Oregon Health Care Reform: Where do we go from here?

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Health care spending is projected to nearly double in the next decade.

Notes: The health spending projections were based on the National Health Expenditures released in January 2013. The projections include impacts from the Affordable Care Act. Numbers may not add to totals because of rounding. Source: Centers for Medicare & Medicaid Services, Office of the Actuary
Currently, Americans spend about twice as much per capita on health care as other OECD countries with no appreciable difference in health outcomes.

SOURCE: Data from OECD, Health Data 2012, June 2012. Compiled by PGPF.
NOTE: Per capita health expenditures are for the year 2010, unless otherwise noted. Comparison uses Purchasing Power Parity, which adjusts exchange rates to account for cost of living differences between countries.
*Japan and Australia data from 2009.
<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2025</th>
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</thead>
<tbody>
<tr>
<td>Number of beneficiaries</td>
<td>39.5M</td>
<td>69.7M</td>
</tr>
<tr>
<td>Beneficiaries as share of pop.</td>
<td>13.8%</td>
<td>20.6%</td>
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2004 - Medicare accounted for 8% of all federal income taxes.

2015 – 19%

2025 - 32%

2075 – 90%
Traditional budget balancing

- Cut people from care
- Cut provider rates
- Cut services
The Fourth Path

• Change how care is delivered to:
  – Reduce waste
  – Improve health
  – Create local accountability
  – Align financial incentives
  – Pay for performance and outcomes
  – Create fiscal sustainability
Wrong focus = wrong results

- Human Biology: 30%
- Lifestyle & Behavior: 40%
- Social: 15%
- Environmental: 5%
- Focus: Medical Care 10%
WHAT DOES CHANGING CARE LOOK LIKE??

www.health.oregon.gov
Health care collaborators not competitors
The Triple Aim

1. Improving the individual experience of care; “Better care”
2. Improving the health of populations; “Better health”
3. Reducing the per capita costs of care for populations; “Lower costs”

Patient Protection & Accountable Care Act (ACA 2010)

- Individual mandate, health insurance exchange, and Medicaid expansion
- Reduced payments to Medicare Advantage and some hospitals/clinicians
- Created Independent Payment Advisory Board (IPAB)
- Phasing out the Part D “donut hole”
- Fraud and abuse
- Preventive services: Annual Wellness Exam
- Center for Medicare and Medicaid Innovation (CMMI)
CMMI “Innovation Center”

The Innovation Center was established by section 1115A of the Social Security Act (as added by section 3021 of the Affordable Care Act). Congress created the Innovation Center for the purpose of testing "innovative payment and service delivery models to reduce program expenditures ...while preserving or enhancing the quality of care" for those individuals who receive Medicare, Medicaid, or Children’s Health Insurance Program (CHIP) benefits.

Aims:
• Test new payment and service delivery models;
• Evaluate results and advance ‘best practice’;
• Engage a broad range of stakeholders to develop new models
State Innovation Model Grant (SIM)

Source: Centers for Medicare & Medicaid Services
Oregon Transformation Center

- Champion and promote health systems transformation in partnership with CCOs, providers and communities.
- Build an effective learning network for CCOs.
- Foster the spread of transformation beyond Medicaid.
- Ensure state agency operations, policies and procedures support transformation.
Health Reform in Oregon

- Coordinated care organizations (CCO)
- Patient-Centered Primary Care Home (PCPCH)
  - State PCPCH program
  - PCPCH Institute
  - FQHC Advanced Primary Care Practice Demo
  - Comprehensive Primary Care Initiative
- Independence at Home Demonstration
- Community-based Care Transitions Program
- Grants: TopMed; OPIP; ORPRN; Health Commons; SIM grant
Coordinated care organizations

• There are 16 CCOs in every part of Oregon serving more than 95% of OHP members
• Governed by a partnership between health care providers, consumers, those taking financial risk.
• Consumer advisory councils
• Mental, physical, and dental care held to one budget
• Responsible for health outcomes
• Receive incentives for quality
• Budgets grow at 3.4% per capita per year

2013-2015 CCO budget is 2 percentage points per capita below national growth trends.
Transparency

- CCO’s accountable for 33 measures of health and performance
- Results are reported quarterly and posted on the Oregon Health Authority website – Oregon.gov/OHA/Metrics
- CCO financial data posted quarterly
ED Utilization

(Benchmark 44.4)

2011 Baseline (61.0)

(Lower scores are better.)

Data source: Administrative (billing) claims

Benchmark source: 2012 National Medicaid 90th percentile

*Rates are per 1,000 member months
CCOs’ Early Work...

- Reducing unnecessary ED visits.
- Working to better integrate mental and physical health care.
- Developing a complex care model for patients with chronic and complex conditions.
- Hiring community health workers to help people manage the most acute and chronic conditions.
- Setting aside dollars from its global budget to help the county public health department hire a community epidemiologist and two community health analysts who will develop evidence-based tobacco prevention measures.
- Developing processes that enable families to address all of their child’s health needs at a single clinic.
Core Attributes of a Primary Care Home

- Patient & Family Centered
- Coordinated
- Accountable
- Accessible
- Comprehensive
# PCPCH in Oregon

<table>
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<tr>
<th>Date</th>
<th># Recognized</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
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<tr>
<td>10/2013</td>
<td>443</td>
<td>6</td>
<td>105</td>
<td>332</td>
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<tr>
<td></td>
<td></td>
<td>1.35%</td>
<td>23.70%</td>
<td>74.94%</td>
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Over 425 clinics recognized as of October 2013
Results
Meeting the triple aim: what we are seeing so far...

- 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 6 months of 2013) show promising signs of improvements in quality and cost and a shifting of resources to primary care.
- Progress will not be linear but data are encouraging.
Progress to date

ED utilization rates decreased 8%
Primary care visits increased 18%
Specialty care visits decreased 9%
Patient-centered primary care homes enrollment increased 36%
EHR adoption doubled from 28% to 57%
Progress to date

All cause readmissions decreased 12%
Admission rates for COPD decreased 28%
Admission rates for CHF decreased 29%
Admission rates for adult asthma decreased 14%
Race and ethnicity – 2011 baseline data

- Show broad disparities for most metrics – points to where efforts should be focused to achieve health equity
- Beginning to understand variation and disparity by race and ethnicity
- Metrics where disparities are reduced may point to opportunities and best practices
- Progress data by race and ethnicity will begin to be reported in next quarterly report.
Where do we go from here?
Key Levers in Oregon for System Transformation

- Care coordination throughout the system
- Alternative payment methodologies
- Integration of physical, behavioral, oral health
- Community-based focus
- Flexible services
- Testing, accelerating and spreading innovation
Where will people get care?

• ~50% of uninsured have usual source of care
• Strong network of Federally qualified and rural health centers in Oregon
• Loan repayment program to draw more providers into our state
• Tax credits and help with malpractice premiums to keep rural providers from leaving
• More capacity through increasing the numbers of community health workers and CCOs working to transform how care is being delivered
Taking Responsibility for our Health

• It will take more than just changing care to improve health
• Individuals need to take greater responsibility for their health
• Governor appointed task force working on recommendations to deliver to the legislature in December
Next steps for health system transformation

• Aligning care models, standards and reporting in Oregon Health Plan, PEBB/OEBB and through Cover Oregon

• Leverage work to reduce costs, increase transparency in commercial market
Final Thoughts

• “Horses out of the barn”
• Beginning to see changes at the practice level
• What’s so different now?
• Workforce needs
Learn more at Health.Oregon.Gov