

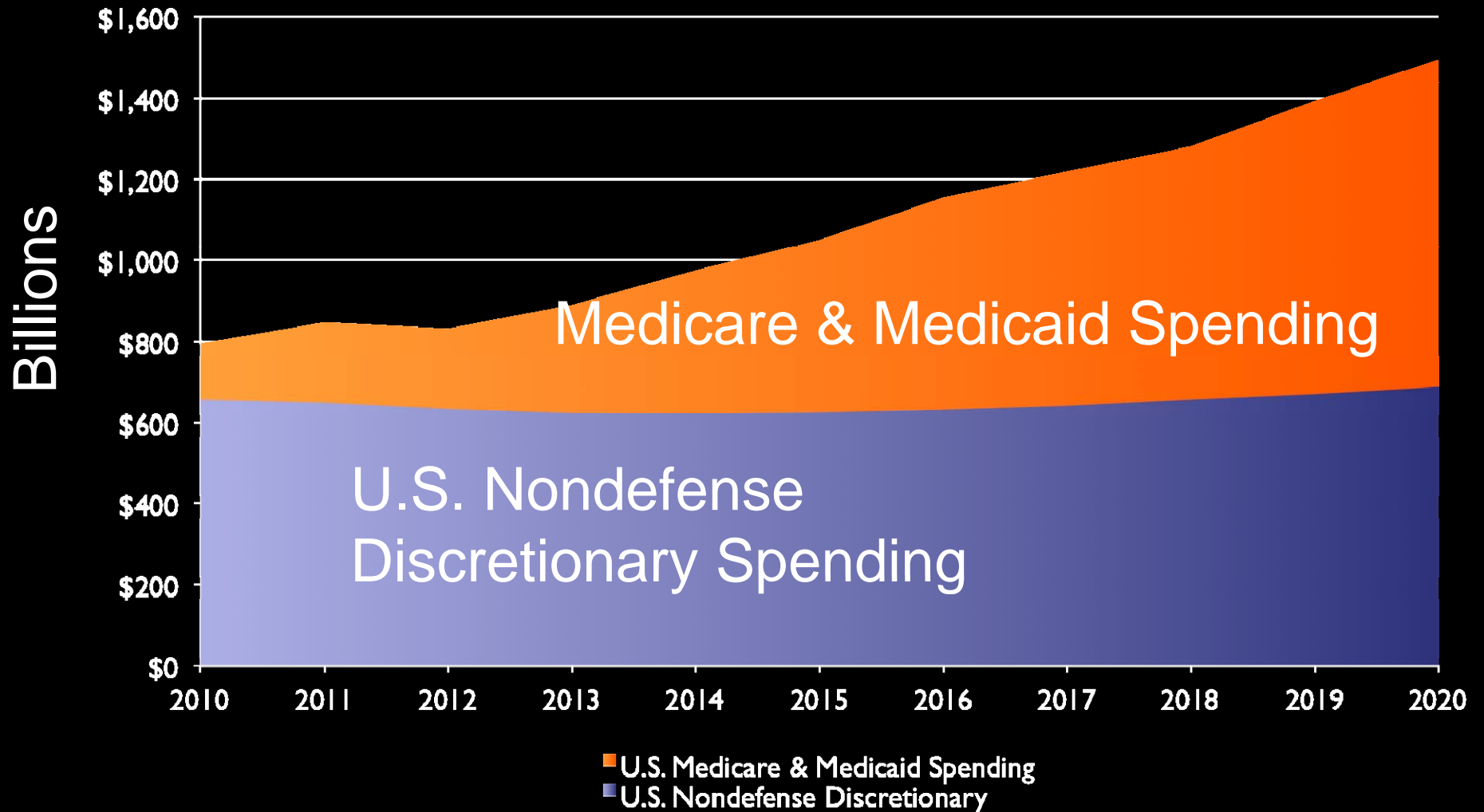


Oregon's Health Reform Efforts: Costs, Care, Coordination

