Lessons Learned from Oregon's Frontier

The Story Behind Eastern Oregon Coordinated Care Organization

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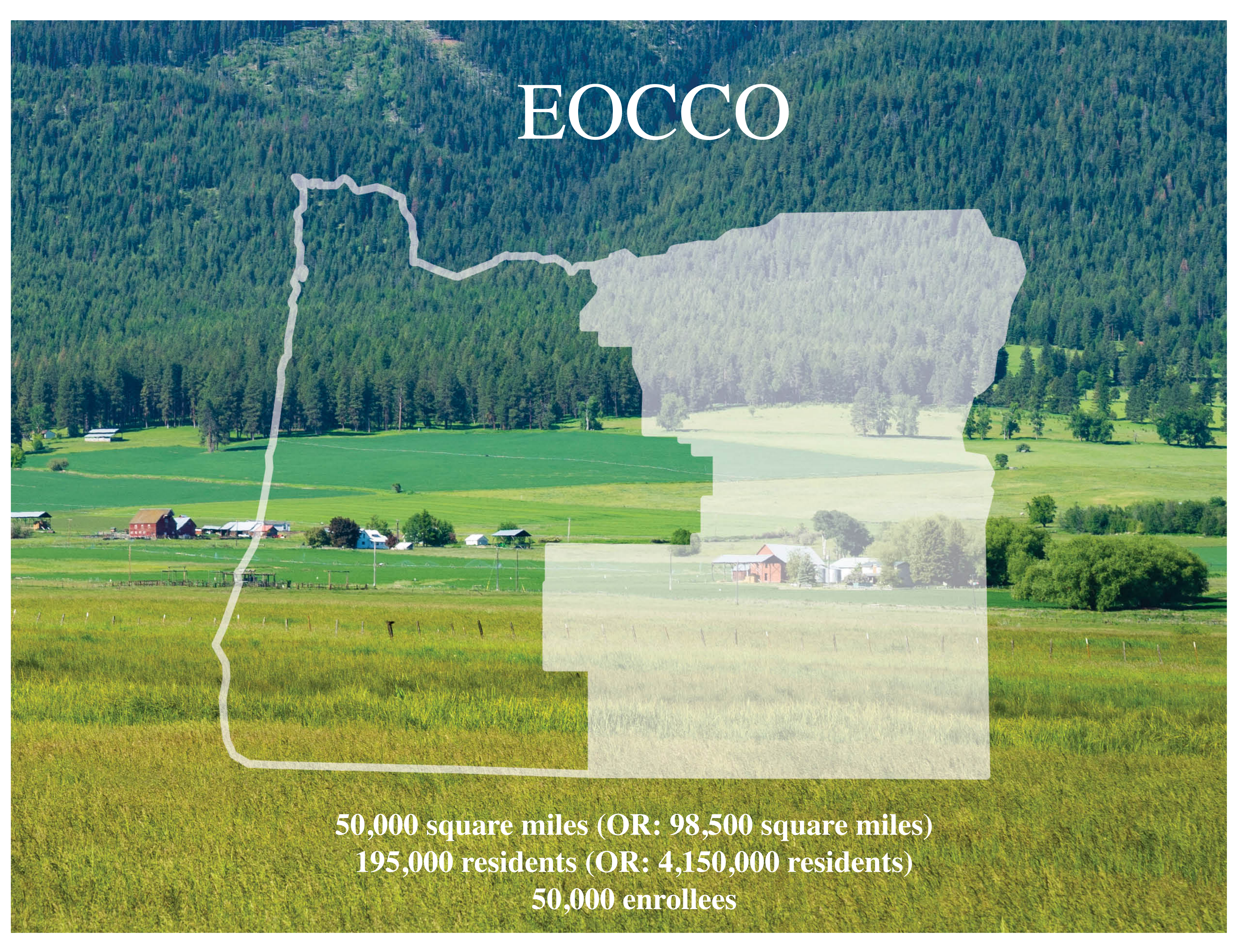
A few words about Oregon’s Medicaid Expansion

Medicaid Cost Control – Business as Usual

- Cut Eligibility
- Cut Benefits
- Cut Provider Reimbursement
- Tap reserves

Oregon's Approach

- **Senate Bill 329**
  - Passed by the 2007 Legislature. Established 7 member Oregon Health Fund Board (OHFB), charged with developing a strategic plan for health care transformation in Oregon. Plan delivered to the Legislature in November, 2008
- **House Bill 2009**
  - Passed by the 2009 Legislature. Dissolved the OHFB and established the 9 member Oregon Health Policy Board (OHPB), charged with developing an


EOCCO
50,000 square miles (OR: 98,500 square miles)
195,000 residents (OR: 4,150,000 residents)
50,000 enrollees

EOCCO Structure

- **Capitalizing Partners**
  - Moda Health (formerly Oregon Dental Service – ODS)
  - Greater Oregon Behavioral Health, Inc.
  - Good Shepherd Hospital, Hermiston
  - Grande Ronde Hospital, LaGrande

The Delivery System*

- 10 Area Hospitals
  - 7 of 10 are Type A (<50 beds, >30 mi) & Critical Access Hospitals
  - 5 of 10 belong to health districts
  - None are tertiary hospitals

- Primary Care Providers
  - ~ 60 widely dispersed clinics, many sole provider
  - 24 are Rural Health Clinics (RHCs)
  - 7 are Federally Qualified Health Centers (FQHCs)
  - Over 90% of members are served by state-certified medical homes

Mission

“To operate
within an a fixed growth global budget framework
in an environment of cost-based reimbursement
to Type A rural hospitals, RHCs, and FQHCs
while improving access to high quality health care and
the overall health of our members.”

