
Oregon Health Authority Measure Summary

Primary Care Transformation Initiative

SB 231

Concept: This concept establishes an initiative that will strengthen investment and infrastructure for Oregon’s primary care delivery system. Specifically, it would formalize a multi-payer primary care collaborative in statute and direct the group to design an initiative in which payers: a) pilot a small number of alternative primary care payments and develop benchmarks for success that would trigger continuation of the initiative past pilot phase; and b) make equitable investments in primary care transformation assistance.

This concept:

- Ensures broad-based participation across payers, recognizing that systemic action is needed to keep costs sustainable and that everyone is part of the same health system;
- Maximizes alignment among payers in order to send consistent signals to providers and the delivery system;
- Establishes a coordinated, sustainable primary care transformation approach by developing payment reform and technical assistance strategies in tandem; and
- Is aligned with Oregon’s current health system transformation efforts.

Need for Policy Change: Health System Transformation efforts driven by the Oregon Health Authority, particularly implementation of the Patient-Centered Primary Care Home (PCPCH) program, initiated a marked increase in the level of primary care transformation occurring in clinics around Oregon. While early evaluation results indicate that this level of transformation is leading to delivery system improvement, the current infrastructure cannot sustain these efforts.

In fall of 2013, a majority of payers in the state signed a voluntary agreement to use PCPCH recognition as a common marker of primary care transformation and make variable payment to practices based on their level of recognition. While this agreement was a positive step toward sustaining the transformation work, implementation on the part of the payers has been slow to occur. This concept seeks to ensure implementation of the multi-payer agreement and improve the primary care infrastructure, specifically by increasing resources directed toward that infrastructure.

Impact if Not Approved: A strong primary care delivery system is foundational to Oregon’s broader health system transformation efforts. Without adequate resources to support and build a robust infrastructure, Oregon may not achieve its transformation goals, including spreading the coordinated care model to new markets as part of the Governor’s vision.

Facts:

- Only 5% to 6% of total health care expenditures go to primary care; however, successful health system transformation relies heavily on a well-functioning primary care system.
- Over 500 clinics have been recognized as Patient-Centered Primary Care Homes (PCPCH) by the Oregon Health Authority to date.

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- 80% of surveyed PCPCH clinics reported implementation of at least one new service or process in order to achieve this recognition.
 - Recognized PCPCH clinics demonstrate better outcomes on select quality measures as well as significantly lower specialty care utilization as compared to their non-recognized counterparts.
 - In fall of 2013, a majority of payers in the state signed a voluntary agreement to use PCPCH recognition as a common marker of primary care transformation and make variable payment to practices based on their level of recognition. Implementation on the part of the payers has been slow to occur and current activities may not be sustainable without committing additional resources to the primary care system.
 - 67 clinics in Oregon are participating in the Comprehensive Primary Care Initiative in which clinics receive payments from Medicare and five Oregon payers, including Medicaid, to support primary care transformation. This initiative will end in 2016, and there is not a current plan in place to sustain the financial support to clinics.

Other Supporters: There is wide-spread support among the provider community for increasing resources directed toward the primary care system, including the Oregon Academy of Family Physicians, the Oregon Nurses Association, the Oregon Medical Association, and the Oregon Pediatric Society. There is cautious support from several insurance carriers and Medicaid Coordinated Care Organizations in the payer community for this proposed concept.

Fiscal Impact: Indeterminate

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