

Transforming the Oregon Health Plan through Coordinated Care

March 2012



What we will cover

- OHP Health System Transformation: Moving forward
- Why change is necessary
- Coordinated Care Organizations: Basics
- Federal Partners
- Timelines

Status: OHP transformation is moving forward

- “Request of Application” available for potential Coordinated Care Organization.
- April 2, 2012 – Letters of Intent due
 - Public documents so local communities will know what’s happening
- First CCOs will be formed this summer

Status: Senate Bill 1580 Launches Coordinated Care Organizations

- Follow up to 2011's HB 3650
- Strong bi-partisan support
- A year of public input – more than 75 meetings or tribal consultations
- Built on 1994's Oregon Health Plan that covers 600,000 Oregonians today

Why transform

Unsustainable:

- Health care costs are increasingly unaffordable to individuals, businesses, the state and local governments
- Inefficient health care systems bring unnecessary costs to taxpayers
- When budgets are cut, services are slashed.
- Dollars from education, children's services, public safety
- 2014: as many as 200,000 Oregonians will be added to OHP

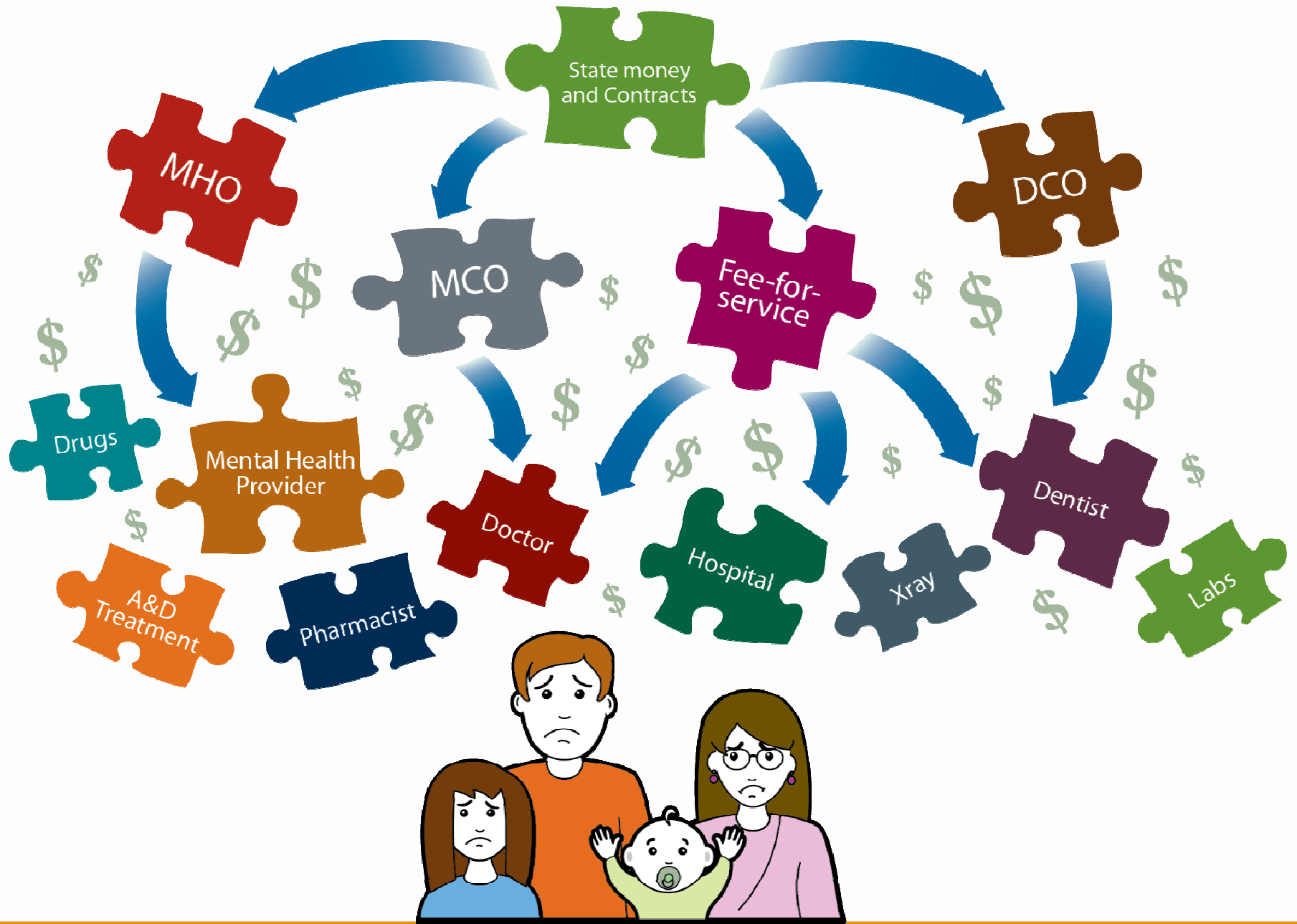
Cost: if food were health care

If food prices had risen at the same rates as medical inflation since the 1930's:

✓ 1 dozen eggs	\$80.20
✓ 1 roll toilet paper	\$24.20
✓ 1 dozen oranges	\$107.90
✓ 1 pound bananas	\$16.04
✓ 1 pound of coffee	\$64.17

Total for 5 items \$292.51





The complicated puzzle

- 85 percent of OHP clients:
 - 16 managed care organizations
 - 10 mental health organizations
 - 8 dental care organizations.
- Remainder: “fee-for-service” arrangements between the state and local providers.
- No incentives or payment codes for health
- Estimated 80% of health care dollars go to 20% of patients, mostly for chronic care

Cost of fragmentation

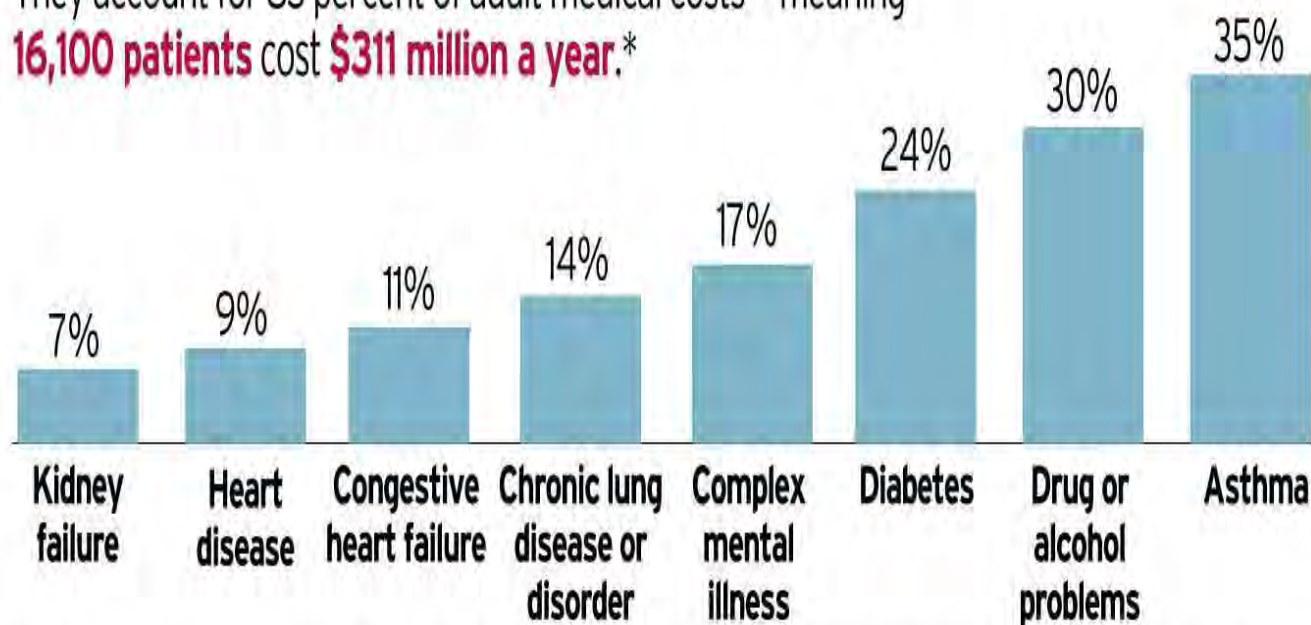
- Behavioral health major driver of bad outcomes and high costs
 - Human and financial cost
- Chronic conditions
 - Care delayed is too often care denied

Frequent adult hospital users

Most common health problems of the 25 percent of Oregon Health Plan adults managed by CareOregon.

