
Oregon's Health System Transformation

Lessons learned and where to go next

House Committee on Health Care
January 28, 2021

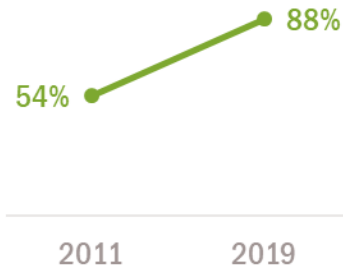
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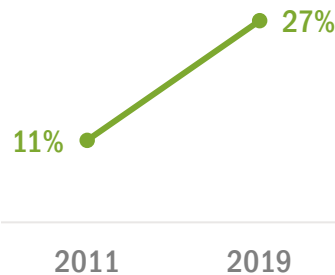
The Oregon difference

Through Oregon's coordinated care model, we have improved health and health care delivery...

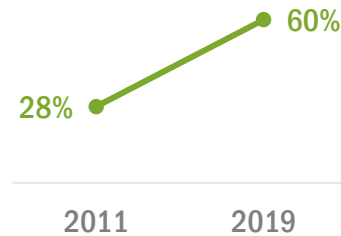
Health assessments for foster children



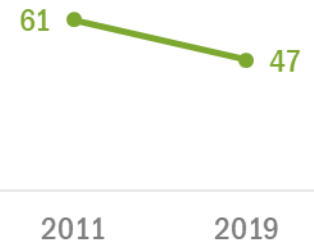
Dental sealants



Depression screening



ED utilization



...while reducing cost growth.

What now?

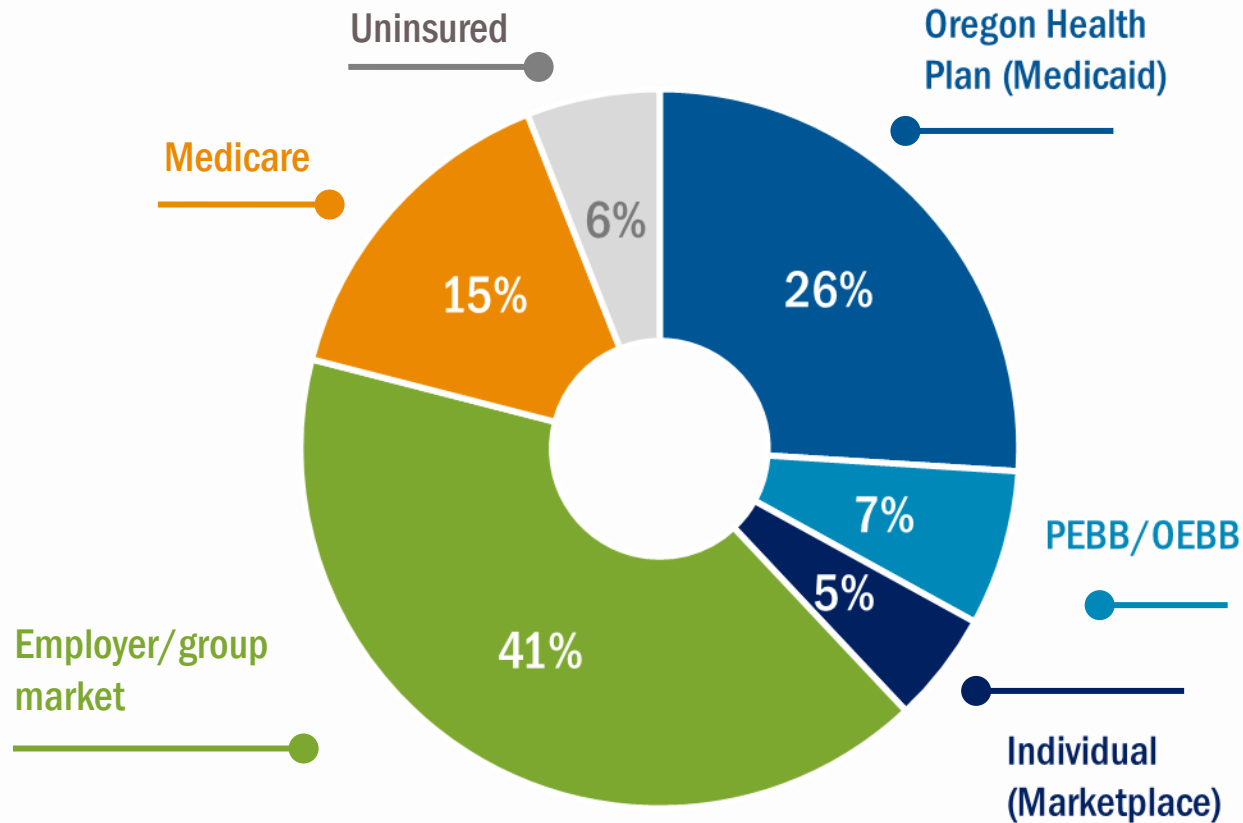
Take what we know works

- Access to care
- Patient-centered care
- Paying for outcomes
- Setting a cost growth target
- Transparency

