



Testimony in Support of House Bill 2122
House Committee on Health Care

Speaker of the House Tina Kotek
February 27, 2017

When we started transformation of the Oregon Health Plan back in 2011, our goals were to get better value for the money we invested in care, truly move away from a fee-for-service model toward value-based payments, provide the flexibility to innovate and address community needs, and do all of this while keeping below a cost curve of 3.4 percent.

Coordinated care organizations (CCOs) have been able to serve Oregon's Medicaid expansion population successfully. Since 2013, approximately 400,000 new people have enrolled. We have also seen initial success through a 60 percent increase in patient-centered primary care home enrollment since 2011, and a corresponding decrease in hospital admissions for chronic diseases by 60 percent.

But we have more work to do. When we began this journey, we knew we would need to keep innovating and moving toward greater integration. House Bill 2122 keeps challenging us and moves us in the right direction by formalizing some of the lessons we have learned over the past five years. I support this bill and the effort to make sure that the legislature takes action to ensure that CCOs meet our vision of success 5, 10, or 15 years from now and on into the future.

I want to specifically call out a few areas that this bill addresses:

Governance: CCOs should be representative of the communities they serve. While many CCOs have already embraced the key role that their community advisory councils have, I support the move to ensure all CCOs have a strong connection to their community.

Reserves: CCOs are made possible by Oregonians' tax dollars. They deliver taxpayer-funded care to approximately 25 percent of Oregonians, and it is our responsibility to protect those funds and the people they serve. As it stands, taxpayer money intended to pay for health care for Oregonians could end up enriching executives and shareholders. We must address the issue of whether and how CCOs manage their reserves to protect the public's investment.

Transparency: CCOs should be held accountable to the state and the members they serve. I support CCO transparency measures because an enrollee should know what and how decisions are being made about their care. House Bill 2122 institutionalizes basic tenets of CCO operations, and I believe we should build off these basic principles as we move further into the future of health care transformation.

Innovation: When we began this experiment, the implementing legislation encouraged alternative payment methodologies, under a global budget, to drive cost savings and quality by changing why and how we pay for care. This bill would take us the next step by requiring alternative payment methodologies for 80 percent of payments, which I believe is necessary to sustain transformation.

Thank you for your attention today, and thank you for working hard to continue health care transformation in Oregon.