They account for 83 percent of adult medical costs -- meaning

16,100 patients cost **\$311 million a year**.*



Average age 46 years

Percent female 68%

Non-maternity hospitalizations 8,471

Emergency room visits 43,460

Annual average per member \$19,470

*CareOregon manages care for 160,000 of the 600,000 adults and children on the Oregon Health plan.

Source: CareOregon

DAN AGUAYO/THE OREGONIAN

We can do better:
Coordinated Care

Flexibility: pay for non-traditional health workers and other means to coordinate care

Addressing behavioral health: Reduced ED visits by 49% and reduced costs per patient \$3,100.

Central Oregon pilot project

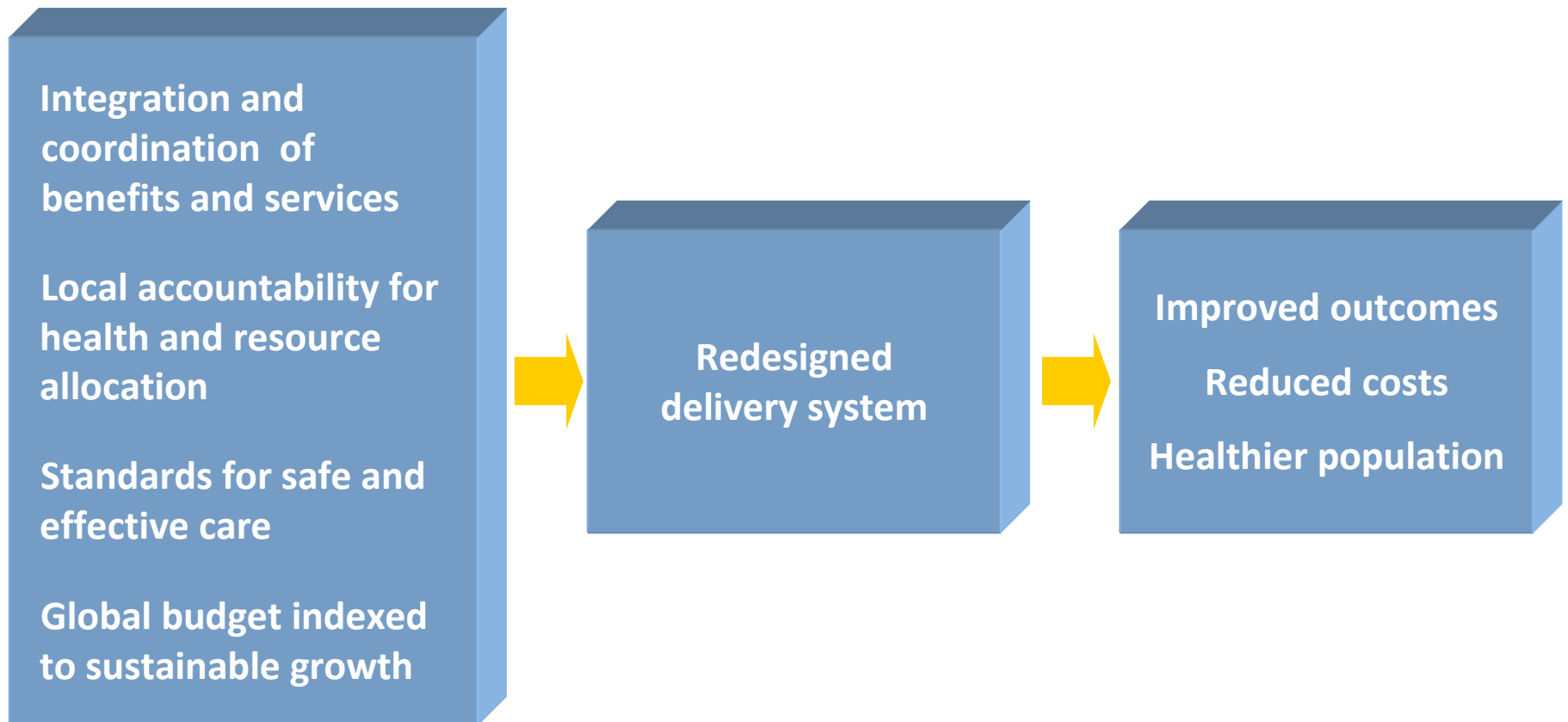


GOAL: Triple Aim

A new vision for a healthy Oregon

- 1 Better health.**
- 2 Better care.**
- 3 Lower costs.**

Vision of Coordinated Care



Coordinated Care Organizations

Local health entities that deliver health care and coverage for people eligible for Medicaid (the Oregon Health Plan) and also people covered by both Medicaid and Medicare.

