

# Oregon's Health System Transformation: The Coordinated Care Model

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# The Challenges Oregon Faced

- Rising healthcare costs outpacing state budget in Oregon Health Plan (Medicaid) and in state employees benefits
- 85 percent of Oregon Health Plan clients were “managed” in silos:
  - 16 managed physical health care organizations
  - 10 mental health organizations
  - 8 dental care organizations.
- Traditional vendor relationships with health plans in both Medicaid and State Employees, without directed accountability nor incentives to be innovative.
- Only a few alternative payment reform efforts by some payers and a few patient-centered medical home pilot efforts

# Oregon Chose a New Way

## *Better health, Better Care & Lower Costs*

- Governor's Vision – Transform the Delivery System
- Robust public process
- Bi-partisan support
- Federal waiver approved - \$1.9B investment tied to quality and reduction in costs
- New coordinated care model starting in Medicaid, aiming to spread to other state purchased coverage, and into Oregon's Health Insurance Exchange, private payers

# Coordinated Care Organizations

- A local network of all types of health care providers working together to deliver care for Oregon Health Plan (Medicaid) clients.
- Risk-bearing entities with prescribed governance & community advisory councils.
- Care is coordinated at every point – from where services are delivered to how the bills are paid.

# Key Levers for Transforming Health Care Delivery

Benefits and services are integrated and coordinated

One global budget that grows at a fixed rate

Metrics: standards for safe and effective care

Local accountability for health and budget

Local flexibility

# Oregon's Commitments to CMS

## *Cost and Quality Accountability Plan:*

- Reduce the annual increase in the cost of care (the cost curve) by 2 percentage points
- Ensure that quality of care improves
- Ensure that population health improves
- Establish a 1% withhold for timely and accurate reporting of data
- Establish a quality pool

# State “Test” for Quality and Access

- Annual assessment of Oregon’s statewide performance on 33 metrics, in 7 quality improvement focus areas:
  - Improving behavioral and physical health coordination
  - Improving perinatal and maternity care
  - Reducing preventable re-hospitalizations
  - Ensuring appropriate care is delivered in appropriate settings
  - Improving primary care for all populations
  - Reducing preventable and unnecessarily costly utilization by super users
  - Addressing discrete health issues (such as asthma, diabetes, hypertension)
- Significant penalties if goals not achieved

# CCO Quality Incentive Pool: How it works

CCOs' Incentive Pool based on 17 of the 33 metrics

- Phase 1: Distribution by meeting improvement *or* performance target, with a minimum floor for all CCOs
- Phase 2: Challenge pool (remainder) distributed based on 4 metrics:
  - PCPCH enrollment
  - Screening for depression and follow-up plan
  - Use of SBIRT tool for substance abuse
  - Optimal diabetes care



# Quality Strategy Includes Supports for Transformation

- Transformation Center and Innovator Agents
- Learning Collaboratives, Technical Assistance
- Peer-to-peer and rapid-cycle learning systems
- Community Advisory Councils: Community health assessments and improvement plan
- Non-traditional healthcare workers
- Primary care home adoption

*Plus:* Recent additional funding from Oregon Legislature for investment in Transformation and Innovation efforts across CCOs

# Meeting the triple aim: what we are seeing so far...

- ✓ CCOs serve over 90 % of Oregon's Medicaid population
- ✓ Every CCO is living within their global budget.
- ✓ The state is meeting its commitment to reduce Medicaid spending trend on a per person basis by 2 percentage points.
- ✓ State-level progress on measures of quality, utilization, and cost (for the first 9 months of 2013) show promising signs of improvements in quality and cost and a shifting of resources to primary care.
- ✓ Progress may not be linear but data are encouraging.

# Progress data show

- ✓ Decreased emergency department visits and expenditures
- ✓ Increased use of developmental screening in the first 36 months of life
- ✓ Increased primary care visits and expenditures
- ✓ Increased enrollment in patient-centered primary care homes
- ✓ Increased adoption of electronic health records
- ✓ Decreased hospitalization for congestive heart failure, chronic obstructive pulmonary disease and adult asthma
- ✓ Decreased all-cause hospital readmissions

