

Oregon Business Plan Health Vision and Strategies

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Recognizing the significant impact health care costs were having on Oregon businesses in 2004, the Oregon Business Council initiated work to understand the fundamental drivers of health care costs and to develop an overall plan to improve the value of health care in Oregon.

A small group of business and health care leaders, lead by Peggy Fowler, CEO, PGE and Mark Ganz, CEO, Cambia Health Services, completed this initial work, and in 2006 the health care vision and strategies were incorporated into the Oregon Business Plan.

Health Vision--2006

"We support actions to give all Oregonians access to quality health care. This can best be accomplished by creating a fair market where everybody is motivated to improve health, ensure quality and control costs. In such a system, individuals, employers, health plans, and providers have incentives to encourage good health, and consumers make informed choices about health practices and treatment options based on understandable health information and transparent prices and quality."

The framework outlined recommendations for private and public employers to implement programs that encouraged wellness and personal responsibility; benefit packages that created the right incentives; and encouraged employers to provide employees choice of health plans with a defined contribution strategy for funding. The plan also encouraged action to support the exchange of health information among providers, standardized quality measures, enhanced transparency and availability of useful cost and quality information to support decision making and outlined health reform strategies. Strategies also included the expansion of Medicaid with improved provider reimbursement to help mitigate the cost shift to the commercial market and support for an Exchange and an individual mandate.

Since then, there has been significant change in the health and health care environment. Public and private employers have made progress on these strategies and reform has occurred at both the state and federal level.

In 2012, the Business Health Care Roundtable agreed that the priorities moving forward were to:

1. Achieve the per capita cost trend of 2% for the Medicaid population, support adequate funding for 2013-15 and develop a long term funding solution.
2. Work with the Insurance Division/Health plans to minimize the impact of federal reform on the individual and small group markets.
3. Align public and private purchasing strategies to slow the rate of growth in health care expenditures by implementing action outlined in the OBP.
4. Support medical malpractice reform.
5. Initiate a business and state led effort to become the healthiest state.

The group also commissioned work to update the OBP health strategy, focused on high quality health for everyone that is affordable and sustainable by:

- Accomplishing the actions to make Oregon the healthiest in the country.
- Describing the future delivery system and the economic model to support it; cultural changes needed by consumers, providers, employers and health plans to deliver on a new social contract.
- Retaining the elements of the current plan with greater execution and engagement of employers.

With input from a small group, Mark Ganz and Joe Robertson, M.D., OHSU agreed to draft up a vision for consideration.

As health care is being “re-set” through state and national reform and private and public steps, it was appropriate to set a new health vision for the OBP and identify the business and policy priorities for 2014 and beyond.

The new vision builds from the previous one with greater emphasis on:

- developing a strong market to align incentives by encouraging employers to move toward a defined contribution strategy to fund health benefits, coupled with offering consumer choice of health plan, provider networks and/or benefits that can be offered through traditional or new (private/public Exchanges) channels;
- a much stronger and broader community based emphasis on health;
- greater movement toward integrated delivery systems that better aligns quality, lower costs and higher patient satisfaction;
- engagement of consumers in building a sustainable system into the future; and
- greater business involvement in health policy.

Health Vision-- 2013

“The citizens of Oregon are the healthiest in the nation because they view their health and well being as a core value and commit their personal and common resources to that end. Our communities are oriented to healthy lifestyles and embrace health at all levels. Our health care system is responsive to individuals, families, and communities in health and in sickness. Oregonians will have the tools to make the most informed decisions about their health and health care. Quality health care is available to everyone at an affordable price through an integrated and efficient health care delivery system. Public and private sector health related entities have come together to promote both an efficient health care delivery system and healthy lifestyles for all Oregonians through creative and innovative programs and enterprises. In turn, the Oregon business climate is enhanced and more competitive because Oregonians are healthier, employees are more productive and the overall per capita cost of health care is one of the lowest in the nation and increases at a financially sustainable rate.”

Goals

1. Oregon will have the healthiest citizens in the country by 2020.
2. Oregon’s health care delivery and financing system will be structured and supported by employers to support the health of all Oregonians and provide quality health care at an affordable price on a sustained basis.
3. More employers will use a defined contribution strategy to fund employee health benefits and will offer of choice of: health plans, provider networks and benefit levels to better engage consumers and create the right market incentives.
4. Oregon consumers and providers will have and use easy to understand and accessible tools and information to make the best decision in their health and health care.
5. Oregonians understand and play an active role to support a sustainable health system in the future (changed culture/new social contract).
6. Business will advocate for state policies and funding that achieve these goals.
7. The per capita total cost of care will be one of the lowest in the country.