And extend these models into other markets

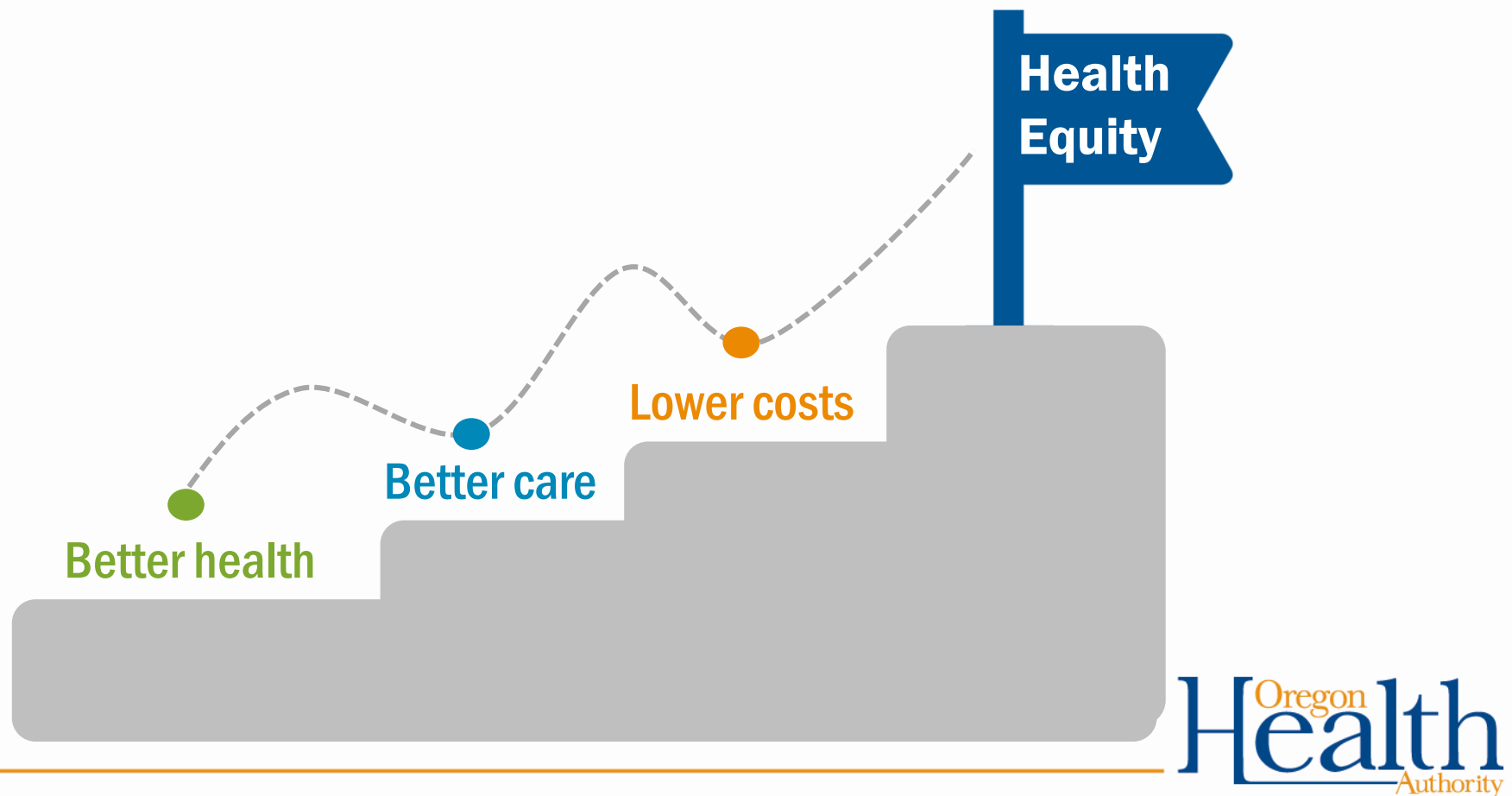


Where Oregonians get their coverage



Ultimate goal is to achieve health equity

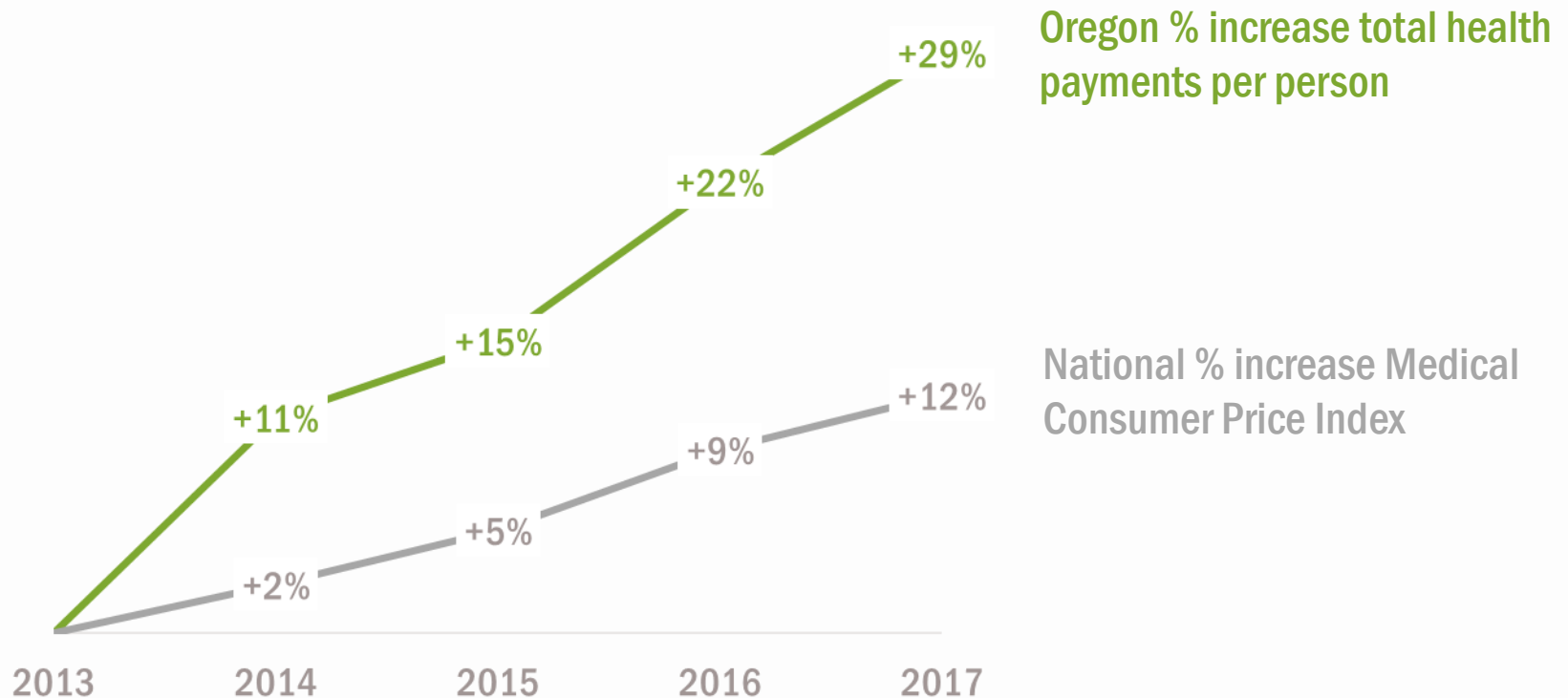
To achieve health equity, **everyone** must be covered and have **access** to high **quality** and **affordable** care.



