OHA – HB 2086 Report #2: Structural Needs for Behavioral Health System Transformation

Barriers, Risk Sharing, Data, Medicaid Demonstration, and Other Issues

EXECUTIVE SUMMARY

HB 2086 was passed by the legislature and signed into law by Governor Brown in 2021. In conjunction with HB 5024 (Oregon Health Authority Budget Bill), HB 2086 supports a framework for transforming Oregon's behavioral health system by establishing and incentivizing outcome measures designed to improve system accountability and performance across agencies and providers. The need to establish common outcomes and supporting incentives is transformational by aligning the efforts of multiple agencies and entities for individuals who are involved with multiple systems. This report is the second in a series required by HB 2086 to inform the legislature on the progress of implementation, with a focus on:

- Barriers to applying the quality metrics and incentives developed by the Behavioral Health Committee to contracts with coordinated care organizations and counties;
- Data infrastructure needs to implement the quality metrics and incentives and recommendations for facilitating risk-sharing agreements; and
- Recommendations for counties to share in the costs of a hospitalization at the Oregon State Hospital (OSH).

Status of the Behavioral Health Committee

HB 2086 created the Behavioral Health Committee to establish quality metrics and incentives for the behavioral health system. Committee members (Attachment A) were recruited in alignment with the statutory membership framework and selected with intentional focus on applicants with lived experience, people from Oregon communities most impacted by health inequities, individuals that advance equity and social justice, and those with diverse expertise and experiences that would benefit the Committee. The Committee has been meeting weekly with plans for ongoing meetings as needed through 2022. From the first meeting, committee members have expressed a need to see the system "recreated at the cellular level."

Barriers to Applying Metrics and Incentives

Enabling Alignment with Existing Payor Incentive Structures

The current Medicaid Waiver that guides Oregon's relationships with Coordinated Care Organizations (CCOs) specifies that the Medicaid Metrics and Scoring Committee has authority to select the metrics and incentives for CCOs. The proposed 2022-2027 Waiver would establish the Health Equity Quality Metrics Committee, which is envisioned to work in conjunction with the Metrics and Scoring Committee with a focus on ensuring CCO metrics and incentives are aligned with OHA's 10-year strategic health equity goals.

HB 2086 requires OHA to identify legislative changes or changes to Oregon's 1115f OHP (Oregon Health Plan) Demonstration Waiver that would enable application of metrics and, potentially, incentives developed by the Committee to contracts with CCOs. Options being considered to enable the Behavioral Health Committee to implement a metrics and incentives program within CCO contracts include:

- Establish a formal process for the Behavioral Health Committee to co-create behavioral health metrics with the Metrics and Scoring Committee within the proposed changes to the 2022-2027 waiver, and explore potential statutory changes to ORS 414.638.

- Initially establish unmatched incentives. Incentives that do not require federal matching funds would not require CMS approval and could be achieved through changes to CCO contracts. This option would rely entirely on state general funds.
- Take advantage of unutilized incentive potential. OHA is in the process of research and policy analysis to further determine how additional funding may be available or applicable for CCO incentives. Federal law limits incentives to 105% of approved capitation payments; Oregon CCO incentives in 2021 were at 104.25%, which calculates to $45 million remaining incentive capacity.

Community Behavioral Health and Other Community Partners

HB 2086 requires OHA to identify legislative changes or changes to the waiver needed to apply the metrics and incentives developed by the Committee in contracts with counties. OHA has not identified any operational barriers or legislative changes needed to establish metrics or an incentives program within contracts with counties or agreements with Tribes.

OHA also has not identified barriers to implementation of behavioral health metrics and incentives with other potential community partners (such as private healthcare, courts, social services, law enforcement, etc.).

Data Infrastructure Needs

Current data collection and reporting infrastructure issues also create barriers to implement the quality metrics and incentive programs envisioned in HB 2086 in several ways. To best implement the Committee's recommended metrics and incentives, investments are needed to support data infrastructure elements including: Health Information Exchanges; Community Information Exchanges; Behavioral Health Data Warehouses; Electronic Health Records; ability to disaggregate data by Race, Ethnicity, Language and Disability (REALD) and Sexual Orientation - Gender Identity (SOGI); and the ability to measure the activities or outcomes of individuals who are represented in multiple data systems. The data infrastructure will benefit from coordination with communities and people that these investments are intended to serve.

Oregon State Hospital Cost Sharing

The rising number of aid and assist patients committed to the Oregon State Hospital has outpaced the hospital's bed capacity and greatly impacted the hospital's ability to serve other populations, including people under civil commitment. Delays in admissions have resulted in significant delays in needed care along with multiple court contempt actions. The hospital's capacity challenges are exacerbated when individuals who are deemed ready to return to community placements languish at the hospital because the courts and the counties refuse to authorize community placements. Preventing individuals from returning to community and limiting their ability to reside in their most integrated settings is in direct conflict with Oregon's agreement with the Federal Department of Justice (Oregon Performance Plan) and the Americans with Disabilities Act.

OHA will be crafting draft legislation for the 2022 session designed to incentivize counties to provide community-based services and supports rather than hospital care for individuals who no longer need to occupy a hospital bed. Several other states charge counties for days spent at their state hospitals when the individuals no longer need hospital care and have found this approach motivates communities to find community placements more quickly. To its credit, the 2021 legislature has provided substantial investments to strengthen community-based supports.

The full report may be accessed here.