

Oregon's Health System Transformation

Better health, better care, lower cost

Oregon's health system transformation started with the creation of coordinated care organizations (CCOs), which serve Oregon Health Plan (or Medicaid) members. The Oregon Health Authority is working to spread the coordinated care model to other plans and payers. The ultimate goal of these efforts is to bring better health, better care and lower costs to Oregonians.

Oregon's coordinated care model

Through the coordinated care model, Oregonians are experiencing improved, more integrated care. With a focus on primary care and prevention, health plans using the coordinated care model are able to better manage chronic conditions and keep people healthy and out of the emergency department.

Key elements of the coordinated care model include:



Timeline of Oregon's health reform

- **2011:** In June 2011, the Legislature passed a bi-partisan bill (House Bill 3650) proposing a statewide system of coordinated care organizations (CCOs)
- **2012:** State legislation created CCOs; Medicaid waiver approved; CCOs launched, implementing the coordinated care model, including integrated physical and behavioral health
- **2013:** Oregon awarded State Innovation Model grant to spread the model to other payers
- **2014:** Dental care integrated into CCOs
- **2015:** Coordinated care model elements have been included in new health plans for state employees, as well as some health plans for education and certain local government employees

Oregon's coordinated care model

The coordinated care model was first implemented in CCOs.

What are CCOs?

A CCO is a network of all types of health care providers (physical health care, addictions and mental health care and dental care providers) who have agreed to work together in their communities to serve people who receive health care coverage under the Oregon Health Plan (Medicaid). Today, 16 CCOs operate across the state.

How CCOs work

CCOs are local. They have one budget that grows at a fixed rate for mental, physical and dental care. CCOs are accountable for health outcomes of the population they serve. They are governed by a partnership among health care providers, community members and stakeholders in the health systems that have financial responsibility and risk.

How coordinated care works within CCOs

Before CCOs	With CCOs
Fragmented care	Coordinated, patient-centered physical, behavioral, and oral health care
Disconnected funding streams with unsustainable rates of growth	One global budget with a fixed rate of growth
No incentives for improving health (payment for volume, not value)	Metrics with incentives for improving quality, access and health outcomes
Limits on services	Flexible services
Health care delivery disconnected from population health	CCO community health assessments and improvement plans
Limited community voice and local partnerships	Local accountability and governance, including a community advisory council

Incentives for better services

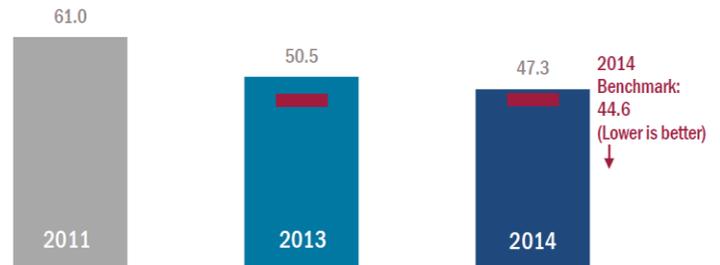
Through the coordinated care model, the state measures and pays for performance. The model continues to show improvements in care while staying within budget, even with the inclusion of more than 434,000 additional Oregonians who have enrolled in the Oregon Health Plan since January 1, 2014 – bringing enrollment to 1.1 million people, or approximately a quarter of all Oregonians.

In 2014, we showed large improvements in the following areas:

- ✓ **Decreased emergency department visits.** Emergency department visits by people served by CCOs have decreased 22% since 2011.
- ✓ **Decreased hospital admissions** for chronic obstructive pulmonary disease and asthma (reduced by 60%) and short-term complications from diabetes (reduced by 26.9%).
- ✓ **Increased primary care.** Enrollment in patient-centered primary care homes has increased by 56% since 2011.

Statewide, emergency department utilization continued to decline.

Per 1,000 member months
Data source: Administrative (billing) claims
2014 benchmark source: 2013 National Medicaid 90th percentile



The full 2014 performance report is available at: oregon.gov/oha/metrics/

Spreading the coordinated care model

The Oregon Health Authority is working to spread the coordinated care model to other plans and payers with the aim of better health, better care and lower costs for all Oregonians.

- **Public Employees' Benefit Board (PEBB)** – Starting in January 2015, health plans for more than 130,000 public employees include elements of the coordinated care model.
- **Oregon Educators Benefit Board (OEBB)** – In October 2015, health plan options for school district, community college and local government employees were aligned with CCO metrics. The board is establishing benchmarks and performance targets.

State Innovation Model Grant

The federal Centers for Medicare and Medicaid Innovation awarded a State Innovation Model grant to Oregon for up to \$45 million for three and a half years. Oregon was one of six states to receive the grant for testing innovative approaches to improving health and lowering costs across the health care system. The grant focuses on three areas:

- **Innovation and rapid learning** – Resources and technical assistance to CCOs; learning collaboratives and rapid improvement cycles; and promoting health equity across sectors and payers
- **Delivery models** – Integration and coordination among primary, specialty, mental, behavioral and oral health; and CCO collaborations with long-term care, community health and social services
- **Payment models** – Global budget for CCOs and promising alternative payment models that focus on the value, rather than the volume, of services provided



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Coordinated Care Organization Service Areas