Methods

- **Enhancing the Primary Care system through innovative payment methodologies,** including**:**
  - Value Based Payment Systems which include shared savings
  - Medical Home Case Management Capitation Payment Program

- **Meeting state-mandated Quality Metrics**

- **Re-investing s into innovative service area projects and plans**
  - LCAC Community Benefit Initiative grant program
  - Transformation Community Benefit Initiative grant program

Enhancing the Primary Care System through Innovative Payment Methodologies

Primary Care Payment Methodologies

- 2014/2015 Initial shared savings VBP model
  - Participation voluntary
  - Annual bonuses paid to PCPs based on panel size
  - PCPCH care management PMPM capitation payments to certified medical homes based on tier status

- 2015/2016 modifications
  - Two options for participation
    - Shared savings with no withhold
    - Capitated payments with no withhold

Primary Care Payment Methodologies (cont)

- 2017/2018 modifications
  - Bonus payments partially based on performance meeting specific EOCCO quality metric targets
  - Significant increase in monthly PMPM payments to certified medical homes
- 2018/2019 modifications
  - Elimination of primary care fund
    - PCP capitation funding increased to encourage

Primary Care Payment Methodologies (cont)

- 2019/2020 modifications
  - PCPCH care management PMPM capitation payments now risk-adjusted and performance-based in addition to tier-based
  - Full risk capitation pilot for one clinic (large FQHC)

Current EOCCO Shared Savings Plan Distribution Formula

	Non-primary care Fund	Mental Health Fund
PCPs	12%	5%
Specialists	11%	
Area Hospitals	40%	5%
Out-of-area Hospitals	15%	
GOBHI	2%	90%
EOCCO	20%	
TOTAL	100%	100%

Meeting state-mandated Quality Metrics

Quality Metrics Results

- **2013** - $2.4 Million withheld (2% of premium)
  - Met 12 of 17 metric targets, received $1.9 Million - 80% of available funding
- **2014** - $6 Million withheld (3% of premium)
  - Met 13 of 17 metric targets, received $6.8 Million - 100% of available funding
- **2015** - $10 Million withheld (4% of premium)
  - Met 13 of 17 metric targets, received $10.2 Million - 100% of available funding
- **2016** - $11.5 Million withheld (4.25% of premium)
  - Met 13 of 18 metric targets, received $10.1 Million - 91% of available funding
- **2017** - $12 Million withheld (4.25% of premium)
  - Met 14 of 17 metric targets, received $12.1 Million - 101% of available

2019 Quality Measures

Claims Based Measures

1. Adolescent Well Care Visits*
2. Child Immunization Status Combo 2
3. Dental Sealants for Children*
4. Developmental Screening*
5. ED Utilization*
6. ED Utilization for Members Experiencing Mental Illness
7. Effective Contraceptive Use*
8. Health Assessments for Children in DHS custody
9. Drug and Alcohol screening (EHR-based SBIRT)

Chart Review Measures

10. Colorectal Cancer Screening*
11. Timeliness of Prenatal and Postpartum Care

Clinical Quality Measures

12. Depression Screening and Follow-up
13. Controlling High Blood Pressure*
14. Diabetes HbA1c Control
15. Cigarette Smoking Prevalence
16. Weight Assessment and Counseling for Children and Adolescents*
17. Oral eval for adults with DM

CCO-specific Measures

18. PCPCH enrollment*
19. Access to Care (CAHPS)*

*Retiring Measures

2020 Quality Measures

1. Assessments within 60 days for children in DHS custody
2. Childhood Immunization Status
3. Cigarette Smoking Prevalence
4. Depression screening and follow-up plan
5. Diabetes: HgbA1C Poor Control
6. ED Utilization among members with mental illness
7. Drug and alcohol screening (EHR-based SBIRT)
8. Oral evaluation for adults with diabetes
9. Timeliness of postpartum care
10. Well-child visits for 3-6 year-olds*
11. Preventative dental visits, ages 1-5 and 6-14*
12. Immunization for adolescents, combo 2*
13. Initiation and engagement in drug and alcohol treatment

* New measures

Re-Investing Surpluses in Service Area Providers and Communities

Quality Measures Settlement Distribution Formula

Initiative	Percentage
PCP Quality Bonus Payments	30%
PCPCH Care Management Payments	40%
LCAC Community Benefit Initiative Grants	6%
Dental Care Organization Distribution	7%
Health Transformation Community Benefit Initiative Grants	10%
Other Initiatives	7%