Ongoing challenges



Overall health care costs are growing too quickly for family budgets, businesses, and our state.



Health care is unaffordable for Oregon families

Deductibles and premiums in Oregon are growing faster than **income**.

(Percent change 2010-2016)

*Household
income*

+ 15%



*Family
premiums*

+25%



Family deductibles

+77%



In 2016

*Oregon premiums equated to
29% of a family's total income.*



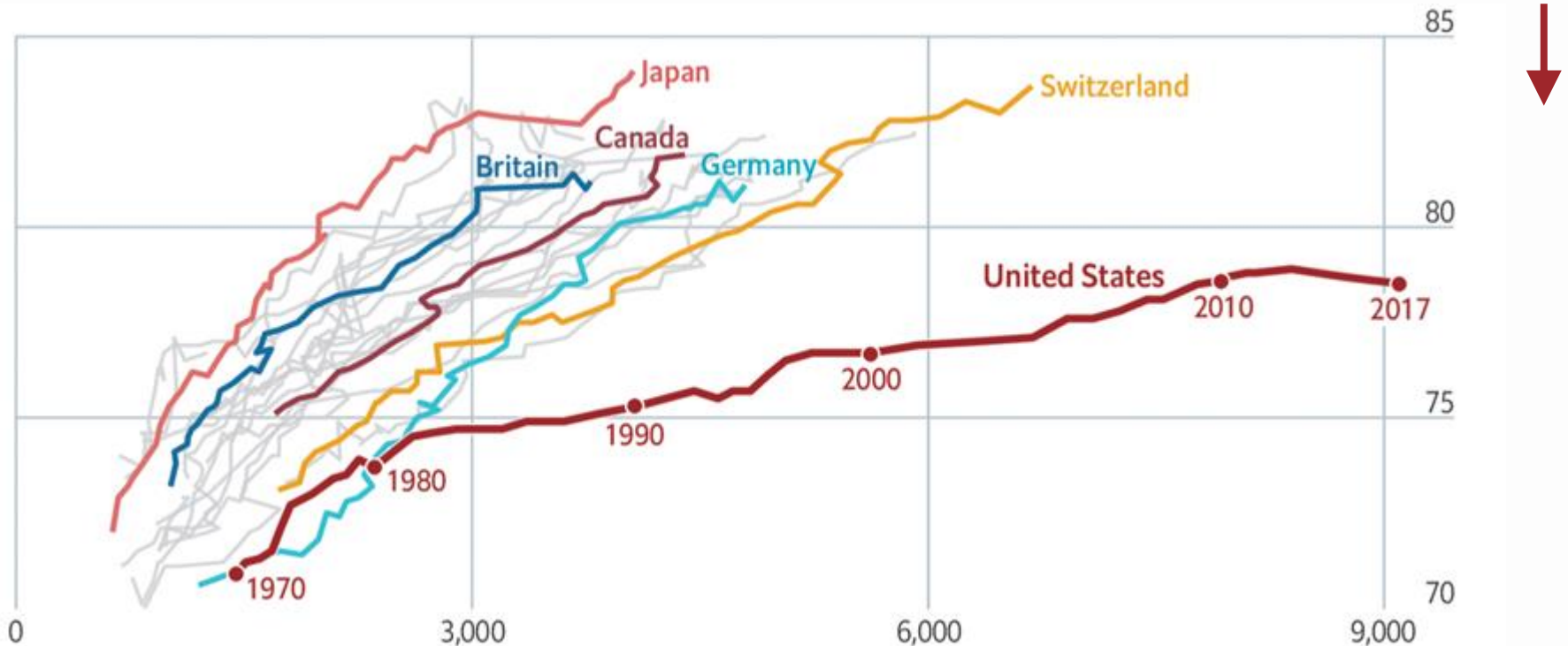
In 2016

*16% of Oregon families
delayed care because of cost.*

U.S. health care costs double other countries, but life expectancy is lower

Health spending per person →

Life expectancy ↓



Source:
Brian Fund, "How the U.S. Health-Care System Wastes \$750 Billion Annually," The Atlantic, September 7, 2012.