Replace current MCO/MHO/DCO system

- ✓ Local control
- ✓ One point of accountability
- ✓ Global (single) budget
- ✓ Community health workers
- ✓ Patient-centered primary care homes
- ✓ Expected health outcomes
- ✓ Health Equity
- ✓ Integrate physical and behavioral health
- ✓ Focus on prevention
- ✓ Reduced administrative overhead
- ✓ Electronic health records

CMS Medicare/Medicaid Alignment Demonstration

- 3-year demonstration project in many states
- Oregon's way will be through CCOs
- Key features:
 - Align Medicaid and Medicare requirements
 - Passive enrollment of dually eligible individuals in CCOs (with opt out option)
 - Blended Medicare/Medicaid funding and flexibility around spending
 - Integrated Medicare/Medicaid benefits

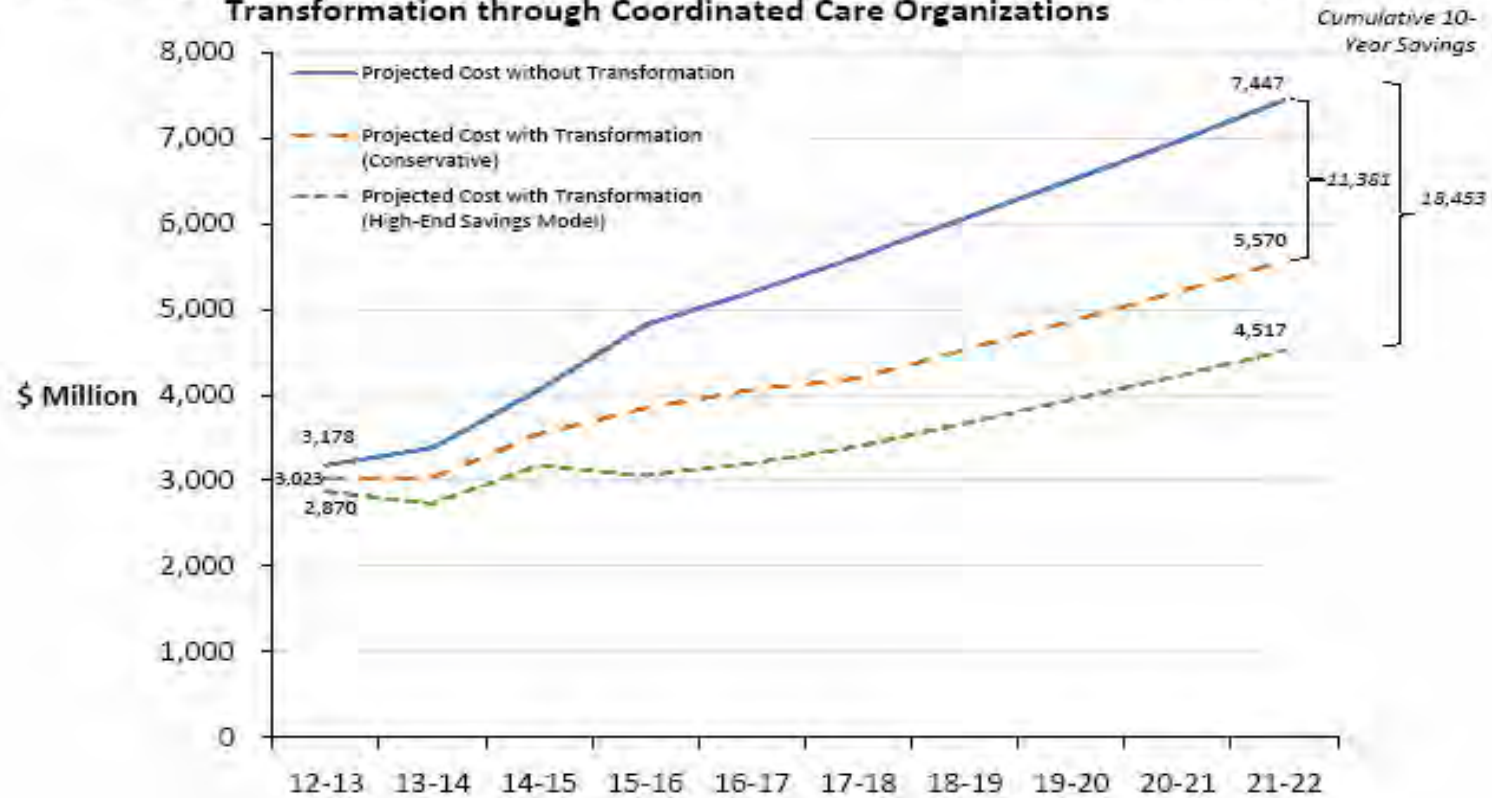
Ted Hanberg, 83, was in and out of the hospital until a coordinated care team helped him get congestive heart failure under control