EOCCO Shared Savings & Quality Measures Settlement Re-Investments
(through June 2019)

- PCP Shared savings payments: $30.2 Million
- PCP Quality bonus payments: $30.6 Million
- PCPCH Care Management payments: $35.2 Million

Results

EOCCO Cost & Utilization Report

- Key Indicators Overview -

For Current Period: October 1 2016 - September 30 2017

Cost- PMPM

Key Indicators	% Change PMPM
Emergency Department	0.8%
Primary Care & PCPCH	32.3%
Specialist	-9.1%
Inpatient Non Maternity	-15.7%
Pharmacy	1.7%
All Other	1.5%

Change in Plan Paid PMPM:

0.9%

Utilization- Services/000

Key Indicators	% Change Services/000
Emergency Department	-1.48%
Primary Care & PCPCH	16.82%
Specialist	-8.76%
Inpatient Non Maternity	-4.17%
Pharmacy	1.30%
All Other	10.11%

Change in Services/000:

7.2%

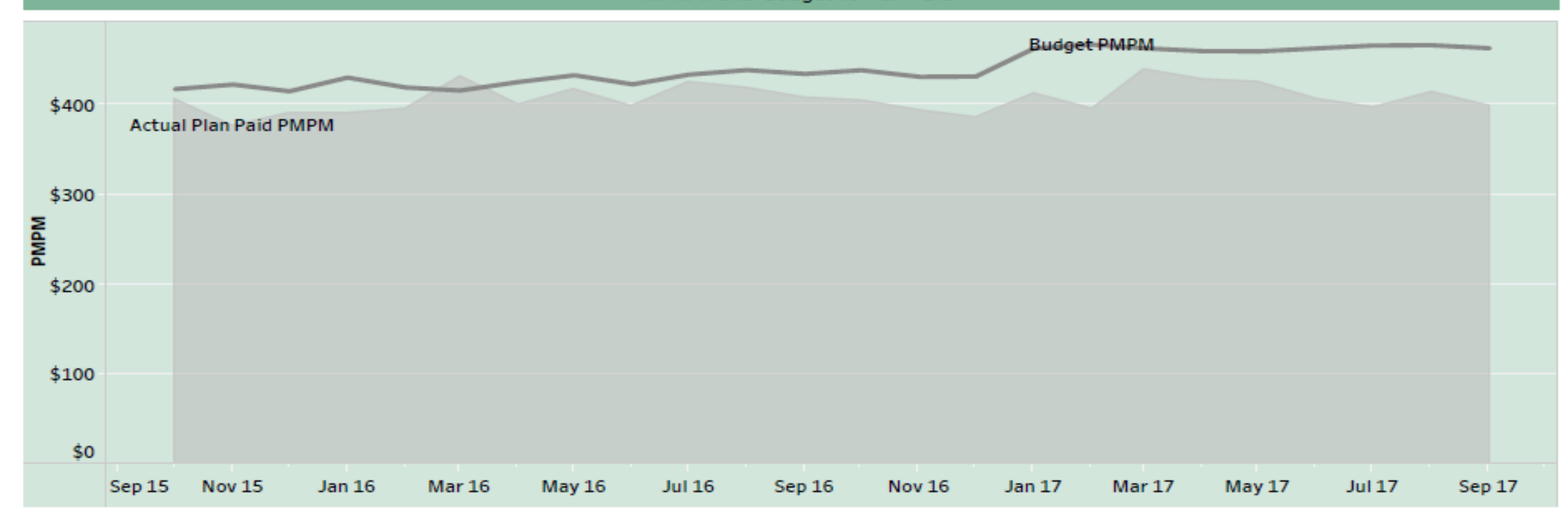
Budget- By Rate Group

Rate Groups	% PMPM Over/Under Budget	% Members
ACA	-11.0%	32.5%
TANF/PLMA	-14.8%	9.6%
BCCP/ SNRG	46.2%	0.0%
ABAD & OOA Medicaid Only	-18.8%	5.3%
ABAD & OOA Duals	0.5%	3.4%
Child 0-1	-25.8%	3.4%
Child 1-5	-2.0%	13.9%
Child 6-18	-2.0%	30.2%
CAF	-7.4%	1.7%

% Paid PMPM Over/Under Budget:

-10.4%

PMPM Trend- Budget vs Plan Paid



EOCCO Cost & Utilization Report

- Primary Care -

For Current Period: October 1 2016 - September 30 2017

Primary Care Summary Indicators

Change in paid PMPM since prior 12 month period:

32.3%

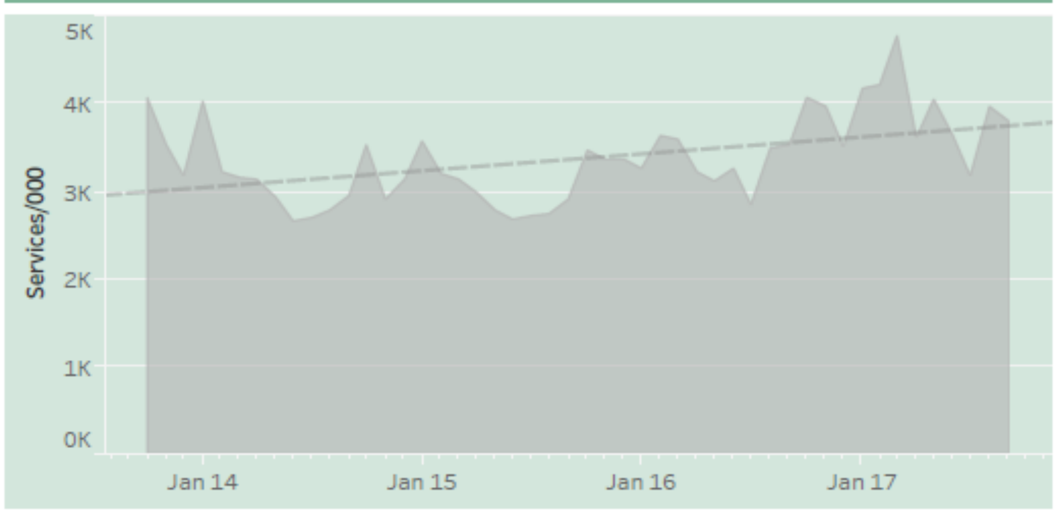
Change in Services/000 since prior 12 month period:

16.8%

Change in total paid since prior 12 month period:

27.7%

Primary Care Services Trend



Primary Care Visits Statistics

# of Primary Care Visits	# of Members		% of Members	
	Current	Prior	Current	Prior
0	16,747	21,265	36.5%	44.7%
1	9,337	8,183	20.3%	17.2%
2	6,105	5,437	13.3%	11.4%
3	4,121	3,801	9.0%	8.0%
4	2,844	2,525	6.2%	5.3%
5-7	4,164	3,872	9.1%	8.1%
8-10	1,544	1,479	3.4%	3.1%
11-15	769	744	1.7%	1.6%
16-20	190	169	0.4%	0.4%
21-30	64	54	0.1%	0.1%
31-50	4	5	0.0%	0.0%
51+		1		0.0%
Grand Total	45,887	47,534	100.0%	100.0%

	Current	Prior
PMPM	$36.16	$27.33
Services/000	3,909	3,347
Total Paid	$19,909,606	$15,587,576

Average Primary Care Visits by Age Group

Age Group	
0-1	5.0
2-4	2.3
5-14	1.5
15-24	1.6
25-44	1.9
45-64	2.9
65-74	2.3
75+	1.8
109	3.0

Definitions:

*Services are defined as individual claim lines on a claim

*Visits are defined as unique dates of service by member

EOCCO Cost & Utilization Report

- Key Indicators Overview -

For Current Period: June 2017 - May 2018

Cost- PMPM

Key Indicators	% Change PMPM
Emergency Department	2.7%
Primary Care & PCPCH	25.3%
Non Primary Care Office Visits	-8.2%
Inpatient Non Maternity	3.7%
Pharmacy	4.1%
All Other	1.7%
GOHBI SA Refund	-12.1%

Change in Plan Paid PMPM:

3.9%

Utilization- Services/000

Key Indicators	% Change Services/000
Emergency Department	1.58%
Primary Care & PCPCH	6.64%
Non Primary Care Office Visits	-9.60%
Inpatient Non Maternity	-2.44%
Pharmacy	0.25%
All Other	6.94%
GOHBI SA Refund	

Change in Services/000:

