show Oregon Health Plan shifting from emergency care to primary care and holding down costs

(Portland) – Oregon’s local coordinated care organizations (CCOs) are improving care in several key areas and holding down costs, according to information released today by the Oregon Health Authority. CCOs began serving Oregon Health Plan members in 2012.

Over the first year CCOs were in operation, per capita spending growth has been reduced by more than 1 percent. The November Health System Transformation Progress Report also shows emergency department (ED) visits decreased by 9 percent. Hospitalizations for congestive heart failure have dropped by 29 percent. Meanwhile, primary care visits for Oregonians served by coordinated care organizations have increased 18 percent. Additionally, reported spending for ED use is decreasing as spending for primary care is increasing. These indicators show a shift toward more preventive, patient-centered primary care.

“Reduced emergency department use and increased primary care are exactly what we want to be seeing at this stage of coordinated care,” said Governor John Kitzhaber. “It shows that the local coordinated care organizations are working hard to shift toward care that helps keep people healthier and reduces waste and inefficiency in the health care system. As we open health care up to more Oregonians, this model is showing early promise of innovation that can spread across the health care system.”

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The Transformation Progress Report focuses on how the state is doing in meeting its goals for improving care through quality metrics. The report also shows claims data on health care utilization through the CCOs and the costs for services.

The Transformation Progress Report is published quarterly. The current quarter's report can be found [here](#).

OHA also publishes the progress reports sent to the Centers for Medicare and Medicare Services that show how the state is doing in reducing the growth of per capita spending for Medicaid. The most recent report shows that monthly spending per member is within the budget target. That report can be found [here](#).

Highlights of the reports:

- ✓ **Spending growth is slowing down** – As part of the state's agreement with the federal government, Oregon committed to reducing per capita growth in Medicaid spending by 1 percent in the first year and 2 percent by 2015. Current data shows that the state has reduced per capita growth by more than 1 percent in the first year of CCO implementation.
- ✓ **Decreased emergency department visits overall** – Emergency department visits by people served by CCOs have decreased 9 percent below 2011. Expenditure data show that spending on ED is down 18 percent below 2011 as well.
- ✓ **Decreased hospitalization for chronic conditions** – CCOs reduced hospital admissions for congestive heart failure by 29 percent, chronic obstructive pulmonary disease by 28 percent and adult asthma by 14 percent.
- ✓ **Decreased hospital readmissions** – Percentage of adults who had a hospital stay and were readmitted for any reason within 30 days dropped by 12 percent.

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- ✓ **Increased primary care** – Outpatient primary care visits for CCO members increased 18 percent and spending for primary care is up nearly 7 percent. Enrollment in patient-centered primary care homes also has increased by 36 percent since 2012, the baseline year for that program.
- ✓ **Increased adoption of electronic health records** – Electronic health record adoption among measured providers has doubled. In 2011, 28 percent of eligible providers had EHRs. By June of 2013, 57 percent of them had adopted EHRs.
- ✓ **New information about health disparities** – The November report for the first time gathers baseline data comparing the health performance measures by race and ethnicity. This information helps point the way to where CCOs can focus efforts to increase health equity.

“We are greatly encouraged with the performance of coordinated care. When unnecessary hospitalizations are reduced concurrent with increased primary care, that is a very good sign that cost savings are stemming from improved care,” says Bruce Goldberg, M.D., director of the Oregon Health Authority. “At the same time, we know progress will not be linear. This is really just the beginning. As we move forward with coordinated care, there may be times when we see great gains and other times when things lag. The important thing is that we keep moving forward and continue to publicly report outcomes and make improvements where we need to.”

For more information on Oregon’s coordinated care model, go to www.health.oregon.gov

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