

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Senate Health Care

**REVENUE: No revenue impact****FISCAL: May have fiscal impact, statement not yet issued****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Zena Rockowitz, Administrator**Meeting Dates:** 3/9, 3/23

**WHAT THE MEASURE DOES:** Establishes Primary Care Transformation Initiative (initiative) implemented by Oregon Health Authority (OHA). Directs OHA to convene primary care reform committee to advise initiative. Defines “carrier” as insurer that offers health benefit plan or third party administrator. Defines “prominent carrier” as insurer with annual premium at Department of Consumer and Business Services (DCBS) established threshold, third party administrator or self-insured employer that annually processes payments to providers as established by DCBS rule. Permits carriers to participate in initiative. Requires prominent carriers and coordinated care organizations to develop by February 28, 2022 no more than five payment methodologies as alternative to fee-for-service reimbursement methodology, methodology for determining provider responsible for patient’s primary care and who is entitled to reimbursement, strategy for providing technical assistance to primary care providers in local community, evaluation plan for the initiative that identifies timelines and benchmarks, plan for reassessing if timelines and benchmarks not met. Requires evaluation plan to Legislature that identifies benchmarks by February 29, 2016. Specifies initiative will increase resources dedicated to primary care, align and compliment Oregon Integrated and Coordinated Health Care Delivery System, align financial incentives with health quality goals, and promote culturally and linguistically appropriate care. Requires OHA to present evaluations no later than February 17, 2017 and full evaluation by February 28, 2020. Directs OHA to implement initiative and applies to contracts on or after January 1, 2016. Sunsets March 1, 2022. Declares emergency, effective on passage. Declares exemption from public trust laws.

**ISSUES DISCUSSED:**

- Primary care is critical to transform health delivery
- Project design and payer participation vary widely in pilot projects
- Sustainability of pilot projects
- Flexibility in identifying alternative payment methods

**EFFECT OF COMMITTEE AMENDMENT:** -2 Amendment: Adds representative of statewide organization for mental health professionals to primary care payment reform committee.

**BACKGROUND:** The Oregon Health Authority (OHA) assists with the implementation of Health System Transformation Initiatives with the goal of achieving Oregon’s Triple Aim in health care, which is to improve population health, improve patient care, and contain costs. Research confirms the value of primary care to improving quality and reducing costs. The multi-payer Comprehensive Primary Care Initiative, of which 67 clinics participate, is a pilot program to end in 2016. This initiative aims to implement primary care base payments to support primary care infrastructure, reimburse for care coordination, and encourage patient engagement. The Patient Centered Primary Care Home Program (PCPCH) is a program in health transformation. PCPCH are health care clinics recognized for patient-centered care, with the goal of providing integrated, preventive care in community settings. Over 500 clinics have been recognized as PCPCH. In 2013 OHA and the Oregon Health Leadership Council convened a series of meetings between a majority of payers in Oregon and other partners to develop consensus-based strategies to support PCPCH.

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***This summary has not been adopted or officially endorsed by action of the committee.***

Representatives from participating organizations agreed to shared goals, objectives and key actions that support aligning payment with quality. Participating payers agreed to provide variable payments to those participating in the PCPCH program based on achieving outcomes which lead to the Triple Aim, set meaningful outcome metrics, and review progress towards meeting metrics. Proponents of the bill state that implementation by payers has been slow to occur and may not be sustainable without committing additional resources and systemic action for these types of initiatives. Opponents concerns include that mandating payments is unnecessarily prescriptive, decreasing innovation and presenting administrative complexity.