# What progress data indicate

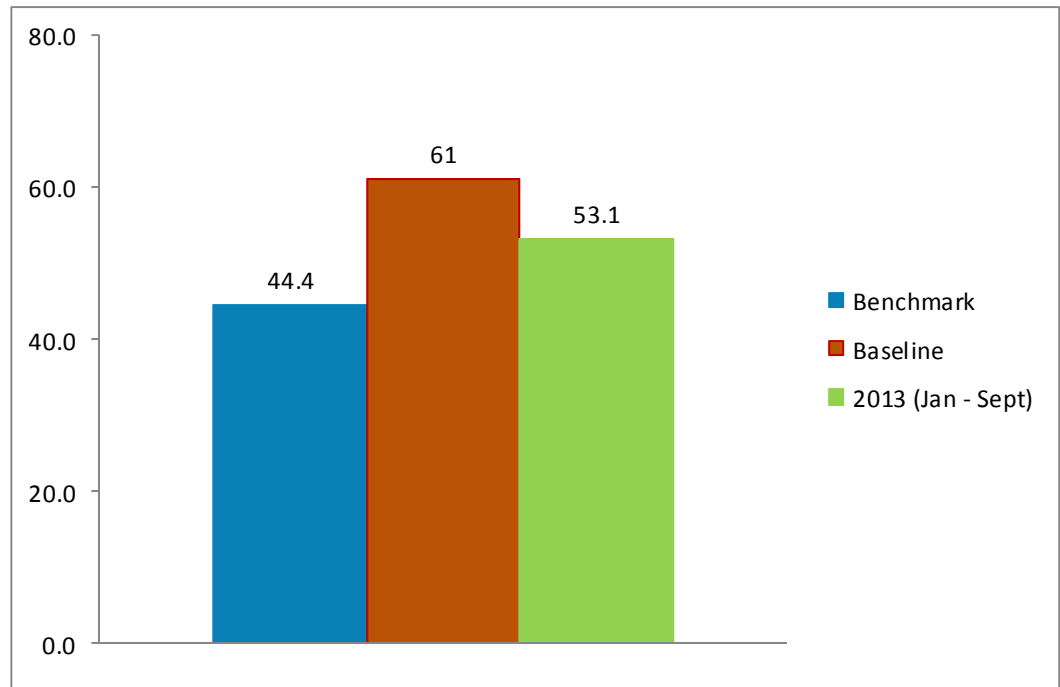
- ✓ **Emergency department (ED) utilization is down. First nine months indicate that ED utilization is down 13% from rate in 2011.**

Ambulatory Care:  
ED utilization

Rate of patient visits to the ED  
per 1,000 member months

Lower is better

Benchmark: 2012 national  
Medicaid 90<sup>th</sup> percentile.

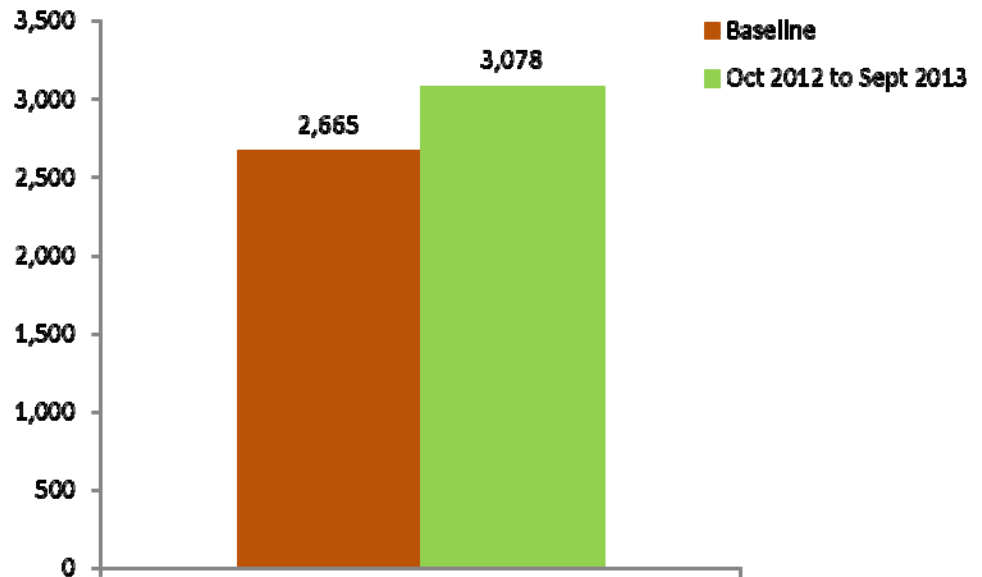


# What progress data indicate

- ✓ **CCO primary care visits are up nearly 16% from 2011 baseline.**

Ambulatory Care: Primary care medical visits (includes immunizations/injections)

