



March 4, 2019

TO: Sen. Laurie Monnes Anderson, Chair
Senate Health Care Committee

FROM: Jay Rosenbloom, MD, PhD
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Medical Director, Children's Health Alliance

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SUBJECT: Statement in Support of SB 765

The 120+ pediatrician members of the Children's Health Alliance stand in full support of SB 765, which will help ensure a robust primary care infrastructure. Children's Health Alliance pediatricians care for approximately 140,000 children and their families in the Portland metro area and Salem, and are committed to improving the health of all Oregon's children.

In 2017, SB 934 created the reporting mechanism to ensure payers are equitably supporting primary care and moving our health care dollars away from paying for "sick care" to a team-based approach to wellness and prevention. We now need to advance this work further and expand the limited definitions used previously for all to participate. SB 765 will help create an equal playing field in Oregon, helping *all* primary care clinicians provide the highest quality care to all children & families, regardless of insurance type or primary care practice type.

SB 765 seeks to clarify and update the following items from the original legislation:

1. **Address unfair treatment of CPC+ Payers by setting APM targets for all payers** – the original legislation intended to include all payers for all providers. However, the final language of SB934 excluded pediatric practices and many payers by restricting the payers to only CPC+ payers, a payment program encouraging alternative payments that support primary care for Medicare beneficiaries. While pediatric practices offer some of the most innovative primary care homes, they have been left out of payment mechanisms that allow them to invest in the needed infrastructure to sustain these innovative changes. In



- order to bend the cost curve long-term, we must invest in pediatric medical homes and our children. Providing these children with preventive services and intervening before risk factors or symptoms advance into a chronic condition can have significant positive long term impacts.
2. **Update the definition of Primary Care to target integrated care** – integrated behavioral health has become an integral and transformative element of primary care. To be comparable to the industry, legislation should be updated to properly reflect these services as primary care, and remove *specialty psychiatry* and OB/GYN from the definition, unless it is an integrated component of primary care.
 3. **Refine the definition of Total Medical Expenditures** – adding prescription drugs to the definition of total medical expenditures will ensure comparison to industry definitions of primary care spending. The current benchmark was set based upon recommendations from the May 2016 *Starfield Summit Report*, which included prescription drugs in Total Medical Expenditures. We must ensure the definition and benchmark are based upon the same information. Oregon's current target of 12% is artificially low.
 4. **Prospective reporting of Primary Care Investment and Payment Models** – prospective reporting will ensure real-time change rather than waiting for data with a retrospective look-back to inform change and help payers in the transformation of their payment models.

Comprehensive primary care delivers better care, resulting in substantial cost savings to other parts of the health care system and social services. In fact, a recent study from Portland State University showed that Patient-Centered Primary Care Homes in Oregon saved an estimated \$240 million over just three years. The researchers concluded that **every \$1 increase in primary care expenditures resulted in \$13 savings in other services.**

Now is the Time. We have a unique opportunity to ensure that Oregon's primary care infrastructure remains strong as practices develop new and innovative ways to provide better care for children and families. As independent pediatricians we are investing in new services such as integrated behavioral health, population health management technology, and complex care management for high-need children and families. These innovations require substantial investment, often with little or no return to those shouldering the costs.

The investment in primary care that many of Oregon's payers have begun needs to continue to ensure primary care practices remain financially viable. If we want to move away from paying heavily for "sick care," now is the time to ensure adequate resources



are invested in prevention and early intervention, ensuring a future of healthy Oregonians. Let's ensure the target is set at the appropriate level so that the information reported reflects true transformation.

Across the Children's Health Alliance 120+ pediatrician members we strongly advocate for SB 765, which will help ensure Oregon's children have access to the best possible health care regardless of insurance type.

Sincerely,

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