Oregon's State Innovation Model Project
Progress Report
January 1, 2015-March 31, 2015

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Quarterly Report
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Overview

Noteworthy progress was made over this reporting period – highlights include quality gains and performance improvements by Oregon's coordinated care organizations (CCOs) and further spread of the coordinated care model, behavioral health integration and advancement on alternative payment methodologies (APM).

Oregon's Health Systems Transformation 2014 Midyear Report provides a status report of the CCOs' progress on quality measures from July 2013 through June 2014. Under the CCM model, Oregon's Medicaid population continues to show improvements in follow-up after hospitalization for mental illness, reductions in emergency department visits and hospital readmissions and increases in developmental screening. These areas of care represent positive changes toward better care coordination and integration of care. The full report is available at: http://tinyurl.com/qydtdfd

Behavioral health care is being integrated across CCOs in Oregon, although the manner and breadth varies. Some systems have a standardized integrated model at all clinics. Smaller primary care organizations usually partner with a behavioral health organization for co-located services. A smaller number of behavioral health agencies are developing health homes for persons with Severe and Persistent Mental Illness and substance use disorders. Preliminary findings indicate these enhanced care clinics have had success lowering HbA1c levels, decreasing hypertension, improving depression and anxiety, reducing hospital admissions and emergency department visits.

OHA contracted with OHSU's Center for Evidence-based Practice (CEbP) to conduct a multi-step research project of APM's across provider networks in Oregon. The project revealed that unique circumstances found in Oregon communities makes it difficult to create a standard approach to APMs. Implementation of APMs depends upon creating an environment conducive to collaboration and collective risk taking. Details of OHA's strategic plans to support APMs included later in this report.

Success Story/Best Practice

Oregon continues to make progress toward a more coordinated and sustainable healthcare system. Beginning January 2015, all plans offered to public employees through the Public Employee's Benefit Board (PEBB) reflect the "Triple Aim" goals and provide high quality, sustainable health plans. This extends the coordinated care model to more than 133,000 covered lives.

Building upon the successful PEBB RFP process and technical assistance provided through SIM, the Oregon Educators Benefit Board (OEBB) is preparing their RFP for the 2016 benefit year. Currently scheduled to be released July 2015, it is designed to further strengthen coordinated care principles. OEBB covers 190 of 197 school districts, 20 educational districts, 14 community colleges and charter schools for a total of 147,000 covered lives.

Highlights of the soon to be released Patient-Centered Primary Care Home (PCPCH) 2014 Annual Report, available next quarter, include:

- More than 538 Oregon clinics have been recognized as Patient-Centered Primary Care Homes since the program began in 2011, well ahead of expected SIM milestones.
- Seventy-six practices were recognized as PCPCHs for the first time in 2014. In addition, more than 30 practices whose PCPCH recognition had lapsed became re-recognized during the past year.
- A recent study of PCPCHs found a significant increase in preventive procedures and a significant reduction in specialty office visit use and cost in the PCPCH group compared to non-PCPCH clinics.[1]
- PCPCH clinics demonstrated significantly higher mean scores than non-PCPCH clinics for diabetes eye exams, kidney disease monitoring in diabetics, appropriate use of antibiotics for children with pharyngitis and well-child visits for children ages three to six years.

Challenges Encountered and Plan to Address

There have been several significant changes in leadership during this reporting period, including the unexpected resignation of the Governor. On February 18th, Governor Kitzhaber resigned and leadership of the executive branch of state government was transferred to Kate Brown. On March 4, Governor Brown released a statement in support of the confirmation of Lynne Saxton as the Director of the Oregon Health Authority, "Lynne's collaborative leadership style and commitment to serving Oregonians makes her an outstanding choice for Director of the Oregon Health Authority. My vision for OHA is an agency that supports our successful health reform efforts in the most efficient, effective and transparent way possible. I look forward to her quick confirmation and working with Lynne to produce outcomes for Oregonians." Ms. Saxton was legislatively confirmed as the Director on March 10, 2015.

Ms. Saxton has served as Acting Director of the Oregon Health Authority since January 21, 2015. She previously served as Executive Director of Youth Villages Oregon, a provider of mental health and social services for children and families. Her successful and distinguished career includes leadership roles at ChristieCare, a children's mental

[1] Patient Centered Primary Care (PCPCH) Evaluation: Cost and Efficiency
By Neal Wallace, Ph.D – Mark O. Hatfield School of Government, Portland State University
Submitted to the PCPCH program on August 14, 2014

health provider, Portland General Electric and other positions in the public and private sector. She has been recognized with the National Alliance on Mental Illness Oregon's New Freedom Award, the Portland Business Journal's Women of Influence Award and the Children's Mental Health Advocate of the Year Award by the Oregon Council of Child and Adolescent Psychiatry.

To sustain continuity and health transformation momentum, Sean Kolmer remains the Governor's Health Policy Advisor.

In addition, new staff was added to our SIM team including a contracts specialist, two operations and policy analyst, an administrative assistant and a business manager.

SIM Engagement Activities

OHA has contracted with CEbP to provide support for APM implementation across Oregon. CEbP will develop an APM readiness assessment instrument for CCOs, conduct the assessment with CCOs and evaluate results. Two to three CCOs will be selected to receive intensive technical assistance to develop and implement at least one APM by September 2016. In addition, CCOs and stakeholders will receive support to improve readiness for implementation.