Since then he hasn't had a return to the hospital in six months and is living independently with his wife and daughter.



Cost of doing nothing

Health Management Associates' Annual Projected Savings Attributable to Health System Transformation through Coordinated Care Organizations



Source: Health Management Associates

Notes: Health Management Associates' projections end in 2019. The 2019-2021 biennium and 2021-2022 state fiscal year were extended forward by the Oregon Health Authority by applying the growth rates in HMA's model.



Lower costs

Reducing costs while improving care

- A third-party analysis
- Savings would be more than \$1 billion total fund within three years and more than \$3.1 billion total fund expenditures over the next five years.

Federal partnership

- Appx. 60 percent of Oregon Medicaid dollars are paid by the federal government
 - Waiver
 - Financial investment
-

Key information for clients

- Coordinated Care Organizations: local in your community.
 - Focused on prevention, helping people manage chronic conditions, coordinating mental and physical health care, reducing unnecessary emergency room visits
- Nothing is changing today
- When a CCO applies for your community:
 - There will a public meeting so you can learn more
- When a CCO is selected:
 - You will receive **at least** 30 days written notice
- OHA will help with any and all questions you may have

Next steps

Timeline – CCOs

As of March 13, 2012

Waiver submitted to CMS	March 1
Public comment open for draft Request for Applications (RFA), model contract and temp rules	March 5-13
Temporary rules filed	March 16
RFA for potential CCOs posted	March 19
Non-binding Letters of intent due to OHA	April 2
Technical Applications from CCOs due (Wave one)	April 30
Financial Applications from CCO due (Wave one)	May 14
New CCOs Certified	May 28
Medicaid Contracts signed with new CCOs	By June 29
CCO-Medicaid Contracts to CMS	By July 3
Medicaid Contracts effective for new CCOs	August 1