Much of that spending doesn't improve health

The U.S. Health care system **wastes \$750 billion** per year on things like:

- ✓ Unnecessary services
- ✓ Excess administrative costs
- ✓ Inflated prices
- ✓ Inefficient delivery

\$530
million

In Oregon alone, we spent more than \$530 million on low-value care over a 3-year period.

And the medical care we get only determines about 10% of our health.

Lifestyle & behavior

Human biology

Social conditions

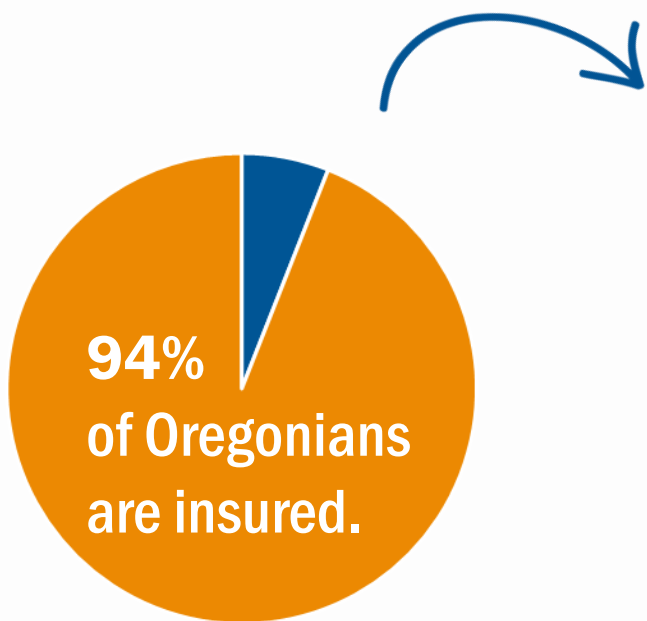
Medical care

Environment

10%

94 percent of Oregonians are insured

But what of the remaining 6 percent?



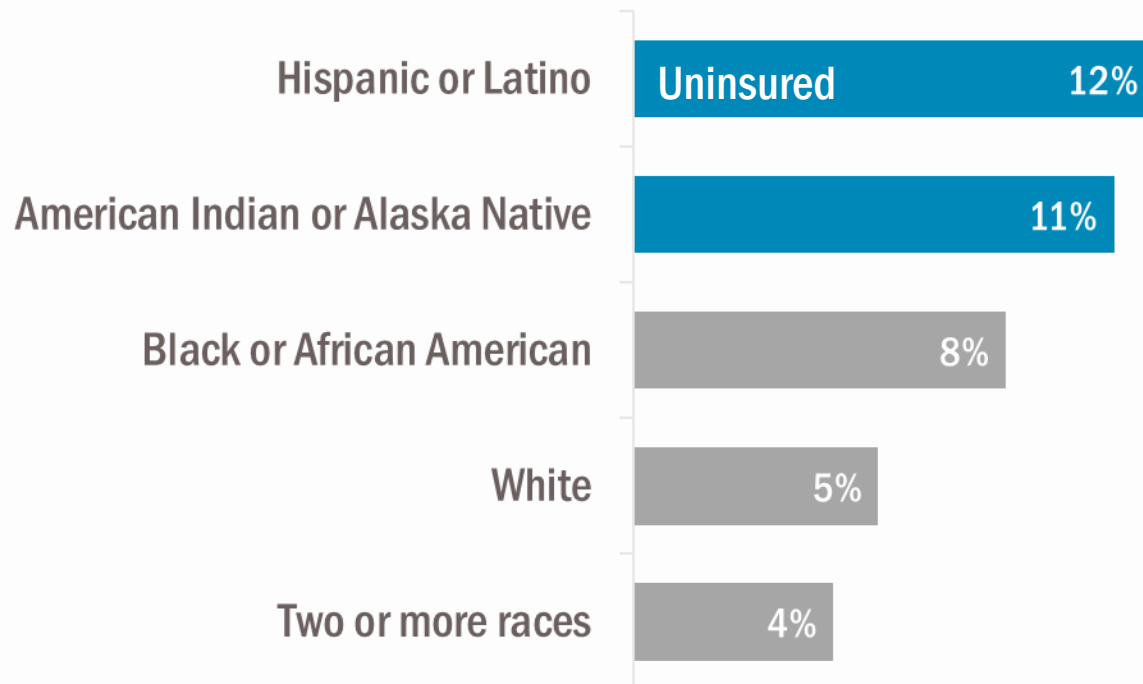
The remaining 6% are uninsured because...



*Statistically significant difference from the previous year at 90% confidence level.
Source: Oregon Health Insurance Survey (2019)

Gains in coverage has not been shared evenly

Black and Hispanic Oregonians are more likely to be uninsured.



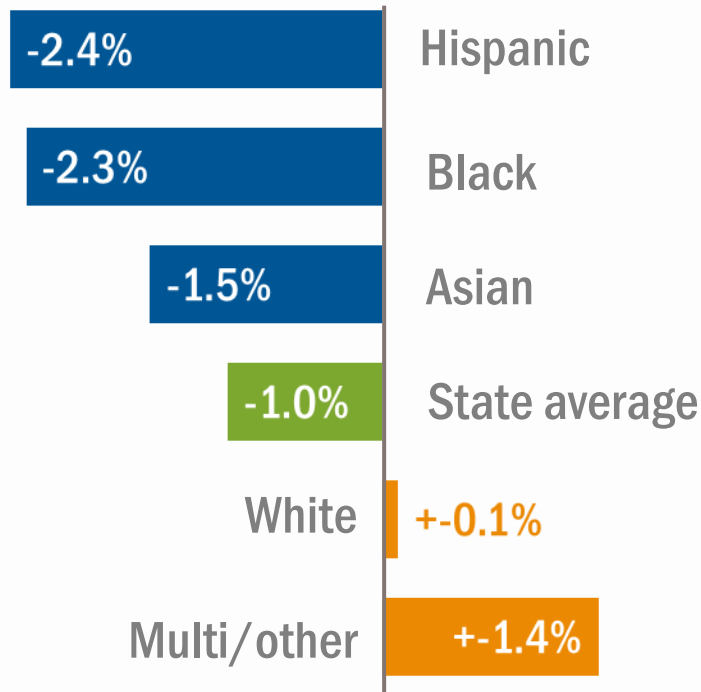
Source: Oregon Health Insurance Survey, 2019