Goal 1: Oregon will have the healthiest citizens in the country by 2020

Elements:

1. Oregon's government leadership and business / education community will collaborate to form the "Healthiest State in the USA" initiative.
2. The leadership will develop a comprehensive, statewide master plan to achieve "Healthiest State in the USA" by engaging public and private sector entities.
3. The steering committee will engage with local and national thought leaders to help focus on those approaches that have a track record as well as to explore innovations that may have a significant potential of success.
4. Oregon's government leaders will create an environment for private enterprises that promotes health and an improved quality of life for Oregonians by advantaging those creative organizations that bring innovative solutions to our schools, grocery stores, restaurants, health clubs, social services, social clubs, safety net organizations and businesses.
5. Planning and policies set by schools and other public entities will focus on enhancing health and achieving this goal.
6. Restaurants, grocers, schools and other organizations will promote health and offer healthy options.
7. Employers, working as small communities, will create a culture of health and personal responsibility; using incentives to support change.
8. As a result of a relentless campaign of communication and smart engagement, Oregonians will be the best informed about health in the nation.
9. Individuals will know their health status, will seek out tools to improve their health and are committed to action.

Strategy:

- Launch the Oregon Healthiest State Initiative focused on physical activity, healthy eating and quality of life

Measures:

- Healthiest state by 2020, measured by National Gallup Poll
- Other measures TBD

Goal 2:

Oregon's health care system will be responsive to individual and family needs in health and in sickness. The delivery and financing system will be re-structured in to a true "system" that supports greater integration and coordination and to improve the health of all Oregonians and provide quality health care at an affordable price on a sustainable basis. Oregon consumers and providers will have and use the tools and information to make the best decision in their health and health care. Employers will structure their benefit offerings through new or traditional channels, to create greater aligned incentives among consumers, providers and payers to achieve these goals.

Care Delivery Elements:

1. Our health care system is oriented towards health and wellness and strives to heighten awareness about healthy living and prevention.
2. Providers and patients have ready access to the tools to help patients achieve health and promote healthy behaviors.
3. Individuals receive quality care 24/7 by phone, on-line, urgent care center, doctor's office, emergency room, community health center, school, pharmacy, et al.

4. Patients are encouraged to choose a primary source of care that, together with the patient and family coordinates their care and assists in the navigation across the system.
5. Patients with complex and chronic conditions are supported more intensely.
6. Behavioral health needs and social support services that support the patient and family are integrated in the delivery of care.
7. Primary care is provided by a team of clinicians supported to serve both the individual and a defined population of patients.
8. Providers and patients have ready access to understandable quality and cost information to help them select their primary source of care and specialty providers and location for care they may need.
9. Medical and health information follows the patient so providers and individuals have ready access to the needed information to make the most informed decision.
10. Care options are openly discussed with the patients and their families; useful decision support tools are readily available to patients and families that explain the treatment options, medical evidence and cost so that they can make the most informed decision.
11. Financial barriers do not prevent patients from getting preventive and care for chronic conditions.
12. The training that medical providers receive supports this primary care design that is both focused on the patient and the population they serve. The team of providers have both the interpersonal and data analytic and data skills to provide for the care of their patients.
13. The reimbursement system supports this model of care.

Financing the System Elements:

While we recognize that there needs to be a fundamental change in provider reimbursement, away from fee-for service, there will remain multiple economic and business models to pay for health care including global budgets for a defined set of services, pure retail where there is no insurance and third, a hybrid model with third party commercial payers/administrators supporting the retail model or the global cap approach.

Elements:

- Provider payment and compensation moves from rewarding volume to rewarding quality, satisfaction and cost effectiveness.
- Different provider payment models that create the incentives for health and the efficient use of health care dollars, such as global payments, bundled payments capitation are encouraged.
- There is a standard data set to measure and pay for outcome
- The processes and expense for payment, billing, and other administrative functions is standardized and less costly.
- Employers and consumers should have a choice of health plans and providers using a defined contribution approach to fund employees' health benefits and cost sharing at the time of service.
- Benefits will create the right incentives for Oregonians to participate and engage in their health and health care decisions.
- Consumers will have understandable information on cost and quality to make informed choices of health plans, providers and alternative treatments and services.

