
Oregon Health Authority Health Policy & Analytics

Presented to
Joint Committee on Ways and Means
Subcommittee on Human Services
March 6, 2019

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Why HPA

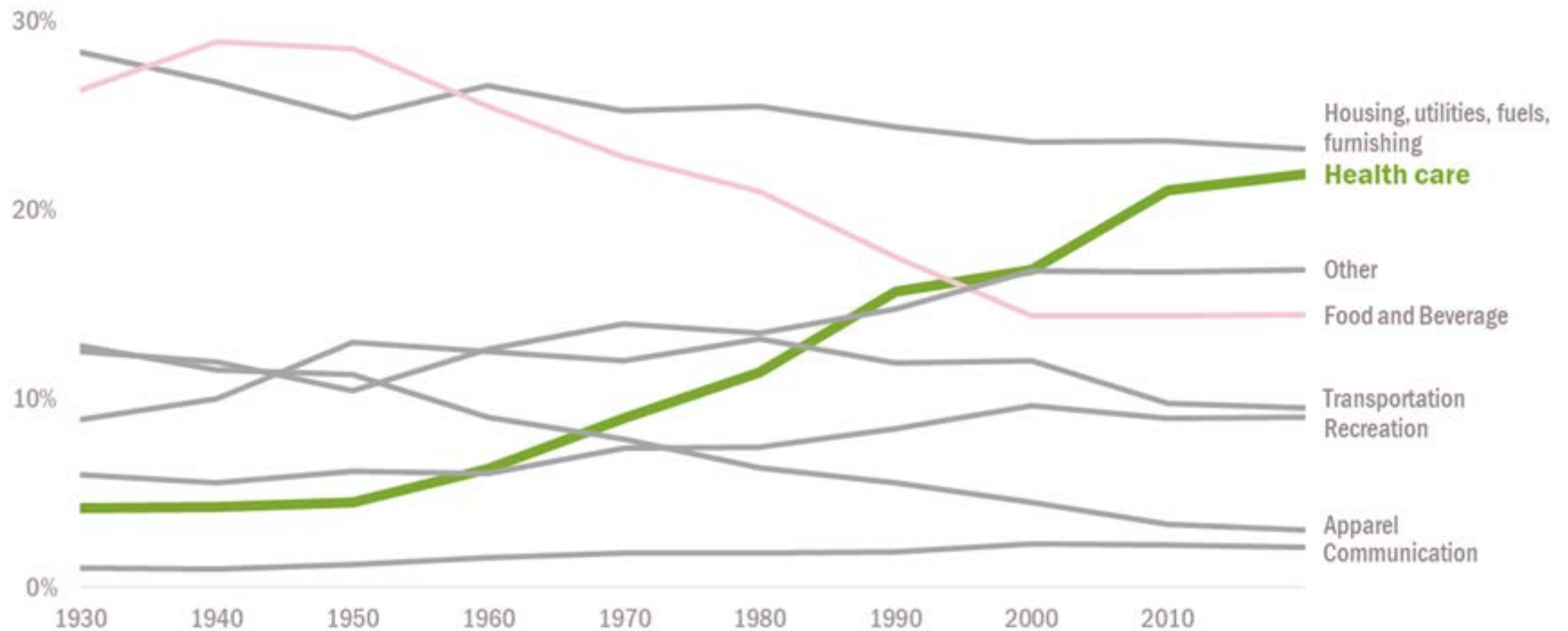
What HPA Does

Strategies and Successes

Challenges

Proposed Budget

Health Care as a Percentage of Household Spending Continues to Increase

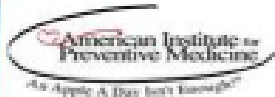


Source: BEA, Table 2.5.5. Personal Consumption Expenditures by Function

If Food Were Health Care...

If food prices had risen at medical inflation rates since the 1930's:

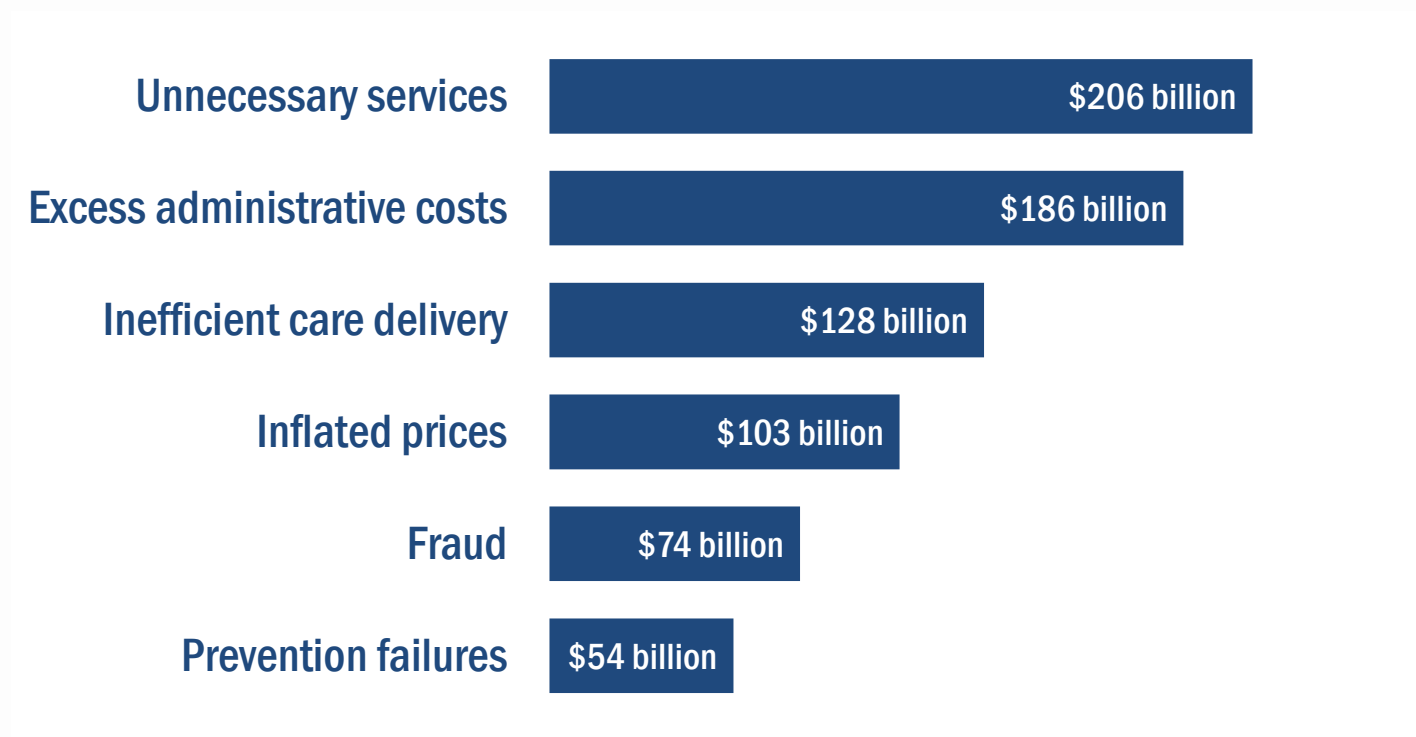
- 1 dozen eggs \$ 101.59
 - 1 pound apples \$ 15.49
 - 1 pound sugar \$ 17.34
 - 1 roll toilet tissue \$ 30.65
 - 1 dozen oranges \$136.68
 - 1 pound butter \$118.37
 - 1 pound bananas \$ 20.32
 - 1 pound bacon \$155.16
 - 1 pound beef shoulder \$ 55.19
 - 1 pound of coffee \$ 81.30
- 10 item total \$ 732.09**



Source: American Institute for Preventive Medicine, 2015

3

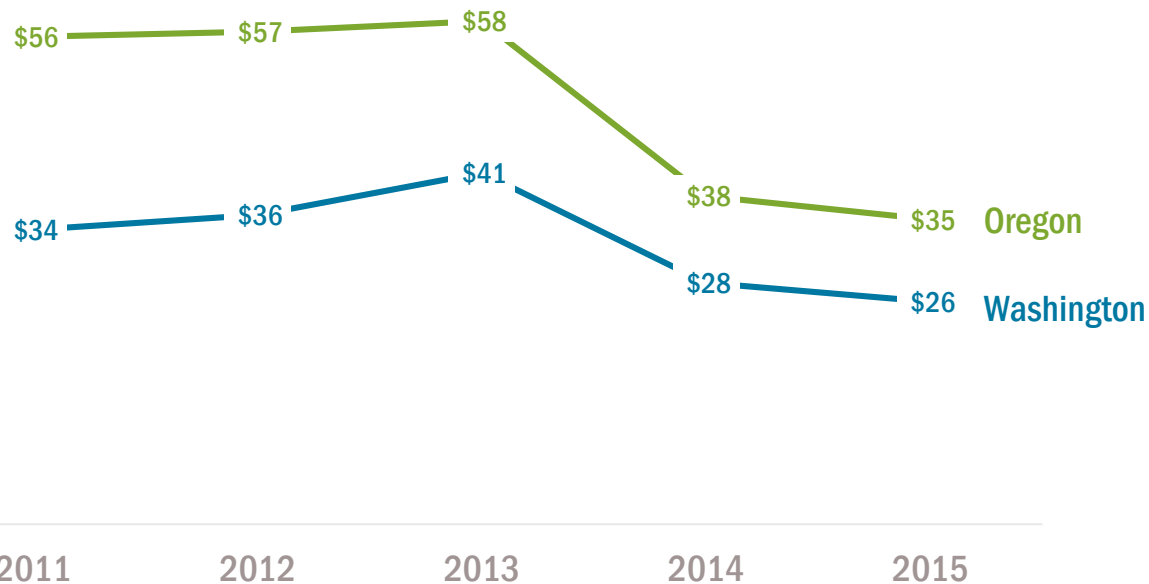
Institute Of Medicine: **\$750 Billion** in Annual Waste in the Health Care System



CCOs Have Reduced Costs

Inpatient facility spending decreased in both Oregon and Washington, but decreased much more among CCO members

Inpatient facility spending, per member per month



Why HPA

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HPA's Goal is to Transform and Improve Oregon's Health Systems for Everyone