Note: Asian, Native Hawaiian/Pacific Islander; and Other estimates are suppressed due to small sample size.

The impact of COVID-19 on coverage

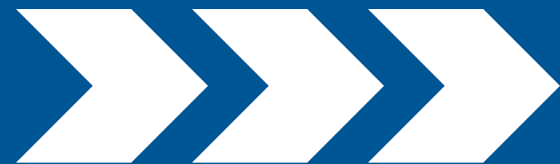
Black, Hispanic and Asian Oregonians were more likely to lose health coverage, 2019-2020.

Percentage point increase/decrease



Source: 2019 American Community Survey 2019; Pulse 2020

Where we go from here



Where we go from here

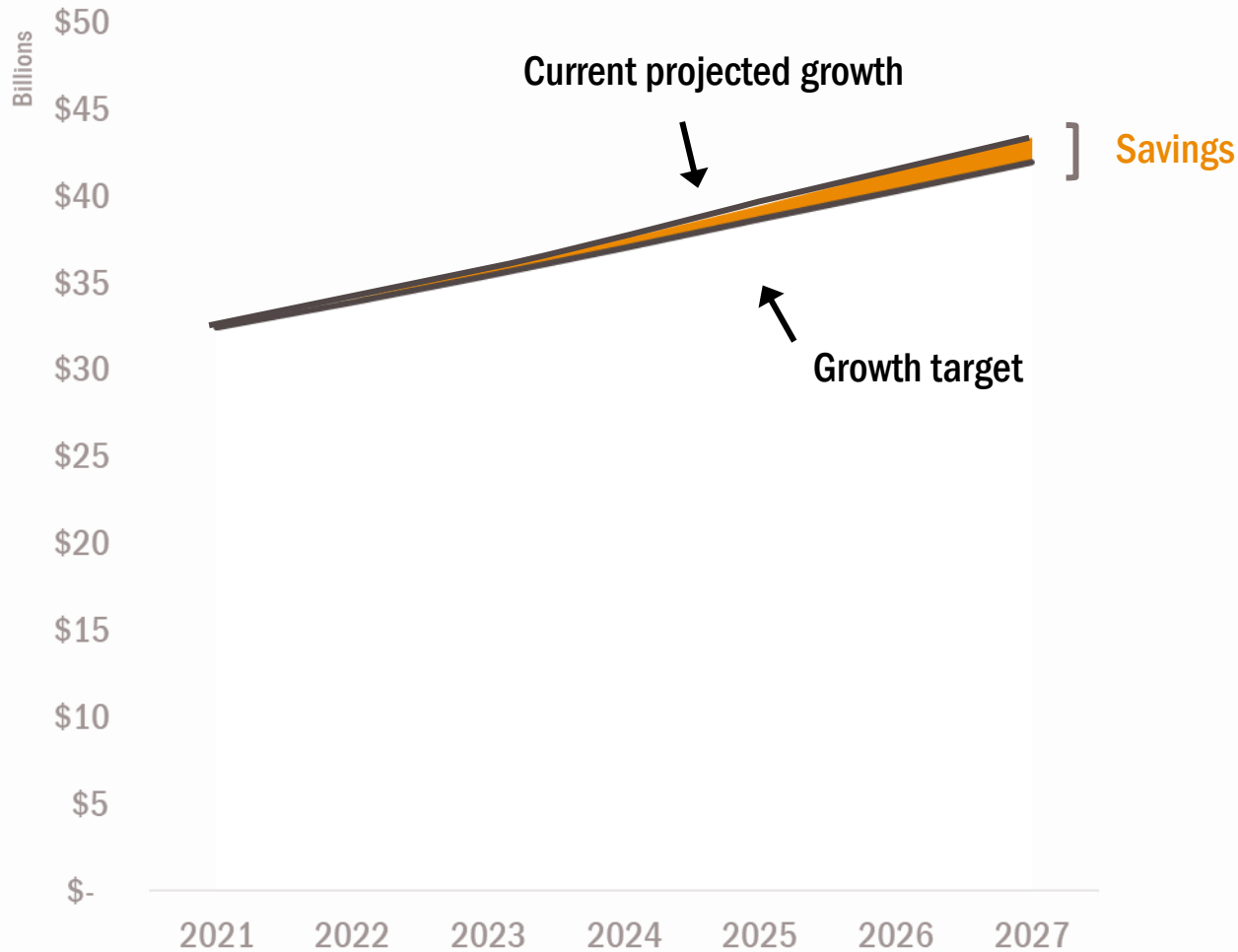
- **Spreading transformation successes across Oregon**
 - **Setting a Cost Growth Target**
 - **Paying for value**
 - **Aligning efforts across state programs**
- **Filling the gaps in coverage and improving access**
- **Continuously improve the coordinated care model**