Strategies:

- Promote consumer choice of health plan with a stronger emphasis on defined contribution as an approach to fund health benefits. Encourage consumers to choose one location of care for the purpose of accountability and measurement
- Promote offering plan designs with networks of providers that incorporate and are accountable to deliver the care delivery elements outlined above

- Employers and payers support reimbursement and compensation methodologies that deliver on these key elements
- Establish a standard data to measure and pay for outcomes that are aligned for payers and providers
- Provide tools to employers to 1) assess if private or public exchanges are/can be a more effective channel to offer benefits and better align incentives, and 2) tools to incorporate these strategies
- Support Exchanges
- Support CCOs
- Support collective efforts by payers for administrative consistency
- Collective efforts by payers to support consistent care models and new payment models
- Establish a standard data set that payers use to measure and pay for performance and outcomes
- Support actions for health information exchange
- Support implementation of evidence-based tools that are simple, understandable and can be used by consumers to improve decision making on health plans, providers, locations of services and treatment options (e.g. Medicare 5 star rating? Other?)

Measures: See overall measures below

Goal 3: Oregonians will understand and play an active role to support a sustainable system in the future (TBD)

Elements:

1. Oregonians understand their role in supporting a sustainable health care system.
2. Oregonians are active in maintaining their health and engaged in healthy lifestyles.
3. Oregon's private and public systems help overcome the social barriers to health and well-being.
4. Oregonians are enrolled in health care coverage.
5. Decision support tools and processes help Oregonians to understand treatment options and supporting medical evidence in their decision making.

Strategies (examples):

- Educational effort to define the roles of Oregonians in building a sustainable effort
- Support the Healthiest state initiative
- Support the expansion of coverage in the state
- Private and public entities develop policies to support health
- Strategies to improve health literacy to support more informed decision making are deployed e.g. Advance Care Planning, Palliative care

Measures (TBD)

Goal 4: Business will advocate for state policies and funding that achieve these goals

Elements:

1. Business will understand and advocate for policies that support the OPB vision and goals
2. Business will monitor the implementation of state and federal health care reform and identify, develop, advocate for policies that achieves the OBP goals
3. Business understands the financial impact of the ACA (Medicaid expansion and subsidies of the Exchange) on the overall state budget and helps develop and advocate for strategies to adequately fund in order to avoid cost shift to commercial payers

Strategies:

- As reform is implemented (the Exchange/Medicaid expansion), identify areas for possible policy change that could improve the effectiveness to achieve expansion (e.g. churning)
- Assess the financial impact on the 2015-17 budget including the costs of ACA expansion (Medicaid/Exchange) and the run out of federal funds to support CCOs; develop and advocate for strategies to fund these programs
- Review and advocate for other policies that support the healthiest state initiative and a health care delivery system that achieves the OBP goals

Measures of Success

1. Oregon will have the healthiest citizens in the country by 2020.
2. Oregon's uninsured rate is 5% by 2017.
3. Per capita cost of health care overall and for the commercial population are in the 10% lowest costs in the US.
4. Achieve Oregon's Medicaid CCO cost growth rate target.
5. Sustainable rate of growth--TBD.
6. Health expenditures as a percentage of total personal income compared to the US average remain stable.
7. Increased trends in consumers rating information on cost and quality important and readily available for decision making.
8. Satisfaction with health coverage and care received is in the top 10% in the US.
9. Standard measures are available to monitor overall state performance.

While the following identify the 2014 priorities identified by the Roundtable, additional work will continue by many organizations to implement these strategies to achieve this vision.

Priorities for 2014

- 1) Employer benefit offerings (Lead: Oregon Coalition of Health Care Purchasers; supporting OBC, OBA, AOI)
 - Increase the movement of employers toward defined contribution and choice
 - Clearly articulate the employer purchasing options in this new environment that will best shape the health care market
 - Help determine the best channel that could work for employers—public or private exchanges, self-insurance or insurance
 - Move offerings to include integrated and aligned delivery systems and other key elements outlined in the strategy above
- 2) Get the Exchange running effectively for Oregonians and small business (Lead: OHA/Cover Oregon)
- 3) Implement the Healthiest State initiative (Lead: OBC)
- 4) Determine the overall measures to evaluate the effectiveness of the OBP health strategy (Lead: OBC)
- 5) Analyze the Medicaid budget, CCO performance; determine the short and long term funding issues and develop a strategy to address (Lead: OHLC)
- 6) Avert the pending hospital ballot measures (Lead: OAHHS)