

Dec. 16, 2011

Contact: Patty Wentz, communications director, 503-932-6243

Public comment sought for Oregon Health Plan proposal

Proposal for Coordinated Care Organizations heads toward finalization

After months of work groups and community meetings around the state, this week the Oregon Health Policy Board rolled out a preliminary proposal that changes the way the state delivers and pays for health care for low-income Oregonians.

The proposal is part of last year's House Bill 3650 which laid out the foundation for integrating physical, mental, dental and other care for the Oregon Health Plan.

HB 3650 calls for Coordinated Care Organizations, creating one budget, one point of accountability and one governing entity for care in local communities. .

Today care is administered through a fragmented system that includes three kinds of health plans: 14 physical health organizations, nine mental health organizations and eight dental care organizations. The National Association of State Budget Officers' recent report shows that Medicaid costs are taking up an ever-increasing portion of state budgets.

<http://www.nytimes.com/2011/12/14/us/in-downturn-medicaid-takes-up-more-of-state-budgets-analysis-finds.html>

The solution, says Governor John Kitzhaber, is to change the business model for health care.

"The status quo isn't working. It is not geared toward improving health or delivering services efficiently," Governor Kitzhaber says. "When we spend ineffectively on health care it takes precious resources from education, public safety and other services. The draft CCO proposal takes us one step closer to getting better health outcomes and lower costs."

The draft proposal makes preliminary recommendations for the criteria for establishing a Coordinated Care Organization, how it should be governed and how the budget should be established. The proposal is posted at www.health.oregon.gov and the Oregon Health Policy Board is asking for public comment before discussing the next draft in January.

“There has been a broad public process in pulling together the pieces necessary to build a better health system,” says Eric Parsons, chair of the Oregon Health Policy Board. “We hope that stakeholders, clients and anyone interested in the new vision for health care will stay involved as we prepare the final proposals for the Legislature.”

Recommendations

In this draft, the board recommends:

- The majority of the governing board for CCOs be made up of individuals bearing financial risk, and also reflect the needs of the communities CCOs serve.
- All Medicaid dollars be included in the CCO budget – with the exclusion of long-term care and mental health drugs – and tie budgets to a fixed rate of growth rather than medical inflation.
- CCOs partner with local public health authorities and hospital systems to develop a shared community needs assessment that includes a focus on health equity and disparities.

In addition, the proposal highlights key elements of HB 3650, which calls for an emphasis on primary care, prevention and coordination with counties.

Next steps

This is the first of two public comment periods on the CCO Implementation Proposal. Public comment on the draft will be accepted until Jan. 3, 2012.

At the Jan. 10, 2012 meeting of the Oregon Health Policy Board, members will review the next draft of the proposal, which will include projections for cost reductions to the state under a Coordinated Care Organization model. There will be one more round of public comment, then

12/16/2011 – CCOs – p3

the final recommendations from the board will be sent to the Legislature before the February session.

If approved by state lawmakers, the proposal would be sent to the Centers for Medicare and Medicaid Services (CMS) for review and approval. If accepted, the first CCO could potentially begin enrolling clients in the summer of 2012.

###