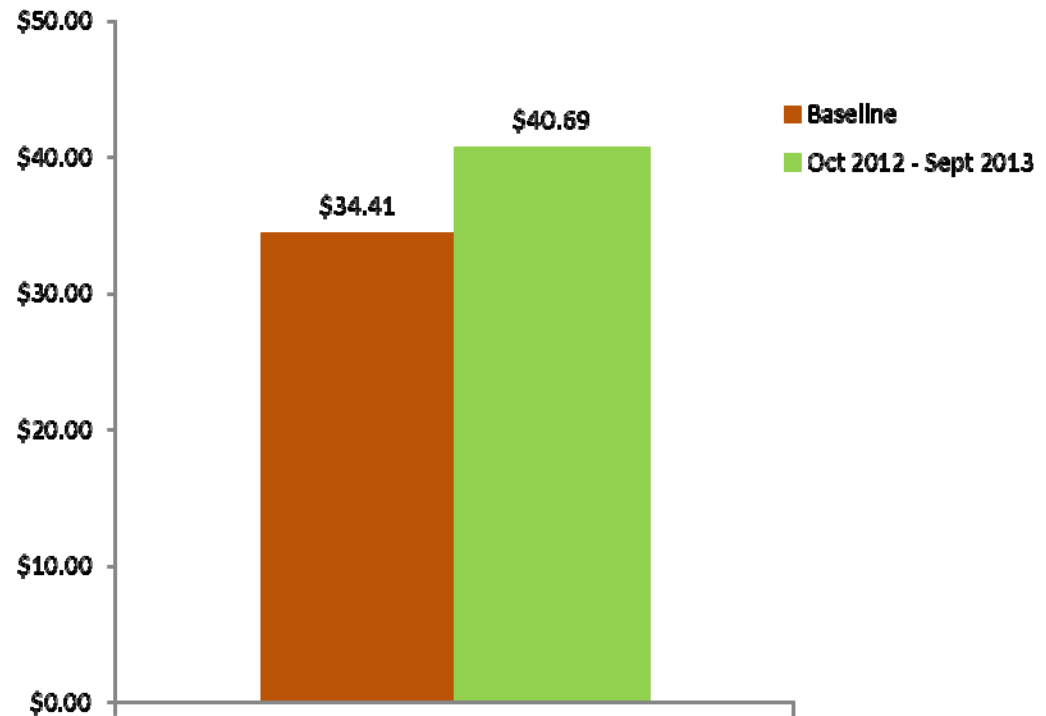
Rate primary care visits per 1,000 members



# What progress data indicate - Change

- ✓ **CCO primary care costs are up over 18% from 2011 baseline.**

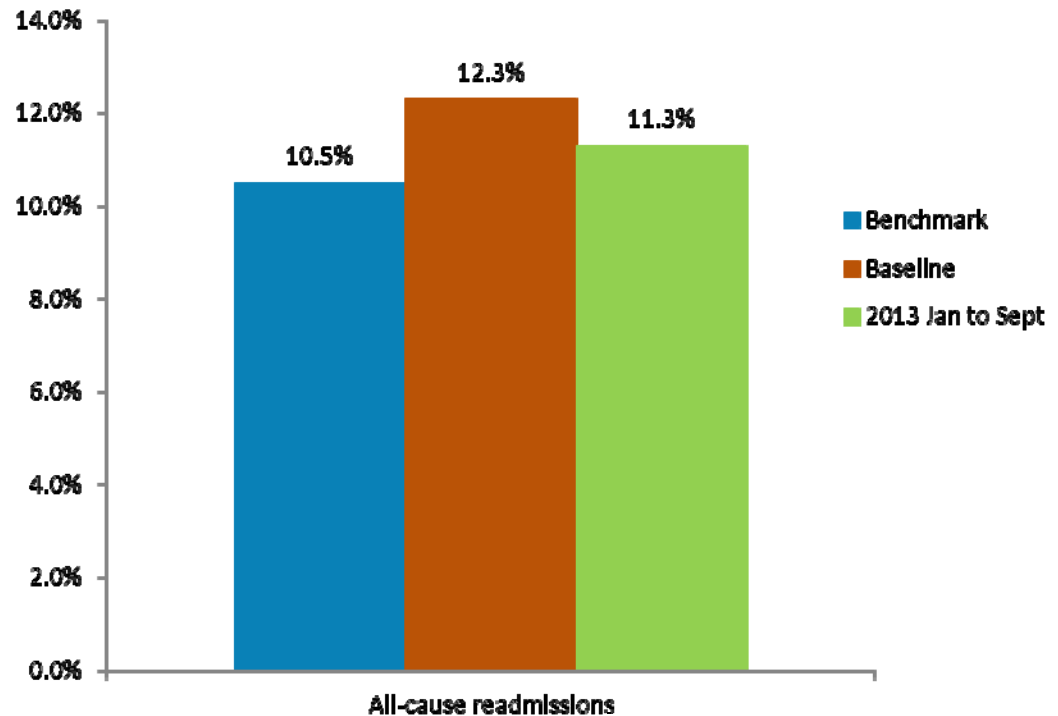
CCO primary care cost per member per month (pmpm)