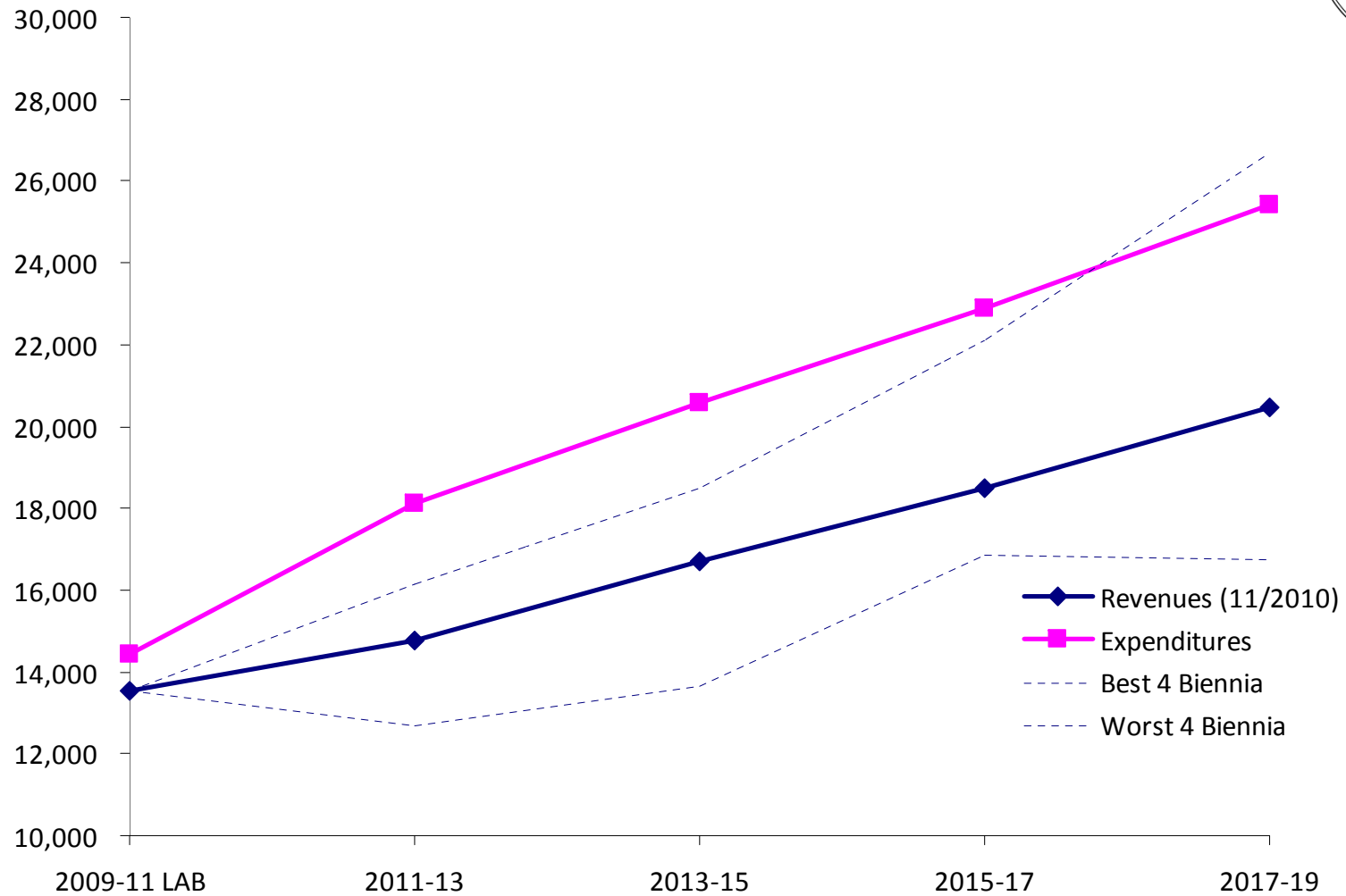
The 20th Princeton Conference
State Efforts to Control Total Health Care Costs
May 23, 2013