4.2%

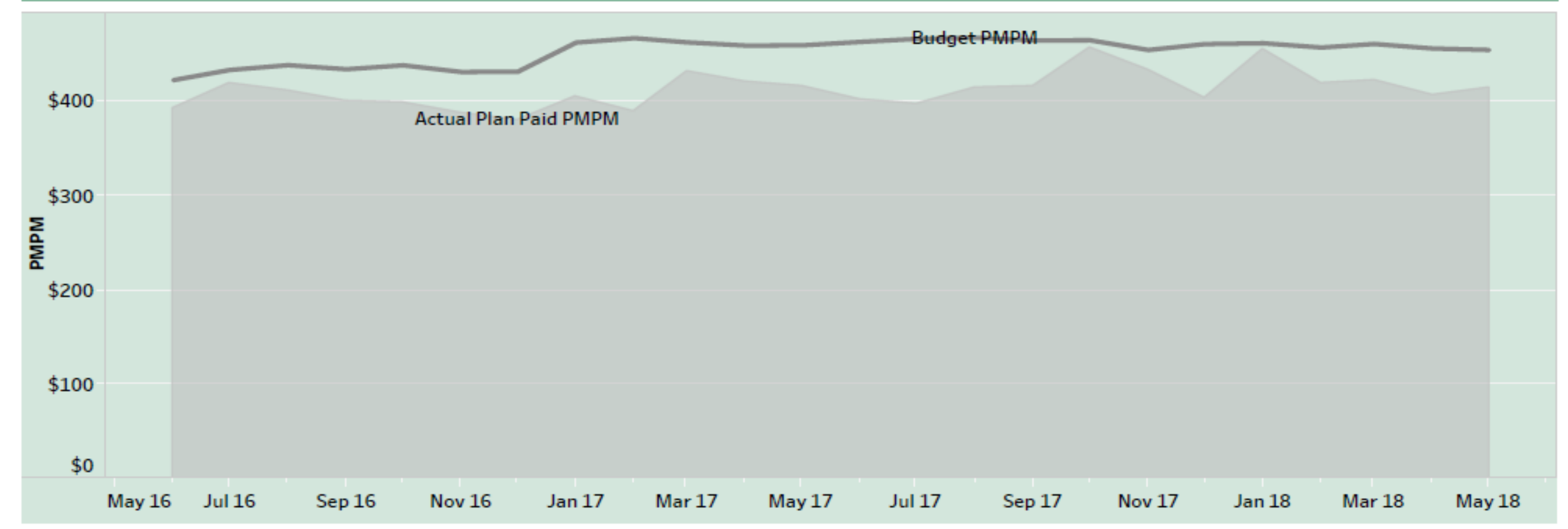
Budget- By Rate Group

Rate Groups	% PMPM Over/Under Budget	% Members
ACA	-7.6%	32.2%
TANF/PLMA	-14.3%	9.2%
BCCP/ SNRG	0.4%	0.0%
ABAD & OOA Medicaid Only	-13.1%	5.3%
ABAD & OOA Duals	0.7%	3.3%
Child 0-1	-35.9%	3.4%
Child 1-5	-3.3%	13.8%
Child 6-18	-2.7%	30.7%
CAF	-18.2%	1.9%
Cover All Kids	-41.5%	0.2%

% Paid PMPM Over/Under Budget:

-8.8%

PMPM Trend- Budget vs Plan Paid



EOCCO Cost & Utilization Report

- Primary Care -

For Current Period: June 2017 - May 2018

Primary Care Summary Indicators

Change in paid PMPM since prior 12 month period:

25.3%

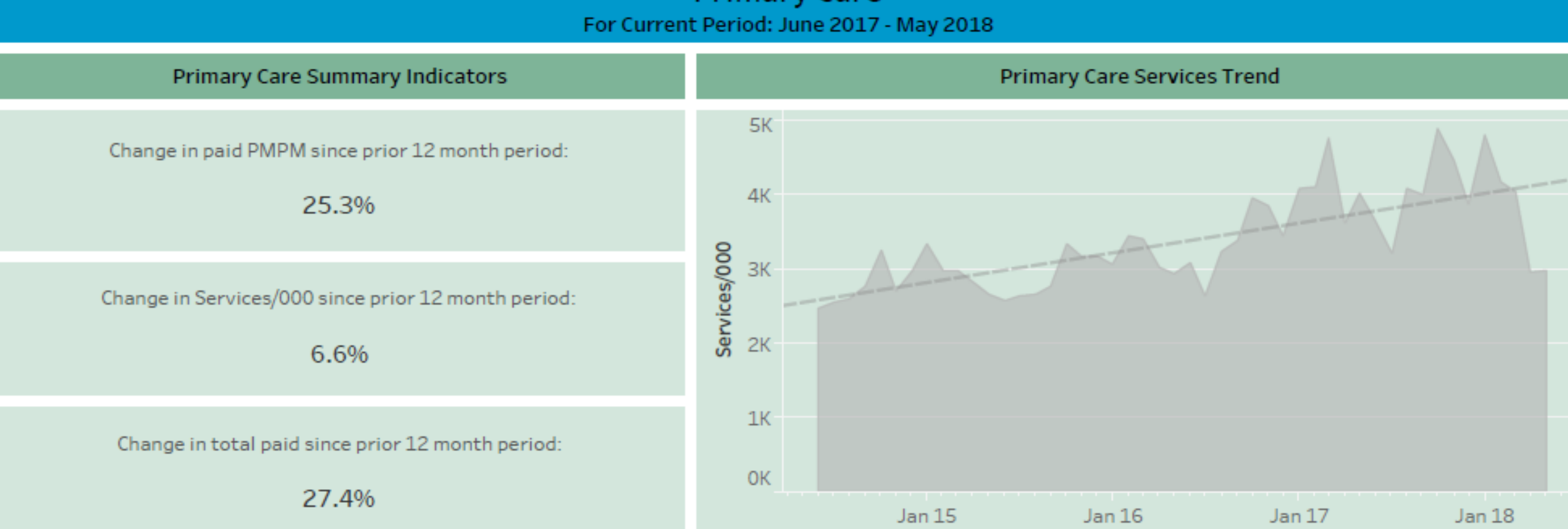
Change in Services/000 since prior 12 month period:

