

**Oregon's Coordinated Care Model Summit:  
Inspiring Health System Innovation  
December 3-4, 2014  
Portland, Oregon**

**Governor Kitzhaber – Innovation and Inspiration: Celebrating Achievements and Looking to the Future**

Thank you very much Suzanne. It is really a delight to be here today and I look forward in a moment to have the opportunity to introduce my good friend Don Berwick. We had the Annual Foundation for Medical Excellence Health Policy Lectureship last night. Ezekiel Emanuel was our invited guest and one hour before I arrived in Portland, I was informed that he was still in Philadelphia and got to give an impromptu speech. And so I'm delighted to see Don sitting right over there today.

Four years ago, this transformation – this health care transformation that we see unfolding across our state – was just a vision. But it was a vision based on the belief that we had the capacity to move beyond the human tendency to cling to the familiar and actually reach for the possible. It was built on basically an act of faith. A belief in collaboration, in hard work for two long years until the first coordinated care organizations were actually born in August of 2012. And it was about nurturing them, and holding hands with each other, and going forward, and refusing to believe that we could not make this happen. And so it's very humbling to be here today, and I look back one year, and who would have believed that one year ago, that today ninety-five percent of the people in this state would have health insurance coverage and a million would be enrolled in a new care model that's improving health and reducing cost.

So, I want to start by thanking everybody who's here and the hundreds and hundreds of people who aren't here across this state who have worked so hard and believed in this vision and brought it here today. And I want to recognize the great work that the Transformation Center does every year to pull us all together. CMS and their great partnership. I want to thank Secretary Burwell and Kathleen Sebelius before her and the whole federal team for believing in us and giving us the latitude and the open field to get where we are today. And of course all the sponsors that Cathy mentioned who have given resources to make this conference happen.

This past year has been a challenge on many fronts. You have no idea. Yet throughout it all and through the problems and challenges we face with Cover Oregon, we never took our eye off the ball. And we demonstrated I think to this state what collaboration and not conflict can do for the health and well-being of the people of Oregon. As I mentioned, ninety-five percent of our citizens now are enrolled in health care coverage and a million of them are now in the Oregon Health Plan. That is an increase of three hundred thousand people since January 1<sup>st</sup>, and the outcomes are really quite remarkable and inspiring.

421 SW Oak, Suite 775 Portland, OR 97204

Phone: 971-673-3363

Email: [Transformation.Center@state.or.us](mailto:Transformation.Center@state.or.us)

[www.transformationcenter.org](http://www.transformationcenter.org)

Since 2011, we've seen a twenty percent drop in emergency room use. We've seen a reduction in hospital admissions for congestive heart failure by thirty-three percent; over forty percent for chronic obstructive pulmonary disease. We've seen an eighty percent increase or eighty percent of these people are actually enrolled now in patient centered primary care medical homes. And we're beginning to actually reward coordinated care organizations for meeting those outcomes and continuing to prioritize those incentives that result in prevention and in health.

So we've talked a lot about the impressive enrollment numbers and talked a lot about the equally impressive outcomes, but there's another story I want to spend just a moment on this morning because I think it's a very important one and it's one that has traveled largely under the radar screen. And that is the story of the truly remarkable cost savings that we've realized over the past few years and what that has allowed us to do. As Nichole said, two days ago I presented my recommended budget for the next 2015-17 biennium. And I will resist the almost incredible urge to describe every detail of that budget to you this noon so Don will have some room to talk. But I want to spend a moment on it because I think the people in this room and the organizations that you represent have had more to do with this budget and what it looks like than you can possibly imagine.

Because of the health care savings we have realized in the Medicaid Program and the ones we hope to recognize by bringing in public employees to this care model; we're going to be able to actually eliminate the structural budget deficit that this state has had for twenty-five years since Ballot Measure 5 passed in 1990, in the 2019-21 biennium and actually have a structural budget surplus in 21-23. And that has given us the ability to make enormous and very important investments from Early Learning to Rural Economic Development from Mental Health to Disaster Preparedness. That would not have been possible without the savings that have accrued from this transformation of our health care system. This budget has money to fund full-day kindergarten; a huge investment in early learning and early literacy; a career and technical education; science and math; making college more affordable; Making Work Pay; expanding mental health services; a hundred million dollars to provide housing to homeless families without children. All of these things are incredibly important in dealing with the social determinants of health that actually make people healthier and more optimistic in this state. And all these things were done because of the vision and the participation and the belief of people gathered in this room today.

So the takeaway is really clear. Two years into system transformation, the coordinated care model is actually working and I just want to thank each and every one of you for this amazing progress that we've made. Now recognizing that we've come a long way doesn't mean there isn't a lot of really difficult work ahead of us. We've got to continue to figure out how to continue to partner between providers and consumers and communities to continue with the health care transformation. We obviously have to learn from each other what works and what doesn't work. We've got a real challenge in making sure we integrate mental health and behavioral health with physical health. With an aging population, I think we need to begin to recognize that we have to have a different conversation about the difference between care and cure and how we have that in a compassionate way. And finally I think in an era of public limits and increasingly a system financed with public dollars, we have to figure how to deal with new technologies and pharmaceuticals. Sovaldi, for example, that can produce miracles for individuals but can cost the budget so much that it undermines our ability to provide basic services to the larger population.

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But I believe that if we work together with the same attitude we've had over the past few years it we will actually be successful. And starting next month, everyone who's on the Public Employees Benefit Board will have access to one of these coordinated care options and we hope to extend that to the Oregon Employee Benefit Board this legislative session.

So before I close, I just want to thank all of you again for the absolutely incredible work now that you've done. And to also thank you in advance for the incredible work that we're going to do together over the next few years. I also want to thank – give a special thanks to Cathy Kaufman. Her vision for the Transformation Center, it's just been an incredible asset to the State and to this whole transformation effort and we're really going to miss you. But we wish you the very best on your next adventure.

So now it's my distinct honor to introduce Doctor Don Berwick, or should I say, welcome Don back to Oregon. He was with us at the first conference in 2012. He has actually phoned into some of our learning collaboratives. Let me just say very, very briefly that Don is a pediatrician, an author, former president and CEO of the Institute for Health Care Improvement, a former administrator of CMS. He was my choice for governor of Massachusetts in the recent election. To me, he is a dear friend, he is a mentor, he is an inspiration, and he is someone who has had a profound impact on the health care system of the United States, on my thinking on these issues and certainly a huge fingerprint on health care transformation in the State of Oregon. Please welcome Don Berwick.

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