

# Coordinated Care Organizations

## Next steps

November 2012



# What we'll talk about today

- Shared problem – shared solution
- Basics of Coordinated Care Organizations
- What they mean to you
- What's next

# Oregon Health Plan

50% of babies born in Oregon

16% of Oregonians

85% of Oregon providers

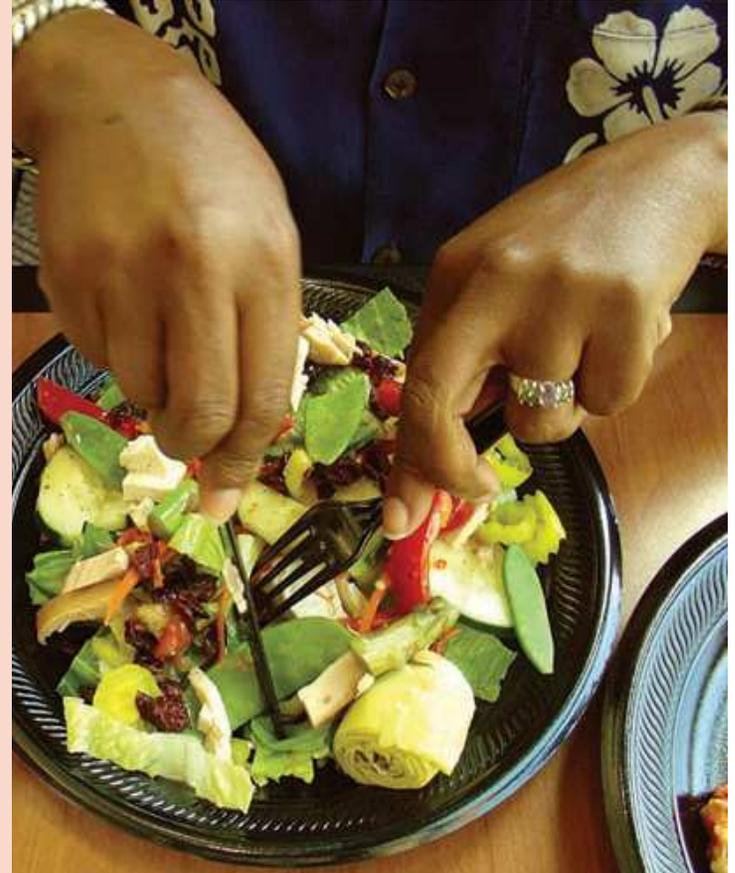