6.6%

Change in total paid since prior 12 month period:

27.4%

Primary Care Services Trend



Primary Care Visits Statistics

# of Primary Care Visits	# of Members		% of Members	
	Current	Prior	Current	Prior
0	17,103	18,168	36.6%	39.5%
1	9,636	8,999	20.6%	19.6%
2	6,006	5,885	12.9%	12.8%
3	4,098	3,916	8.8%	8.5%
4	2,896	2,646	6.2%	5.8%
5-7	4,367	3,950	9.3%	8.6%
8-10	1,545	1,410	3.3%	3.1%
11-15	812	757	1.7%	1.6%
16-20	179	145	0.4%	0.3%
21-30	51	65	0.1%	0.1%
31-50	20	8	0.0%	0.0%
Grand Total	46,715	45,949	100.0%	100.0%

	Current	Prior
PMPM	$40.32	$32.18
Services/000	3,915	3,672
Total Paid	$22,600,927	$17,745,696

Average Primary Care Visits by Age Group

Age Group	
0-1	5.3
2-4	2.4
5-14	1.5
15-24	1.6
25-44	1.9
45-64	2.8
65-74	2.0
75+	1.6

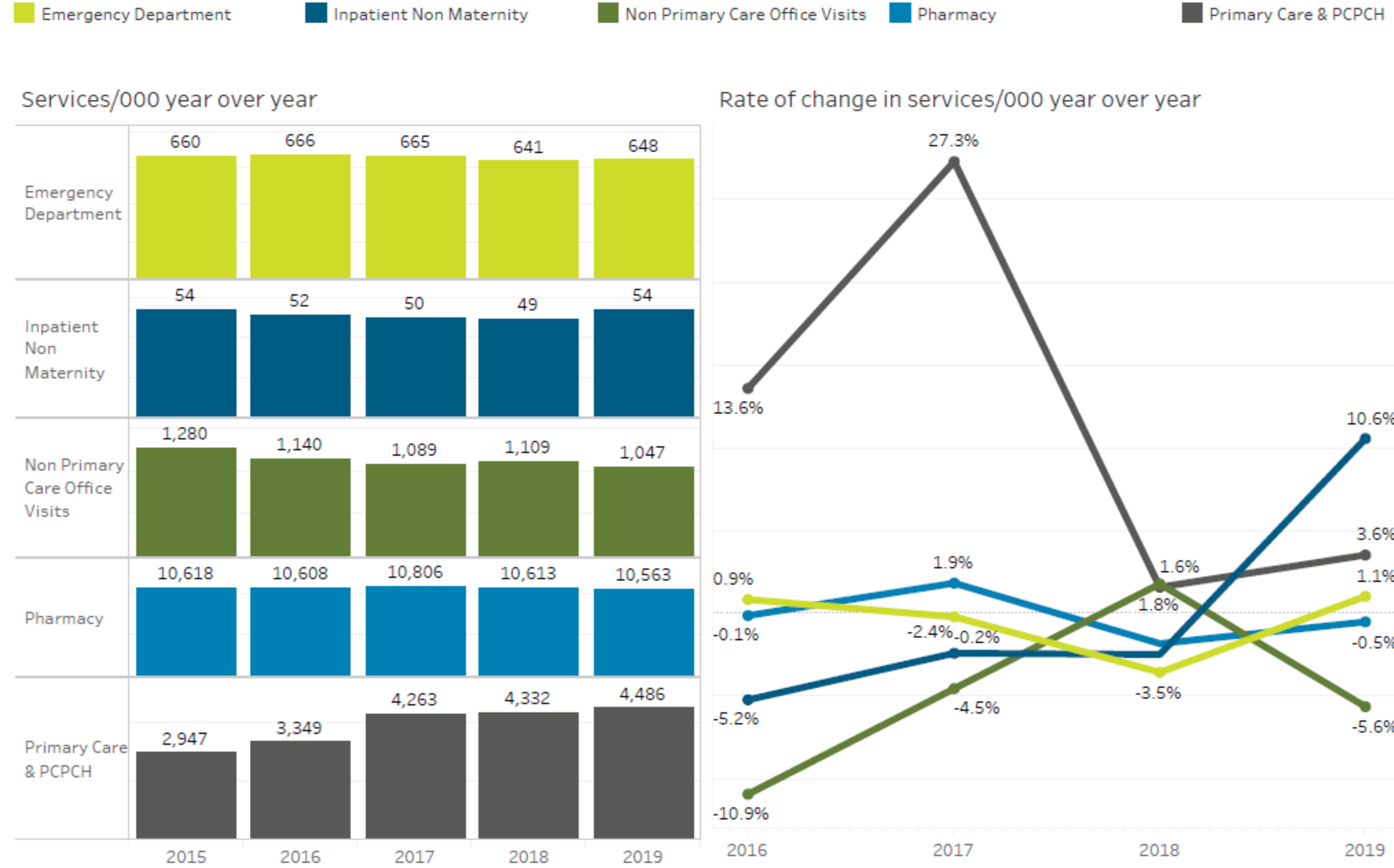
Definitions:

*Services are defined as individual claim lines on a claim

*Visits are defined as unique dates of service by member

Utilization of key indicator categories between April 2015 and March 2019

Analysis Notes:
Services/000 is generally decreasing for Emergency Department and Non Primary Care Office Visits. Inpatient (non maternity) utilization and Pharmacy is relativley flat. Primary Care utilization shows significant increases form 2015 to 2019.
The rate of change for all categories swings up and down from year to year, but is generally narrowing. This indicates a leveling-off, or a slowing in the rate at which utilization is changing year to year.

