Primary Care Payment Reform: The Oregon Experience

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Patient-Centered Primary Care Home (PCPCH)

Background:

- OHPB implements PCPCH Committee to develop definitions
  - Three tiers
  - Truly patient-centered
  - Includes wide range of services (e.g., co-located behavioral health)
- Affordable Care Act (2010) – includes Comprehensive Primary Care Initiative – Oregon one of five test regions
- 90%+ Oregon primary care practices PCPCH certified, most at highest tier
Coordinated Care Organizations

• Oregon’s first 1115 waiver in 1990 – Oregon Health Plan
• Series of bills – HB 2009 (2009), HB 3650 (2011), SB 1560 (2012) to move from MCO model to fully coordinated model
• New 1115 waiver in 2012:
  • Maintain medical inflation rate < 3.4%
  • All healthcare entities included (physicians, PT, hospitals, etc)
  • Much more flexibility re how to spend funds
  • Federal & state metrics for accountability
• Regional (16 total, a few areas have two CCO’s)
  • First ones enrolled members fall 2012, before ACA expansion
  • Increased focus on primary care
Primary Care Payment Reform Collaborative

• SB 231 (2015) – Established Collaborative, Key Stakeholders
  • Public & private payers
  • Primary care providers
  • Health systems
  • Oregon Health Authority staff
  • Facilitated

• Required OHA to develop definition of primary care, determine percent spend on primary care by each CCO and commercial carrier
  • family medicine, general internal medicine, naturopathic medicine, obstetrics and gynecology, pediatrics or general psychiatry

• Requires report to legislature by fall 2016
  • Current payment models
  • Examples of alternative models
  • Recommendations for next steps
Primary Care Payment Reform Collaborative

• Goals
  • Increase investment in primary care (without increasing costs to consumers or increasing the total cost of health care);
  • Improve reimbursement methods, including by investing in the social determinants of health; and
  • Align primary care reimbursement by purchasers of care.
Primary Care Payment Reform Collaborative

• Support
  • Use of value-based payment methods;
  • Provision of technical assistance to clinics and payers in implementing the initiative;
  • Aggregation of data across payers and providers;
  • Alignment of metrics, in concert with work of the Health Plan Quality Metrics Committee established in ORS 413.017; and
  • Facilitation of the integration of primary care behavioral and physical health care
Metrics

• CCO Metrics revised annually
• Each commercial carrier has its own metrics
• SB 440 (2015) established combined metrics & scoring task force
• Goal: develop standardized set of metrics & scoring for all payers
  • Facilitate reporting
  • Enhance comparisons between practices & providers
  • Payer confidence in “bang for the buck”
Payment Reform Collaborative Findings

• Primary care spending reports – wide variation (6%-18% of Medical Loss Ratio)
• Some improvement each year from 2015 to 2017
• Unmasking helped
Supporting Data for Payment Reform

• Portland State University report on savings associated with PCPCH program (September 2016)
  • Demonstrates 4.2% reduction in per member cost
  • Effect increases every year practice is certified
  • $13 savings for every $1 spent (e.g. avoiding hospital & sub-specialty care)

• This report supported Oregon’s successful application to participate in new CPC+ program
  • Almost all commercial carriers & CCO’s participate
  • Problem: Does not benefit all practices
    • Medicare program, so no pediatrics practices
    • No FQHCs – cost-based reimbursement
SB 231 (2015) – Recommendations

• Increase per capita investment in primary care
• Invest to increase infrastructure, support transformation (technical assistance)
• Move steadily away from fee-for-service (FFS) toward value-based payments
• Use current definition of primary care (SB 231)
• Oregon PCPCH program & NCQA can be used (but most Oregon practices follow PCPCH model)
SB 231 (2015) – Recommendations

• Payments should reach providers, not just health systems (helps get away from FFS)
• Everyone accountable (providers, payers, state)
• Payment reform must meet health needs of community on multiple levels
• Must align with CPC+ while supporting other practices not included in that model
SB 231 (2015) – Recommendations

• Ongoing support for practice transformation
• Strong connection with health plan quality metrics & scoring
• Continue work of Collaborative
• Data aggregation (compare apples to apples)
• Behavioral health integration
Remaining Barriers

- Redefinition of primary care
  - Prescription drugs in or out?
- Implement work of metrics & scoring task force
- Ongoing refinements of system
Take-Aways

- Money matters: businesses, individuals, carriers, state & federal government all recognized validity of data on savings from PCPCH
- Outcomes matter – avoiding unnecessary hospitalization, etc
- Collaborative process works when all relevant stakeholders come to the table in good faith
- You’ll never get complete consensus – be happy to get most of the way there
- Understand what represents meaningful progress on the path to payment reform
Resources

Oregon Patient-Centered Primary Care Home information

Coordinated Care Organizations
http://www.oregon.gov/oha/HSD/OHP/Pages/Coordinated-Care-Organizations.aspx

CCO Metrics
http://www.oregon.gov/OHA/HPA/ANALYTICS/Pages/CCO-Baseline-Data.aspx
Resources
Primary Care Payment Reform Collaborative
http://www.oregon.gov/oha/HPA/CSI-TC/Pages/SB231-Primary-Care-Payment-Reform-Collaborative.aspx

Primary Care Spending Report

CPC+
http://www.oregon.gov/oha/HPA/CSI-TC/Pages/Comprehensive-Primary-Care-Plus.aspx
Resources

2013 OHA/Health Leadership Council Report


Portland State PCPCH Study

https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/116229