11% percent of total state budget

**Fastest growing** portion of state budget

# We can't afford this anymore

*If food had risen at the same rates  
as medical inflation  
since the 1930s:*

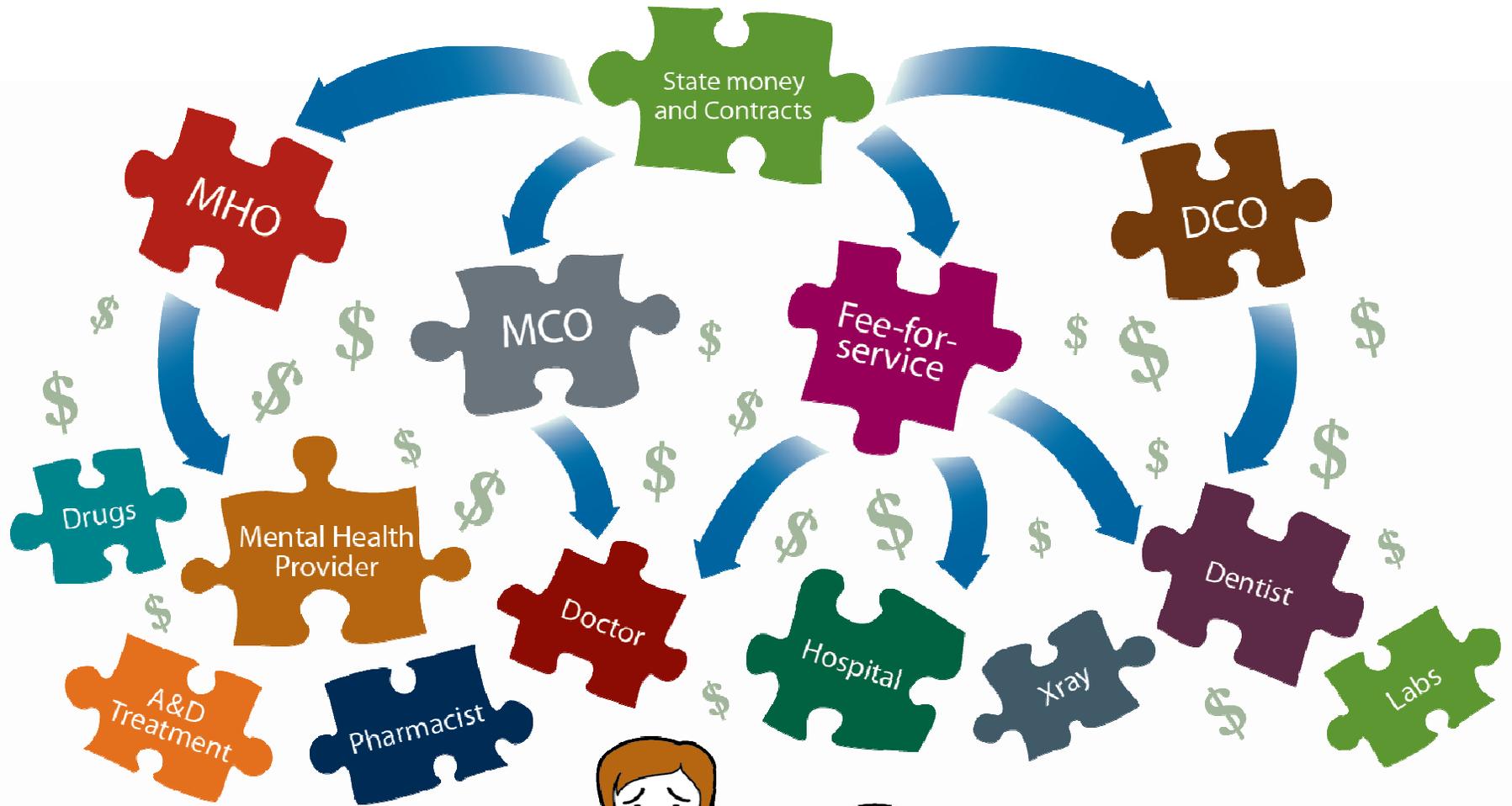
✓ 1 dozen eggs	\$80.20
✓ 1 dozen oranges	\$107.90
✓ 1 lb. of bananas	\$16.04
✓ 1 lb. of coffee	\$64.17