Changing how MUCH we pay for health care

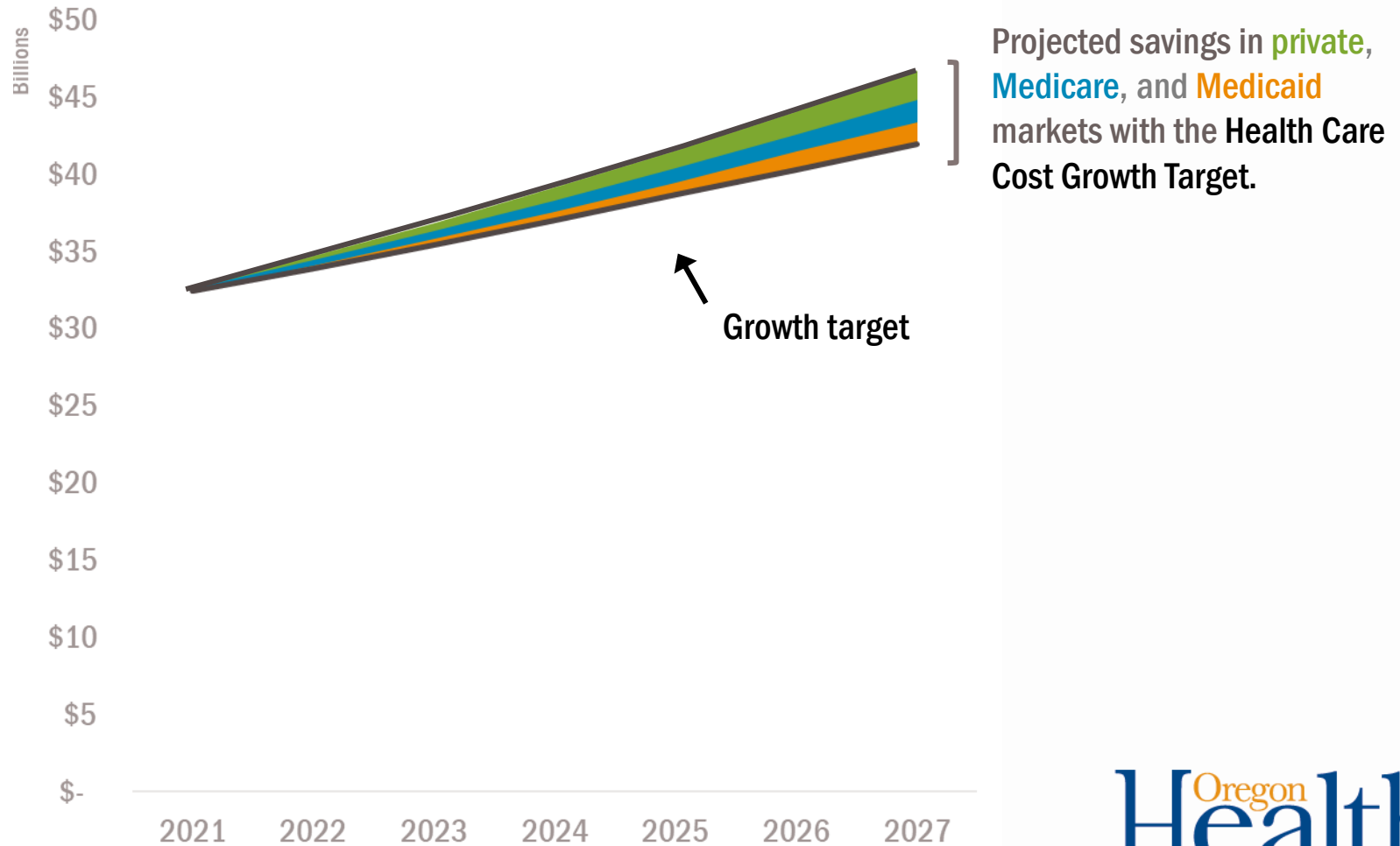
Setting a *statewide* cost growth target



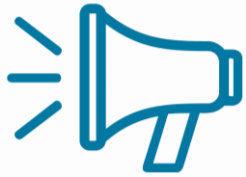
We know that setting a target for Medicaid works.



Now we are expanding the target to other markets.



A statewide health care cost growth target provides...