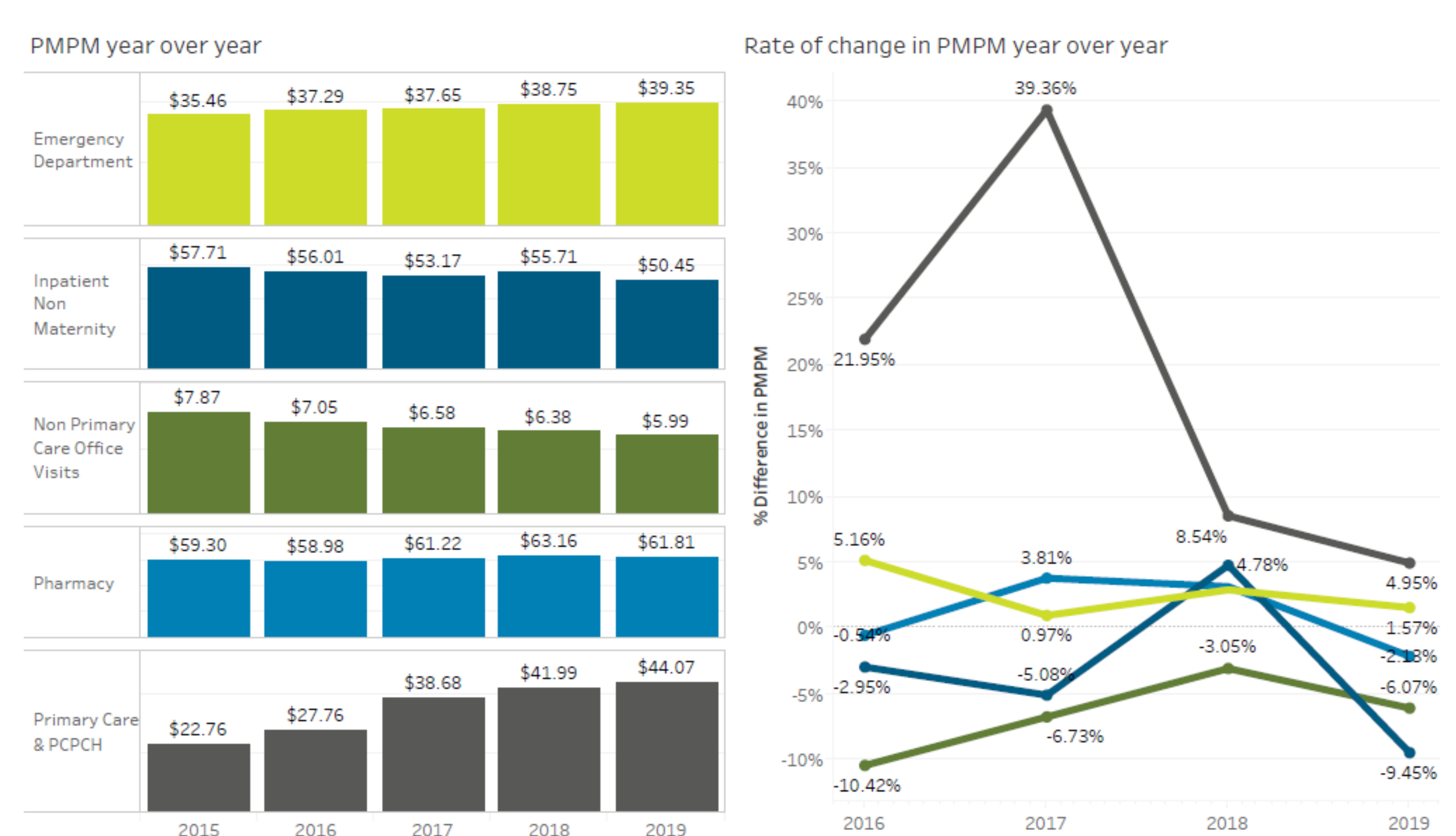


Utilization of key indicator categories between April 2015 and March 2019

Analysis Notes:

Spend PMPM is generally decreasing for Inpatient (non-maternity) and Non Primary Care Office Visits. Emergency Department and Pharmacy PMPM is increasing at a modest rate, and Primary Care & PCPCH PMPM shows significant increases form 2015 to 2019.