1 Better health

2 Better care

3 Lower costs

Oregon is at the Cutting Edge of Health Care Reform Efforts

REPORT: OREGON'S HEALTH CARE TRANSFORMATION IS WORKING

Bend Bulletin

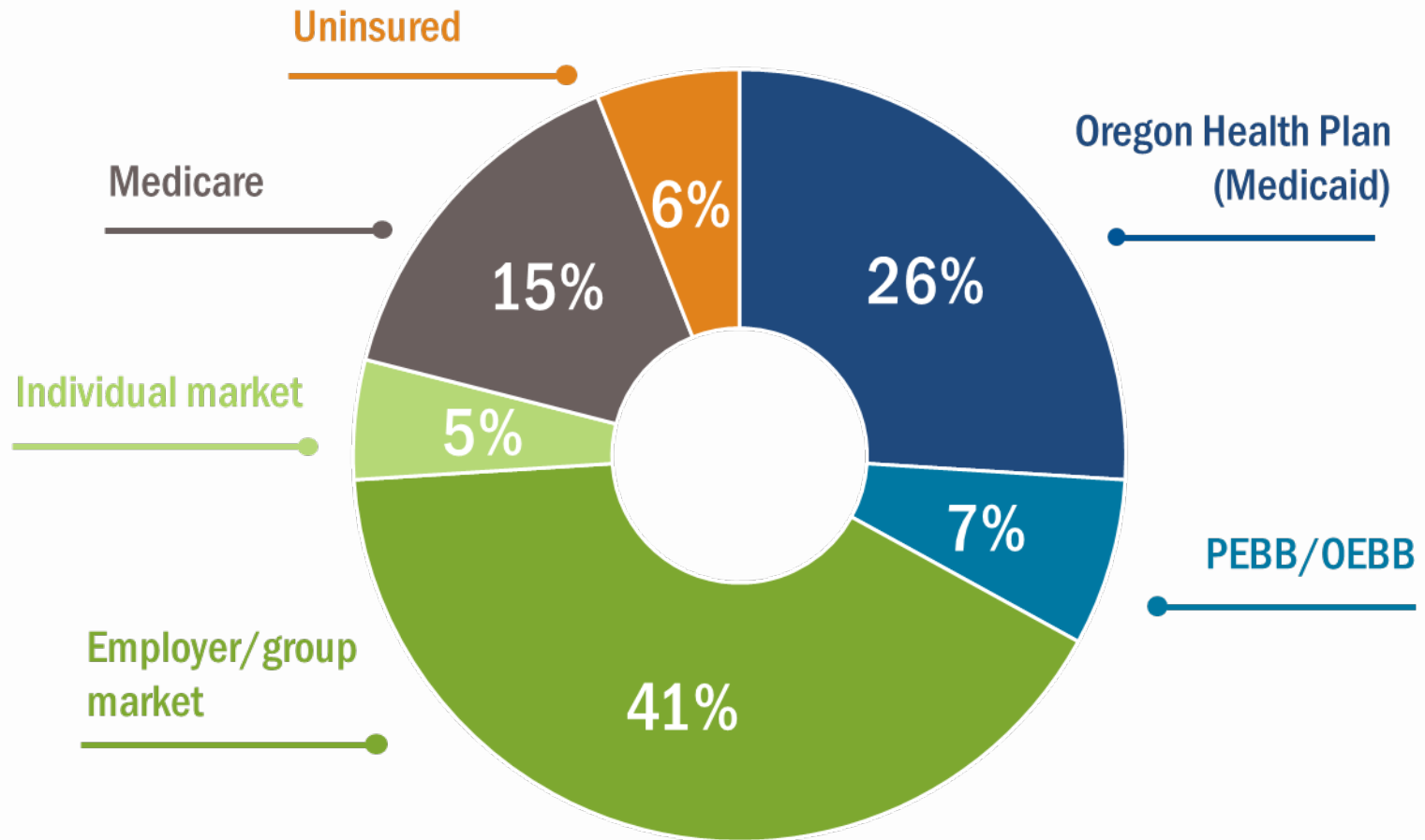
OREGON AGENCY CREATES MEASURES FOR HEALTH OUTSIDE OF CLINIC WALLS

Modern Healthcare

OREGON'S HIGH-RISK, HIGH-REWARD GAMBLE ON MEDICAID EXPANSION

Health Affairs

Innovations in Public Programs Can Influence Other Markets



Why HPA

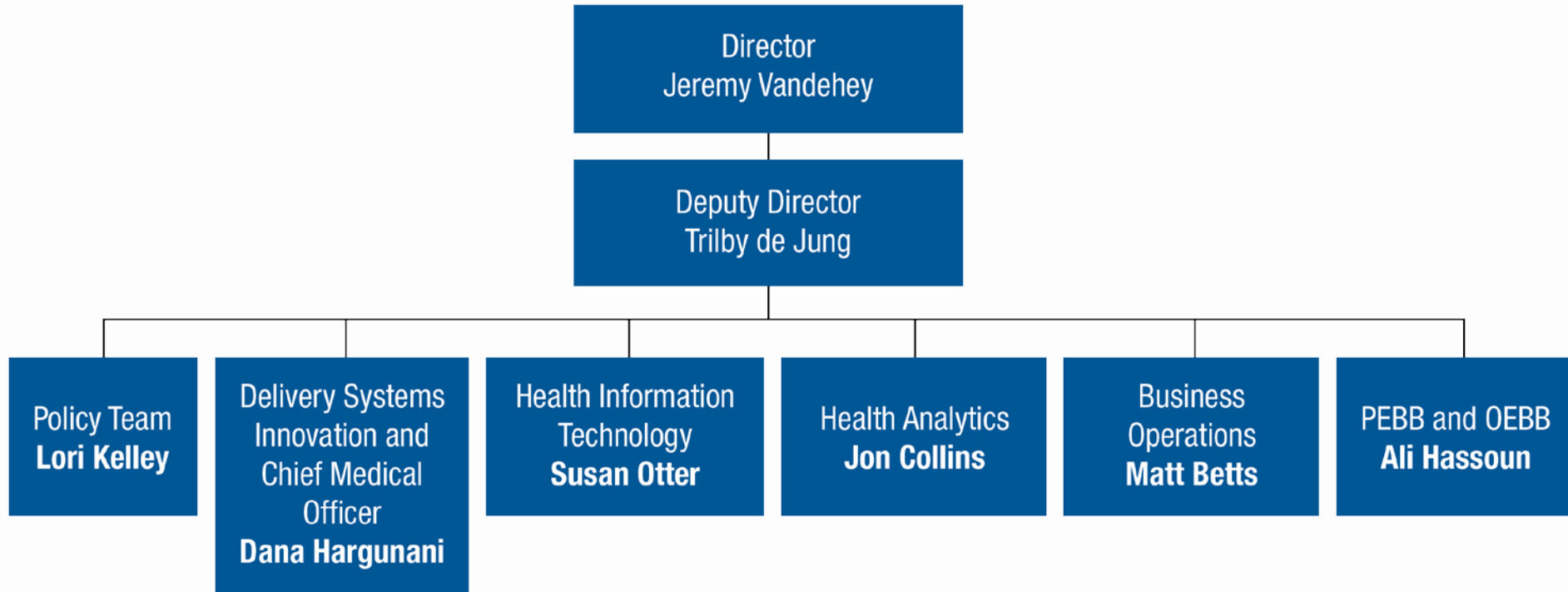
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HPA Organization



**Improve care
and health**

Develop and manage policy

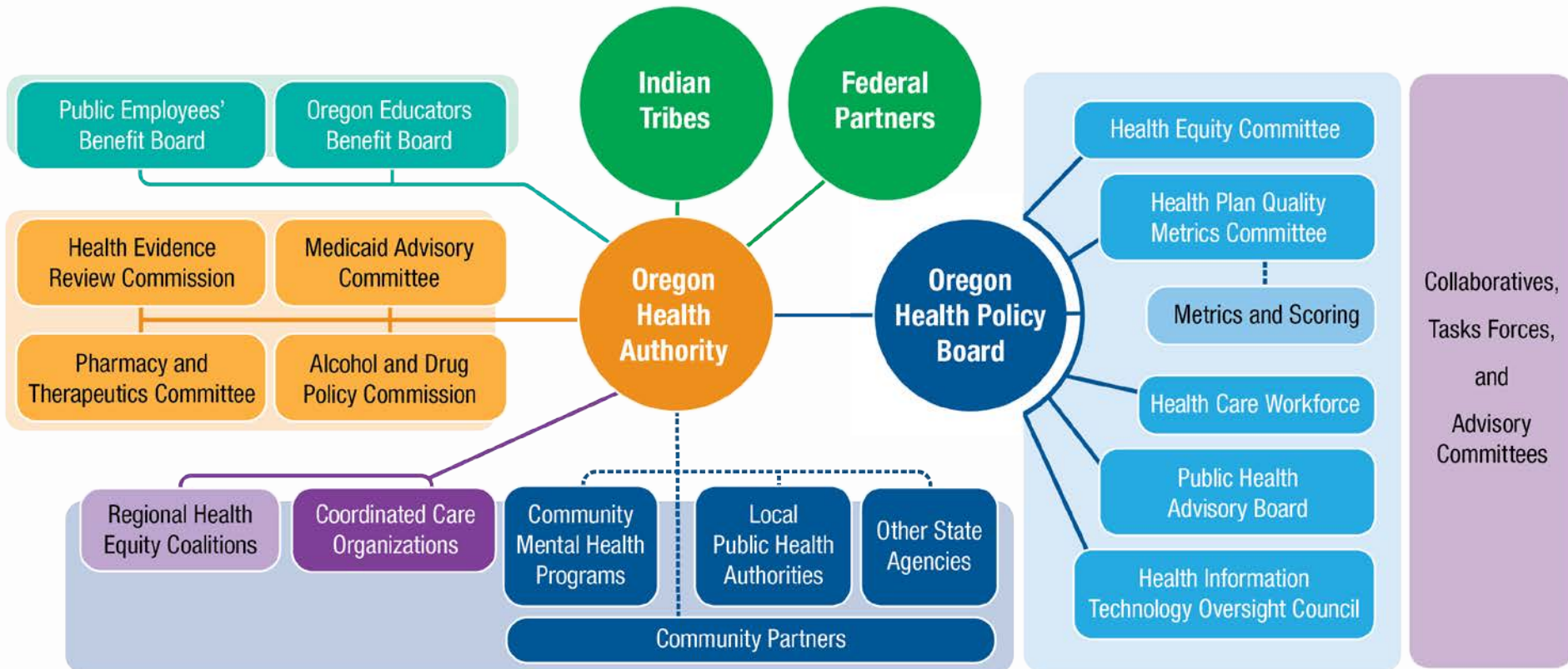
**Engage everyone
in health system
improvements**

