

STAFF MEASURE SUMMARY

Senate Committee On Health Care

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 04/20/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 03/09, 04/15, 04/20

Vote:

Yeas: 4 - Kruse, Monnes Anderson, Shields, Steiner Hayward

Nays: 1 - Knopp

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WHAT THE MEASURE DOES:

Requires carriers to report to Department of Consumer and Business Services (DCBS) the proportion of total medical expenses allocated to primary care. Requires coordinated care organizations to report to Oregon Health Authority (OHA) proportion of total medical costs allocated to primary care. Directs DCBS to report to OHA in order to prepare evaluation and report. Requires DCBS and OHA to adopt rules prescribing primary care services for which costs must be reported. Directs OHA to convene primary care payment reform collaborative to assist in developing Primary Care Transformation Initiative to develop and share best practices in technical assistance and methods of reimbursement that direct resources and investments toward innovation and improvement in primary care. Directs OHA to invite certain representatives to participate in primary care payment reform collaborative. Requires report to Legislative Assembly on percentage of medical expenses allocated to primary care and how primary care is paid for by carriers, coordinated care organizations, Public Employees' Benefit Board and Oregon Educators Benefit Board. Creates exemption from public trust laws. Specifies reporting dates. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Emphasis on primary care in health care 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:

Modifies duties of primary care transformation initiative, prominent carriers and carriers. Requires carriers report to Department of Consumer and Business Services (DCBS) proportion of total medical expenses allocated to primary care. Requires coordinated care organizations to report to Oregon Health Authority (OHA) proportion of total medical costs allocated to primary care. Requires DCBS and OHA to adopt rules prescribing primary care services for which costs must be reported. Requires report to Legislative Assembly on percentage of medical expenses allocated to primary care and how primary care is paid for by carriers, coordinated care organizations, Public Employees' Benefit Board and Oregon Educators Benefit Board. Requires OHA to convene primary care payment reform collaborative, instead of committee, and modifies participants. Removes sunset. Alters reporting dates.

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 in improving quality and reducing costs (e.g., reducing unnecessary emergency room visits). The multi-payer Comprehensive Primary Care Initiative 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 PCPCHs. 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 PCPCHs. 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 toward meeting metrics. Proponents of the bill state that implementation by payers has been slow to occur and may not be sustainable without systemic action. Opponents concerns include that this creates prescriptions, which decrease innovation and flexibility.