Mike Bonetto
Health Policy Advisor
Oregon Governor John Kitzhaber

Medicare & Medicaid Spending



Oregon's budget realities



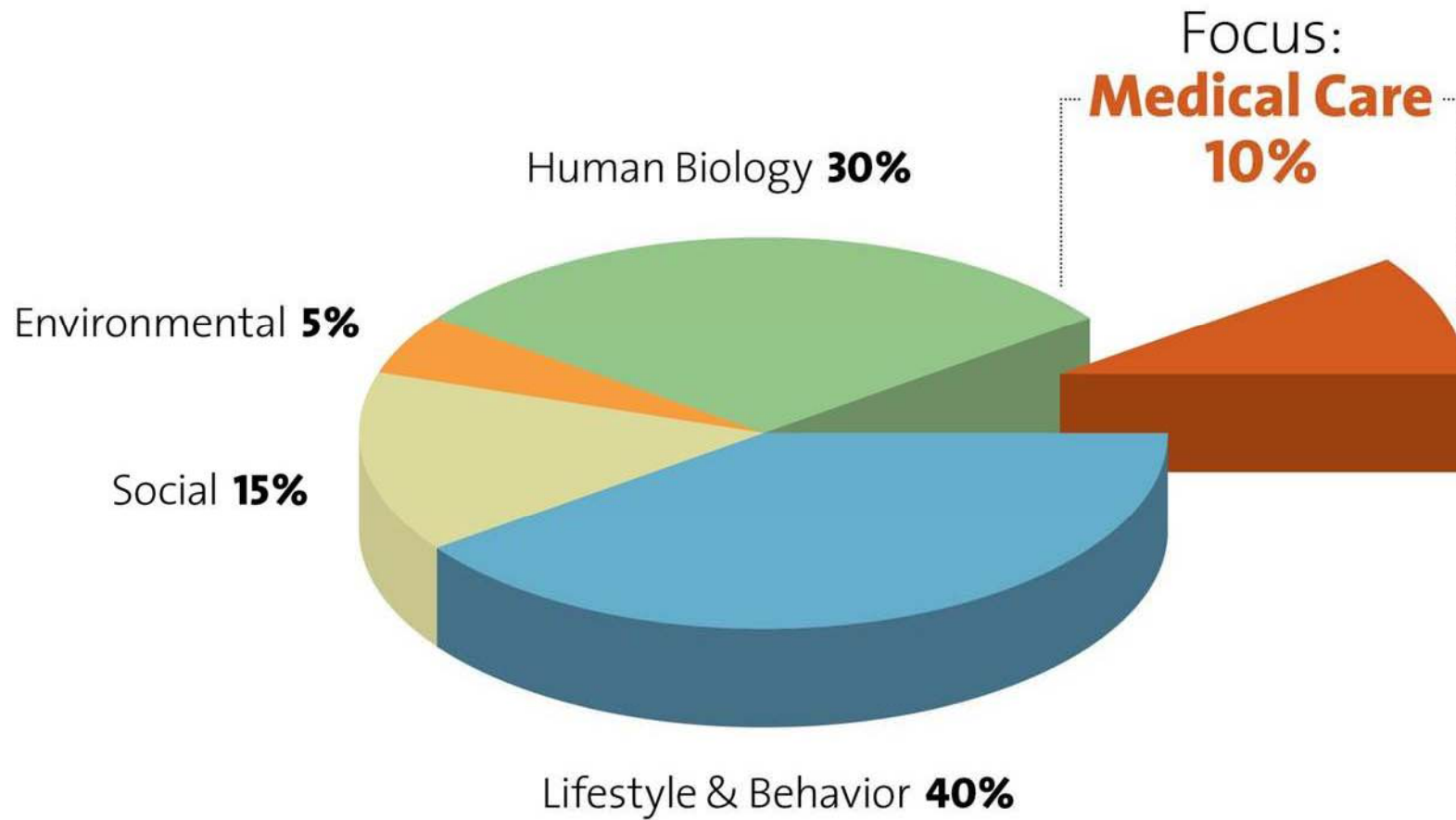


Traditional budget balancing

- Cut people from care
- Cut provider rates
- Cut services



Wrong focus = wrong results





The Fourth Path

- Change how care is delivered to:
 - Reduce waste
 - Improve health
 - Create more local accountability
 - Align financial incentives
 - Create fiscal sustainability

Oregon chose a new way



- Governor's vision
- Robust public process
- Bi-partisan support
 - 2011, HB 3650 (House Vote – 59-1)
 - 2012, SB 1580 (House Vote – 53-7)
- Federal waiver approved - \$1.9B
- 15 new CCOs certified and launched

Changing 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

Coordinated Care Organizations



A local network of all types of health care providers working together to deliver care for Oregon Health Plan clients.

Care is coordinated at every point – from where services are delivered to how the bills are paid.