**Our role in
health system
transformation**

**Change
how we pay
for health care**

**Use data to
hold the system
accountable**

HPA Supports 25 Policy Committees



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Communities Across the State Informed CCO 2.0



The Transformation Center Engages the Health Delivery System to Transform Care



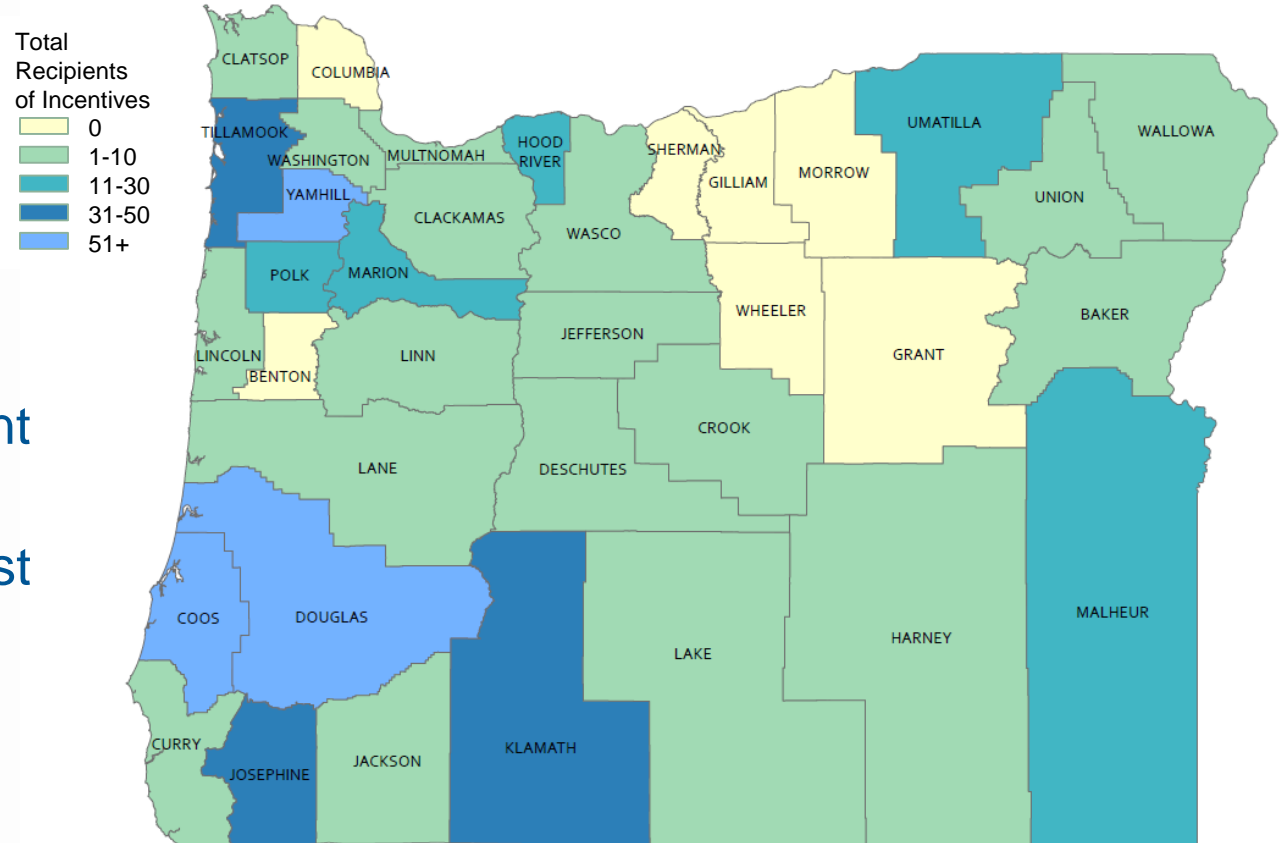
**465
supportive
activities**

**11,000+
participants**

- Multi-partner learning events
- One-on-one supports

Aligning Workforce Goals is Addressing Provider Shortage Areas

- Over 740 participating providers receive incentives
- Over 1 million hours of patient care provided
- Serving at least 1.2 million Oregonians annually



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Our role in health system transformation

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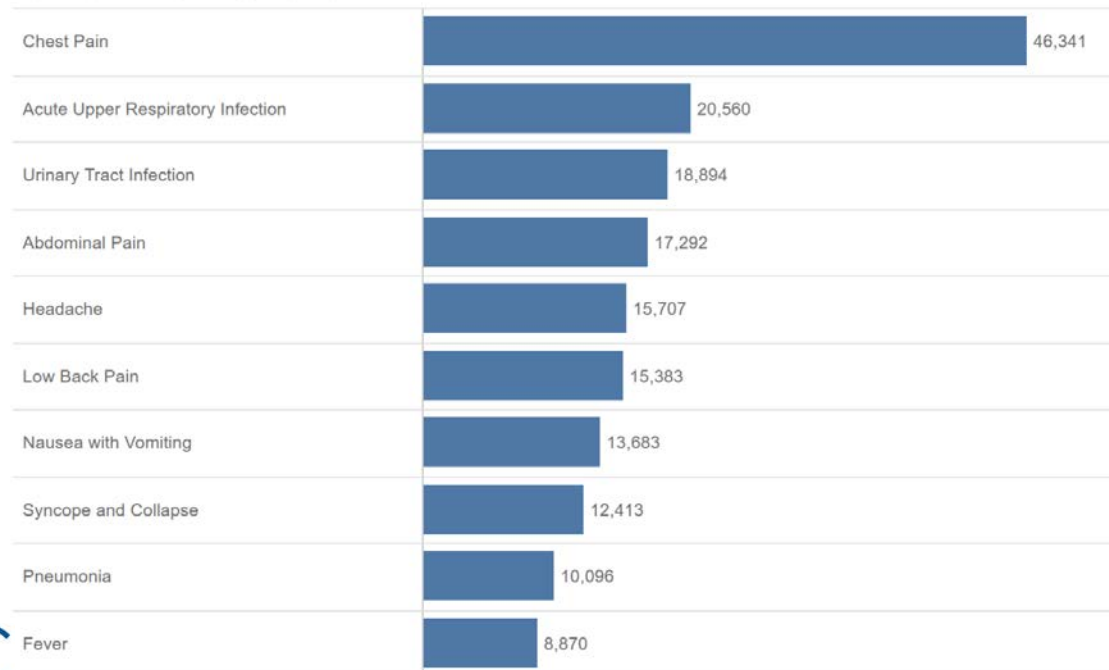
Use data to
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Data Helps Policymakers, Researchers, Public Understand Trends, Opportunities

Report View Report Category Year Age Group Gender Insurance Type Public Employee Insurance Urban vs. Rural

Insurance Type ▼ Emergency Departm... ▼ 2016 ▼ (All) ▼ (All) ▼ (All) ▼ (All) ▼ (All) ▼

