
Oregon Health Authority Legislative 101

Presentation to the House Committee on Health Care
January 22, 2019

Director Pat Allen

The logo for the Oregon Health Authority is centered within a light blue, curved banner. It features the word "Oregon" in a smaller, orange, serif font positioned above the "H" of the word "Health". "Health" is written in a large, dark blue, serif font. Below "Health", the word "Authority" is written in a smaller, orange, serif font, with a thin blue horizontal line extending from the left side of the "H" in "Health" to the start of "Authority".

Oregon
Health
Authority

Why OHA?



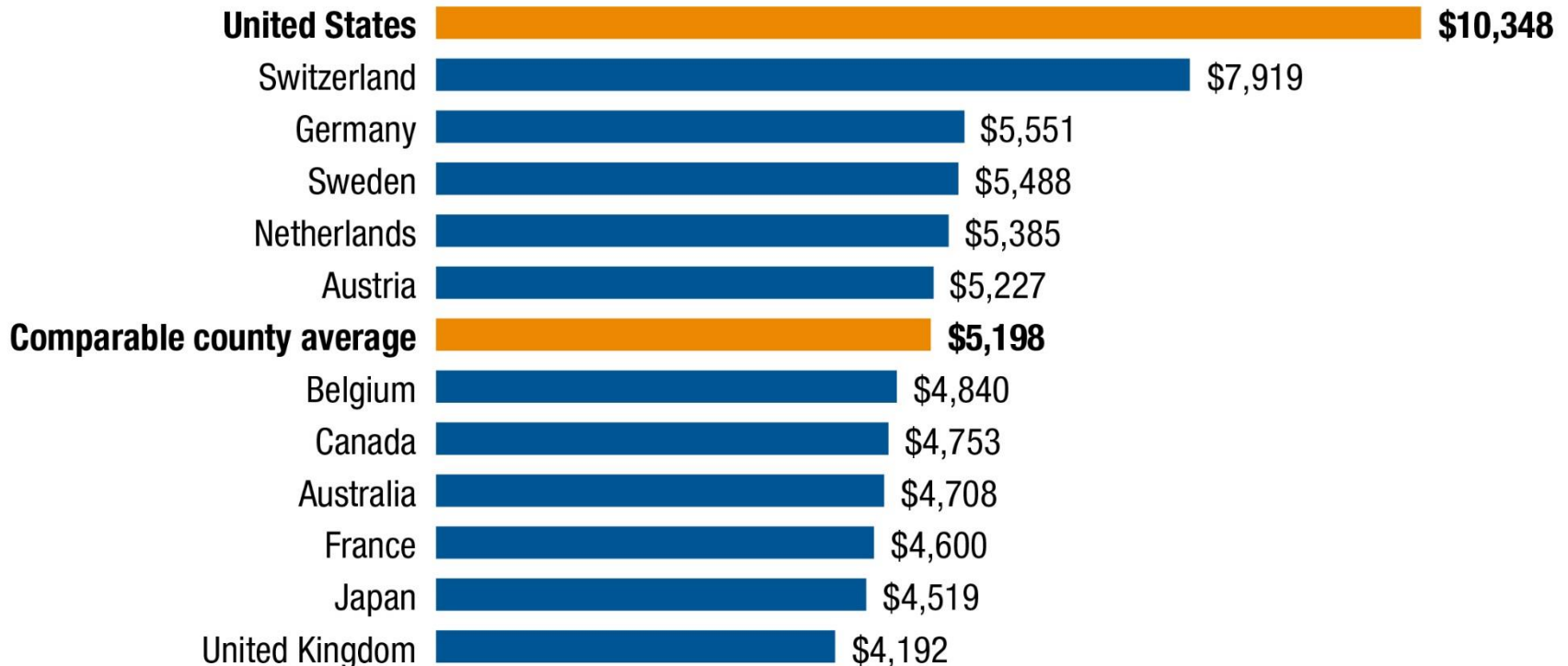
THE TRIPLE AIM VISION FOR OREGON

- 1 Better health**
- 2 Better care**
- 3 Lower costs**

The US spends twice as much on health care as other wealthy countries

Total health expenditures per capita

U.S. dollars, PPP adjusted, 2016



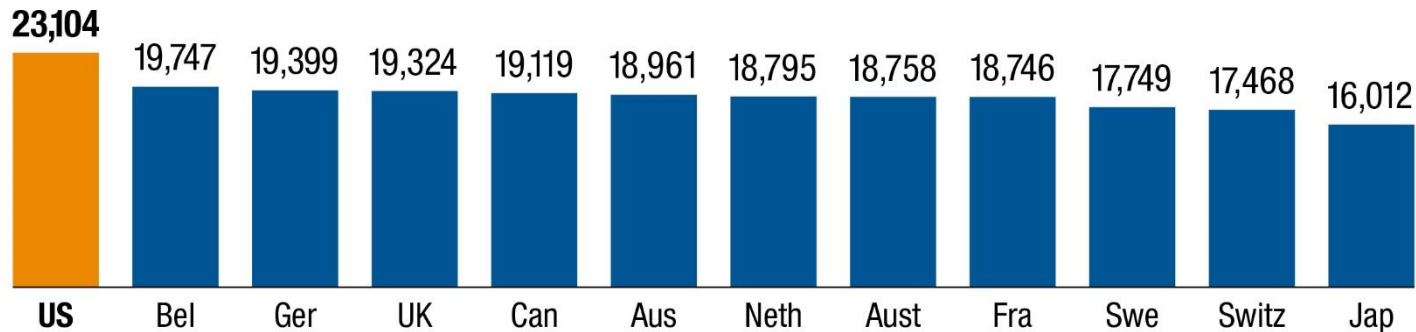
Source: Source: U.S. data are from the 2016 National Health Expenditures Account. Comparable country data are from OECD (2017), "OECD Health Data: Health expenditure and financing: Health expenditure indicators", OECD Health Statistics (database). DOI: 10.1787/health-data-en (Accessed on March 19, 2017)

For all that spending...

We often don't get better outcomes and we aren't healthier.

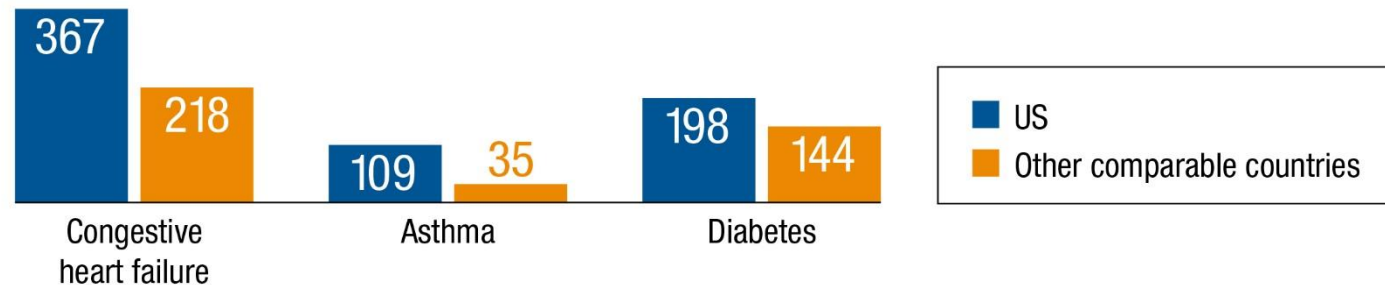
Disease burden is higher

Age standardized disability adjusted life year (DALY) rate per 100,000 population, 2015



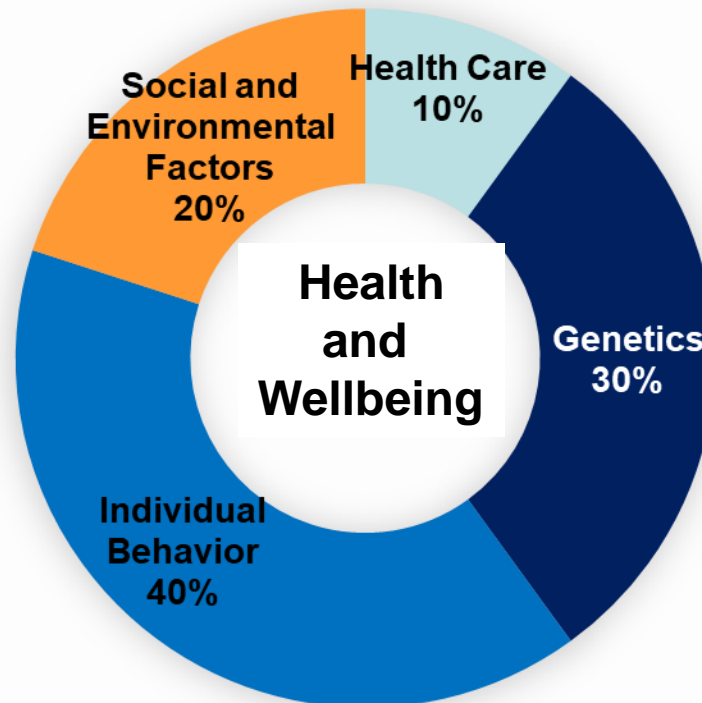
Hospital admissions for preventable diseases are higher

Age standardized hospital admission rate per 100,000 population for asthma, congestive heart failure, hypertension, and diabetes, ages 15+, 2012



The Role of Social Determinants of Health

Impact of Different Factors on Risk of Premature Death



SOURCE: Schroeder, SA. (2007). We Can Do Better — Improving the Health of the American People. *NEJM*. 357:1221-8.

Oregon: A leader in health reform

1987: Governor's Commission on Uninsured

Faced with **18%** uninsured rated – **20%** of children uninsured

- ✓ Everyone should have access to basic level of care.
- ✓ Expand Medicaid and commercial market reforms to expand coverage.
- ✓ Benefits should be based on evidence of effectiveness.
- ✓ Accountability for resources, funding.

1994: Oregon Health Plan

- ✓ Become a smarter purchaser of health care.
- ✓ Federal waiver to provide benefits based on prioritized list of services.
- ✓ Oregon moves to managed care.

Oregon: A leader in health reform

State economic challenges persisted. **State budget balanced by cutting:**

- Enrollment
- Benefits
- Provider rates

2009: Oregon Health Authority formed

Uninsured rate: **17%**. Household spending on health care: **23%**.

HB 2009: Legislature consolidates health care purchasing into one agency to better align health reform goals and expand coverage.

- Oregon Health Plan / Medicaid
- Public employees and educators
- Addictions & Mental Health
- Public Health
- Health Policy & Research

Coordinated care organizations

2012: New CCOs replace fragmented system

OHA created CCOs to improve care delivery in Oregon Health Plan.

- ✓ Reduce waste
- ✓ Improve health
- ✓ Create local accountability
- ✓ Align financial incentives
- ✓ Pay for performance and outcomes
- ✓ Create fiscal sustainability

Health Evidence Review Commission

- 13 Governor-appointed, Senate-confirmed members
- HERC's main bodies of work include:

The Prioritized List of Health Services serves to prioritize healthcare services for the Oregon Health Plan, ensuring coverage for the most important services in maximizing population health while controlling costs.

Coverage guidance's are evidence-based reports on health-related services used by public/private payers and purchasers to use as they deliver and coordinate care for the populations they serve. These reports are based on systematic reviews from trusted sources.