Timeline

Medicare-Medicaid Integration

As of March 13, 2012

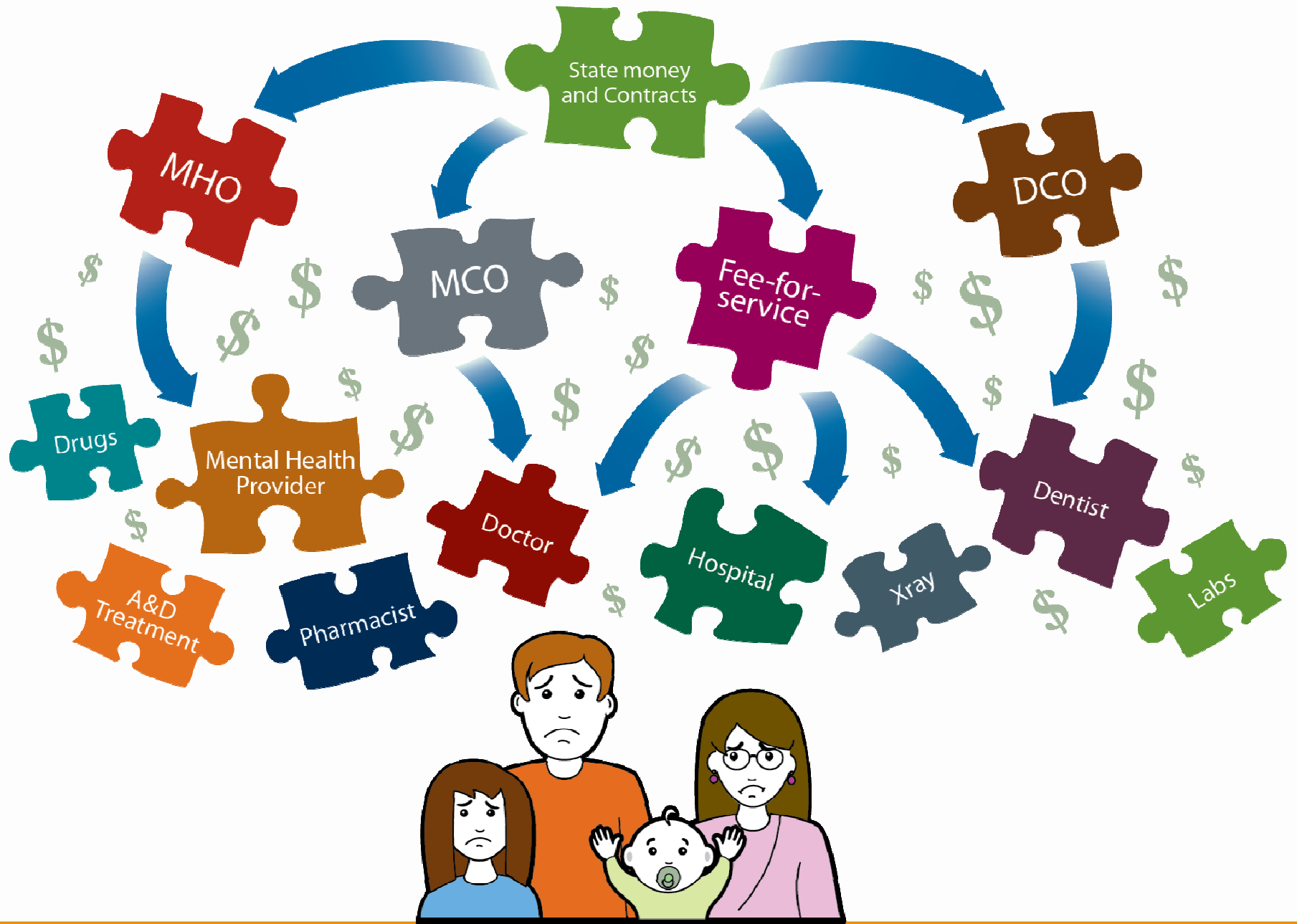
Public comment for draft Medicare-Medicaid Integration Proposal (30 days)	March 5-Apr 4
Letters of intent to apply for 3-way contract due to CMS	April 2
Final Medicare-Medicaid Integration Proposal submitted to CMS	April 12
Medicare-Medicaid Integration benefit package due to CMS	June 4
CMS and OHA certification for Medicare-Medicaid Integration	July 31
3-way contracts signed	Sep 20
Medicare-Medicaid Integration 3-way Contract effective	Jan 1, 2013

