Next Steps for Health Reform in Rural Oregon
October 19, 2017

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Goals

- To explain a context for the choices now facing our nation and state
- To define eight ways in which local health care leaders can make a difference in this process
- To define six important questions to be answered in a debate about reforming our health care system
- To outline a way to explain health reform to patients and community leaders

Political Realities in 2017

- Health care has become a divisive partisan issue and it is 18% of the nation's economy
- The nation cannot agree about basic questions regarding health care
- The health care system is complicated and hard to explain
- People do not have trusted sources of information

Eight things we can do now

1. Stop blaming others- This is not someone else's problem to solve. Health care professionals are leaders in their local communities and need to lead.

Eight things we can do now

2. Stop waiting on the government- Americans cannot agree on basic questions about health reform. The government represents the people perfectly in this regard.

Eight things we can do now

3. Be skeptical about large health systems- Evidence suggests that creating large systems does not lower costs or improve outcomes. In fact, costs rise in such systems.

Eight things we can do now

4. Health care is becoming unaffordable to too many people- we must reduce its cost.

Eight things we can do now

5. Cost-effective care will require a fundamental change in our clinical method- we must partner with patients to create this new clinical method.

Eight things we can do now

6. Decreasing total health care costs will require increased spending on primary care and mental health- we need to insist on this.

Eight things we can do now

7. A lot of money is being taken out of the health care system for things that add little value- we must speak out and inform patients about this.

Eight things we can do now

8. The financial crisis in health care is a symptom of underlying moral uncertainty about the mission of our health care system and the values of our society- we must incite public debate at the local level.

Steps to creating public debate

1. Understand vocabulary and history
2. Find reliable sources of information
3. Debate basic principles
4. Foster empowerment and agency

Essential stories from history

- Medicare and Medicaid- 1965
- Medicaid in Oregon: The Oregon Health Plan- 1994
- The Affordable Care Act- 2010

Medicare and Medicaid in 1965

Impact of Medicare

- 19 million enrolled when first passed
- 56 million now enrolled (17% of population)
- Cost $588 billion per year (1/7 of federal budget)
- Accounts for 20% of US health expenditures
- ¾ Americans think Medicare is very important

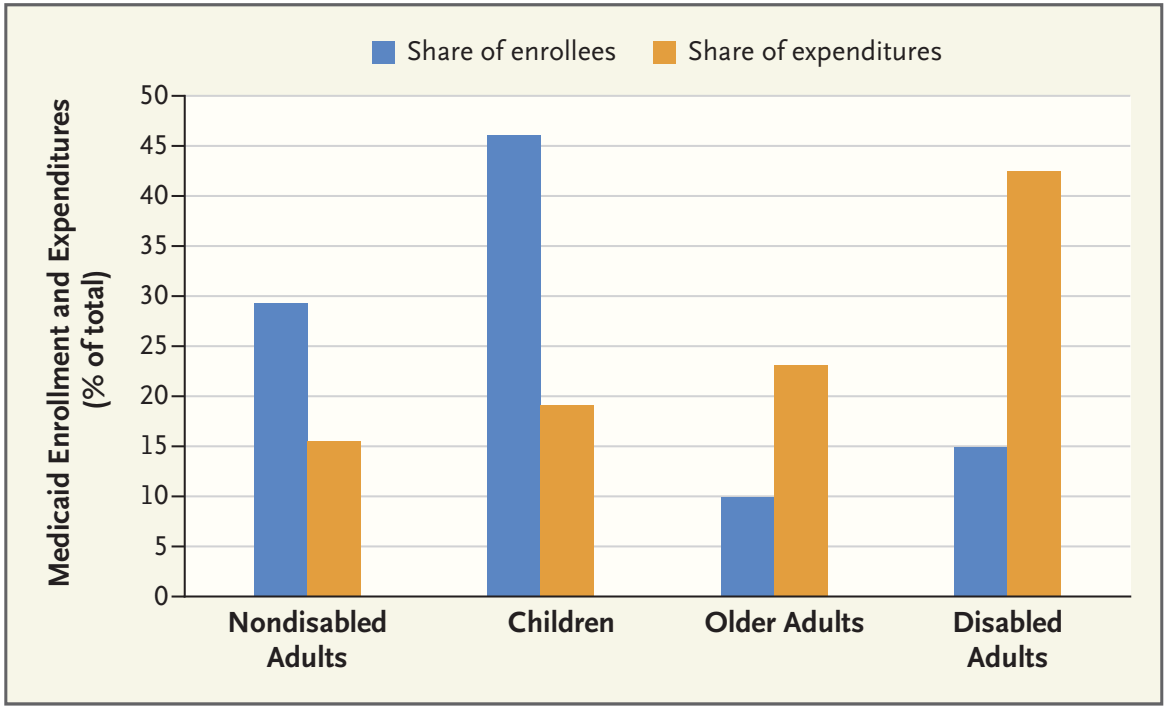
Leonard K. US News and World Report. July 30, 2015.