Top Diagnoses by Emergency Department Visits

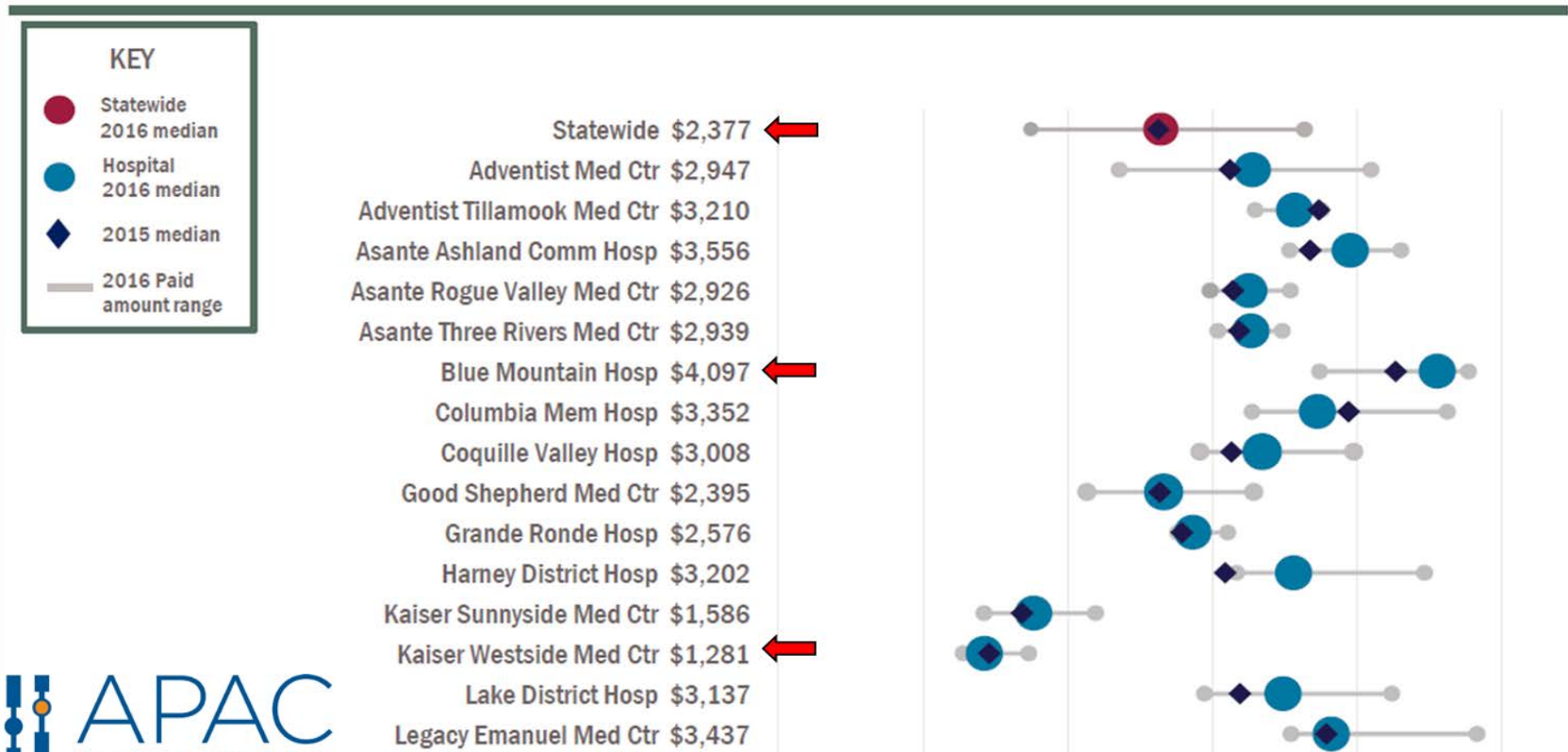


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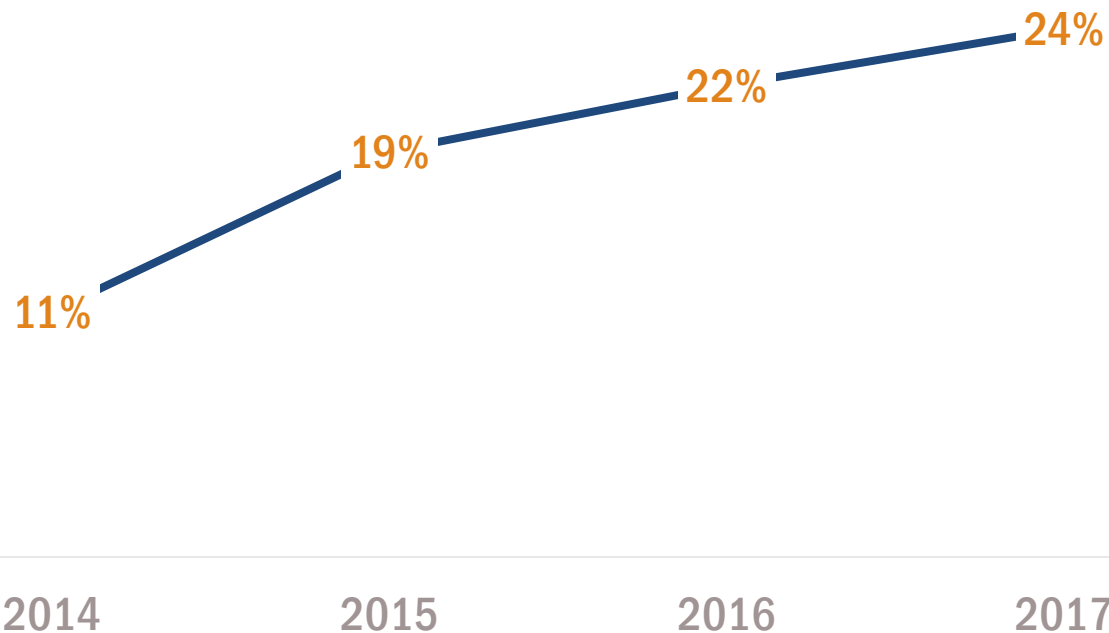
The Hospital Pricing Report Shows Variation in Pricing

Price of colonoscopy by hospital: \$1,200 to \$4,100



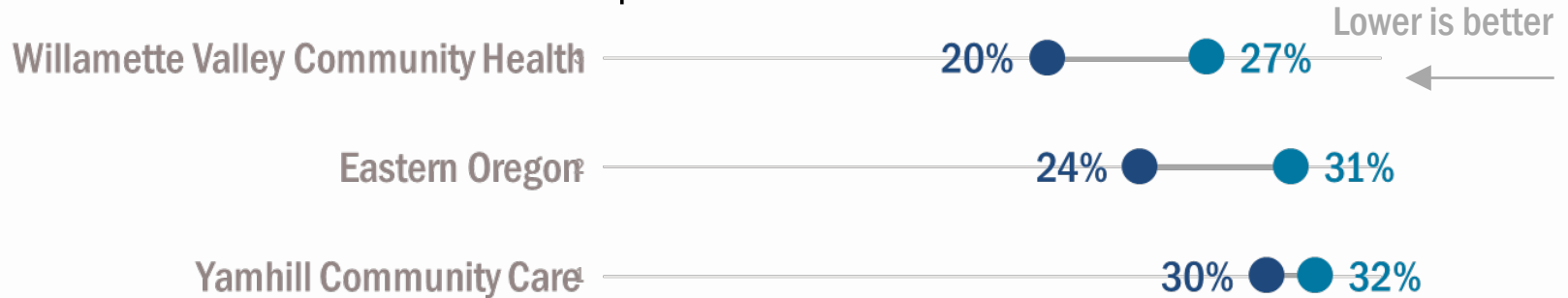
Measuring and Paying for Outcomes Improves Care

Dental sealants for children

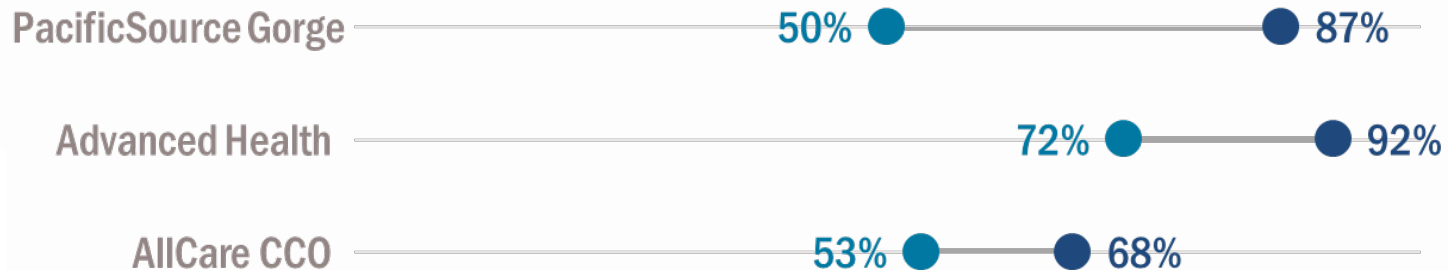


Performance Reports Measure CCO Quality Improvement and Community Outcomes

Tobacco use prevalence, 2016 and 2017



Health assessments for children in DHS custody, 2016 and 2017



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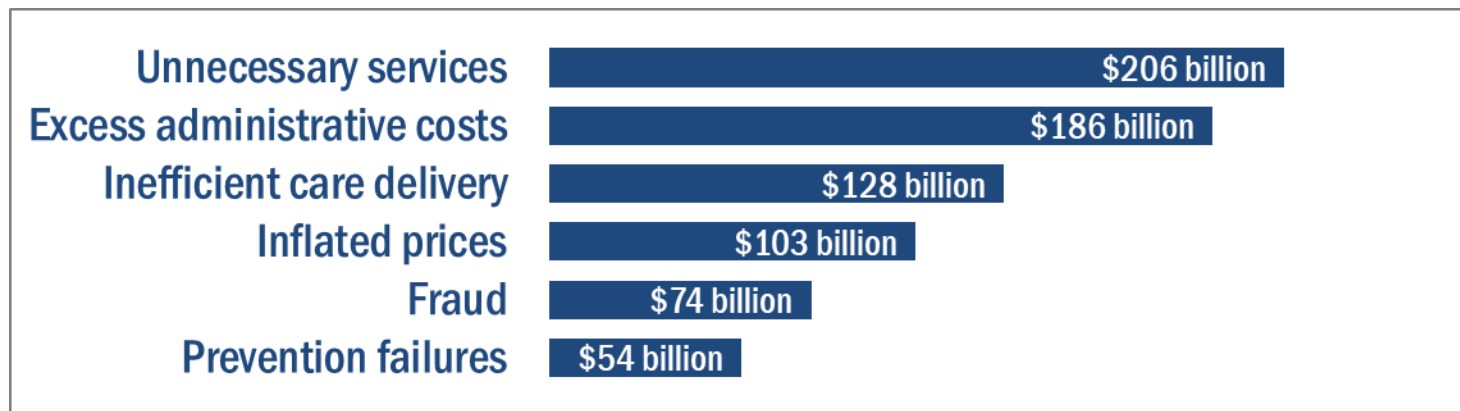
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What Do We Mean by Value-based Payments?

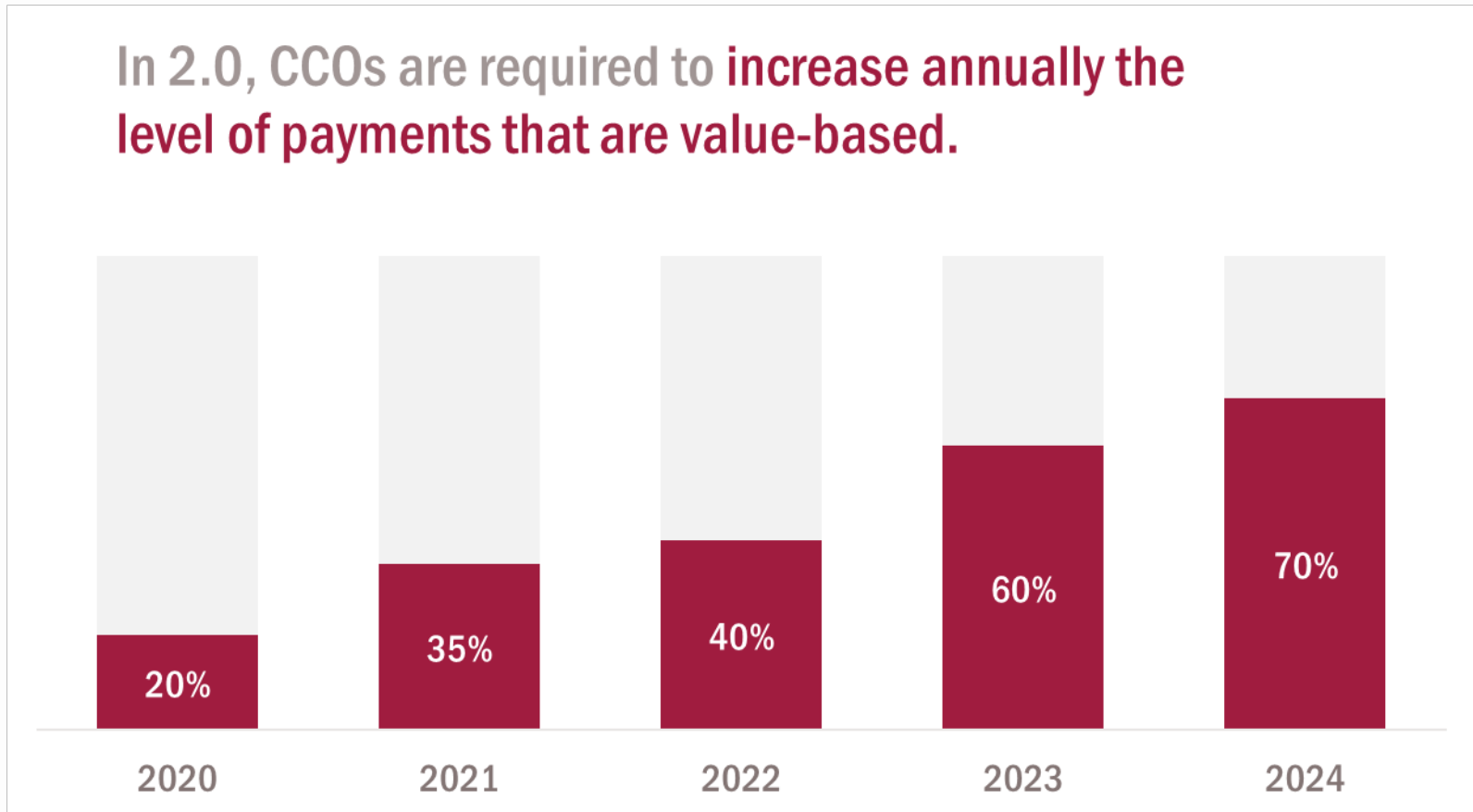
- Current “fee-for-service” model pays providers based on quantity of services