15 CCOs now up and running, accounting for 90+% of Medicaid population

Federal Framework



- Waiver effective July 5, 2012
- Establishment of CCO's as Oregon's Medicaid delivery system in order to improve health, improve healthcare, and lower per capita costs
- Flexibility to use federal funds for improving health.
- Federal investment:
 - \$1.9 billion over five years

Oregon's Accountabilities



- Savings:
 - 2% reduction in per capita Medicaid trend
 - Baseline is calendar year 2011 Oregon spend
 - Trend 5.4% as calculated by OMB for President's Budget
 - State to achieve 4.4% by end of year 2 and 3.4% there after.
 - No reductions to benefits and eligibility in order to meet targets
 - Financial penalties for not meeting targets
- Quality:
 - Strong criteria
 - Financial incentives (sticks and carrots) at CCO level
- Transparency and workforce investments

PERFORMANCE METRICS

Preliminary Quarterly Data

Quality Data

CATEGORIES	OREGON PRE-CCO BASELINE**	BENCHMARK	OCT-DEC 2012 PRELIMINARY DATA+
Prevention Quality Indicators (per 100,000 member years)			
PQI 01: Diabetes Short-Term Complication Admission Rate	192.9	62.7	254.1
PQI 05: Chronic Obstructive Pulmonary Disease Admission Rate	454.6	559.0	322.5
PQI 08: Congestive Heart Failure Admission Rate	336.9	380.7	248.2
PQI 15: Adult Asthma Admission Rate	53.4	63.4	64.5
Ambulatory Care (per 1,000 member months)			
Outpatient Utilization	364.2	439.0	310.5
Emergency Department Utilization	61.0	44.4	50.8

May 2013

- * Based on encounter data received and processed through 4/12/13. No incurred but not reported (IBNR) claims have been assessed. These data will fluctuate and should be considered preliminary.
- ** Oregon baseline measures are state-wide values from calendar year (CY) 2011 and are based upon predecessor Managed Care Organization (MCO)s.
- + Data will be available in the next quarterly report

PRELIMINARY FINANCIAL DATA

Quarterly Data

UTILIZATION DATA

CATEGORIES	OREGON PRE-CCO BASELINE**	BENCHMARK	OCT-DEC 2012 PRELIMINARY DATA*
UTILIZATION DATA (ANNUALIZED / 1000 MEMBERS)			
Inpatient - Medical /Surgical Patient Days	252.6	In Development	218.3
Inpatient - Maternity Patient Days	73.8	In Development	60.0
Inpatient - Newborn Patient Days	88.8	In Development	66.7
Inpatient - Mental Health Patient Days	55.7	In Development	53.9
Outpatient - Primary Care Medical Visits (Includes Immun/Inject)	2,800.3	In Development	2,927.5
Outpatient - Specialty Care Visits	3,917.8	In Development	3,514.3
Outpatient - Mental Health Visits	912.6	In Development	953.2
Outpatient - Dental Visits (Preventive)	532.9	In Development	Data Pending
Outpatient - Emergency Department Visits	-	-	-
Outpatient - Pharmacy Prescriptions Filled	9,297.7	In Development	7,947.3
Outpatient - Labs and Radiology (Service Units)	4,739.3	In Development	4,300.0
Outpatient - Freestanding Ambulatory Surgical Center Procedures	24.6	In Development	20.1

May 2013

* Includes claim data received and processed through 4/26/13. At this point, there is no data on services that have happened, but have yet to be recorded or invoiced.

This initial dashboard is also incomplete due to lags in submitting data to OHA.

As a result, this data is very preliminary. The values will be recalculated and reported as additional data are made available.

This is the first step in collecting and sharing data, and future dashboards will be updated when more complete data is submitted.

** Oregon baseline measures are statewide values from CY 2011 and are based upon predecessor managed care organization (MCOs).

