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MEASURE: SB 724
EXHIBIT: 10
S. HEALTHCARE & HUMAN SERVICES
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Chair Monnes Anderson, Senate Health Care and Human Services Committee:

The Trillium CCO supports the passage of SB 724.

SB 724 creates a billing system for CCOs to pay for non-medical health services, such as air conditioning. In reality, there are many non-medical health services that could potentially be provided ranging from transportation to nutrition.

Trillium is currently investing \$1.33 per member per month, or nearly \$900,000 annually on prevention efforts which include strategies to reduce tobacco use and obesity, increase immunization rates and address depression. In fact we recently announced our first prevention initiative which includes efforts to reduce tobacco use in pregnant women with an incentive program to quit and remain tobacco free. Included in the initiative is an evidence based curriculum for elementary schools called the Good Behavior Game, which has proven to reduce tobacco use by teenagers.

Trillium believes in the importance of investing in prevention to assist our members in the improvement of their healthcare and wellness. Obtaining clarity on how we make these investments would be greatly beneficial.

The process of shifting new financial responsibilities to the CCOs has continued since the Trillium CCO launched August 1, 2012. This summer for example, the Oregon Health Authority will be shifting responsibilities for the provision of non-emergent transportation and housing for juveniles with mental illness. Additional responsibilities for other services are being discussed. SB 724 would give Trillium financial clarity to provide these services, making it possible for us to implement a more efficient and sustainable budget while investing in the innovative programs that help us achieve the triple aim: better care, better health and lower cost.

Trillium appreciates the committee's work furthering Oregon's healthcare reform efforts. We urge you to pass SB 724.



Coalition for a
Healthy Oregon



SB 724 – 2: Incentivizing Innovation; Giving CCOs Financial Clarity

By adopting the amendments, we are combining two good bills.

“Air Conditioner Bill”

Everyone has heard Governor Kitzhaber’s “air conditioner story,” a story he tells to explain how Coordinated Care Organizations (CCOs) can save money for the health care system by applying non-medical services to produce better health outcomes for Oregonians. The issue that many CCOs are currently struggling with is that they account for the metaphorical “air conditioner.”

SB 724 creates a billing system for CCOs to account for non-medical health services, such as air conditioner. In reality, there are thousands of non-medical health services ranging from transportation for peer-to-peer councilors who assist women in getting to drug treatment facilities or paying for a vacuum cleaner reducing the exposure to particulate matter a child with asthma may experience, avoiding an expensive visit to the hospital.

The reality is that CCOs are already paying for these kinds of innovative services, but it is financed through the administrative budgets of the CCOs. This is a major problem for two distinct reasons. First, one of the metrics for CCOs is to lower administrative budgets. How can they accomplish this goal while they are expected to invest in innovative programs? Second, we are missing an opportunity to track innovative programs CCOs invest in. If Oregon is armed with this data, successful innovations in health care could quickly spread across the state.

“Arming the CCOs with the Financial Data”

The process the CCOs have been established under has occurred at a rapid pace. CCOs have merged three or four different health care delivery silos while simultaneously taking on new health care responsibilities from the state.

In order to ensure CCOs are on the best financial footing for the next few years, we must review the spending of services that the CCOs have adopted. With access to this data, CCOs would be able to better analyze the cost of services as well as provide them with vital information to negotiate deals with providers.

The process of shifting new responsibilities to the CCOs has not stopped. This summer for example, the Oregon Health Authority will be shifting responsibilities over to CCOs for non-emergent transportation and housing for juveniles with mental illness. Discussions are occurring everyday about adding additional services to CCOs. SB 724 would give CCOs the needed financial clarity to provide these services, making it possible for them to implement a more efficient and sustainable budget while improving these critical services that reduce the cost of care and result in better care for Oregonians.

Please vote yes on SB 724