Prioritized List of Health Services

- **Line items made up of condition/treatment pairs prioritized according to evidence of effectiveness and impact on:**
 - Patient pain & suffering
 - Population health
 - Vulnerable populations
 - Preventing disease progression/complications
 - Cost
- **Lines 1-469 out of 660 are currently funded on the List**
- **Updates to the List**
 - Biennial Review (Jan. 1 of even numbered years)
 - Interim modifications (Oct. 1/Jan. 1 annually)
- **Used by CCOs in a variety of ways**

Other things HERC does

- Motivates change to provide cost *saving* services
- Reports on multisector interventions that have the potential to influence paraclinical services as well as systems issues & policies
- Involvement with other states' on their innovations through the Medicaid Evidence-based Decisions Project (MED)
- Extended stay center guidelines (HB 2040)
- Reproductive Health Equity Act recommendations (HB 3391)



Oregon Pharmacy & Therapeutics Committee

- Established under ORS 414.351 to 414.414
- This 11 member committee is appointed by the OHA Director
 - 5 Physician members
 - 4 Pharmacist members
 - 2 non-Physician/non-pharmacist members
- Advises OHA and conducts review activities to ensure Medicaid program complies with federal drug utilization review requirements
- Makes recommendations about Practitioner Managed Prescription Drug Plan/Preferred Drug List for drugs covered by FFS Medicaid based on safety, effectiveness, and value



Mental Health Clinical Advisory Group

- Established in 2017 via House Bill 2300
- Advisory group to P&T Committee charged with developing evidence-based treatment protocols for mental health disorders by:
 - Implementation of evidence-based algorithms
 - Recommending needed changes to any preferred drug list used by the authority
 - Developing practice guidelines
- 15 volunteer members: clinicians, advocates and people with lived experience comprise this group
- MHCAG has established a comprehensive community care guide for the management of schizophrenia
- Authority for the MHCAG sunset at the end of 2018

Oregon Prescription Drug Program (OPDP)

- **OPDP Statewide Option** is an optional pharmacy purchasing program serving public and private entities
 - Established under ORS 414.312 to 414.320
 - Currently serving 11 entities, including PEBB/OEBB, SAIF, Eastern Oregon CCO
- OPDP is the state's prescription discount card program and is available to all Oregonians
 - Results in approximately \$12 million in savings directly to Oregon consumers
- Since 2006, Oregon and Washington State's Prescription Drug Programs have worked together under an interstate agreement: **The Northwest Prescription Drug Consortium (NWPDC)**
 - Covers 1.2 million lives and facilitates over \$800 million in pharmacy purchasing across both states

Affordable Care Act

2014: ACA expansion and insurance changes

Largest national changes in health care in 50 years.

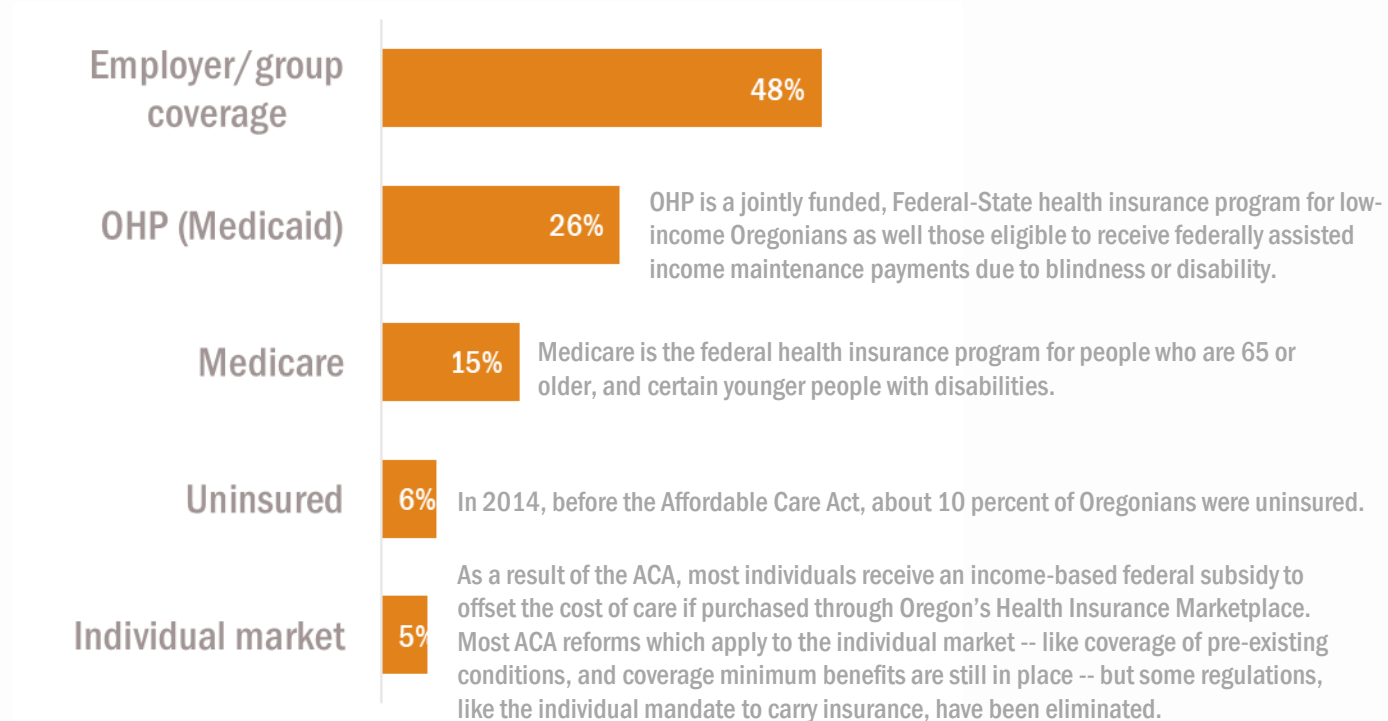
Commercial market changes to improve access: guarantee issue, standardized benefit/cost-sharing, young adult dependents, no pre-existing condition exclusion, no lifetime limits.

Coverage expansion:

- **Medicaid:** Expanded eligibility to 133% of poverty level and provides increased federal funding to expansion.
- **Individual marketplace:** Premium subsidies up to 400% of poverty.
- **Marketplace for small business:** Tax credits available
- **Family coverage expansion:** children 26 and under can stay on parent's plan

Oregon: Where we get health care

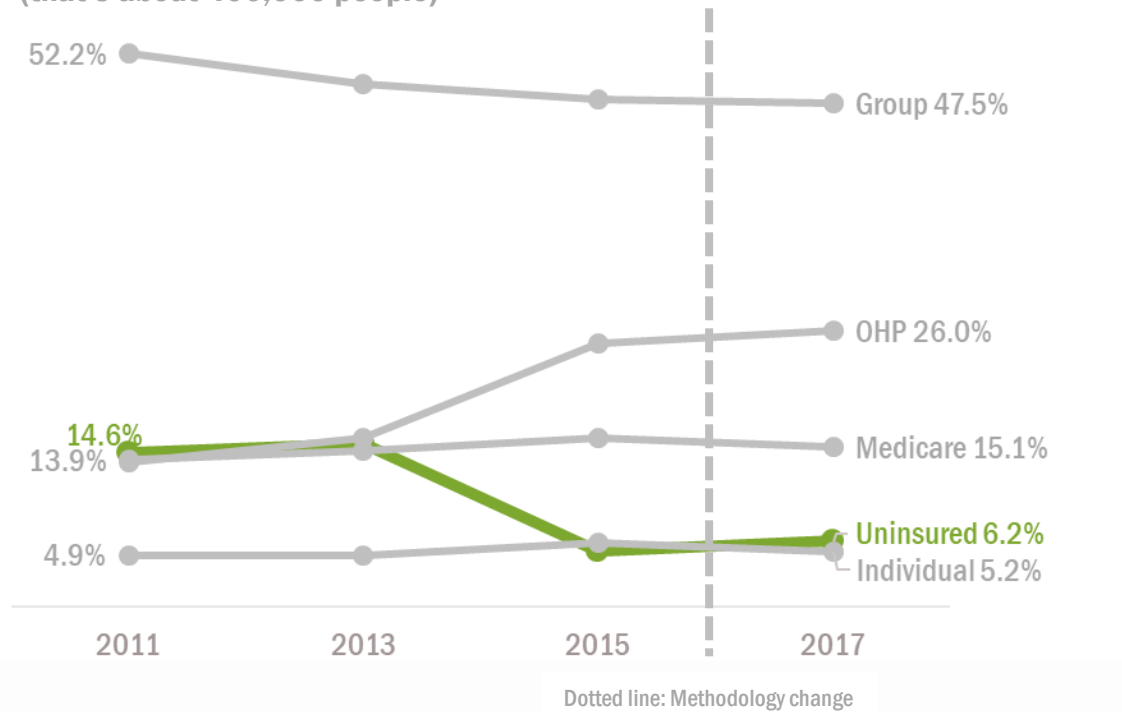
1 in 3 Oregonians get health coverage through OHA.



Success: Expanded coverage

The percent of Oregonians without insurance dropped ten percentage points with the ACA expansion.

(that's about 400,000 people)



Oregon Health Transformation Results

1 Better health

CCO members who report better health: **↑13** percentage points
(59% to 72%, 2011–2015)

2 Better care

Avoidable ER use in Oregon: **↓50** percent
(2011–2016)

3 Lower costs

Taxpayers save: **\$2.2** billion
(2012–2017)

Looking ahead

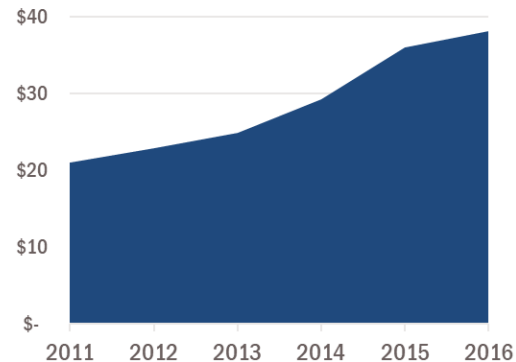
The nation spent **\$3.3 trillion** on health care in 2016, or **more than \$10,000 per person**.

We have reduced the growth in Medicaid spending in Oregon, but there's more work to do:

- Health care still unaffordable for many
- Disparities persist
- Rising prescription drug spending (see graph on right)
- Still mostly paying for quantity regardless of quality
- Expand focus to transformation in other markets

Pharmacy expenditures

All Payer All Claims, figures in \$ billions



What does OHA do?

Oregon Health Plan

Oregon created CCOs to improve care delivery in the Oregon Health Plan



Improve health



Reduce waste and costs



Create local accountability



Align financial incentives



Pay for better quality and better health



Coordinate care



Maintain sustainable spending



Measure performance

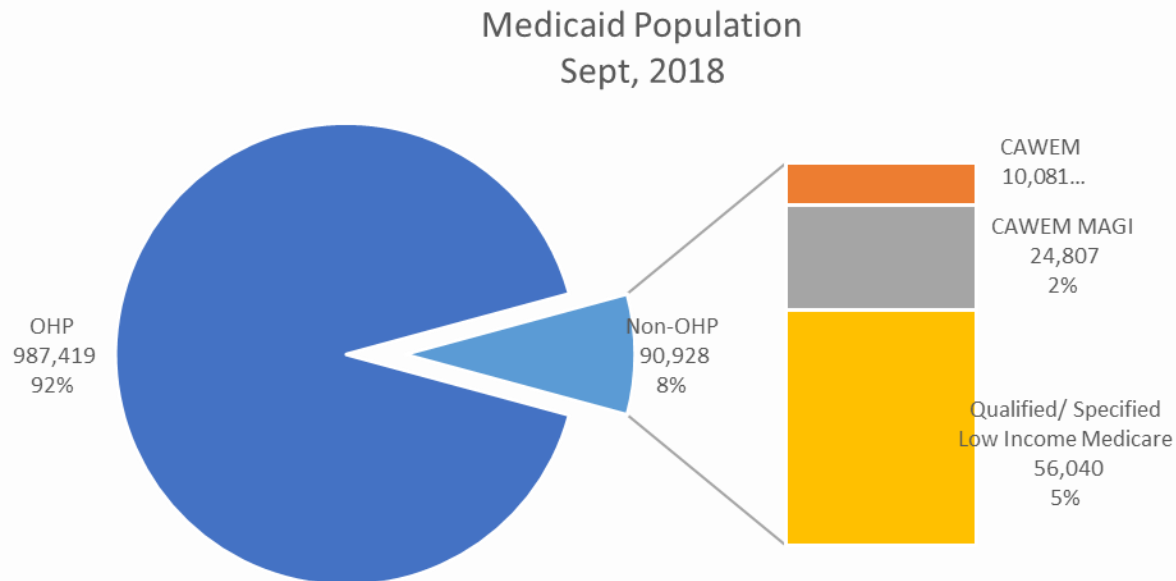
Medicaid and the Oregon Health Plan

- Eligibility groups for Medicaid include:
 - Pregnant women
 - Children
 - Disabled person
 - Senior over 65 years of age
 - Adults (19-64) with incomes below 133% of Federal Poverty Level
- Over 90% of Medicaid members are enrolled in a CCO
- The Oregon Health Plan covers services such as:
 - Chemical Dependency and Mental Health Care
 - Dental Services
 - Hearing Services
 - Physical Health Services
 - Tobacco Cessation

