

Analysis
Oregon Health Authority
Integrated Care for Kids

Analyst: Tom MacDonald

Request: Approve the submission of a federal grant application from the Oregon Health Authority (OHA) to the Centers for Medicare and Medicaid (CMS) in the amount of \$16 million over seven years under the Integrated Care for Kids (InCK) grant opportunity.

Analysis: The key objectives of the InCK grant are to improve outcomes for children’s health; reduce inpatient hospitalizations; and create pediatric alternative payment models (APMs) for services provided to children through Medicaid and the Children’s Health Insurance Program (CHIP). The grant includes the opportunity to apply for \$14.5 million in operational funding, with the potential for an additional \$1.5 million if certain benchmarks are achieved. The federal application identifies behavioral health challenges, including opioid and other substance abuse, as being key priority health concerns grantees should address.

CMS requires applicants to development their models in a specific geographic region of the state and not statewide. For Oregon’s model, OHA will select participating counties based on several factors, including community readiness, number of children in the service area, existing engagement in complex health work, health information technology infrastructure, and available data across the child service system. CMS also requires state applicants to work with “lead organization” partners. OHA’s lead organization will be the Oregon Pediatric Improvement Partnership (OPIP).

If awarded funds, OHA will be responsible for collecting, analyzing, and reporting data on the attributed population, supporting the development of information sharing arrangements, and designing the new payment model. OPIP will be responsible for convening a required Partnership Council comprised of representatives from the child service system. This council will be responsible for devising local strategies, hiring regional service integration coordinators, investing in health information exchange tools, and managing the implementation in the local service area.

The development of APMs aligns with OHA’s on-going work to develop value-base payment models as part of the next five years of coordinated care organization (CCO) contracts, also known as CCO 2.0. The alignment with CCO 2.0 includes efforts to develop payment models that improve behavioral health outcomes, invest in social determinates of health, and hold providers accountable for costs and outcomes. To the extent possible, OHA expects to leverage the investments made through the InCK grant to potentially scale the project statewide in accordance with the goals of CCO 2.0.

The federal grant application is due June 10, 2019 and does not require a state match. CMS will make awards to eight states and lead organizations. If awarded, OHA intends to hire six limited duration employees (5.50 FTE) and will return to the legislature to request adjustments to position authority and expenditure limitation, as needed.

Legislative Fiscal Office Recommendation: Approve the request.

Oregon Health Authority McGehee

Request: Authorization to apply for a seven year grant totaling between \$14.5 and \$16 million for the Integrated Care for Kids (InCK) demonstration model federal grant from the Center for Medicare and Medicaid Innovation, Centers for Medicare & Medicaid Services.

Recommendation: Approve the request.

Discussion: The Oregon Health Authority's (OHA) Health Policy and Analytics Division is requesting approval to apply for the Integrated Care for Kids demonstration model federal grant from the Center for Medicare and Medicaid Innovation, Centers for Medicare & Medicaid Services. The grant will provide \$1.5 million to \$3 million annually for seven years, beginning January 1, 2020, for total funds between \$14.5 million and \$16 million.

The InCK Model grant opportunity will provide funding to eight states and partnered local organizations to develop and implement a risk stratification process and pediatric alternative payment methodology that supports targeted and integrated care delivery across the health system and other core child services; with the goal of reducing costs, improving health outcomes, and reducing out-of-home placements especially in foster care. This grant opportunity aligns with many aspects of the coordinated care organizations (CCO 2.0) – OHA's initiative to advance the health system transformation and the coordinated current care model – while leveraging additional cutting edge data tools, technical assistance, and enhanced evaluation capacity within a geographic region of the state, specifically between 3-6 counties.

Major goals of the grant are to directly support OHA's efforts for improving children's health outcomes, moving upstream to address social determinants of health, and collaborating with partners to find innovative ways to transform the health system.

Matching funds are not a requirement of the grant, however, OHA may need to request eight new limited duration positions (5.80 FTE) fully funded by the grant and budget limitation at a future date.

Background – InCK Model

The InCK Model provides funding opportunities to states and local organizations to test whether payment supporting integrated service delivery across behavioral health, physical health, and other child services reduces the Medicaid and Children's Health Insurance Program expenditures and improves the quality of care for covered children. The InCK Model assists state and local communities in addressing priority health concerns for children, such as behavioral health challenges, including opioid and other substance abuse and the effects of opioid use on families.



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May 16, 2019

The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Representative Dan Rayfield, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Emergency/Request

The Oregon Health Authority (OHA) Health Policy and Analytics Division requests permission to apply for the Integrated Care for Kids (InCK) demonstration model federal grant from the Center for Medicare and Medicaid Innovation, Centers for Medicare & Medicaid Services.