- Value-Based Payments (VBP) link provider payments to **improved quality and performance** instead of to the volume of services

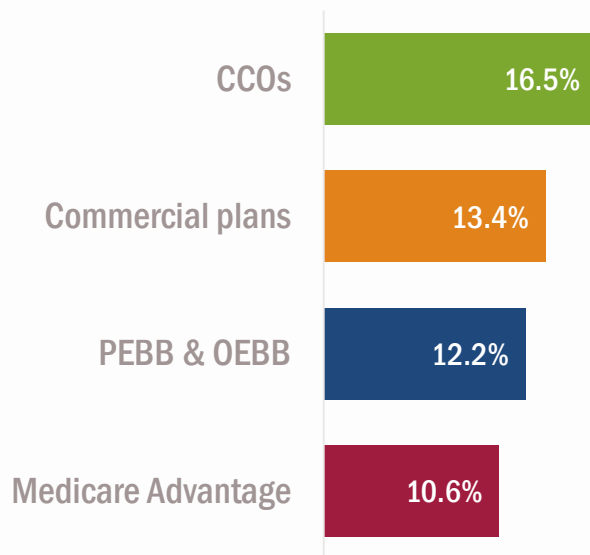
Aligned Goals Across CCOs, PEBB, and OEGB Will Increase Value-based Payments

In 2.0, CCOs are required to **increase annually the level of payments that are value-based.**

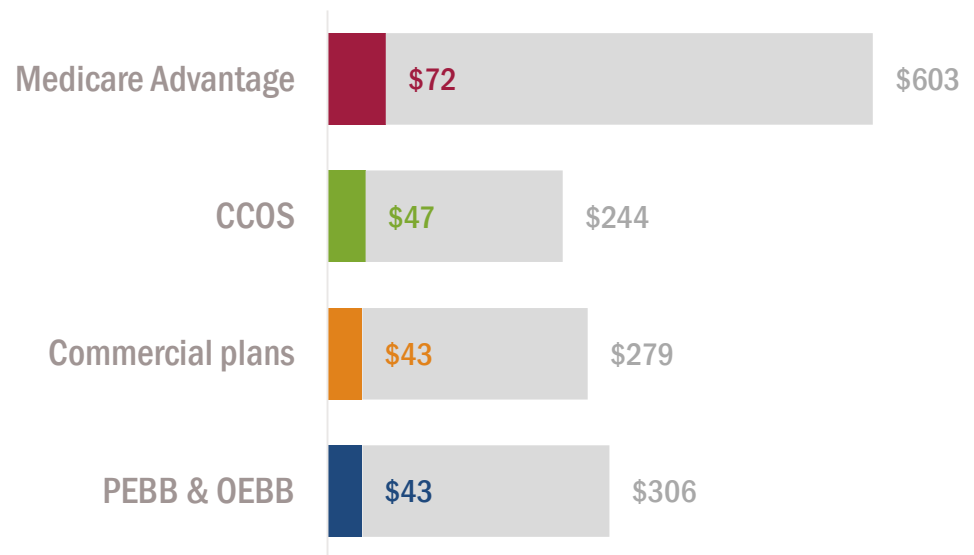


Policymaking and Technical Assistance Have Increased the Focus on Primary Care

Primary care spending as percent of total medical spending, 2017



Primary care spending per member per month, 2017

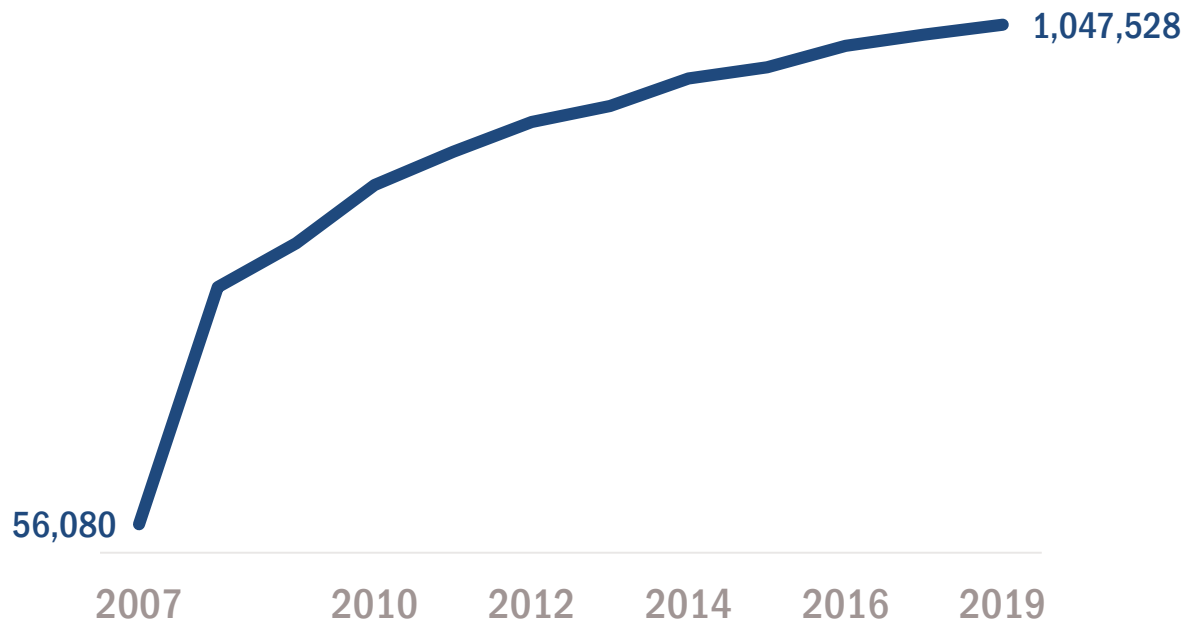


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Pooled Purchasing Results in Better Deals on Prescription Drugs for Consumers