Overall Medicaid Population

The Medicaid Population is made of two distinct groups:

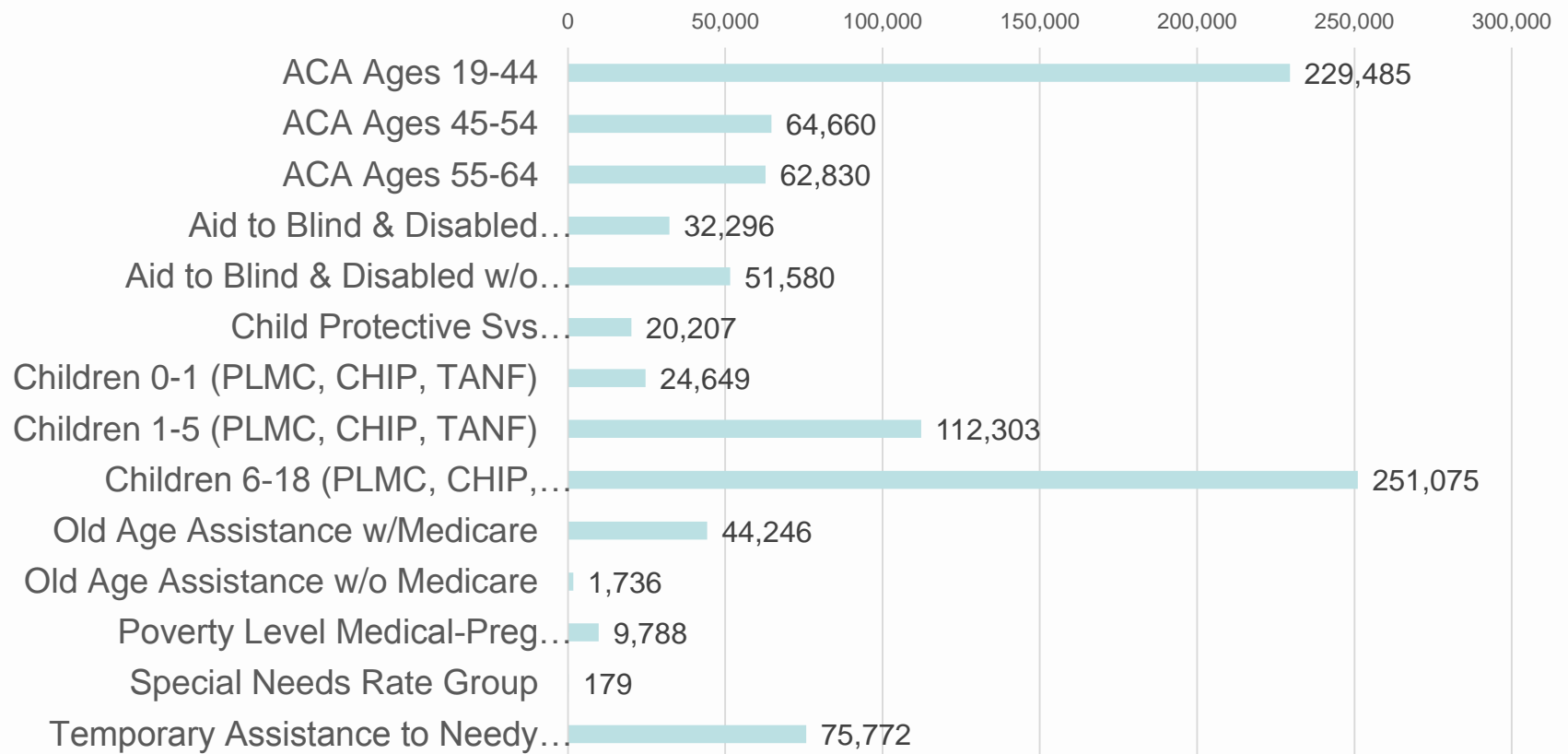
- The OHP population which has full benefits and can be enrolled into CCOs
- Those with limited benefits that cannot be enrolled into CCOs



The Medicaid Population is made of two distinct groups:

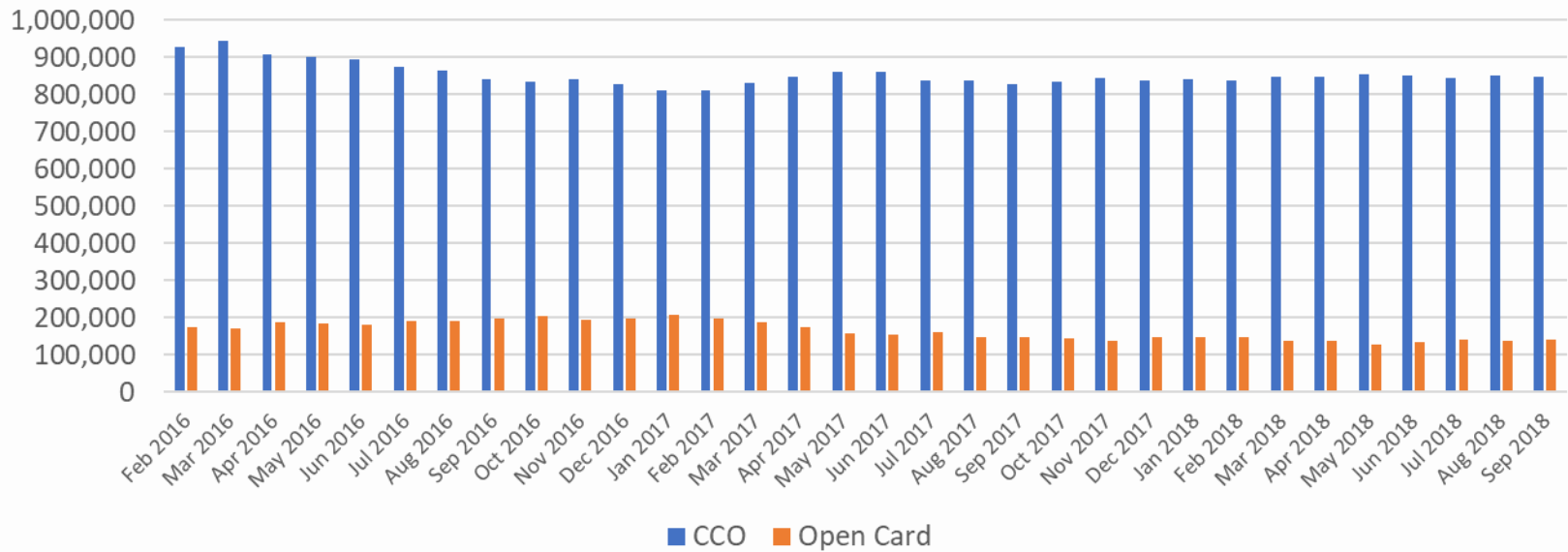
Enrollment in 14 Rate Categories

September 2018 Count of Person Enrolled/Eligible on the 15th of the Month by Rate Groups



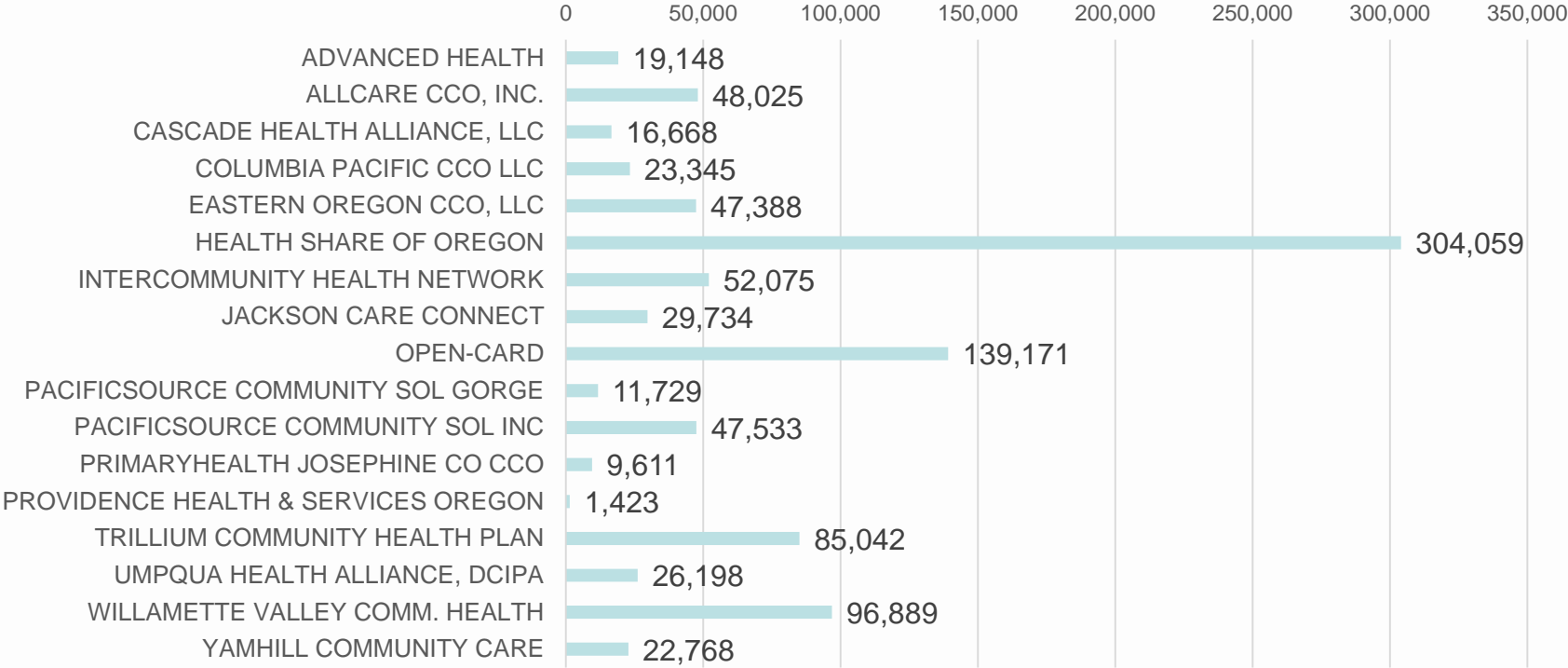
Trend of OHP Population

OHP Population: CCO Enrollment vs Open Card Members



Enrollment by CCO

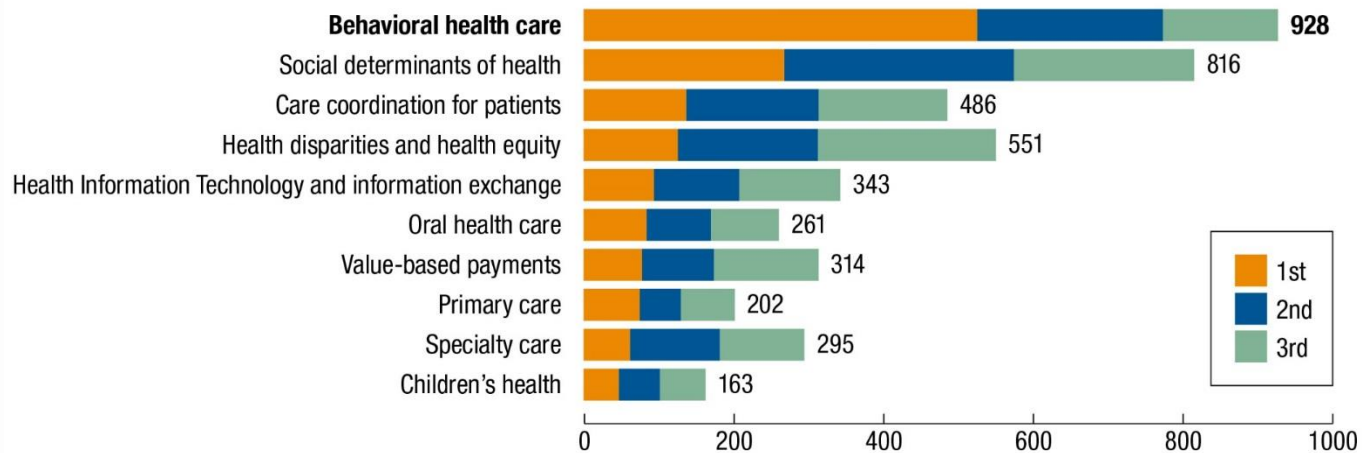
September 2018 Count of Persons Enrolled/Eligible on the 15th of the Month by CCO