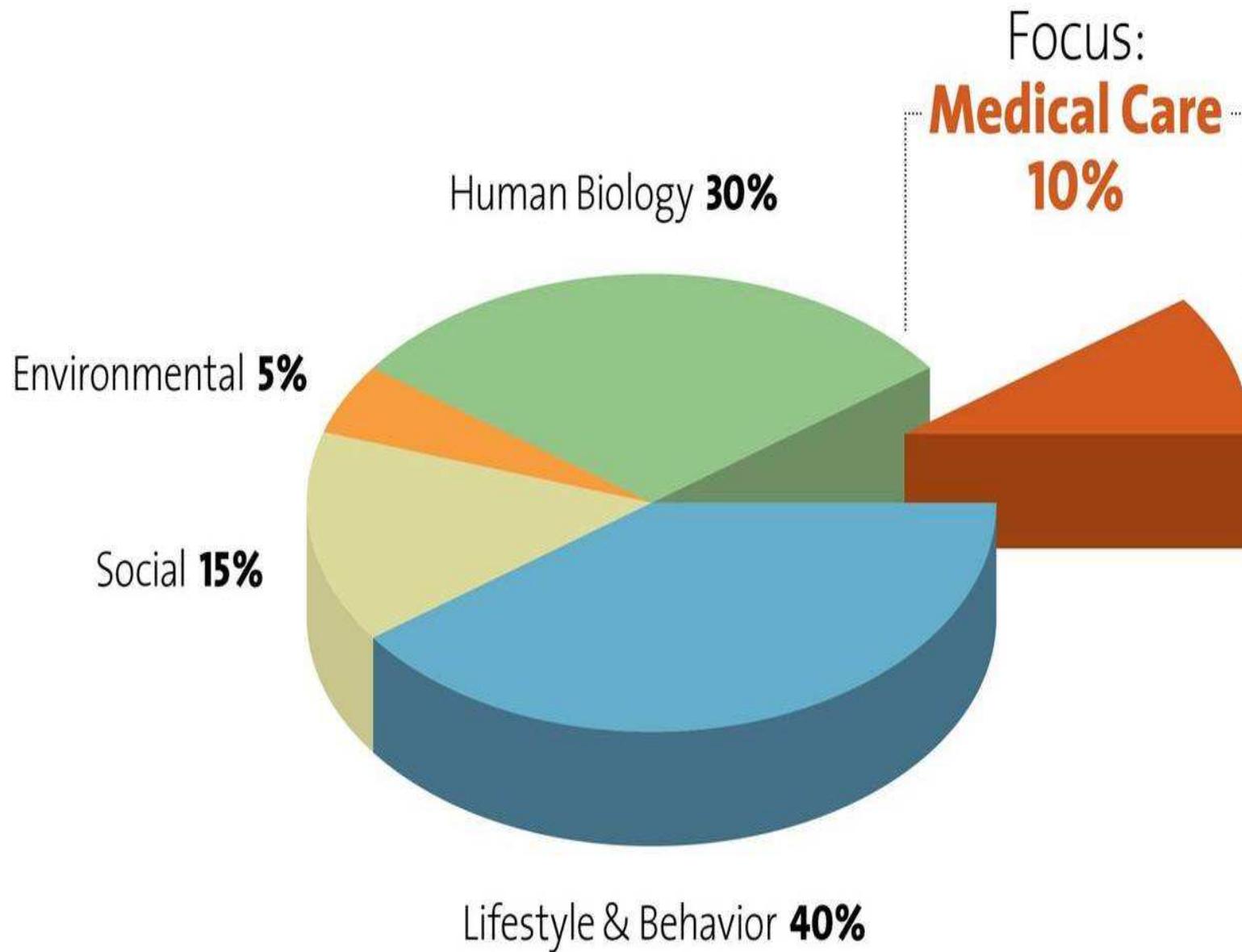


# Traditional budget balancing

- Cut people from care
- Cut provider rates
- Cut services

Meanwhile.....





# High cost of today's system

- Cost to health
  - Behavioral health: major driver of bad outcomes
  - Chronic conditions – uncoordinated care, inability to use incentives for prevention
- Cost to state
  - ER or acute care that could have been prevented
  - Unnecessary administrative costs in health care system and Oregon Health Authority



## **Central Oregon Pilot: Community workers make the difference**

Addressing behavioral health: Reduced ED visits by 49% and reduced net costs more than \$600,000 in first six months.

*Photo: The Oregonian*

# Triple Aim: A new vision for Oregon

- 1 Better health.**
- 2 Better care.**
- 3 Lower costs.**

# Changing health care delivery

Benefits and services are integrated and coordinated

One global budget that grows at a fixed rate

Metrics: standards for safe and effective care

Local accountability for health and budget

Local flexibility

# Coordinated Care Organizations

**A local network of all types of health care providers working together to deliver care for Oregon Health Plan clients.**

**Care is coordinated at every point – from where services are delivered to how the bills are paid.**

# Benefits & services are integrated and coordinated

- Physical health, behavioral health, dental health
- Focus on chronic disease management
- Focus on primary care
- Get better outcomes:
  - Health equity
  - Prevention
- Community health workers/non-traditional health workers
- Electronic health records

# Global budget

- Current system
  - MCO/MHO/DCO/FFS
  - Payments based on actions
  - No incentives for health outcomes
- CCO global budget
  - One budget
  - Accountable to health outcomes/metrics
  - Local vision, shared accountability, shared savings
  - Flexibility to pay for the things that keep people healthy

# CCO Criteria

- ✓ Coordinate physical, mental health and chemical dependency services, oral health care.
- ✓ Encourage prevention and health through alternative payments to providers.
- ✓ Engage community members/health care providers in improving health of community.
- ✓ Address regional, cultural, socioeconomic and racial disparities in health care.
- ✓ Manage financial risk, establish financial reserves, meet minimum financial requirements.
- ✓ Operate within a global budget.