The InCK model grant opportunity provides funding to eight states and partnered local organizations to develop and implement a risk stratification process and pediatric alternative payment methodology that supports targeted and integrated care delivery across the health system and other core child services, with the goal of reducing costs, improving health outcomes, and reducing out-of-home placements, especially in foster care. This grant opportunity offers incredible alignment with many of the aspects of CCO 2.0—OHA's initiative to significantly advance the health system transformation and the coordinated care model—while leveraging additional cutting-edge data tools, technical assistance, and enhanced evaluation capacity within a geographic region of the state. This grant would have no direct overlap with CCO 2.0, but would instead build on the foundational and innovative work that will begin in 2020.

The grant will provide \$1.5 million to \$3 million annually for seven years, beginning January 1, 2020, for a total of \$14.5 million to \$16 million. The upper limit depends on meeting performance benchmarks. The Centers for Medicare & Medicaid Services posted the grant opportunity on February 8, 2019. Applications are due on June 10, 2019. This grant requires no state matching funds.

Agency Action

The OHA mission is to help people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

This grant directly supports OHA’s efforts for improving children’s health outcomes, moving upstream to address social determinants of health, and collaborating with partners to find innovative ways to transform the health system. This work offers significant alignment with the policy direction laid out in CCO 2.0, as well as the ongoing work of the Patient-Centered Primary Care Home program, the Primary Care Payment Reform Collaborative, and the State Health Improvement Plan (2020-2024). New positions funded by the grant, however, would not replace OHA’s separate staffing need to further health system transformation under CCO 2.0. Activities under this grant would be focused only on a small geographic region of the state (i.e., three to six counties).

This grant would include up to \$16 million total, distributed over seven years, as indicated in the table below:

Milestones to achieve:	Pre-implementation		Implementation period					Total
	Y1/2020	Y2/2021	Y1/2022	Y2/2023	Y3/2024	Y4/2025	Y5/2026	
Operational	\$3 m	\$3m	\$2m	\$2m	\$1.5m	\$1.5m	\$1.5m	\$14.5m
Performance					\$500k	\$500k	\$500k	\$1.5m

The InCK grant is broken into two stages, which would require different levels of limited duration staffing. OHA would need the highest number of staff during the two-year pre-implementation planning stage. For the implementation phase, OHA anticipates a lower staffing need. This has the added benefit of improving the long-term sustainability of this work. All positions would be limited duration and fully funded by the grant. There is no expectation that the state would continue to fund these activities or positions at the end of the grant period. OHA anticipates it would need the following new positions for year one of the InCK grant:

- Grant coordinator: 1 FTE/Operations and Policy Analyst (OPA) 3
 - *Coordination of all grant activities and partners; materials development; meeting and events planning, contract support, budget management, reporting*
- Research Analyst: 1 FTE/Research Analyst 4
 - *Data analysis and research related to children’s health complexity, InCK measures*
- Analytics and Policy Coordinator: 1 FTE/OPA 4
 - *Coordination of systems-level and metric data analysis and reporting across OHA and partners*
- Children’s Health Policy & Value-Based Payment Analyst: 1 FTE/OPA4
 - *Policy support and alignment between InCK and current children’s systems, social determinants of health work, and Oregon Health Policy Board priorities*
 - *Support in children’s VBP model development in coordination with CCO 2.0 requirements and reporting*

- Equity and Policy Coordinator: 1 FTE/OPA2
 - *Analyzing data to determine disparities; identifying opportunities and strategies to improve disparities and building culturally responsive partners in InCK service areas.*
- Administrative Specialist: 0.5 FTE/AS2

In addition, the following existing permanent positions would provide some additional support for grant activities:

- Health Information Technology (HIT) Analyst: 0.2 FTE
 - *Technical assistance re: tools for HIT support of InCK model and information sharing/close-loop referrals across partners*
- Actuarial Services: 0.1 FTE
 - *Costs savings analysis, rate setting considerations, VBP development and payment structures*

Action Requested

The OHA Health Policy and Analytics Division requests permission to apply for the InCK federal grant from the Center for Medicare and Medicaid Innovation, Centers for Medicare & Medicaid Services. OHA will separately request position authority and budget limitation at a future date.

Legislation Affected

None.

Sincerely,



Patrick M. Allen
Director

EC: Tom MacDonald, Legislative Fiscal Office
Kate Nass, Department of Administrative Services
George Naughton, Department of Administrative Services
Ken Rocco, Legislative Fiscal Office