Looking ahead: OHP

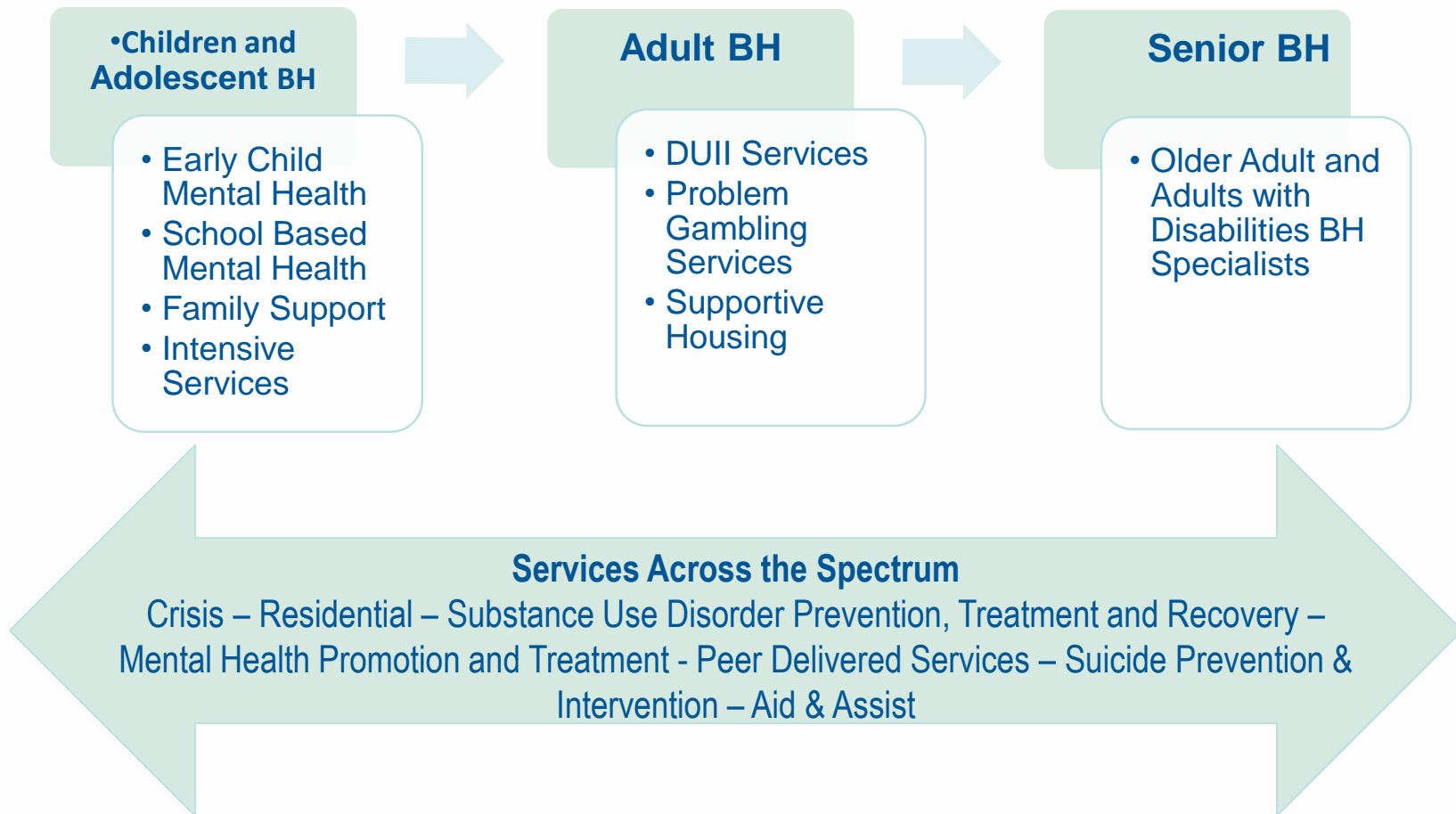
Looking to the future of CCOs, or what we call “CCO 2.0”, which of the areas need more attention and work to improve?

All survey takers: 928 (61.8%) of respondents ranked behavioral health care as one of the top 3 areas that needs attention.



Behavioral Health

Behavioral Health



Oregon State Hospital



Psychiatric Hospital

- **Serves:** Adults (18+) needing intensive psychiatric treatment for severe mental illness from all 36 counties
- **Goal:** Help patients achieve a level of functioning that allows them to successfully transition back to the community



Junction City Campus

Operating – 4 units, 100 beds
Average census – 78
Position authority – 357



Salem Campus

Operating – 24 units, 578 beds
Average census – 500
Position authority – 1,890

Commitment Types

- Civil/Voluntary by Guardian
- Guilty Except for Insanity
- Aid & Assist

Additional Services

- Neuropsychiatric
- Forensic Evaluation

Treatment

Patients:

- Individualized treatment care plans
- Groups and Peer Support
- Manage illness and build skills
- Community reintegration

Public Health

Oregon Public Health Division

Public Health Director's Office

Fiscal and Business Operations
Policy and Partnerships
Science and Evaluation
State support for local public health (pass through)

Center for Prevention & Health Promotion

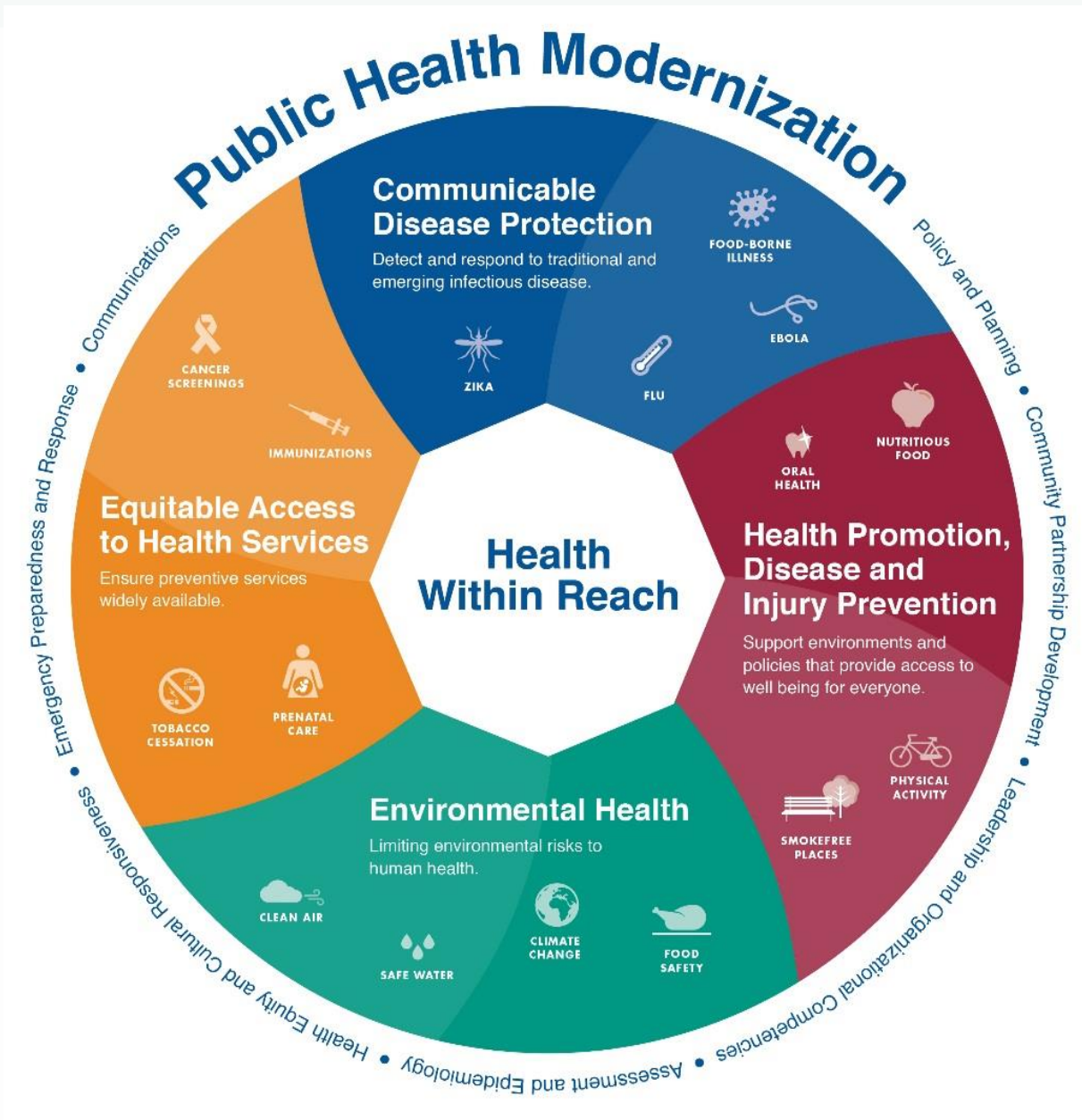
Adolescent, Genetic and Reproductive Health
Health Promotion and Chronic Disease Prevention
Injury and Violence Prevention
Maternal and Child Health
Nutrition and Health Screening (WIC)

Center for Health Protection

Drinking Water Services
Environmental Public Health
Health Care Regulation & Quality Improvement
Health Licensing Office
Oregon Medical Marijuana Program
Radiation Protection Services

Center for Public Health Practice

Acute and Communicable Disease Prevention
Center for Health Statistics
HIV, STD and TB
Health Security, Preparedness and Response
Immunization
Oregon State Public Health Laboratory



Prescription Drug Monitoring Program (PDMP) Overview

Purpose: To provide a comprehensive prescription history to health care professionals in order to improve patient safety and health outcomes.

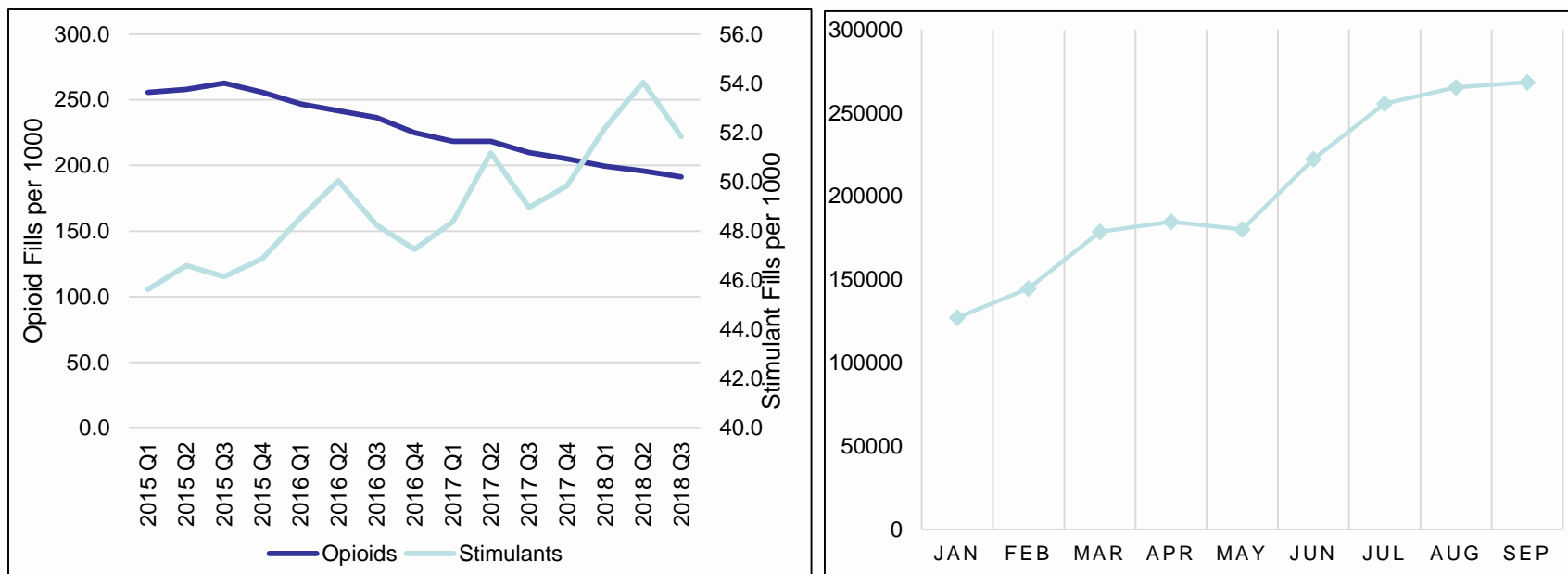
- The PDMP collects prescription data for all controlled drugs schedule II-IV and drugs of interest that are dispensed in Oregon through retail pharmacies.
- This information is held in a secure database that authorized users are able to access.
- Authorized users (physicians, dentists, etc.) are able to access the PDMP through their web browser and view their patients prescription histories. PDMP data may also be integrated into a health information technology (IT) system.