Transparency

Sustainable
Target

Total Cost of Care
Approach

A Common
Goal

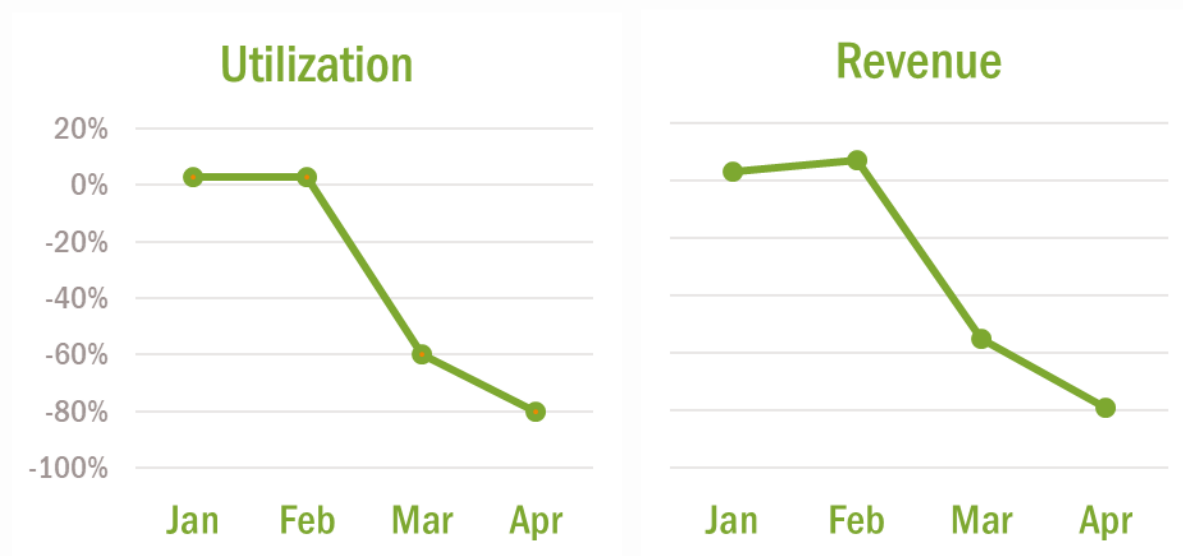
Changing HOW we pay for health care

More work is needed to change financial *incentives*



Changing how we pay for care

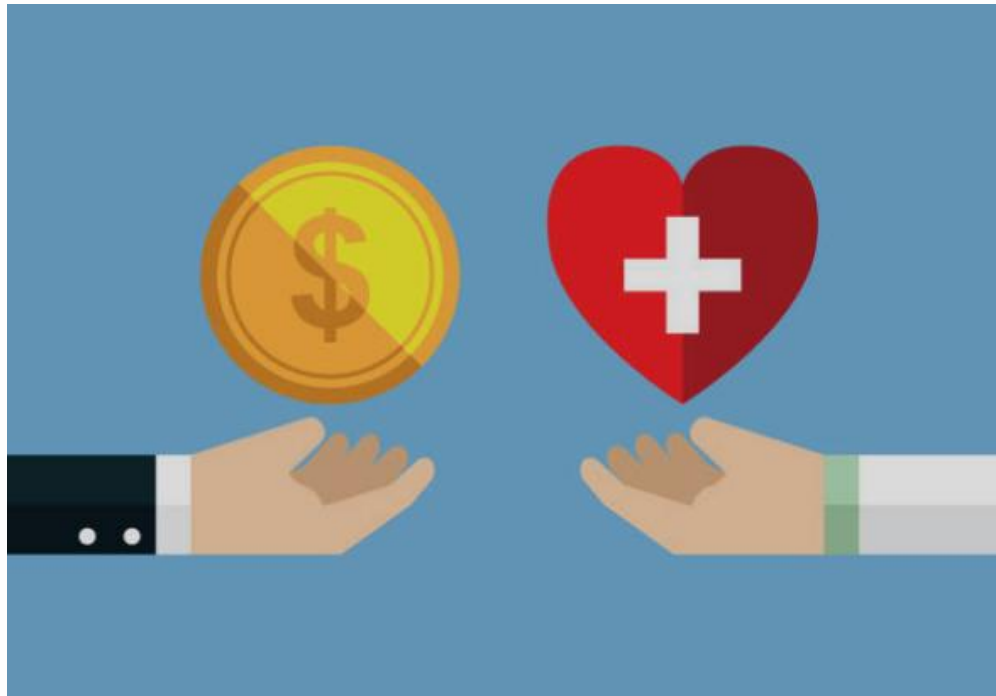
Current “**fee-for-service**” model pays providers based on quantity of services, which causes **volatility** in the health system and **promotes inefficiency**.



Source: Healthcare Professionals and the Impact of COVID-19: A comparative study of revenue and utilization. FAIR Health. June 2020.

Changing how we pay for care

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

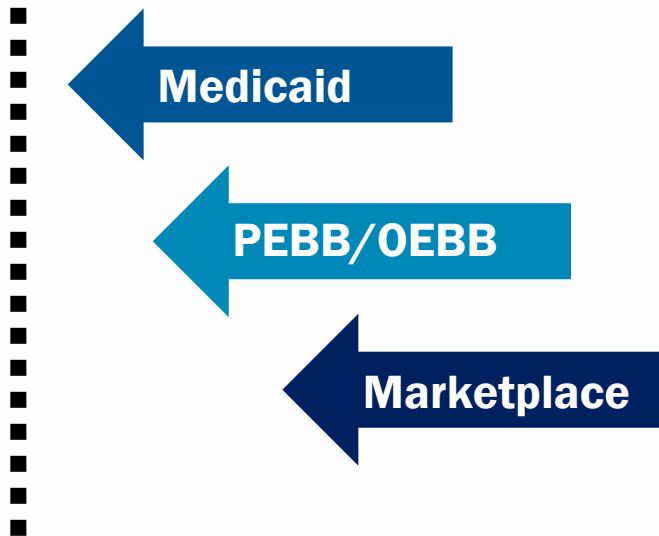


Spreading the use Value-Based Payments across the state

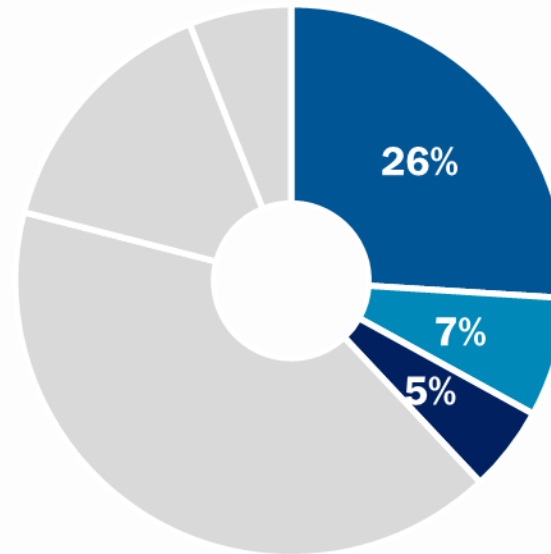
Leveraging OHA's leadership role by establishing a **statewide** value-based payment roadmap and infrastructure to support increased **adoption and alignment of VBP** across Oregon.



