
Oregon Health Authority Measure Summary

Primary Care Transformation Initiative

SB 231A

Concept: This concept establishes an initiative that will allow the State to assess the level of investment in Oregon's primary care delivery system. Specifically, it would:

- a) Require all major insurers and coordinated care organizations to report the percentage of their total medical expenditures that are directed toward primary care;
- b) Direct the Oregon Health Authority (OHA) to report back to the Legislature by February 2016 on the percent of total medical expenditures that are directed toward primary care and the methods used for reimbursing primary care services; and
- c) Direct the OHA to convene a voluntary learning collaborative, protected from anti-trust laws, where insurers and providers can share best practices in primary care alternative payment methodologies and develop strategies for coordinated technical assistance.

This concept:

- Ensures broad-based participation across payers, recognizing that systemic action is needed to keep costs sustainable and that everyone is part of the same health system;
- Provides the information necessary to monitor and assess a critical component of our health care system;
- Creates a forum for sharing best practices in primary care reimbursement; and
- Is aligned with Oregon's current health system transformation efforts.

Need for Policy Change: Health System Transformation efforts driven by the Oregon Health Authority, particularly implementation of the Patient-Centered Primary Care Home (PCPCH) program, initiated a marked increase in the level of primary care transformation occurring in clinics around Oregon. While early evaluation results indicate that this level of transformation is leading to delivery system improvement, the current infrastructure cannot sustain these efforts.

In fall of 2013, a majority of payers in the state signed a voluntary agreement to use the Oregon Health Authority's (OHA) Patient-Centered Primary Care Home (PCPCH) recognition as a common marker of primary care transformation and make variable payments to practices based on their level of recognition. Providers are reporting that the multi-payer primary care agreement signed in late 2013 has not resulted in meaningful payment changes for many. Uneven payer commitment means that some groups stand to reap the benefits of transformation without investing in the change.

Subsequent to this agreement in December 2013, the Oregon Health Policy Board (OHPB) made a recommendation to the Governor to expand and improve the primary, preventive, and chronic care infrastructure, specifically by increasing resources directed toward that infrastructure. However, we do not currently have a way to accurately assess the level of investment being made in that system. This legislation would provide the information necessary to monitor and assess this critical component of our health care system as well as providing a forum for sharing best practices in primary care reimbursement.

Impact if Not Approved: A strong primary care delivery system is foundational to Oregon's broader health system transformation efforts. Without adequate resources to support and build a robust infrastructure, Oregon may not achieve its transformation goals, including spreading the coordinated care model to new markets.

Facts:

- Only 5% to 6% of total health care expenditures, nationally, go to primary care; however, successful health system transformation relies heavily on a well-functioning primary care system.
- Over 550 clinics have been recognized as Patient-Centered Primary Care Homes (PCPCH) by the Oregon Health Authority to date.
- 80% of surveyed PCPCH clinics reported implementation of at least one new service or process in order to achieve this recognition.
- Recognized PCPCH clinics demonstrate better outcomes on select quality measures as well as significantly lower specialty care utilization as compared to their non-recognized counterparts.
- 67 clinics in Oregon are participating in the Comprehensive Primary Care Initiative in which clinics receive payments from Medicare and five Oregon payers, including Medicaid, to support primary care transformation. This initiative will end in 2016, and there is not a current plan in place to sustain the financial support to clinics.

Fiscal Impact: Indeterminate

Contact:

Nicole Merrithew, PCPCH Program Director, Office of Health Policy and Research, 503-385-6238, nicole.merrithew@state.or.us

Jeanene Smith, MD, MPH, Chief Medical Officer, Office of Health Policy and Research, 503-373-1625, jeanene.smith@state.or.us