Impact of Medicaid

- 77 million enrolled in 2017 (24% of population)
  - 34 million children, 6 million in CHIP
  - 9 million blind and disabled
  - 6 million elderly (11 million dual eligibles)
- Funds 40% of US births (2 million annually)
- Eligibility determined by states
- 57% funded by federal gov, 43% by states
- Costs $545 billion in 2015 (9% of federal budget)

Sommers BD, Grabowski DC. What is Medicaid? More than meets the eye. JAMA 2017; 318(8): 695-6.

Medicaid in America: 2013



Medicaid Enrollment and Expenditures, by Eligibility Group, Fiscal Year 2013.

Data are from MACStats: Medicaid and CHIP Data Book (December 2016) (www.macpac.gov/publication/macstats-medicaid-and-chip-data-book-2).

McConnell et al. NEJM 2017

Oregon Health Plan Accomplishments: 1995

- Immediately covered 130,000 uninsured people by expanding eligibility to 100% FPL
- Reduced uninsured from 18% to 8% of adults (<3% in metro Portland)
- Reduced emergency department use by nearly 20%
- Rapidly introduced managed care to the state
- Achieved national and international recognition

Saultz JW. Collaborative care of Medicaid patients: lessons learned from the Oregon Health Plan. Fam Sys Med 1995; 13:343-9.