Spreading models and aligning across systems



Leveraging coverage



Improving ACCESS to health care

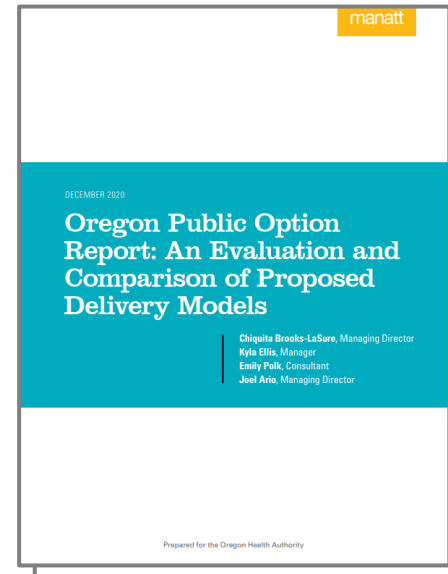
Covering all Oregonians is within reach



Covering all Oregonians is within reach

SB 770 directs OHA to develop a plan to provide an **affordable health care option to all Oregon residents** with a focus on those who do not have access to health care.

- Most uninsured Oregonians (78%) are eligible to get health insurance through the Marketplace or OHP.
- 9/10 uninsured Hispanic/Latinos who were born in Oregon are eligible for OHP



Terminology

Medicaid Buy-in

Those currently ineligible for OHP because of income can **pay a monthly premium and enroll into CCOs**

Public Option

A new, hopefully lower-priced, health plan/coverage **option in the commercial market for those over-income for OHP**

Cover All People Pilot

State-based option for those who are **ineligible for OHP or marketplace coverage for reasons other than income**, such as immigration.

Universal Access

Any combination of coverage options that together achieve affordable health coverage for all people in Oregon

Single-payer

System in which **state-sponsored health insurance plan(s)** are the sole or primary source of coverage for all people in Oregon

Cover All People

- Ultimate goal is to build on ACA and expand affordable coverage to those who were left out
- Governor's Recommended Budget 2021-2023 includes a \$10m investment to fund a **pilot** program to provide coverage to a subset of those who are ineligible for OHP
- Modeled after the successful Cover All Kids Program (now known as "OHP Covers Me!")

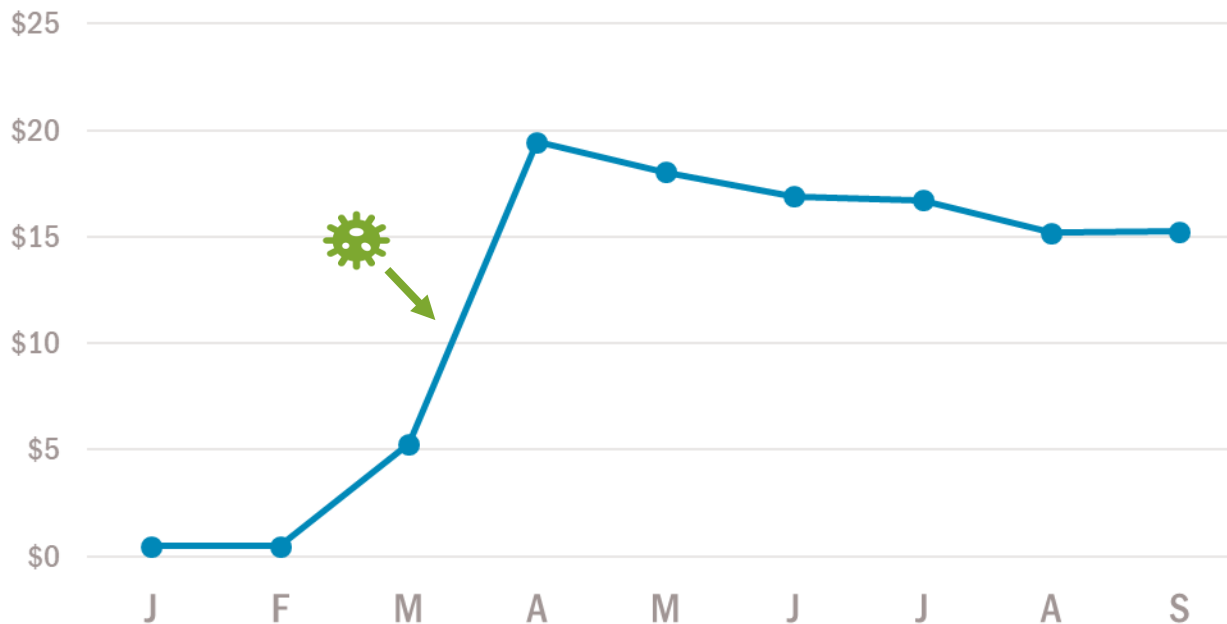
OHP COVERS ME!



An unexpected move toward telehealth

Telehealth use increased dramatically when the COVID-19 pandemic began and remains high.

Based on allowed (billed) amounts
\$ millions



Continuously improve our Medicaid model

CCO 2.0 contracts and the 2017 waiver renewal focused on:

- ✓ Better integrating behavioral health
- ✓ Doubling down on social determinants of health and Health-Related Spending
- ✓ Increasing value-based payments and pay-for-performance; and advancing payment reform to the provider level.
- ✓ Accountability to communities

Questions?

Thank you!

Contact

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