PDMP Enrollees

- HB 3440 passed in 2018 and requires all Oregon prescribers register with the PDMP.
- **94% of the top 4,000 highest prescribers** in Oregon are registered.
- **79% of all prescribers in Oregon** are registered.
- HB 4124 passed in 2016, allowing for PDMP integration into health IT
- More than **3,700 prescribers and 200 pharmacists** are integrated today. More than 12,000 prescribers in queue for 2019 integration.

Numbers as of January 2019

Prescribing Trends and PDMP Usage

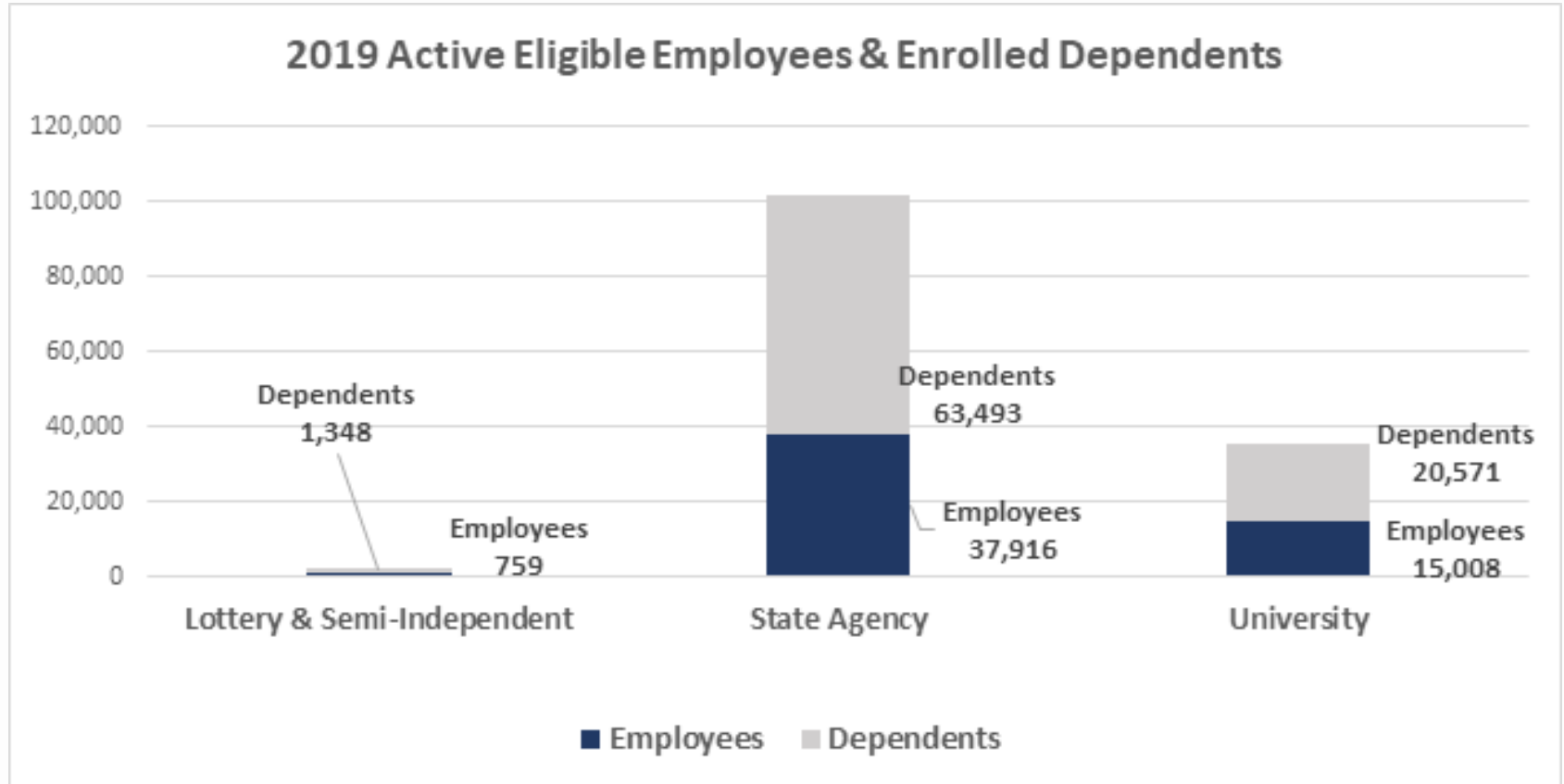


- Opioid prescribing decreased by 29% in the last 3 years
- Stimulant prescribing increased by 11% in the last 3 years
- Between January and September 2018 PDMP utilization increased 111%

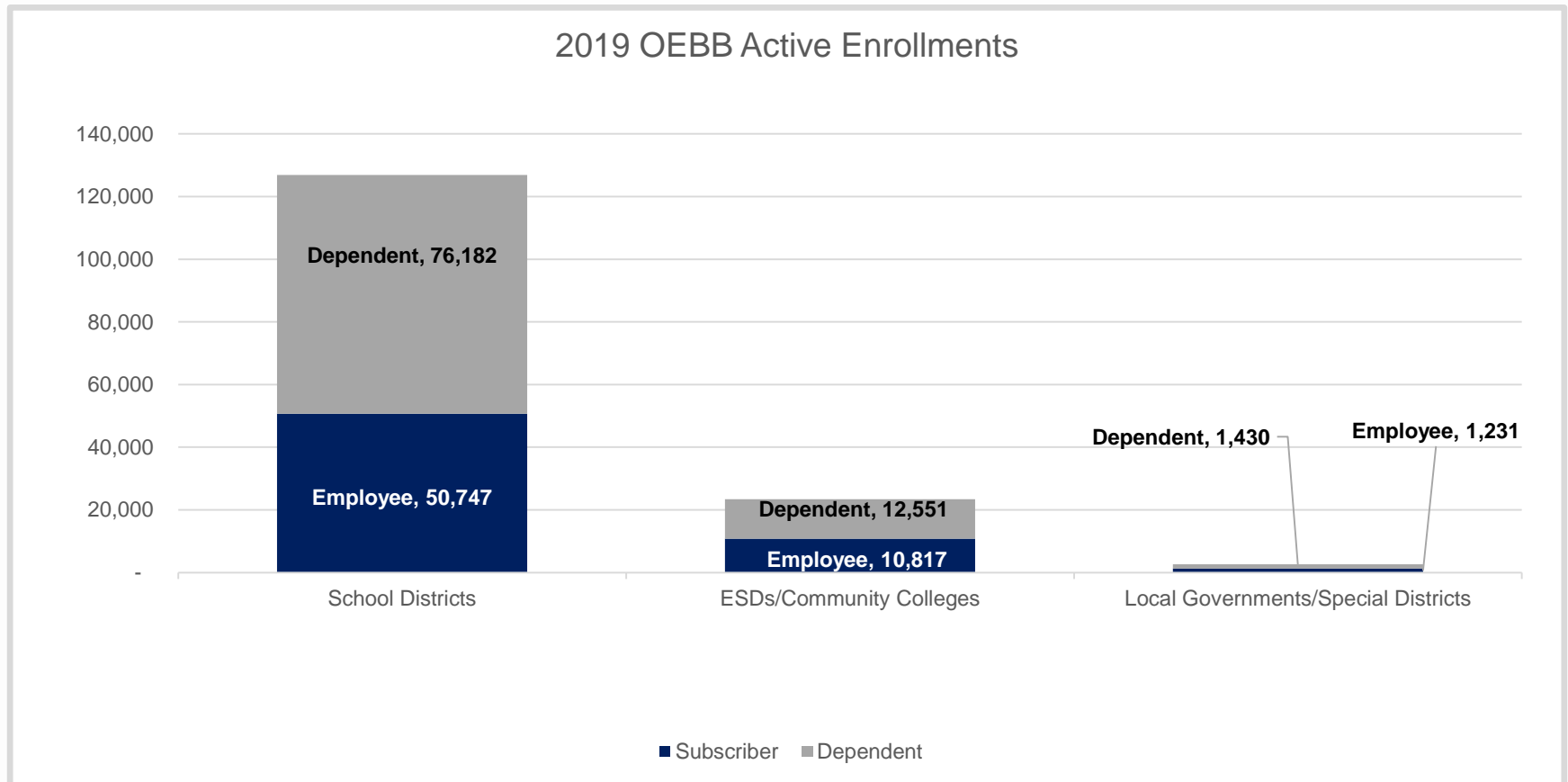
Public Employees Benefit Board (PEBB) & Oregon Employees Benefit Board (OEBB)



PEBB Member Enrollment



OEBB Member Enrollment



Quality of Life - Poor Mental Health

Ranges / Target		2015	2016	2017
Target		3.1 days		
Green	<= 3.1 days			
Yellow	3.2 – 4.4 days	4.4		
Red	>= 4.5 days		4.5	4.9

Factors Influencing Outcome Measure Performance

- Poor physical health
- Alcohol and drug use
- Access to quality physical and mental health care
- Adverse childhood experiences
- Socio-economic factors such as poverty

Purpose of the Measure

Measuring health-related quality of life helps characterize the burden of disabilities and chronic diseases in a population. Self-report of days when mental health was not good is a reliable estimate of recent health status.

Measure Calculation

Average number of mentally unhealthy days in the past 30 among adults

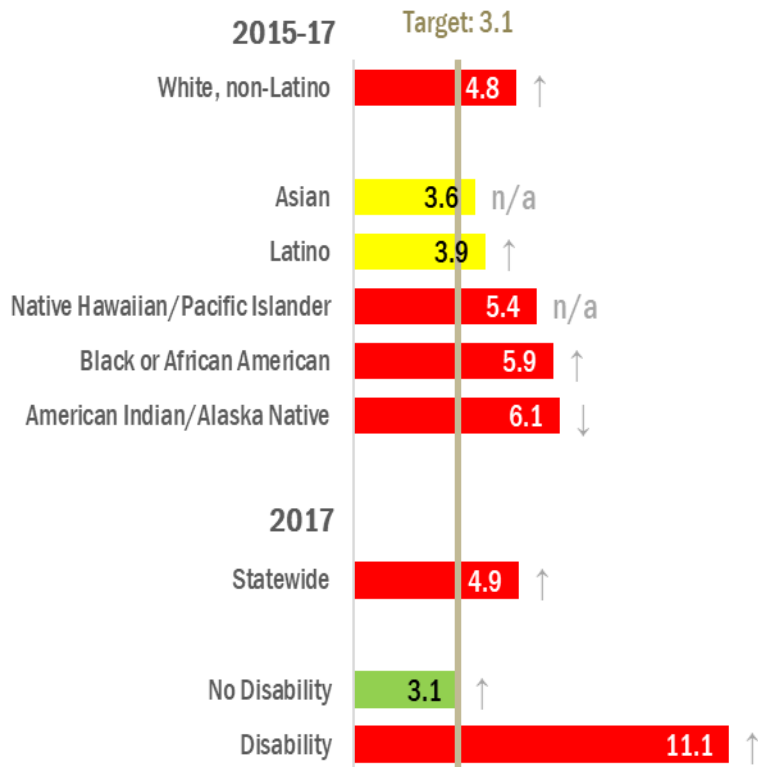
Relationship of this Measure to other Outcome Measures and Key Goals

This measure is related to the Key OHA Goal of ***Better Health***. The related measurement area is ***Improved Population Health*** and related sub measures are:

- Quality of life--poor physical health
- Tobacco use - adults and teen
- Obesity- adults and teen