## **Ted Hanberg, 83, frequent hospitalization**

**Coordinated Care team helped him get his heart disease under control.**

It's been more than one year since he's been to the hospital and he is living independently with his wife and daughter in Happy Valley.

# CCOs: governed locally

*State law says governance must include:*

- Major components of health care delivery system
- Entities or organizations that share in financial risk
- At least two health care providers in active practice
  - **Primary care** physician or nurse practitioner
  - **Mental health or chemical dependency** treatment provider
- At least two community members
- At least one member of **Community Advisory Council**

# Community Advisory Council

- Majority of members must be consumers.
- Must include representative from each county government in service area.
- Duties include Community Health Improvement Plan and reporting on progress.



# Input into CCO applications happens at the community level

- Local community public presentations:  
Check [www.health.oregon.gov](http://www.health.oregon.gov) for local contacts and presentation dates
- Applications include local statements of support



[www.health.oregon.gov](http://www.health.oregon.gov)

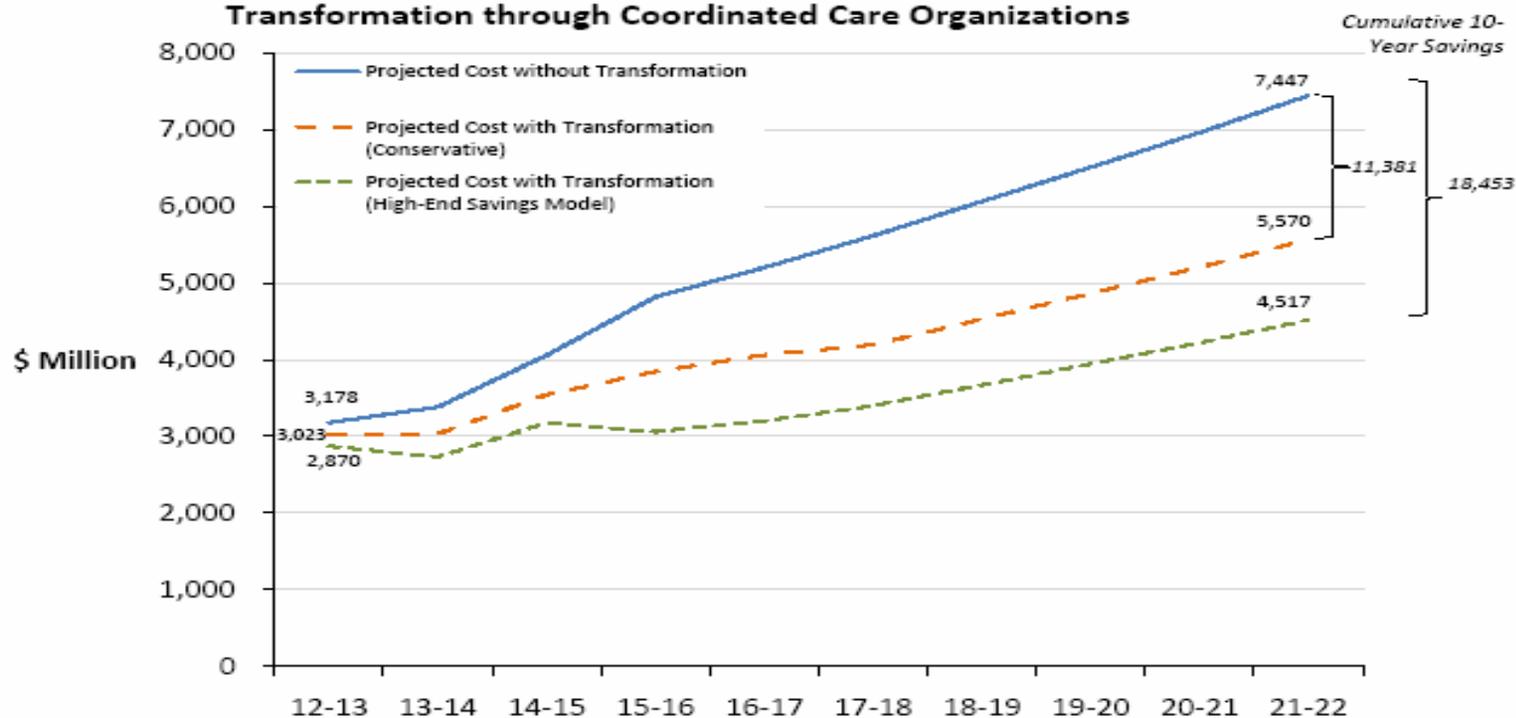
# OHA Coordinating and Streamlining

- Eliminating duplicative structures between physical and mental health divisions
- Eliminating duplicate review and approval processes
- Eliminating separate quality monitoring process and rules



# If we do nothing....

**Health Management Associates' Annual Projected Savings Attributable to Health System Transformation through Coordinated Care Organizations**



**Source:** Health Management Associates

**Notes:** Health Management Associates' projections end in 2019. The 2019-2021 biennium and 2021-2022 state fiscal year were extended forward by the Oregon Health Authority by applying the growth rates in HMA's model.



# Better health = lower costs

- Agreement with federal government to reduce projected state and federal Medicaid spending by \$11 billion over 10 years. Oregon will lower the cost curve two percentage points in the next two years.
- Up-front investment of \$1.9 billion from the U.S. Dept. of Health and Human Services over five years to support coordinated care model.

Status today

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# Coordinated Care Organizations serving clients Aug. 1

<b>CCO Applicant Name</b>	<b>Service Area by County</b>