OHA conducted interviews with ten commercial carriers and seven large employers to understand their interest and readiness to adopt the Coordinated Care Model (CCM). A full report is under development but themes from these interviews include:

- Significant interest in aligning with the CCM
- Varying progress in payment reform outside of Medicaid
- Willingness to have a common health outcomes and quality measure set, such as the legislation under consideration in SB440
- Significant carrier interest in strengthening tele health capabilities
- High use of brokers and consultants for plan selection and benefit design
- Most large employers are self-insured or thinking of moving towards self-insurance
- CCM alignment/interest differs depending on geography and Oregon based covered lives
- Employers provide minimal direction or do not require carriers to incorporate CCM components into plan design

The CCM workgroup has developed a *tool kit* for interested carriers and employers to use, including tailored communications and a "framework for purchasing." They will soon include a draft Scope of Work language that embodies the CCM principles.

Policy Activities

The Oregon Health Policy Board (OHPB) met three times during this quarter. They have actively engaged in supporting healthcare transformation this legislative session. A summary of their efforts include:

- Approved a legislative concept in January that developed into SB 231, a bill aimed at strengthening investment and infrastructure of primary care, including a primary care multi-payer collaborative.
- Actively monitored SB 440, a bill designed to restructure the OHA Metrics & Scoring Committee under the oversight of the OHPB.
- Approved recommendations from the Sustainable Health Expenditures Workgroup to continue simple transparent approaches to measuring spending and complete development of a measurement framework.
- Supported legislation that enables the Oregon HIT program within OHA to offer optional HIT services statewide and to participate in partnerships or collaboratives to provide statewide HIT services. The legislation also brings the Health Information Technology Oversight Committee under the oversight of the board.

A full legislative wrap up will be provided in the next quarterly report following the end of Oregon's legislative session.

State Health Care Innovation Activities

Oregon's Dual Eligibles program has had many noteworthy accomplishments this reporting period. Enrollment of those dually eligible for Medicare/Medicaid and enrolled in CCOs, remains above 50%. They continue to strive to make systematic improvements, align with federal processes and support CCOs. Highlights of their activities include:

- Improving technology systems to provide Medicare effective dates 90 days in advance rather than the current 30 days or fewer window. This will assist CCOs and their Medicare Advantage partners with CMS's "seamless conversion" alignment process. Staff will work with the federal Duals office to identify the CMS application information needed for CCOs to request "seamless conversion."
- Producing and providing monthly enrollment reports through OHA's Office of Health Analytics. These reports are now available at : http://www.oregon.gov/oha/healthplan/Pages/reports.aspx
- Updating Dual Special Needs Plans (DSNP) Coordination of Benefits Agreements (COBA contracts) for the five plans in Oregon that offer this type of Medicare plan. Technical assistance from the Center for Health Care Strategies was used to propose additional administrative alignment language in the contract. Draft contract language is being reviewed by plans.
- Presenting a first draft of the Integrated Denial Notice at the CMS Alignment meeting in April. This will combine the Oregon Notice of Action requirements with the CMS Integrated Denial Notice.

Self-Evaluation Findings

In the last quarter, Oregon worked with contractors to conduct an initial assessment of coordinated care model (CCM) spread across markets in Oregon. The contractors developed a survey tool—available upon request—that was fielded to both payers (health plans, as well as CCOs for comparison) and provider organizations (hospitals, IPAs, safety net clinics, and mental health providers). More than 100 organizations completed the survey and follow-up interviews are currently being conducted with about 15 respondents. A report of the survey and interview findings will be available in June 2015 and at least one more round of data collection is planned during the SIM period to assess whether adoption of the CCM principles is increasing over time. A related "spillover" analysis beginning later this year will use claims data to examine whether patterns of care in the Medicaid market are spreading to populations with other Sources of coverage.

One of Oregon's goals under SIM is to make trained and certified health care interpretation services more widely available. While no new health care interpreters were certified this quarter (see self-evaluation metrics reporting), OHA has executed a contract with the Immigrant and Refugee Community Organization (IRCO) to launch the learning collaborative that will produce more certified professionals. The first cohort of 35 interpreters will begin this summer in Portland and subsequent cohorts will be convened across the state in Bend, Pendleton, Medford and Wilsonville. Another goal is to identify a methodology for monitoring state and sub-state health care expenditures over time. The Oregon Health Policy Board's (OHPB) Sustainable Healthcare Expenditures workgroup reviewed an estimation model and 2012 results in February 2015 and is preparing a white paper with recommendations for refining the methodology and looking at spending over time. The OHPB will discuss the 2015-16 work plan for the workgroup at its May 2015 meeting.

Additional Information

Metrics notes:

*Measures we can't currently report denoted 9999; we are working to be able to report these in the next quarter.

*CCM_state empl: Denominator includes 2773 employees who opt-out of PEBB benefits

*Oregon is working to find the best way to report participating providers. We do not have a provider directory so are exploring our All Payer Claims Database (APAC).We are validating whether using NPI to identify providers is good proxy for participating providers. Validation is difficult as NPI in APAC includes a mix of individual providers and clinics.
*Providers enabled HIE-CareAccord: Configuration & testing for OCHINs single Epic installation is complete. Once DirectTrust gives approval OCHIN will be enabled to facilitate Direct exchange for 38 Oregon clinics.

* Non-FFS PEBB: Data collection vehicle under development for 2015 plan year

* ED visits & diabetes screening: Q2 2014 data (preliminary due to claims lag).

*ED visits: We discovered that what we reported in the last quarter was not actually per 1000 member months. We've corrected this error. Also, we need to lag this by an additional quarter as the claims run out issue is more significant that we initially anticipated.

*HCAHPS: July ’13–June ‘14 data

*Cost of care: Q4 2013 data

*Readmissions: CY2013 data; annual, no update

*BRFSS data 2013 (QOL, smoking rate, and BMI measures): annual, no update

*CCO PCPCH enrollment: Q4 2014 data. Some of decline from previous quarter is due to an accounting change at one CCO

*Proportion CCO non-FFS: Q4 2014 data