Quality of life--poor mental health

Average number of mentally unhealthy days in the past 30 among adults (age 18+; age-adjusted)



Disparities

Key drivers include:

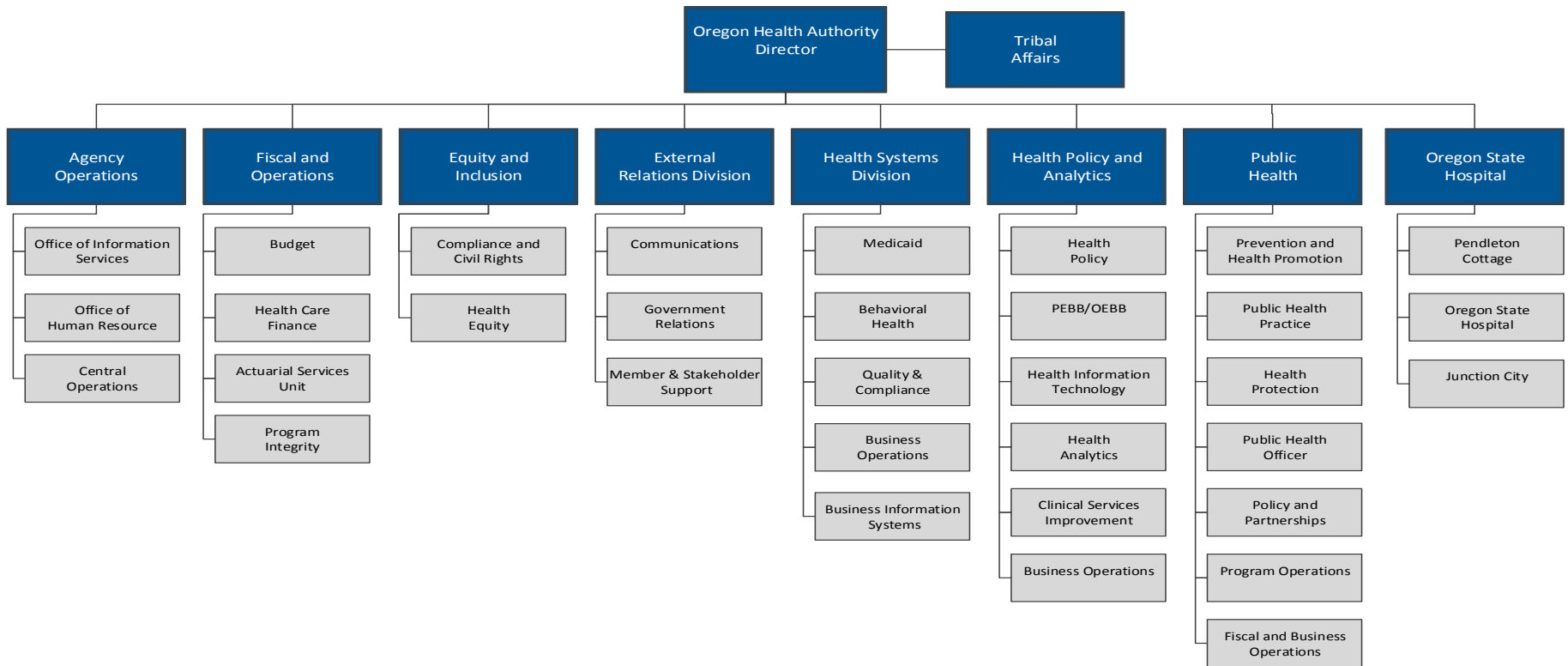
- Structural racism
- Socio-economic status
- Disability status

Activities underway to address disparities:

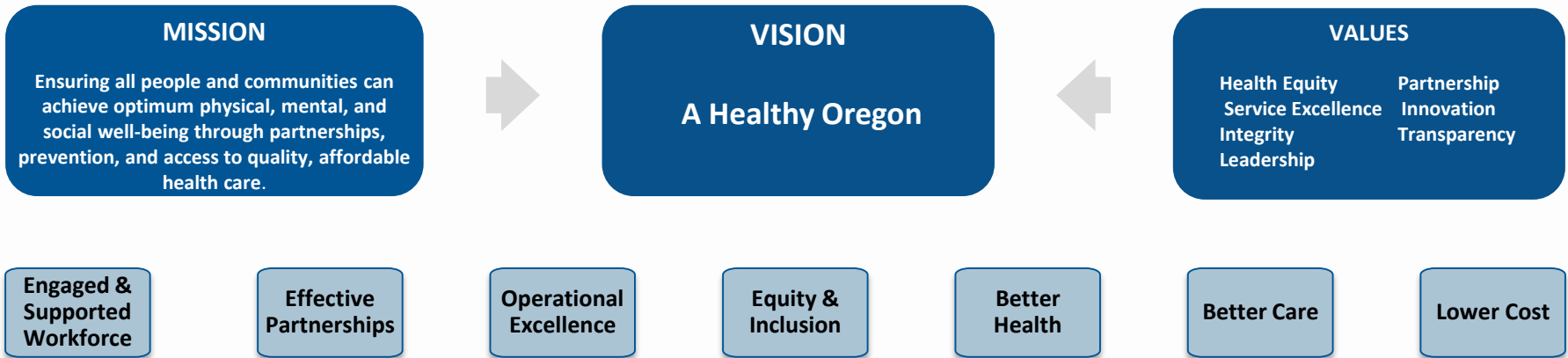
- State Health Improvement Plan includes health equity interventions for all priority areas
- CCO 2.0 focus on the social determinants of health and health equity
- OHA is elevating considerations of equity in all of its contracts

