Timeline for Health Reform in Oregon

2008: The Oregon Health Fund Board conducted over 100 public meetings to hear Oregonians’ concerns.

June 2009: The Oregon Legislature created the Oregon Health Authority and Oregon Health Policy Board to guide comprehensive health and health care reform in our state.

- Directs OHPB to submit a business plan for a health insurance exchange to the 2011 Legislature.
- Directs OHPB to submit to the 2011 Legislature a plan so that all Oregonians have quality, affordable coverage by 2015.
Oregon Health Policy Board and Oregon Health Authority created with goals to:

• Improve the lifelong health of Oregonians;
• Increase the quality, reliability and availability of care for all Oregonians; and
• Lower or contain the cost of care so it is affordable to everyone.
Oregon Health Policy Board

Eric Parsons  
Chair

Lillian Shirley  
Vice-Chair

Mike Bonetto

Eileen Brady

Carlos Crespo

Felisa Hagins

Chuck Hofmann

Joe Robertson

Nita Werner
Building a Healthy Oregon: The Essential Building Blocks

1. Create an Oregon Health Policy Board and an Oregon Health Authority
2. Bring Everyone Under the Tent
3. Set High Standards – Measure and Report
4. Unify Purchasing Power
5. Stimulate System Innovation and Improvement
6. Ensure Health Equity for All
7. Prepare for a 21st Century Workforce
OHBP is working to:

- Lower or contain costs of health care
- Provide patient-centered care with improved outcomes
- Reduce administration and red-tape
- Address health care workforce shortages
- Work to assure equity in our health care system
- Build on community health and prevention efforts
Progress to Date:

- Healthy Kids – 57,000 enrolled
- POLST registry – 25,000
- Administrative Simplification recommendations adopted and being implemented including 2011 Legislative action
- Implementing primary care medical homes
- Payment reforms and quality standards being developed
- Statewide Health Information Technology plan
OHPB Upcoming Milestones

– Business plan for a Health Insurance Exchange
– Business plan for the development of a publicly owned health benefit plan
– Blueprint for comprehensive health care coverage for all Oregonians by 2015
AND THEN CAME FEDERAL REFORM!
Federal Health Care Reform
Passed March 2010

• Coverage
  – Those below 133% FPL in Medicaid
  – 133% - 400% in exchange

• Insurance Reforms
  – Guarantee issue
  – Greater transparency and regulation on medical loss

• Investments in Prevention and Population Health

• Opportunities for health system transformation
  – Payment, delivery
  – Comparative effectiveness
  – Community health centers, behavioral health integration
The Pressure Cooker

7.2% GDP
Healthcare $$ 1970

17.3% GDP
Healthcare $$ 2009

Oregon Health Authority
The Pressure Cooker

Shortfall: $1 billion ’09 –’11

Public $$

Healthcare $$
The Pressure Cooker: State

Education → Healthcare
The Pressure Cooker: Federal

Defense

Healthcare
The Pressure Cooker

10% of population → 60% of the costs
The Pressure Cooker

5 Chronic Diseases ➔ 70%+ of the Healthcare Costs

Diabetes
Congestive Heart Failure
Coronary Artery Disease
Asthma
Depression

Lifestyle Related
The New Urban Sprawl

WHY ARE OREGONIANS SO DAMN FAT?

BY TAYLOR CLARK PAGE 12
Obesity Trends* Among U.S. Adults
(*BMI \geq 30, or about 30 lbs. overweight for 5'4" person)

Source: CDC Behavioral Risk Factor Surveillance System.
Unless we do something to address rising chronic disease prevalence, healthcare reform is likely to sink on the iceberg of rising costs.
Too Many Go Without Needed Care & Too Many Get More Care than they Need
There **will** be a significant transition in healthcare.

*The question is will it be a graceful transition?*
The working hypothesis:

We can have **world class healthcare** for **all** citizens for **less** than what we are paying now...

...if we transform how healthcare is delivered.
What We Will Need

• Focus on cost/value and health

• Aligning delivery of care, purchasing/payment and policy to help assure quality and value

• Data and Information
  – comprehensive data bases for statewide decision making to improve population health, and
  – real time availability of health information and decision making support at the clinical/delivery system to improve individual health
But also, and importantly

• LEADERSHIP
• EXPERTISE
• STRUCTURED APPROACH
• SHIFT TO HEALTH AND QUALITY RATHER THAN ON CONSUMTION/PRODUCTIVITY
• REDEPLOYEMENT OF RESOURCES
• NEW ORGANIZATIONAL STRUCTURES WITH NEW ACCOUNTABILITIES
Transforming the System

• How do we move from a “Sick Care” System to a “Health Care System?”

• How do we incentivize “Health” rather than “Health Services?”
Reallocate Resources

Current Resource Allocation

Acute Care

Specialty Care

Prevention, Primary Care

Needed Resource Allocation

Acute Care

Specialty Care

Prevention & Primary Care

Oregon Health Authority
Solution:
Community health benefit and health reform

Clinical Services
- Doctors
- Dentists
- Mental Health
- Hospitals
- Ancillary Clinic Providers

Public Health & Community-Based Prevention

Community Problem Solving Integrating Health & Human Services

<table>
<thead>
<tr>
<th>PAYMENT MODELS</th>
<th>Fee for service</th>
<th>Episode-based reimbursement</th>
<th>Partial/full risk capitation</th>
<th>Global budgeting</th>
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</thead>
<tbody>
<tr>
<td>INCENTIVES</td>
<td>Conduct Procedures</td>
<td>Evidence-based medicine</td>
<td>Clinical PFP</td>
<td>Expanded care management</td>
</tr>
<tr>
<td>METRICS</td>
<td>Net revenue improvement</td>
<td>Improved clinical outcomes</td>
<td>Reduced readmits</td>
<td>Reduced/preventable hospitalizations/ED</td>
</tr>
<tr>
<td>GOVERNANCE</td>
<td>Informal relationships &amp; referrals</td>
<td>Joint partnerships between organizations</td>
<td>e.g. mental health &amp; behavioral health</td>
<td>New community-based accountability linking all</td>
</tr>
</tbody>
</table>

Information from Public Health Institute
THE FUTURE

• Aging populations with complex health needs and new technologies will continue to drive demand

• Resources will not keep pace with demand as currently delivered – in fact our resources are limited

• We need management solutions to transform our system, improve value
OPPORTUNITY

• Cannot simply do more of the same
• New mindset that embodies purpose and meaning and the mutual obligations that bind us together
• Opportunity to create new and better methods for contributing to the health and well being of our state
• Combine creativity and foresight to invent new institutional forms
CHARGE

• Be creative, bold and courageous.
• Envision a mission-driven health care system that reflects societal goals of equity, affordability, quality
• Seize the day—tremendous window of opportunity to shape reform in your state:
  – Acknowledge conflicts and tensions that need to be resolved (be real)
  – Stay focused on public interest and the common good that is in this for all (aim high)
The future belongs to those who create it.