# What progress data indicate

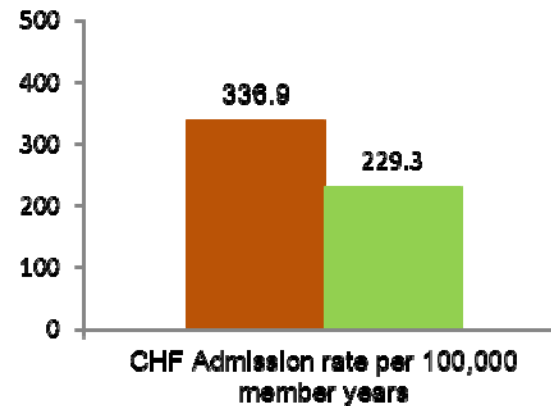
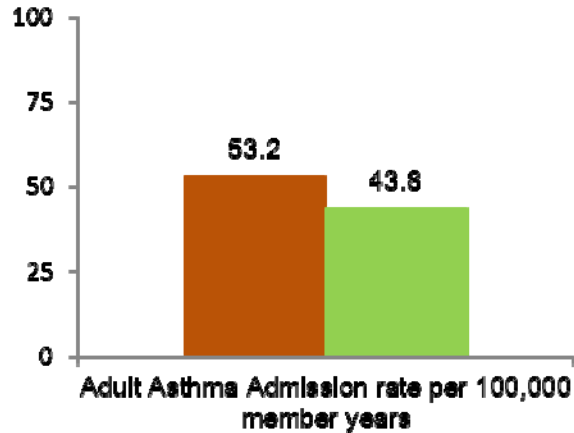
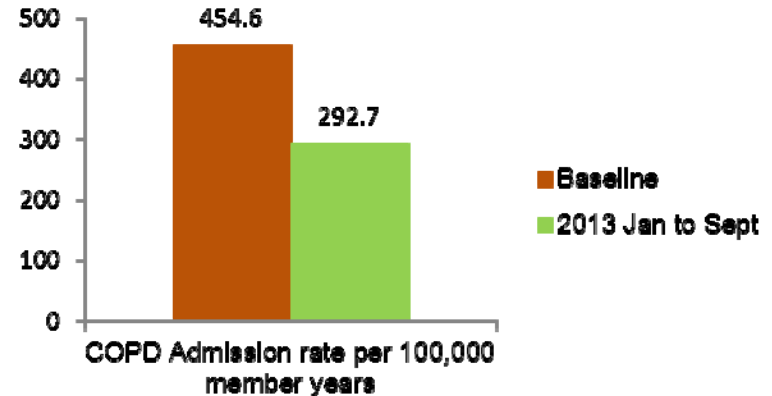
- ✓ **All-cause readmissions are currently down by 8%.**

Percentage of adults who had a hospital stay and were readmitted for any reason within 30 days of discharge.



# What progress data indicate

- ✓ Potentially avoidable hospitalizations for chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF), and adult asthma are currently down.





# How we are moving forward – *Health Reform 2.0*

- Changing care model to bend the cost curve and improve health.
- “Proof of concept” in Medicaid, aim to extend the care model across populations
- Align purchasing of care model: begin with Oregon Health Plan, extend to other state purchasing and then align with private sector purchasing.
- State employees benefit board’s RFP in progress, with expectations successful bidders will be held accountable for key elements of coordinated care model.

# Just some of the current and future challenges we are working to address

- Change is hard
- Change is very hard
- Time, resources and expectations
- No time, limited resources and large expectations
- Operating in both an old and new paradigm

# Some additional challenges we are working to address...

- Increasing consumer engagement and personal responsibility for health
- Training and using new health care workers
- Health information exchange
- Robustly transforming care and paying for outcomes
- Accounting for “flexible” services
- Integrating dental care; increased behavioral health integration
- Ensuring robust provider networks to meet client needs
- Integrating with early learning and education systems
- Anti-trust

For more information:

[www.health.oregon.gov](http://www.health.oregon.gov)

- Full Cost and Quality Accountability Plan is posted
- More details on metrics at <http://www.oregon.gov/oha/pages/matrix.aspx>

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