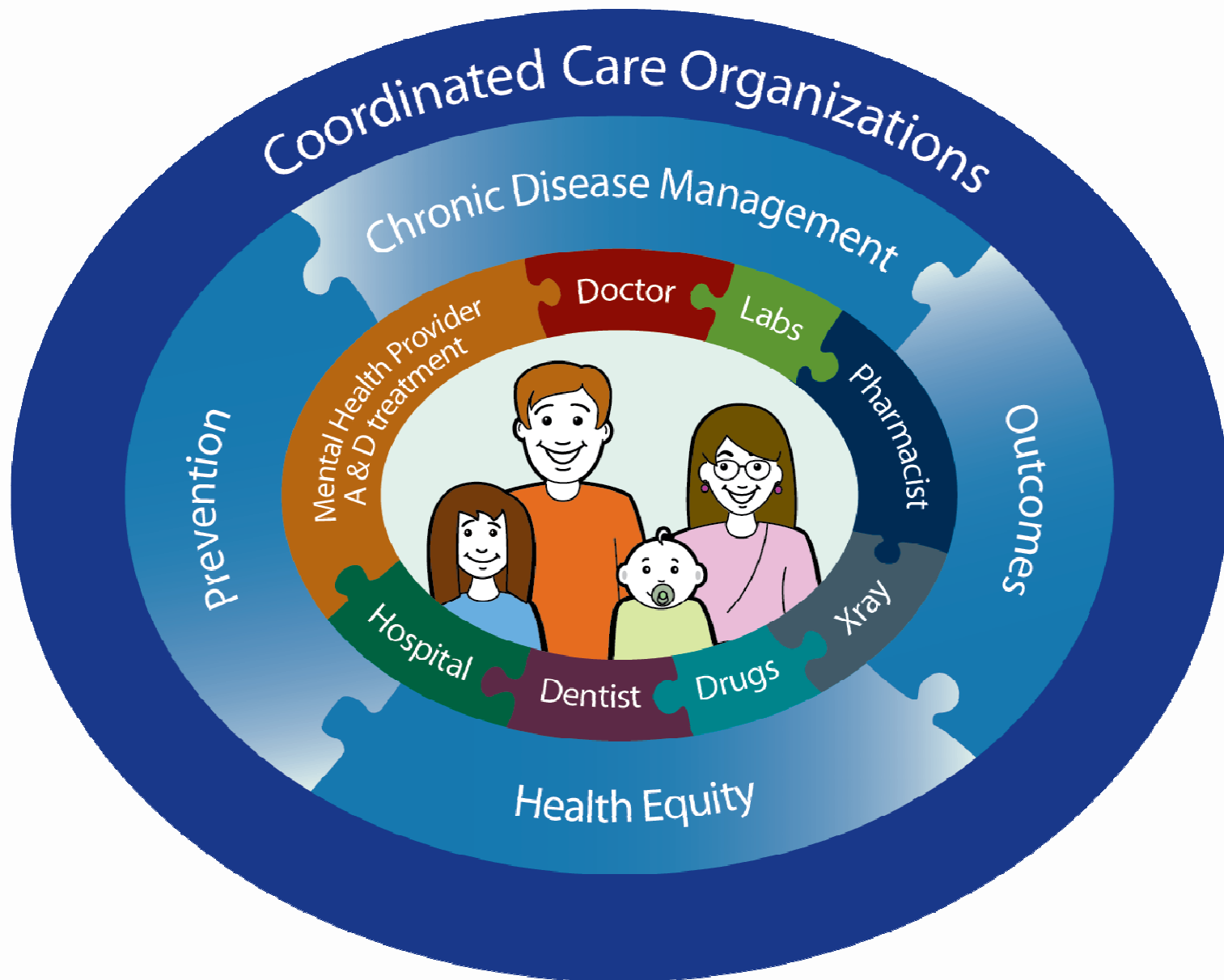
Questions about Request for Application?

During the procurement process:

Please send an email to:

RFA.Formalquestions@state.or.us







www.health.oregon.gov

