



Memorandum

To: Senator Laurie Monnes-Anderson, Chair, Senate Committee on Health Care
Senator Dennis Linthicum, Vice-Chair, Senate Committee on Health Care
Members of the Senate Committee on Health Care

From: Danielle Sobel, MPH, Policy Director at Oregon Primary Care Association
Marty Carty, Policy Senior Manager at Oregon Primary Care Association

Date: March 4, 2019

Re: Support for SB 765- Value-Based Spending in Primary Care

On behalf of the Oregon Primary Care Association (OPCA), we respectfully request your support of SB765. OPCA is a non-profit organization, with a mission to support Oregon's 32 community health centers, also known as federally qualified health centers, in leading the transformation of primary care to achieve health equity for all. Community health centers deliver integrated primary care, including dental and behavioral health services, to over **430,000 Oregonians annually**. Community health centers are providers within the CCO networks, providing care to Oregon's underserved populations, including **one in four Oregon Health Plan members**.

OPCA, a long-term member of Oregon's Primary Care Payment Reform Collaborative (Collaborative), supported the Collaborative's recommendation that Oregon utilize a single payment methodology for all payers in order to move the entire primary care system out of fee-for-service and into a model that pays for value-based care. SB 765 provides flexibility for all payers, not just CPC+ clinics, to implement this model over time, with oversight from OHA and DCBS, who will be charged with setting alternative payment methodology targets and a reporting mechanism for payers. The bill also accounts for the ongoing integration occurring in primary care of physical and behavioral health, allowing primary care clinics to maintain and incorporate behavioral health staff, nutritionists, substance use disorder professionals and other members of the care team in the definition of primary care.

Over the last 7 years, OPCA has been engaged in intensive work with the Oregon Health Authority to develop and implement an alternative payment methodology for community health centers and rural health clinics. This payment is designed to support an emerging advanced model of care to improve quality and outcomes for underserved patients while lowering total costs of care. Now in place at 16 health centers and two rural health clinics, this payment and care model supports care that's tailored to the patient population to address not only the medical, dental and behavioral needs of patients, but their social determinants of health as well. We expect that SB 765 will complement this work and know that our experience and work with OHA is likely to contribute to OHA's understanding when setting an all payer benchmark.

We also see this as an opportunity for OHA to further align payment to support ongoing transformation efforts in CCO 2.0. As the next iteration of the CCO model prepares to launch in 2020, one of the core tenants is the shift towards value-based pay, across all health care spending (not just primary care). While the majority of CCOs have met the existing 12% primary care spending target, setting an all payer benchmark reduces some of the administrative burden on clinics, if they know that all payers are operating under the same target and model to achieve that target. Supporting an advanced primary care model helps clinics and, simultaneously, frees up capacity for CCOs to implement value-based pay models across the spectrum of health care.

We encourage the committee to support SB 765, supporting the recommendations of the Collaborative and furthering this work in the legislature. This is an opportunity to continue to drive health care transformation while giving all payers the flexibility to engage in value-based pay in the primary care setting. We know this will foster continued innovation and collaboration to improve health outcomes in our health centers and look forward to additional alignment in the work we started over 7 years ago.

Thank you for your consideration of our testimony.

Oregon Primary Care Association
Leading the transformation of care to achieve health equity for all
www.orpca.org