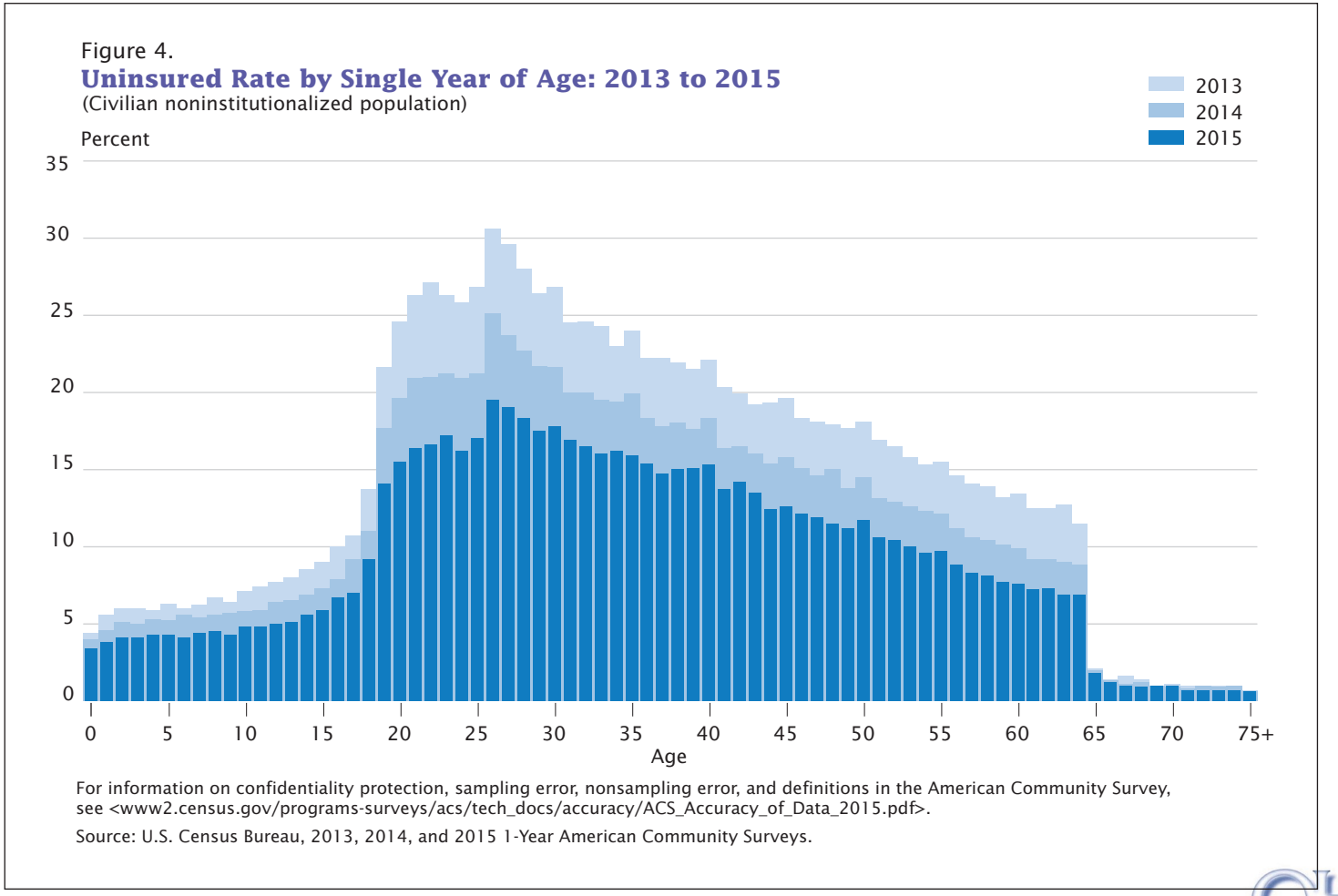
Health Insurance in America 2009

- Insured by government ~40%
  - Medicare for disabled and people over age 65
  - Medicaid for the poor
  - VA, Indian Health Service
- Insured by Employers ~40%
- Private personal insurance ~5%
- Uninsured ~15%

The Affordable Care Act: 2010

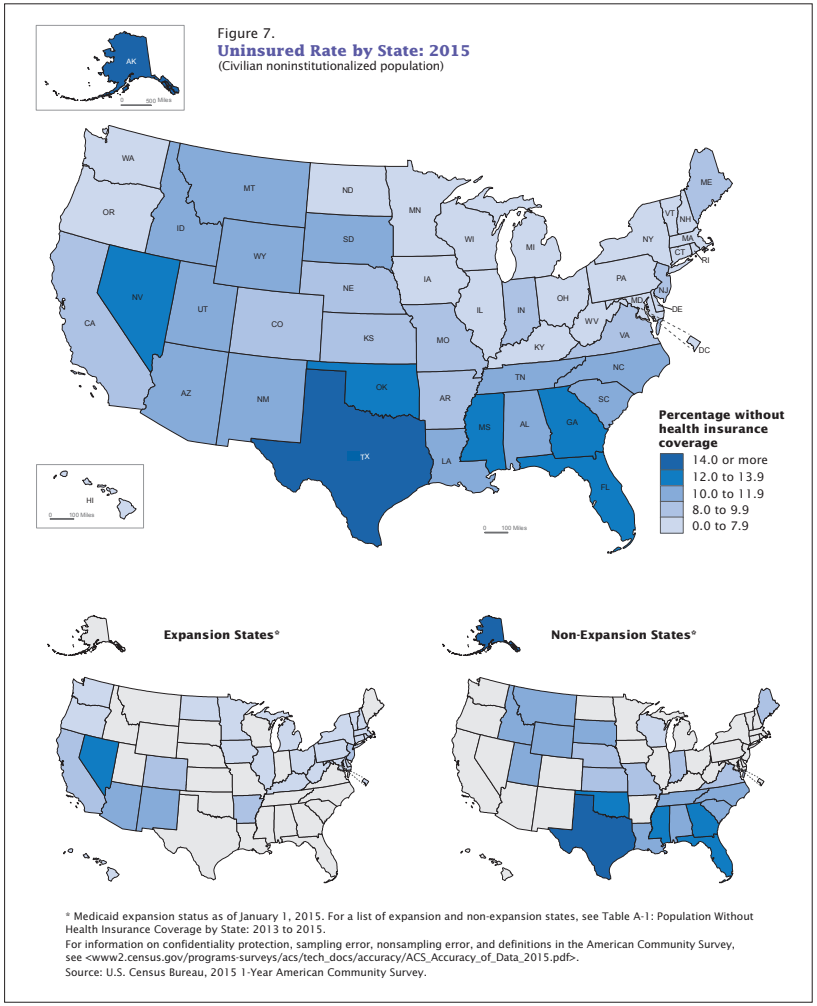
1. Require basic benefits
2. Reform employer based insurance
3. Mandate Coverage
   - Employers
   - Individuals
4. Expand Medicaid to 130% FPL

