

March 23, 2015

The Honorable Monnes Anderson
Chair, Senate Committee on Health Care
State Capitol
Salem, Oregon 97301

RE: Senate Bills 609 and 231, Increasing Investment in Primary Care

Dear Senator Monnes Anderson and members of the Committee:

Successful industry transformation for healthcare to a point of sustainability requires that all participants in the system be willing to innovate and embrace change. In my role at Moda Health, I work with our Healthcare Services, Provider Relations and Marketing teams as we partner with members and providers to facilitate these changes and design the transitional tools for implementation. Investing in primary care is one of the critical changes required to successfully transform healthcare delivery.

In November 2013, Moda Health, along with sixteen other stakeholders in Oregon's healthcare, signed the Multipayer Strategy to Support Primary Care Homes. The Oregon Health Authority (OHA) and Oregon Health Leadership Council (OHLC) led this effort.

Since that time, Moda Health has been working to implement some of these strategies, including a variety of "innovation payments" as proposed in SB 609. Here are examples:

1. For PCPCH providers serving our CCO population in Eastern Oregon, we are paying variable monthly PMPM payments based on tier level. The CCO Board is considering raising the payment for Tier 3.
2. For PCPCH providers serving our Synergy and Summit network products currently offered by PEBB and OEBC in certain geographies, we are paying variable monthly PMPM payments based on tier level, but different amounts than for the CCO population.
3. For certain "invitation-only" programs focused on Moda members with multiple chronic conditions, we are paying PCPCH providers a monthly PMPM which is currently not based on tier level and is focused on supporting the care coordination needed for these patients.
4. For certain populations, we have defined a special code which PCPs can use to bill for a Wellness Visit which can focus on exercise, weight management, physical activity, depression, tobacco or substance use. This is in addition to an annual preventive exam.



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Having the flexibility to continue to develop, expand and adjust these payment models is critical for achieving our objectives to continually drive achievement of the Triple Aim goals (improve care, improve health, reduce cost). We urge the Committee to resist mandating "innovation payments".

The seventeen stakeholders who signed the Multipayer Strategy to Support Primary Care Homes are all included in the list of representatives proposed for the learning collaborative in SB 609 Section 1.(3)and (4) with the exception of a few parties, such as the Department of Consumer and Business Services and CMS (Center for Medicare Services). Adding these parties would enhance the discussion which the OHA leads. If there is a concern that these parties have been slow to implement payment model changes, SB 231 Section 3, could be helpful in allowing the OHA to survey payers.

Moda Health believes that strong, effective primary care homes are foundational to increasing the value of healthcare for Oregonians, leading to better outcomes and lower costs. We are fully supportive of efforts for learning and collaboration and are proud of our role in working with Oregon's health system stakeholders to voluntarily engage in payment reforms to strengthen and transform our Primary Care system.

Sincerely,



Ursula Luckert
Director of Health Business Strategy