Northwest Drug Purchasing Consortium enrollment



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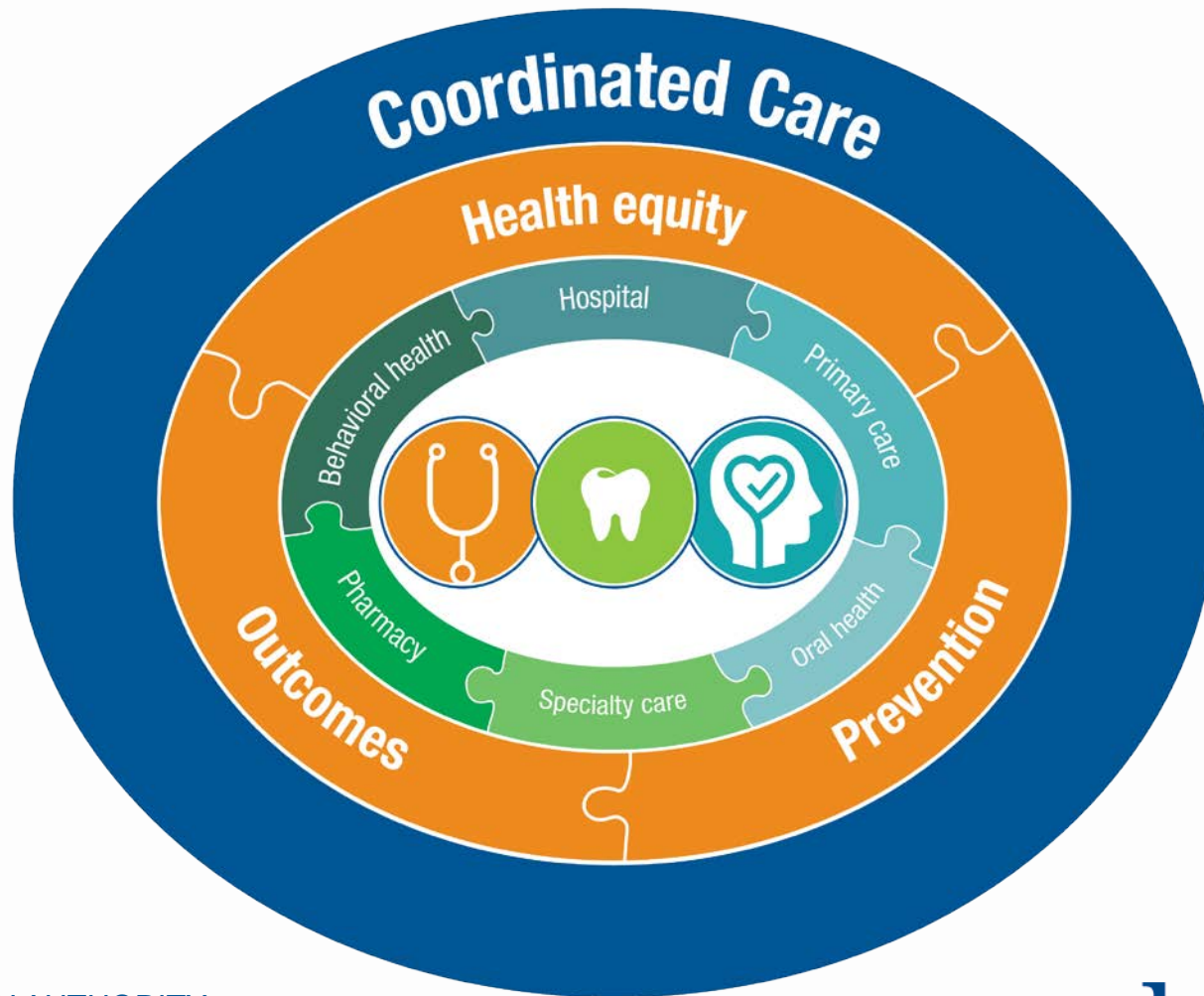
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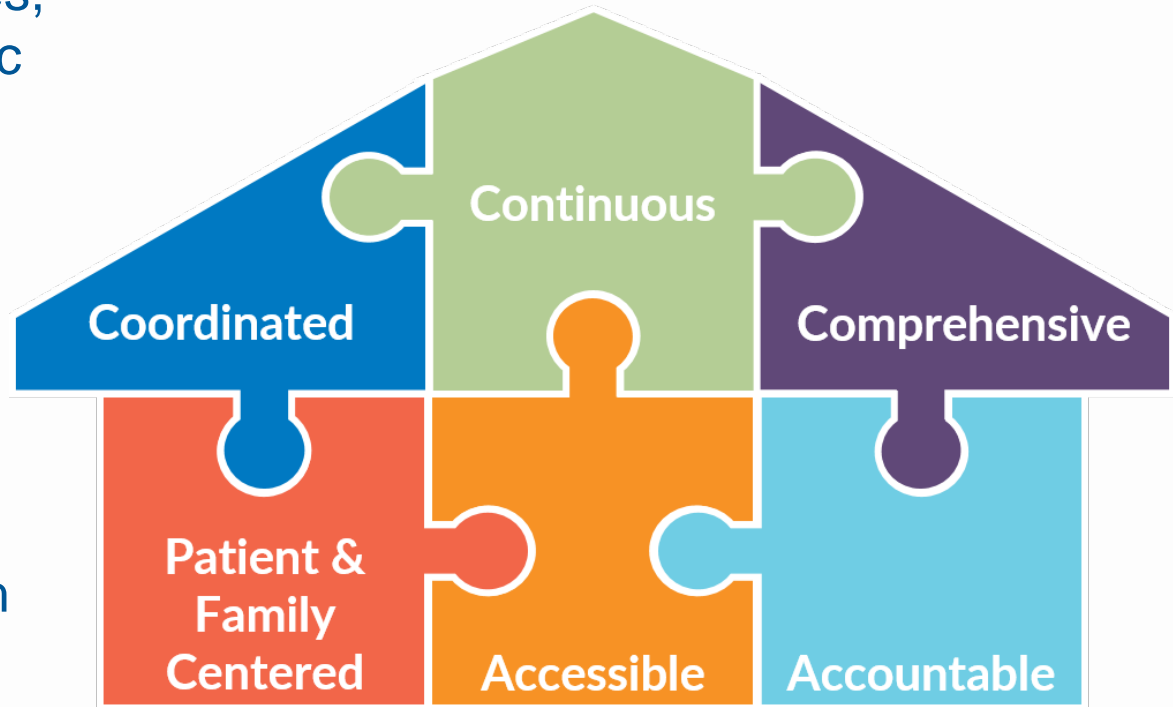
**Use data to
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A Patient-Centered System Treats the Whole Person



Patient Centered Primary Care Homes Improve Care and Reduce Costs

- Six core attributes, each with specific standards and measures for clinics
- 85% reported improved care
- 82% reported improved population health management
- \$240M in savings (2012-2014)



Evidence-Based Policies Improve Value and Promote Better Care

The Health Evidence Review Commission:

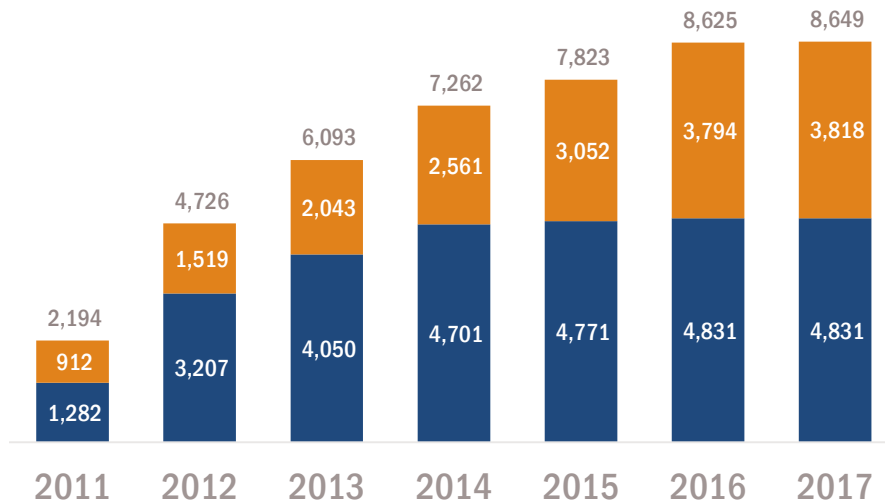
- Reviews clinical evidence to inform benefit-related decisions for the Oregon Health Plan and beyond
- Publishes **Prioritized List of Health Services**
- Shapes practice change to provide evidence-based and cost-effective care
- Reports on multi-sector interventions that have the potential to influence paraclinical services, systems, & policies



Electronic Health Records Help Improve Quality and Coordination of Care

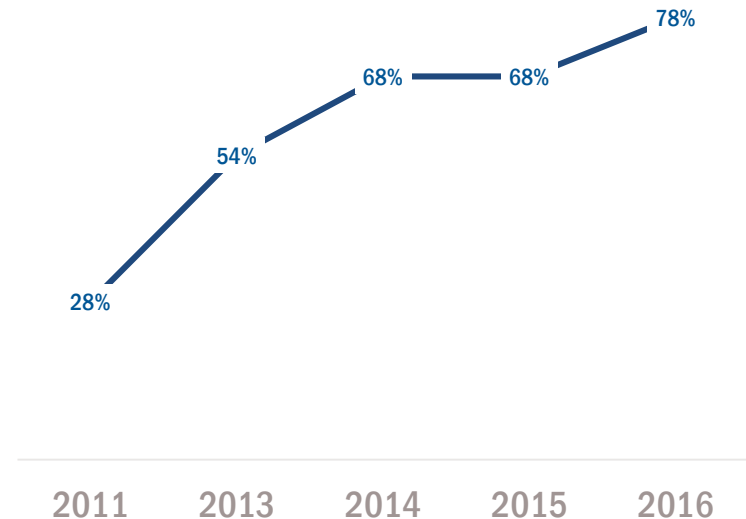
Cumulative number of Oregon eligible professionals receiving at least one payment of the \$525 million in federal EHR incentives:

Medicaid & Medicare



Source: Oregon MMIS (Medicaid) and National Level Repository (Medicare)
Payments made through 12/31/2018, data current as of 2/5/2019

EHR adoption among CCOs, statewide:



Technology Improves Care for Patients with Complex Conditions

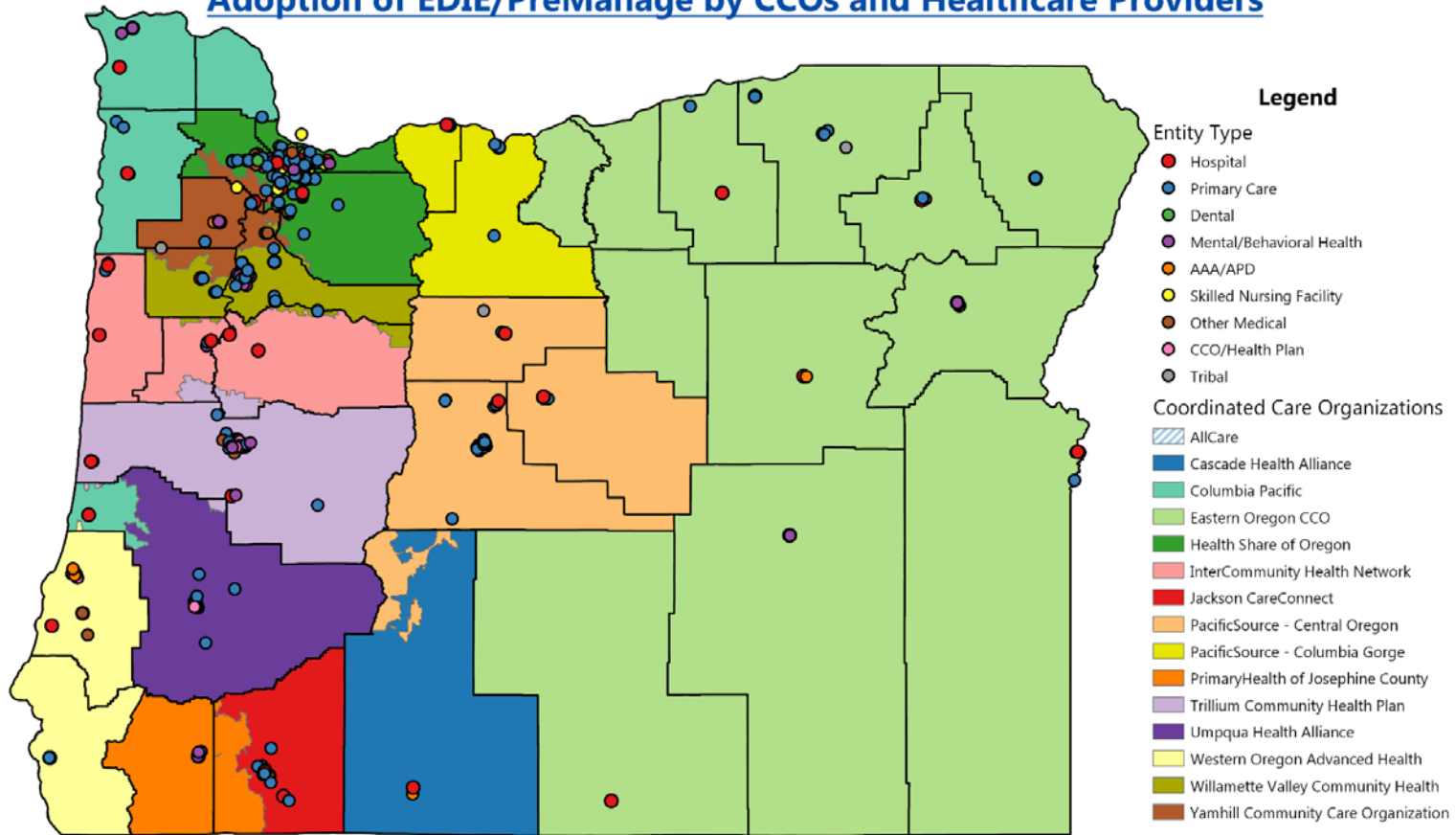


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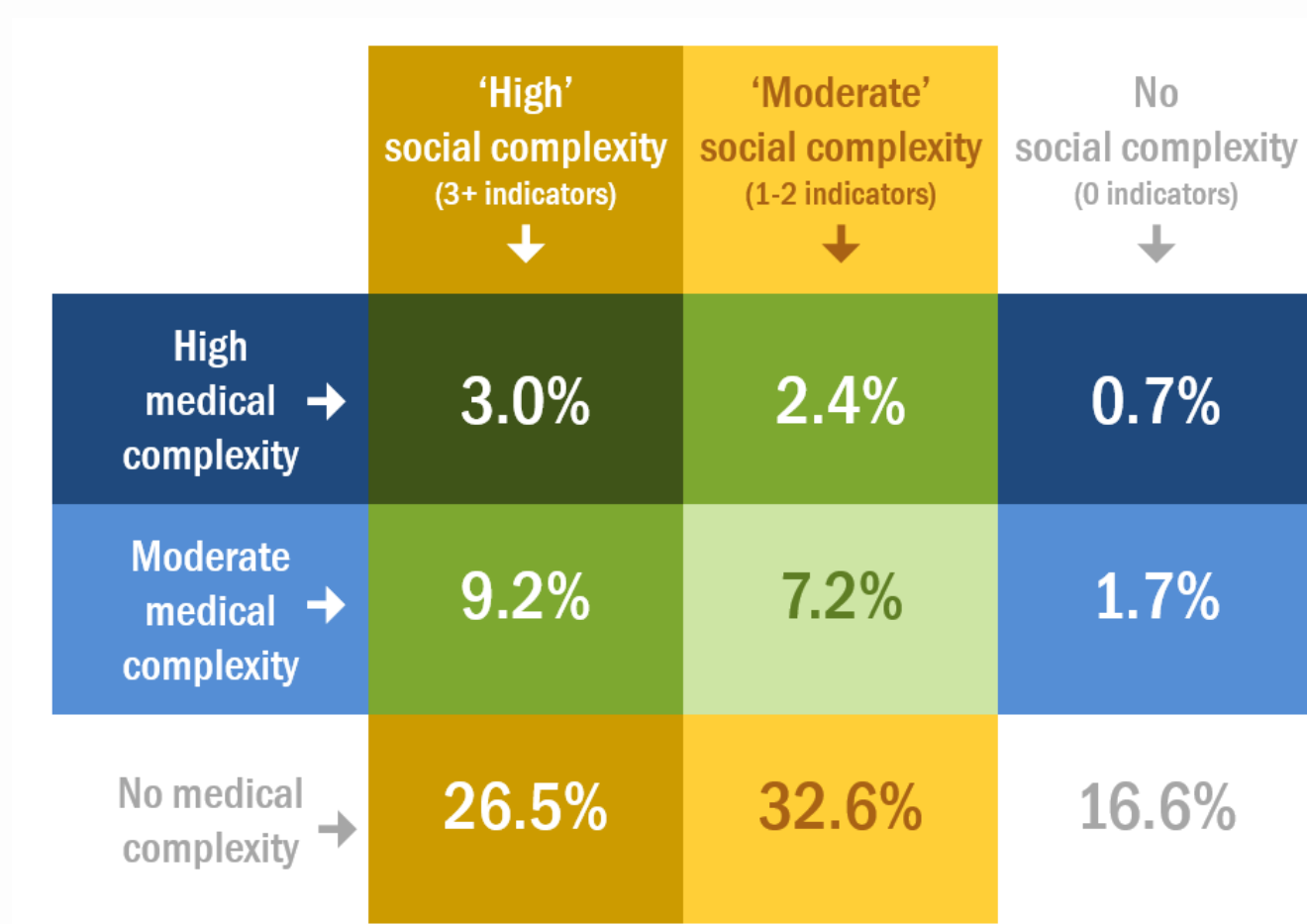


HIT Commons is Spreading Electronic Health Tools Statewide

Adoption of EDIE/PreManage by CCOs and Healthcare Providers



Combining Data Helps Us Better Address Social Determinants of Health for Children



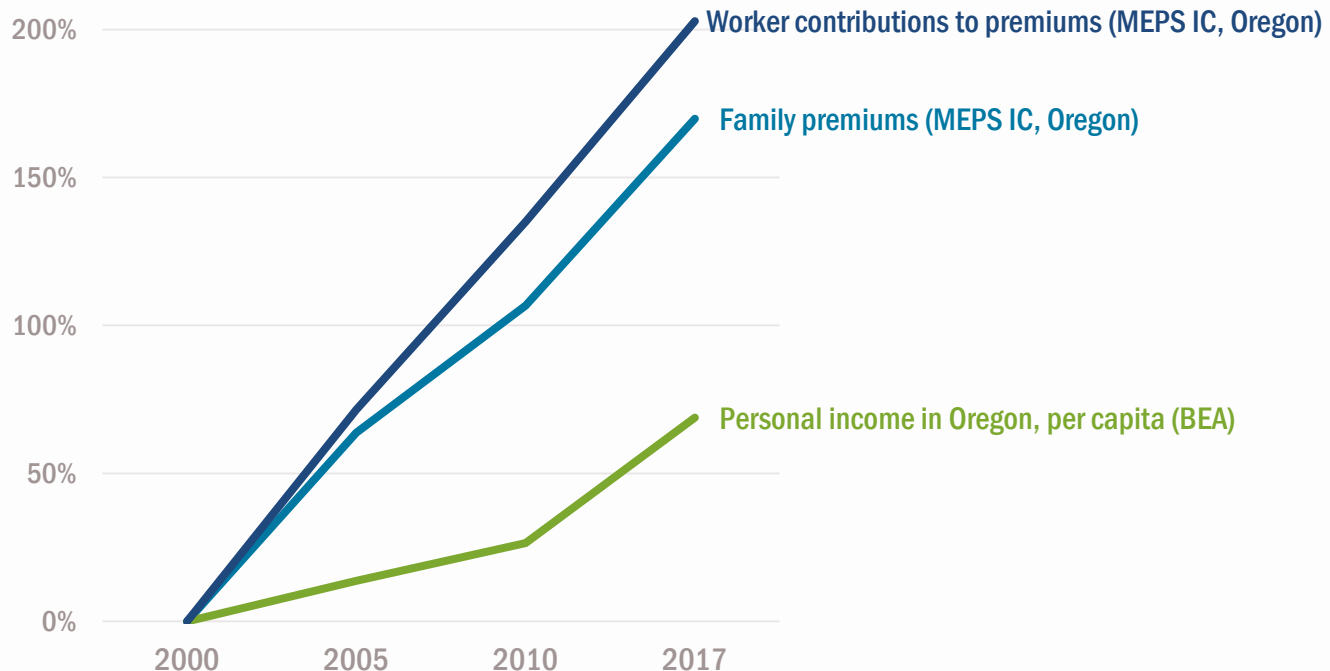
Combining Data Helps Us Better Address Social Determinants of Health for Children

HEALTH COMPLEXITY	ASIAN	BLACK	NATIVE AMER	OTHER	UNKNOWN	WHITE
Complex Chronic: 3+ social factors	0.9% (103)	4.0% (666)	2.5% (384)	1.3% (149)	1.1% (158)	3.2% (9974)
Complex Chronic: 1-2 social factors	3.1% (347)	2.2% (363)	2.0% (306)	3.5% (406)	3.2% (439)	2.3% (7243)
Complex Chronic: 0 social factors	1.2% (131)	0.5% (83)	0.4% (58)	0.8% (89)	0.6% (89)	0.7% (2181)
Non-complex: 3+ social factors	2.3% (256)	11.9% (1976)	8.4% (1280)	3.6% (415)	3.1% (424)	10.2% (31890)
Non-complex: 1-2 social factors	6.7% (753)	6.1% (1004)	7.9% (1196)	7.9% (913)	8.6% (1190)	7.1% (22220)
Non-complex: 0 social factors	2.8% (317)	1.3% (209)	1.3% (197)	2.1% (247)	1.6% (217)	1.7% (5334)
Healthy: 3+ social factors	10.4% (1171)	35.5% (5887)	29.2% (4421)	11.3% (1313)	10.3% (1419)	27.9% (87221)
Healthy: 1-2 social factors	42.0% (4722)	28.8% (4776)	37.2% (5634)	47.5% (5499)	52.3% (7213)	30.6% (95802)
Healthy: 0 social factors	30.6% (3432)	9.8% (1622)	11.1% (1682)	22.1% (2555)	19.2% (2650)	16.2% (50771)

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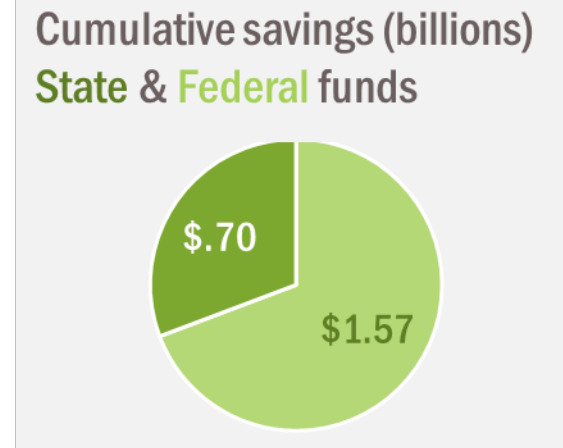
Challenge: Health Care Remains Unaffordable for Many