The rate of change for all categories swings up and down from year to year, but is generally narrowing. This indicates a leveling-off, or a slowing in the rate at which the PMPM spend is changing year to year.



Future Threats

What will the future bring?

- Worsening workforce problems?
  - Primary Care Providers
  - Behaviorists
  - Community Health workers
  - Medical Assistants

- CCO 2.0?
  - Rate reductions despite keeping growth rate <3.4%?
  - Increasing regulatory emphasis
  - Focus on Service Integration and CCO Responsibility for Social Determinants of Health
  - 70% VBP by 2024 requirement

A few words about CCO 2.0

- **Governor Brown's Focus for 2020 - 2024**
  - improve the behavioral health system,
  - increase value and pay for performance,
  - focus on social determinants of health and health equity, and
  - maintain sustainable cost growth.

- **CCO 2.0 VBP requirements**
  - Foundational Payments
    - EOCCO PCPCH Care Management capitation program currently falls in Learning Action Network Category 2A
    - Beginning in 2020 PCPCH payments must vary by tier

Alternative Payment Models

THE APM FRAMEWORK

HCP LAN
Health Care Payment Learning & Action Network

This Framework represents payments from public and private payers to provider organizations (including payments between the payment and delivery arms of highly integrated health systems). It is designed to accommodate payments in multiple categories that are made by a single payer, as well as single provider organizations that receive payments in different categories—potentially from the same payer. Although payments will be classified in discrete categories, the Framework captures a continuum of clinical and financial risk for provider organizations.

CATEGORY 1
FEE FOR SERVICE – NO LINK TO QUALITY & VALUE

CATEGORY 2
FEE FOR SERVICE – LINK TO QUALITY & VALUE

A

Foundational Payments for Infrastructure & Operations

(e.g., care coordination fees and payments for HIT investments)

B

Pay for Reporting

(e.g., bonuses for reporting data or penalties for not reporting data)

C

Pay-for-Performance

(e.g., bonuses for quality performance)

CATEGORY 3
APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

A

APMs with Shared Savings

(e.g., shared savings with upside risk only)

B

APMs with Shared Savings and Downside Risk

(e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)

3N

Risk Based Payments NOT Linked to Quality

CATEGORY 4
POPULATION – BASED PAYMENT

A

Condition-Specific Population-Based Payment

(e.g., per member per month payments, payments for specialty services, such as oncology or mental health)

B

Comprehensive Population-Based Payment

(e.g., global budgets or full/percent of premium payments)

C

Integrated Finance & Delivery Systems

(e.g., global budgets or full/percent of premium payments in integrated systems)

4N

Capitated Payments NOT Linked to Quality

CCO 2.0 VBP Requirements (cont)

- Beginning in 2023, 20% of payments must fall within LAN category 3B or above

- Beginning in 2024, 25% of payments must fall within LAN category 3B or above

- Care Delivery Areas that must fall within LAN category 2C or higher:
  - Hospital Care
  - Maternity Care
  - Children’s Care
  - Behavioral Care
  - Oral Care

CCO 2.0 VBP Requirements (cont)

- Care Delivery Area VBP timeline:
  - 2020: Develop two new or expanded beyond existing contracts
    - One of the areas must be hospital or maternity care
  - 2021: Implement the two new or expanded areas developed in calendar year 2020
  - 2022: Implement one more care delivery area
    - VBPs in hospital and maternity care must be in place
  - 2023 & 2024: Implement new or expanded VBPs each year in each of the remaining care delivery areas

- Meaningful levels of downside risk must exist for LAN categories 3B and above

- Payment arrangements between behavioral health and dental health partners must qualify as Value Based Payments

EOCCO CCO 2.0 VBP Strategy

- Current EOCCO VBP’s that count toward CCO 2.0 VBP requirements:
  - PCP Quality Bonus Payments – LAN Category 2C
  - PCP Capitation Payments – LAN Category 4A
- VBP’s that do not count toward CCO 2.0 VBP requirements
  - PCPCH Care Management capitation payments – LAN Category 2A
  - Shared savings model – LAN Category 3N
- Current Percent of EOCCO payments in VBPs
  - LAN Category 2C and above: 44.9% (target = 50% by end of 2022)
  - LAN Category 3B and above: 26.7% (target = 25% by end of 2024)
- Changes in 2020/2021
  - Add Children’s Care delivery area
    - Add well-child visits in the first 15 months of life metric
    - Add well-child visits for children aged 3 to 6 metric
- Changes in 2021/2022
  - Add Maternity and Hospital Care delivery areas
    - Add post-partum follow-up and care coordination metric
    - Add Cesarean rate for nulliparous singleton vertex metric
    - Add standardized healthcare-associated infection ratio metric
    - Hospitals will be at risk for 3% of revenue and the hospital claims withhold will be increased from 5 to 8%

KEY STRATEGIES

Focus on developing strategic partnerships

Commitment to a robust primary care system

Commitment to community self-determination and re-investment

QUESTIONS?