



Before the Senate Committee on Health Care and Human Services
Opposition to Senate Bill 373 – Dental Care Organization Carve Out

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Thank you for the opportunity to present testimony in opposition to Senate Bill 373 on behalf of Kaiser Permanente's Northwest Region.

Senate Bill 373 will carve out dental care organizations (DCO) as the only provider of dental care services to Medicaid patients, unless there is not a dental care organization in the particular geographic area. The Legislature passed HB 3650 in 2011, creating the Oregon Integrated and Coordinated Health Care Delivery System to provide health care for Medicaid through coordinated care organizations (CCO). As you know, the purpose of CCOs is to integrate physical, behavioral, and oral health care; to ensure the care is coordinated and person-centered; and to ensure that the Medicaid delivery system is quality focused and outcome driven in an effort to both improve care and lower costs.

When HB 3650 passed, the Legislature required as a transitional issue that CCOs have a formal contractual relationship with DCOs. DCOs are organizations that have contracts with the Oregon Health Authority to provide oral care for Medicaid patients. As the old managed care system winds down and those separate silos end, the Legislature required a contract between CCOs and DCOs to ensure a smooth transition as physical and oral health care becomes integrated. The details of how CCOs and DCOs work together were left to local communities.

The purpose of CCOs is to integrate care. There are numerous ways to do that and each CCO in the state—the oldest of which is barely over half a year old—looks a little different. We do not believe the Legislature's intent was to simply maintain the current silos through a system of more complicated contracts and funding streams. The intent was to integrate care and hold CCOs accountable for outcomes, quality, and a global budget.

SB 373 will carve out DCOs from this integration, guaranteeing contracts with those organizations that require oral care to be provided through them. This is contrary to the purpose of CCOs, which is to incent the delivery system to work together in new, innovative ways that are driven by quality and outcomes. Requiring all oral health care to be provided through DCOs will only maintain the current silos, and create an exemption to the quality, outcomes and cost standards that others serving Medicaid through CCOs are held to.

While Kaiser Permanente is not a DCO, we are a Medicaid physical health provider. In addition, we provide oral health care in the commercial market, and have experience integrating physical and oral care for those Kaiser Permanente members. SB 373 will create a permanent hurdle to integration of physical and oral care in Medicaid, particularly for organizations like Kaiser Permanente, which already provide both physical and oral health care but are not a DCO.

Finally, we have reviewed the -4 amendments. Those amendments do not improve the bill or address our underlying concerns with this proposal.

SB 373 is unnecessary and Kaiser Permanente opposes this legislation. We respectfully request that the committee not advance this bill.