

Analysis
Oregon Health Authority
Transformation Fund Report

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Request: Acknowledge receipt of a report on the Health System Transformation Fund.

Recommendation: Approve the request.

Analysis: The 2013-15 budget for the Oregon Health Authority (OHA) included \$30 million General Fund for the Health System Transformation Fund, to support efforts of Coordinated Care Organizations (CCOs) to transform health care delivery systems. Two budget notes were included for HB 5030, one that specified the distribution methodology for the money, and the other asking the agency to report back to both the 2014 and 2015 legislative sessions on the implementation of the grant program associated with the Transformation Fund.

The OHA Transformation Center collaborated with CCOs to develop an application process and timeline. The Center facilitated the exchange of preliminary ideas so that each CCO could benefit from knowing what the others planned to propose. OHA also facilitated a discussion with the CCOs which resulted in all 16 CCOs agreeing that \$3 million of the Fund should be used to leverage 90% federal funding to invest in statewide technology. The remaining funds were distributed based on the budget note – a minimum award of \$1.25 million to each CCO and the remainder distributed based on number of members in each CCO. All 16 CCOs had their project proposals approved, and most CCOs are funding multiple projects. Contracts were effective either October 1, 2013 or December 1, 2013.

The report includes a summary of all the projects, and some common themes include investments in information technology and exchange; person-centered primary care homes; care coordination, especially between physical and behavioral health providers; alternative payment models; and community grant programs.

Preliminary results, including outcome measures, are not yet available but will be reported during the 2015 legislative session. Proposals were required to include measurable project objectives and metrics, as well as a description of how each CCO's proposed project is innovative, scalable, and transferable. Each CCO will participate in a learning collaborative organized through the Transformation Center, in order to help spread effective projects to other CCOs.

The Legislative Fiscal Office recommends acknowledging receipt of the report.