Since 2000, Oregon employer-sponsored insurance premiums have grown **three times faster** than personal income



Challenge: National Health Care Costs Expected to Outpace State Growth Target

Limiting the per capita annual growth rate in Oregon to 3.4%, instead of the 4.7% national forecast, will save the State almost \$700 million



Challenges: CCO 2.0

- CCO 2.0 success depends on additional technical assistance and expanding focus beyond Medicaid
 - Value based payments
 - Social determinants of health and health equity
 - Behavioral health
 - Containing costs
- Renewed focus on cost and cost drivers (including pharmacy) result in increased policy and data analytics capacity needs

Challenges: Improving Health Requires Looking Beyond Health Care

- Greater focus on social determinants of health requires new expertise
- Maximizing improved outcomes for children requires bridging multiple social and health systems

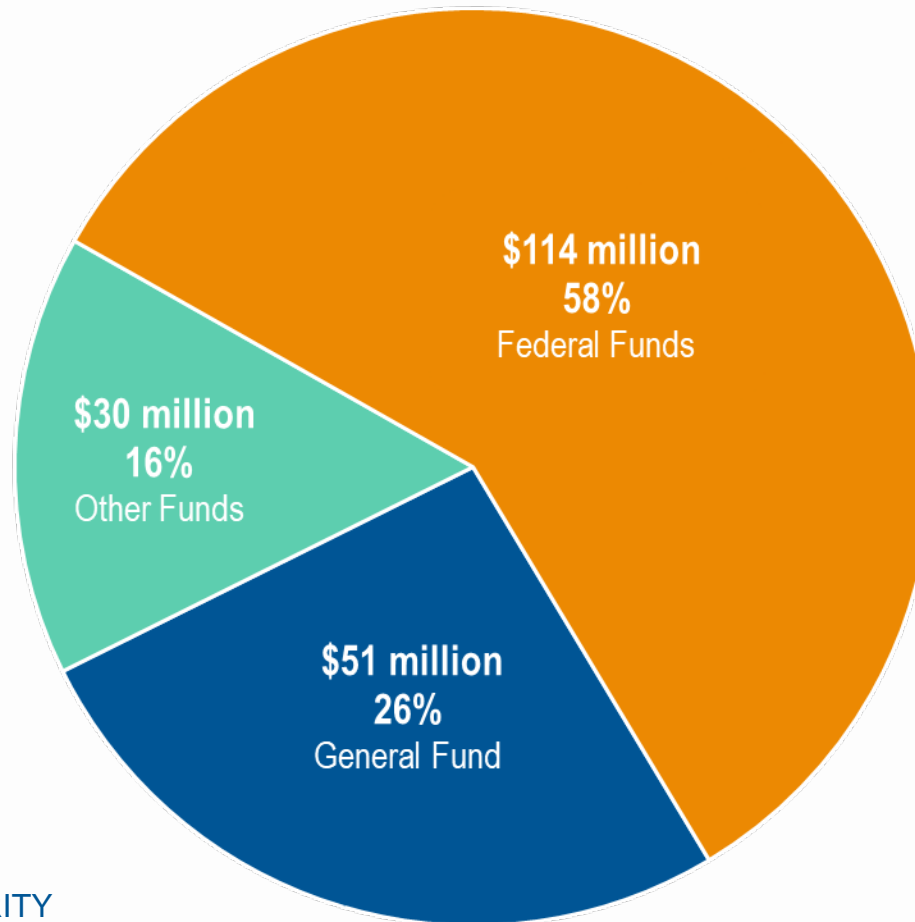
Challenges: Policy and Data Needs

- Renewed focus on cost and cost drivers (including pharmacy) creates increased policy and data analytics capacity needs
- Federal health IT enhanced funding ends in 2021

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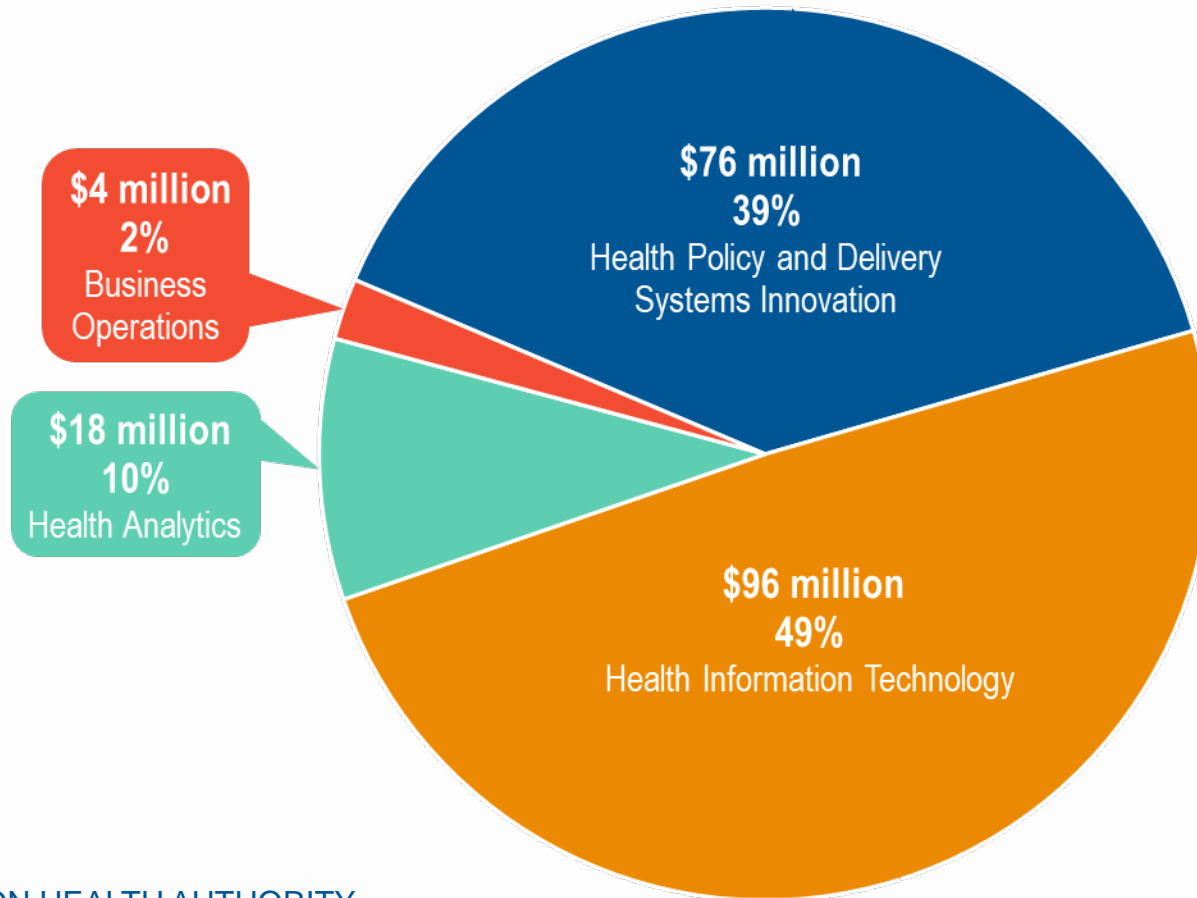
2019-21 Governor's Budget by Fund Type

Healthy Policy & Analytics
\$195 million Total Funds



2019-21 Governor's Budget by Program

Health Policy & Analytics
\$195 million Total Funds



HPA 2019 Budget and Policy Priorities

- ✓ **Set Medicaid funding on a sustainable path for the next six years** (HB 2269)
- ✓ **Transform health care delivery and reduce costs**
 - Support implementation of CCO 2.0 (POP 416, HB 2267)
 - Improve CCO financial reporting and solvency (HB 2268)
 - Support PEBB, OEBC to meet 3.4% growth target
 - Pharmacy costs (POP 422)
 - Support development of statewide health care cost benchmark (SB 889)

HPA 2019 Budget and Policy Priorities

- ✓ **Help families give their children a healthier start in life**
 - Establish Office of Child Health (POP 404)
- ✓ **Improve behavioral health**
 - Improving behavioral health (POP 411, POP 409)
 - Hospital emergency department discharge data collection (SB 23)
- ✓ **HPA housekeeping (HB 2265)**

POP 416: Launch and Support CCO 2.0

- Increase investments in Social Determinants of Health
- Expand adoption of value-based payments
- Improve use of data to control costs, improve quality
- HB 2267 and HB 2268 improve financial oversight of CCOs and implement policy changes in CCO 2.0

	General Fund	Total Funds	Positions
POP 416	\$1.1 M	\$1.9 M	7

POP 422: Statewide Pharmacy Implementation Group

- Expand capacity for identifying and implementing pharmacy cost containment strategies
- Leverage the Oregon Prescription Drug Program to lower costs

	General Fund	Total Funds	Positions
POP 404	\$0.4 M	\$0.7 M	2

POP 404: Office of Child Health

- Serve as an agency hub for cross sector partnership and strategies
- Deploy targeted, innovative approaches to address children’s health complexity and health disparities
- Measure effectiveness of interventions to improve outcomes

	General Fund	Total Funds	Positions
POP 404	\$0.6 M	\$1.0 M	4

POP 411 (SB 22 & HB 2035): Improve Behavioral Health Integration

- Integrate primary/behavioral health through Behavioral Health Home Program (SB 22)
- Spread adoption of electronic health records to behavioral health
- Expand evidence-based guidelines for treatment of mental health conditions (HB 2035)

	General Fund	Total Funds	Positions
POP 411	\$5.4 M	\$5.7 M	4

POP 409: Opioid Alternatives for Pain Education

- Develop continuing education modules on opioid alternatives to paid
- Spread best practices in prescribing and promote effective approaches to pain management
- Enable OHA to increase capacity to analyze data related to patients with chronic pain and substance use disorders

	General Fund	Total Funds	Positions
POP 409	\$0.3 M	\$0.4 M	1

Thank You

Health
Oregon
Authority