SB 967: Leveraging Oregon's Medicaid Program to Increase Health Equity

The Oregon Health Authority (OHA) has set the ambitious and necessary goal to eliminate health inequities by 2030. OHA is refocusing all of its programs to achieve this goal. Oregon's ground-breaking Medicaid program – the Oregon Health Plan (OHP) – is a powerful tool to achieve health equity for the one in three people in Oregon it serves. OHP is built on a waiver provided by the Centers for Medicare & Medicaid Services (CMS) that allows Oregon to provide care to low-income people in innovative ways that best meets their needs. The need to refocus OHP programs on health equity was highlighted in recent negotiations between the state and CMS for a new five-year Medicaid waiver.

SB 967 moves these conversations forward by empowering the people most affected by Oregon's Medicaid program to choose which quality metrics are used to increase health equity and incentivize better health outcomes through the Coordinated Care Organization (CCO) Quality Incentive Program. It also allows OHA to reimburse CCOs for Health-Related Social Needs costs, as established in the new waiver, by making permanent a payment authority that OHA currently has only due to the Public Health Emergency.

Problem: Communities Do Not Set Direction for Quality Metrics Decisions

Since the CCO Quality Incentive Program began in 2013, it has been a powerful driver of improvement in the care delivered to CCO members. However, the selection of CCO incentive metrics has been largely controlled by those who are employed within the health care system, rather than those whose health is most impacted by these metrics. Currently, metrics selection happens through two committees, neither of which empowers communities.

Solution: Change Committee Structure to Empower Members and Communities

Communities whose health is most affected by OHA and Medicaid policy should have the power to set priorities for which metrics are used to incentivize health equity and better health outcomes. Consistent with OHA's strategic goal to eliminate health inequities and the recently approved 2022-2027 Oregon Health Plan Medicaid Waiver, SB 967 revamps the CCO Quality Incentive Program to equitably redistribute power.

The proposal replaces the current committee structure with a new, community-led committee.

- The Health Equity Quality Metrics Committee (HEQMC) would be established to make decisions about CCO quality incentive metrics.
    - At least eight of HEQMC's members would be OHP members, community representatives, and health equity researchers and professionals, and four members would be from CCOs, providers and the health care system.

- The current Health Plan Quality Metrics Committee would be eliminated.
    - Because the new HEQMC would select a portion of the incentivized measures from the Centers for Medicare & Medicaid Services (CMS) Adult and Child Core measures, alignment with nationally used measures and across publicly funded programs would be improved.
    - The new HEQMC also would set the priorities and direction for any new measure development in gap areas where suitable national measures are unavailable.
- After the new HEQMC is established and has time to get oriented, the Metrics and Scoring Committee will also cease operating.

Problem: OHA Needs Flexibility in Reimbursement to CCOs That Aligns With CMS Allowed Payments

During the Public Health Emergency due to the pandemic, OHA has leveraged non-risk payments to reimburse CCOs for any costs they incur related to COVID vaccination costs. OHA was authorized to use this mechanism due the emergency but continued use of it requires legislative action. This flexibility is allowable by CMS. This mechanism is planned to support the new Transitional Waiver services (Health-Related Social Needs) authorized in the waiver.

Solution: Allow OHA to Leverage Non-Risk Payment Flexibility for Limited Periods Of Time When Needed

OHA plans on leveraging non-risk payments temporarily for Health-Related Social Needs waiver services to allow for flexibility and accurate payments to CCOs as this program begins. OHA will reimburse CCOs with prospective capitation rates predominantly and plans transitioning any services in non-risk payments into general capitation rates when possible.

For more information:

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