AllCare Health Plan, Inc. - Mid Rogue Independent Physician Association, Inc.,	Curry, Josephine, Jackson, Douglas (partial)
FamilyCare, Inc.	Clackamas, Marion (partial), Multnomah, Washington
Intercommunity Health Network Coordinated Care Organization	Benton, Lincoln, Linn
PacificSource Community Solutions, Inc.	Crook, Deschutes, Jefferson, Klamath (partial)
Trillium Community Health Plan, Inc.	Lane
Umpqua Health Alliance - DCIPA, LLC	Most of Douglas
Western Oregon Advanced Health, LLC	Curry, Coos
Willamette Valley Community Health, LLC	Marion, most of Polk

# Coordinated Care Organizations serving clients Sept. 1

<b>CCO Applicant Name</b>	<b>Service Area by County</b>
Columbia Pacific Coordinated Care Organization, LLC	All of Clatsop, Columbia and Tillamook counties. Parts of Coos and Douglas counties.
Eastern Oregon Community Care Organization	Baker, Malheur, Sherman, Union, Wallowa (initially). Gilliam, Morrow, Umatilla, Wheeler, Grant, Harney, Lake (later).
Jackson Care Connect	Jackson County
PrimaryHealth of Josephine County, LLC	Josephine County and parts Douglas and Jackson Counties
Health Share of Oregon	Clackamas, Multnomah and Washington Counties

# Coordinated Care Organizations serving clients Nov. 1, or later

<b>CCO Applicant Name</b>	<b>Service Area by County</b>
Cascade Health Alliance	Parts of Klamath County
PacificSource Community Solutions, Inc.	Hood River and Wasco Counties
Yamhill County CCO	Yamhill County, parts of Marion, Clackamas, and Polk Counties



**Across Oregon, unprecedented  
collaboration**

# What CCOs mean for local providers



Providers will contract directly with CCOs

Fee-for-service will be phased into CCO

OHP medical benefits are **not** changing

Metrics will be staggered



*“One of the problems we can solve is the tremendous fragmentation among the people who pay for the care and what they expect from us.”*

Hood River family physician

# What CCOs mean for OHP clients



Nothing is  
changing today

Oregon Health  
Plan medical  
benefits **are not  
changing**

Most clients won't  
see much change

**Exception:** better  
managed care for  
chronic illness

Clients will receive  
**at least 30 days**  
notice prior to any  
changes

# Oregon's vision



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## No child should go to the ER with asthma

Malik, 8, used to go to the ER with asthma attacks as often as twice a month. Thanks to a coordinated care pilot project and a community health worker, he is avoiding the hospital.

More stories at: [www.health.oregon.gov](http://www.health.oregon.gov)