Organizational Structure & Partnerships

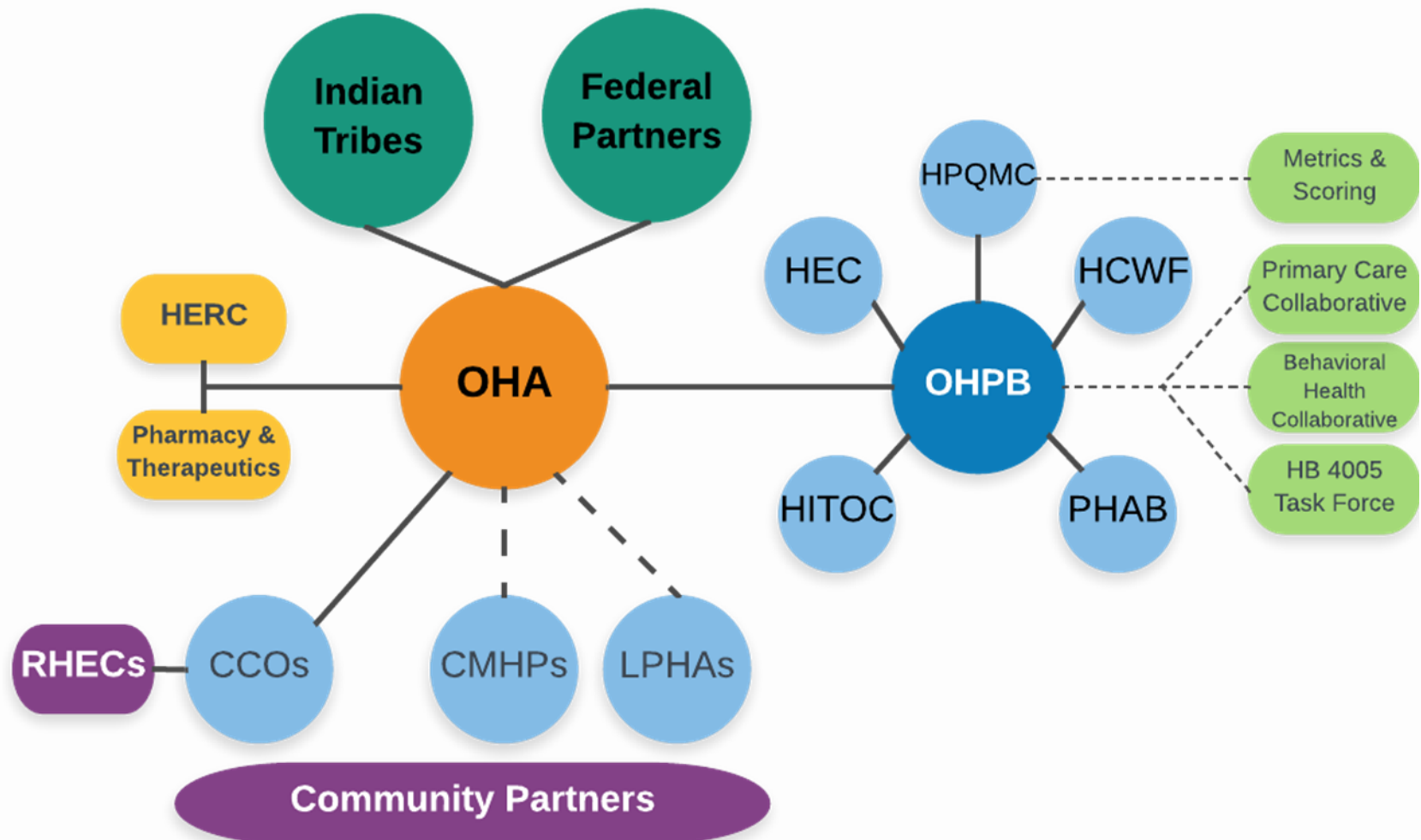
Organizational Structure



OHA Fundamentals Map



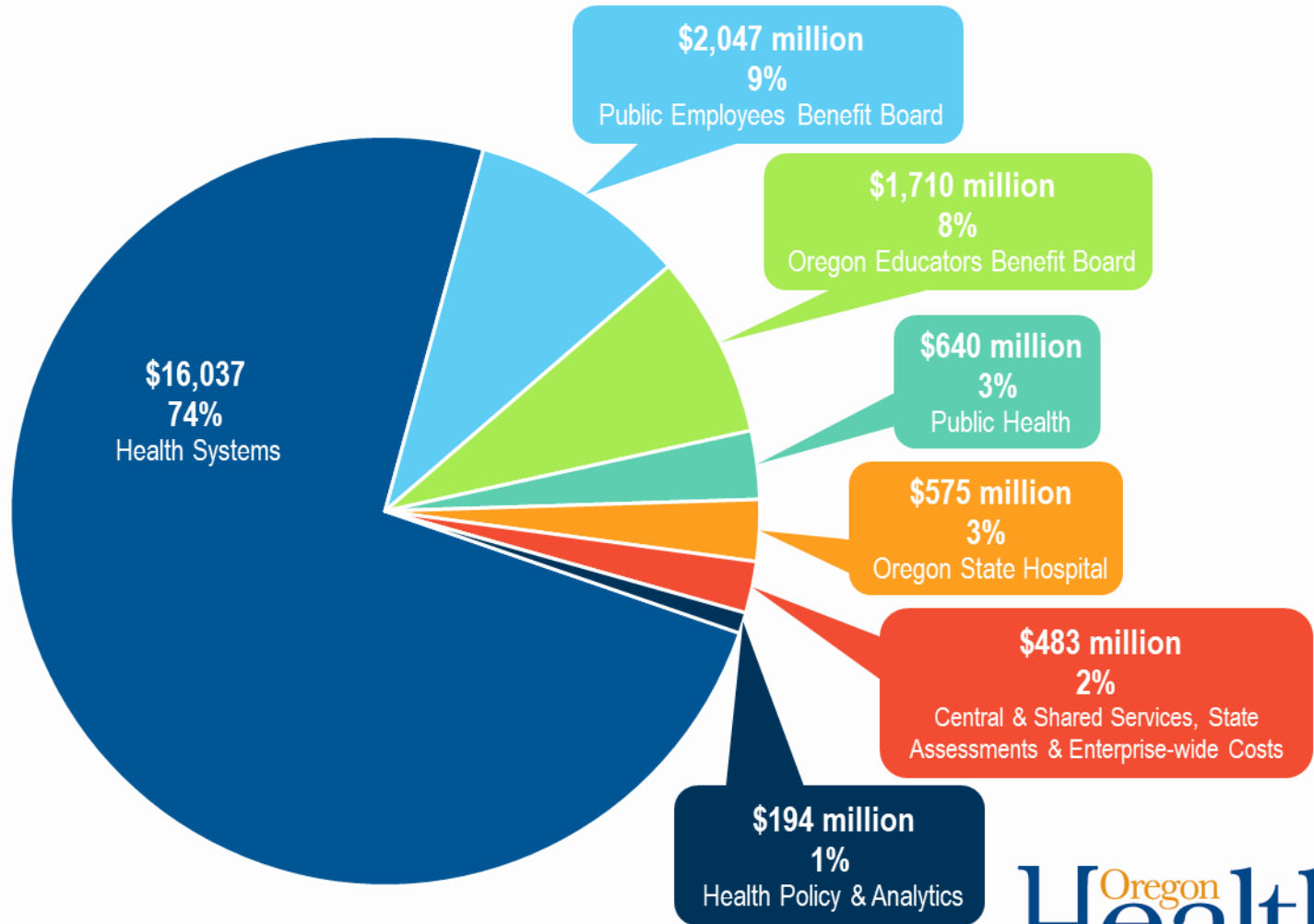
A system of partners and collaboration



How We Pay For It

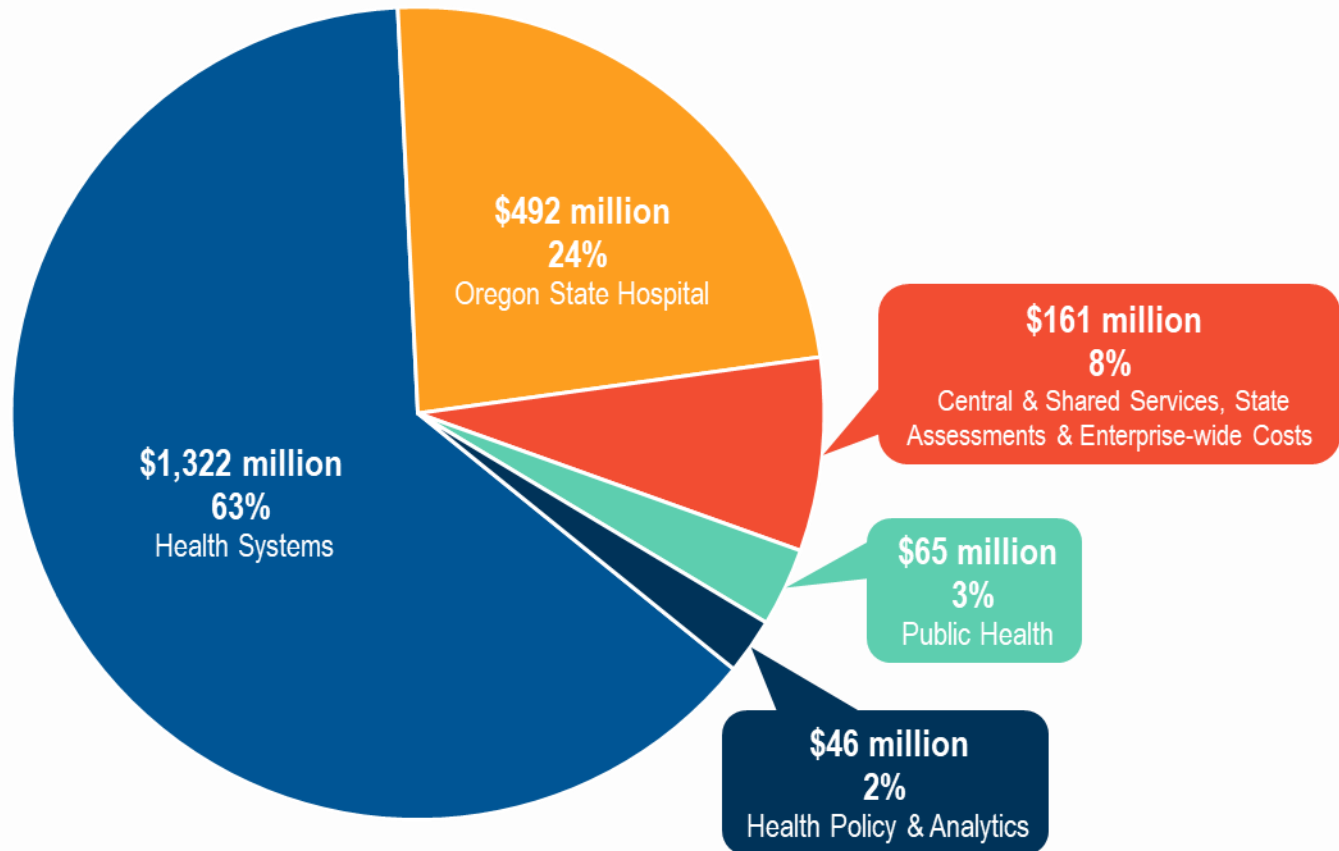
2017-19 Legislatively Approved Budget by Division

Oregon Health Authority
\$21,686 million Total Funds



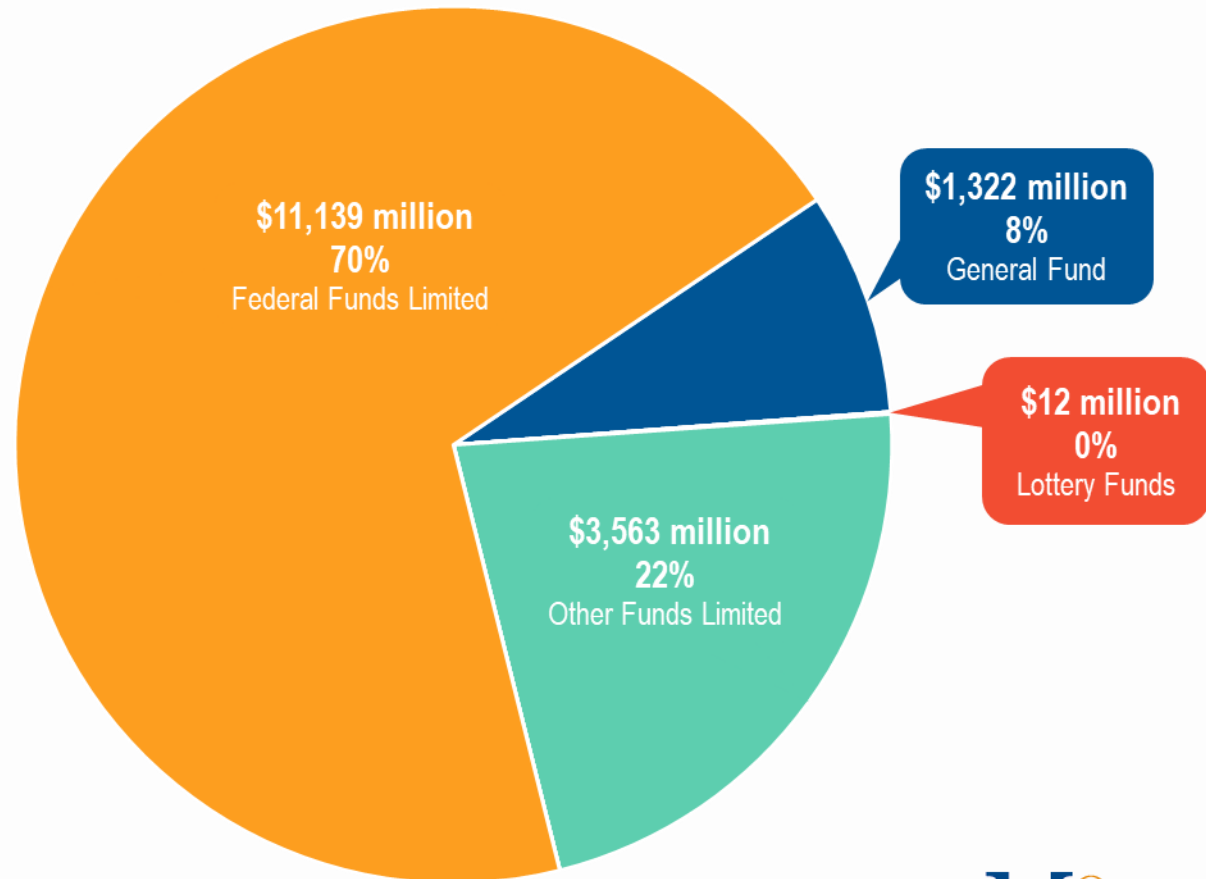
2017-19 Legislatively Approved Budget by Division

Oregon Health Authority
\$2,087 million General Fund



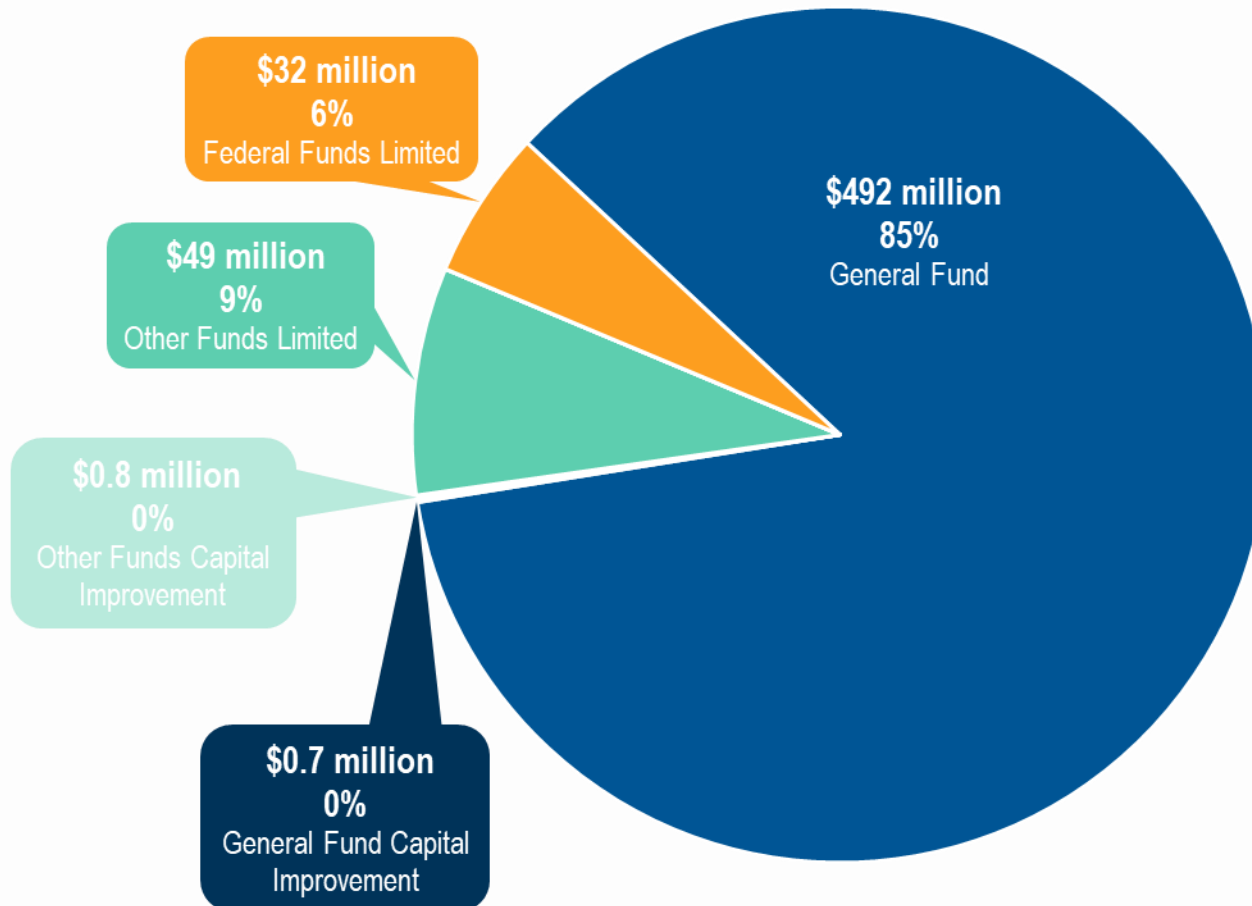
2017-19 Legislatively Approved Budget by Fund Type