PERFORMANCE METRICS

CCO Baselines

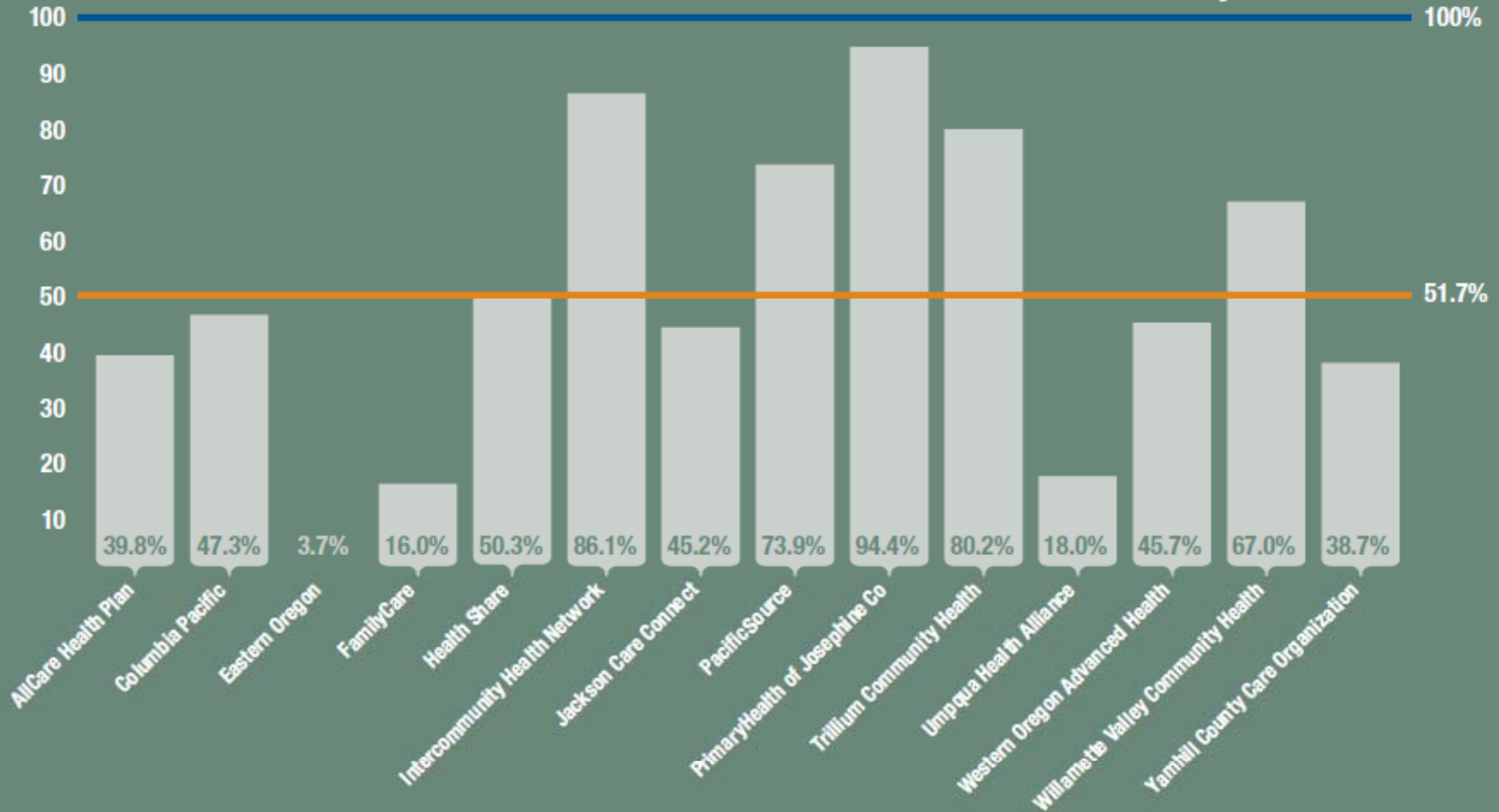
Patient-centered primary care home enrollment

Percentage of patients who were enrolled in a recognized patient-centered primary care home. (CCO Incentive Measure)

State Benchmark 100%
2012 State Baseline 51.7%

Data source: CCO self-report

Benchmark source: Metrics and Scoring Committee consensus



PERFORMANCE METRICS

CCO Baselines

Ambulatory care: Emergency department utilization

Rate of patient visits to an emergency department.
(CCO Incentive Measure)

State Benchmark 44.4/1,000 member months
2011 State Baseline 61.0/1,000 member months
 (A lower score is better.)

Data source: Administrative (billing) claims
 Benchmark source: 2011 National Medicaid 90th percentile



2011 baselines are pre-CCO and are based on data from the predecessor care organization.

How we move forward – *Health Reform 2.0*



- Changing care model to bend the cost curve
- Align purchasing of care model- begin with Oregon Health Plan – extend to other state purchasing and align with private sector purchasing

Lessons Learned



- Governor's leadership – vision vs. process
 - “If not this... then what?”
- Overall transparency in public process
- Statewide engagement/inclusion
- Competency of Oregon Health Authority
- Business community support
- Bipartisan support
 - 2011, HB 3650 (House Vote – 59-1)
 - 2012, SB 1580 (House Vote – 53-7)



To learn more....

www.health.oregon.gov