Health Systems Division
\$16,037 million Total Funds



2017-19 Legislatively Approved Budget by Fund Type

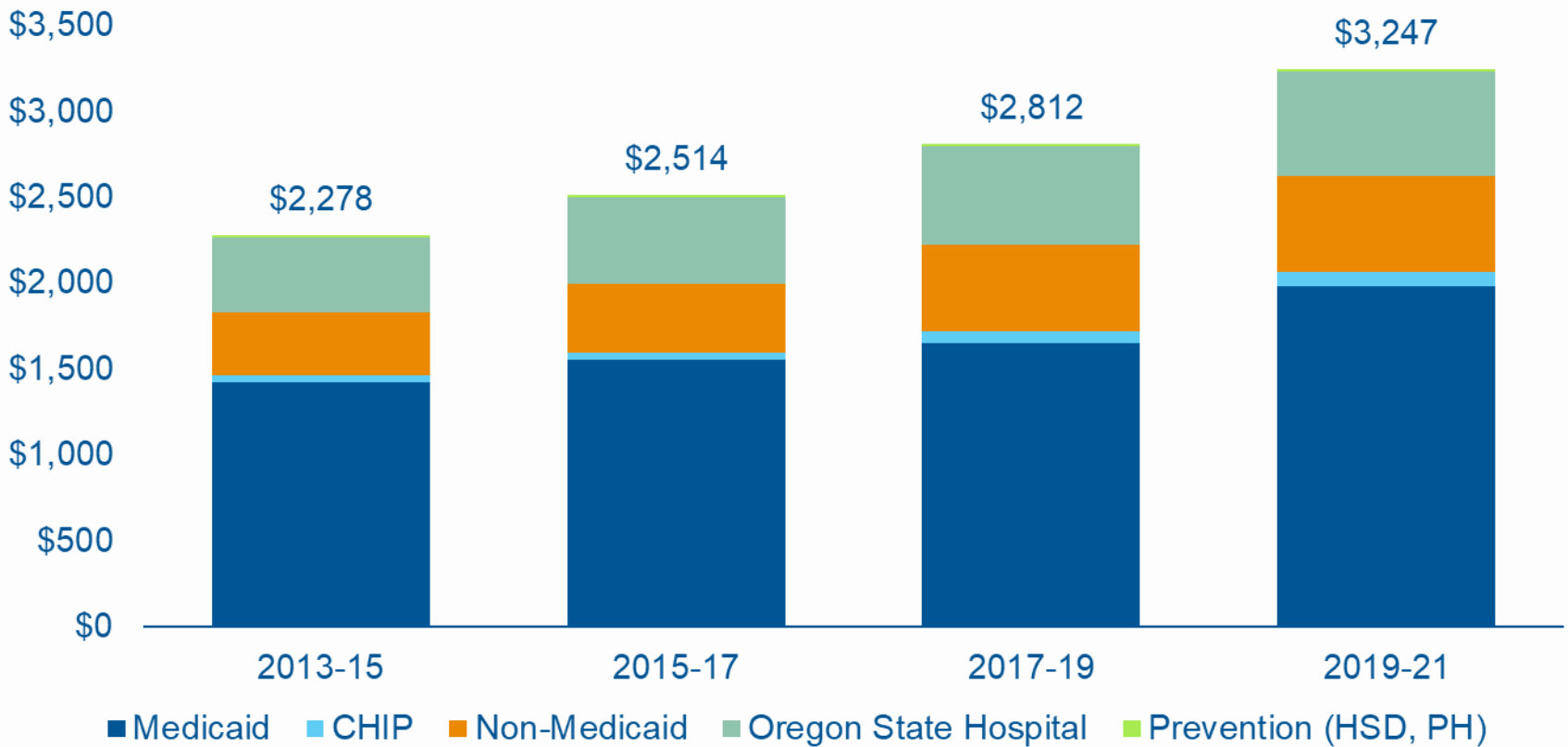
Oregon State Hospital
\$575 million Total Funds



Historical Behavioral Health Spending

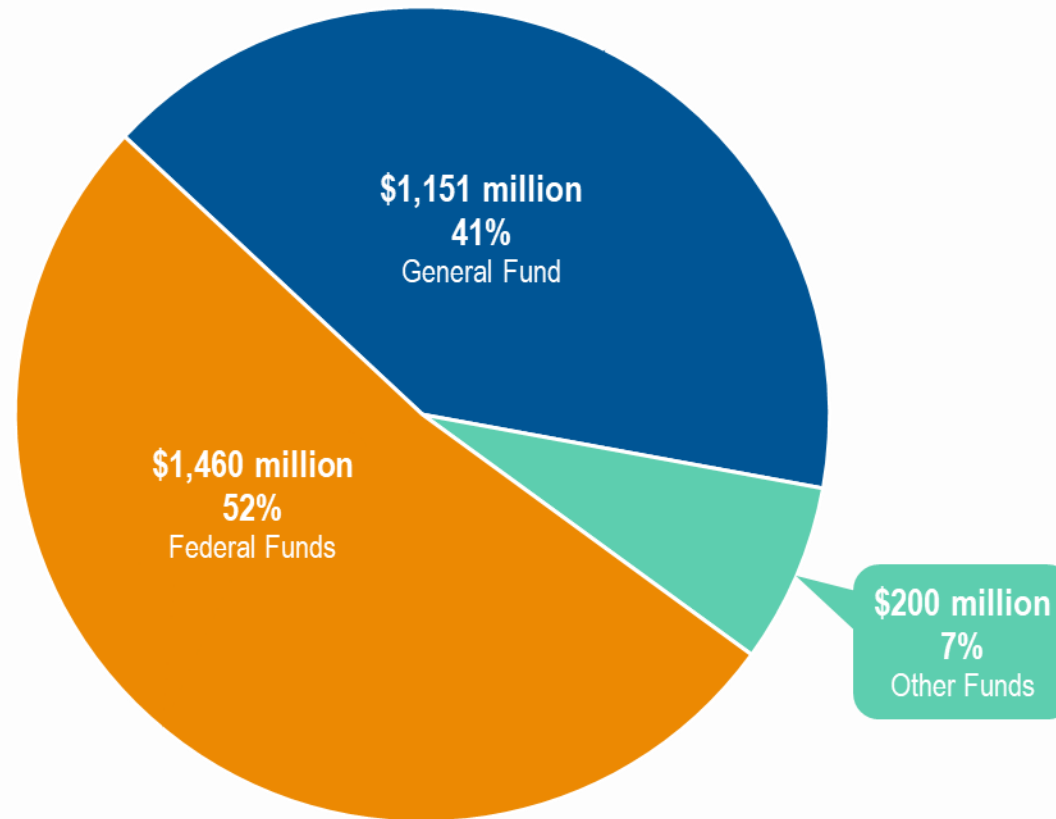
Total Funds in millions

Oregon Health Authority
Behavioral Health Spending
Total Funds in millions



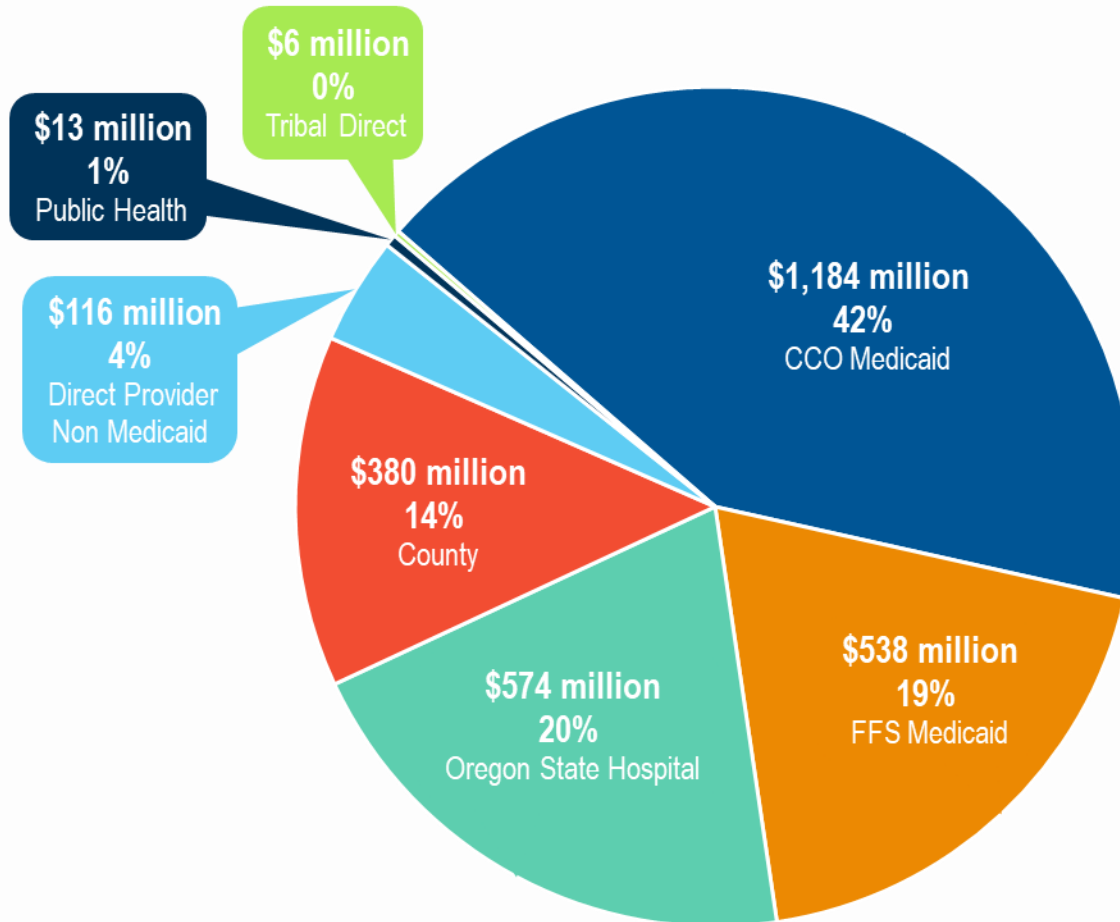
2017-19 Behavioral Health Spending

Oregon Health Authority
\$2,812 million Total Funds



2017-19 Behavioral Health Spending

Oregon Health Authority
\$2,812 million Total Funds



Challenges & Opportunities

Looking ahead: OHA

Preserve coverage and access

- ✓ Sustainable funding for the Oregon Health Plan
- ✓ Ensuring a sustainable Marketplace

Spread reforms into other markets (e.g. public employees)

- ✓ Leveraging the state's data to increase transparency on cost and quality
- ✓ Align efforts to pay providers for value rather than volume of care

Focus on health and health equity

- ✓ Kids: Early interventions to ensure the next generation is successful
- ✓ Behavioral health: culturally responsive care at the right time
- ✓ Modernizing public health
- ✓ More focus outside doctors office on social determinants of health
- ✓ Reduce disparities
- ✓ Ensuring adequate, culturally competent workforce

Operational Challenges

- Business rigor and contracts
- Demographic data
- Behavioral health residential care
- Prior authorization
- Medicaid Issues Resolution log

OHA budget and legislative priorities

- ✓ **Set Medicaid funding on a sustainable path for the next six years**
 - Medicaid funding components (HB 2269)
 - Increase the price of tobacco and vaping (HB 2270, POP 406)
- ✓ **Transform health care delivery and reduce costs** (POP 422)
 - Support implementation of CCO 2.0 contracts and performance monitoring (HB 2267, POP 416)
 - Improve CCO financial reporting and solvency (HB 2268)
 - Expand hepatitis C treatment (POP 415)
 - Hospital emergency department discharge data collection (SB 23)
- ✓ **Help families give their children a healthier start in life** (POP 404)
 - Provide universal home visiting after birth (POP 401)
 - Expand mental health access in schools (POP 402)
 - Invest in suicide intervention and prevention (POP 402)
 - Provide intensive in-home behavioral health services for kids (POP 403)

OHA budget and legislative priorities

- ✓ **Provide access to behavioral health services in the right place at the right time** (POP 409, POP 413)
 - Improve mental health outcomes through supportive housing
 - Invest in a more connected behavioral system (POP 411, POP 414)
 - Expand community services for mentally ill misdemeanor defendants (SB 24, SB 25, POP 410)
 - Establish a statewide Behavioral Health Home program (SB 22)
 - Continues to support development of behavioral health medication treatment algorithms (HB 2035)
- ✓ **Create a modern public health system that will keep communities safe and healthy** (POP 419, POP 420)
 - Improve communicable disease protection and emergency preparedness (HB 253, POP 405)
 - Protect drinking water systems (SB 27, POP 418)
 - Strengthen local health infrastructure (POP 417)