Uninsured in America: 2013-2015



US Census Bureau 2015

Uninsured Rate by State



US Census Bureau 2015

Coordinated Care Organizations 2010

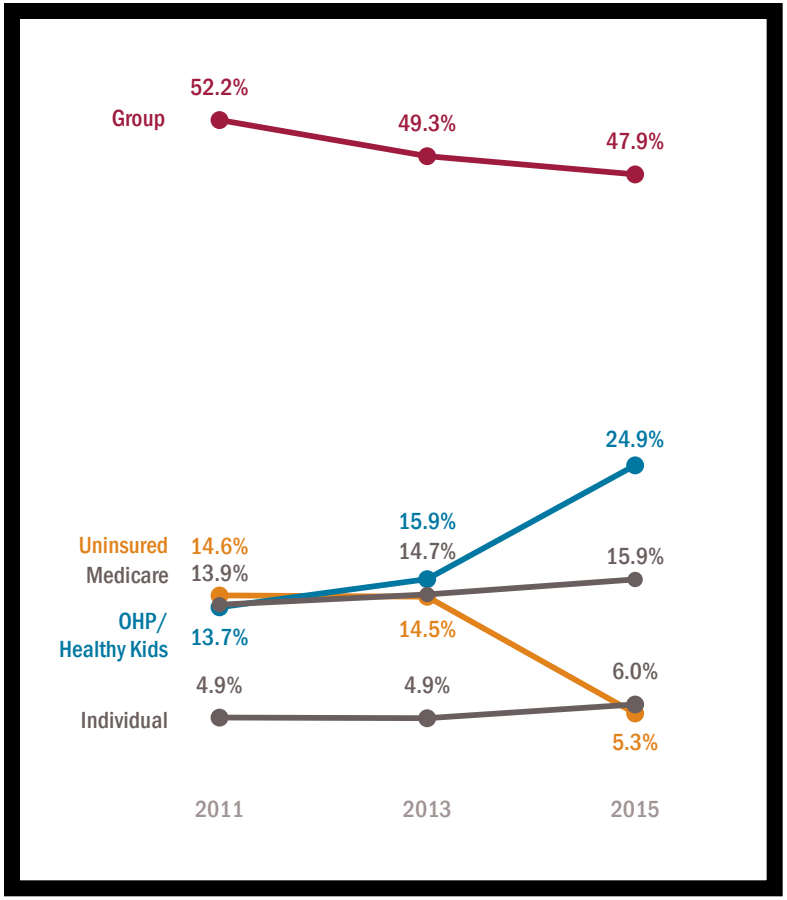
- Transfer of cost responsibility from state to local providers
- Allow flexibility in how communities managed services
- State creates rules for standards of care

Change in Uninsured Rate in Oregon CCO's After ACA

CCO NAME	Uninsured		OHP/Healthy Kids		Group	
	2013	2015	2013	2015	2013	2015
AllCare Health Plan	19.5%	7.3%	16.8%	33.0%	35.8%	35.8%
Cascade Health Alliance	16.5%	6.8%	17.3%	35.3%	48.4%	37.0%
*Columbia Pacific	—	—	–	–	–	–
Eastern Oregon	16.4%	7.3%	18.6%	28.0%	43.3%	41.0%
FamilyCare	14.8%	4.2%	13.2%	19.4%	55.0%	57.3%
Health Share of Oregon	14.8%	4.2%	12.8%	18.8%	55.6%	57.9%
InterCommunity Health Network	10.5%	8.8%	22.5%	26.9%	44.1%	34.8%
Jackson CareConnect	20.3%	8.2%	15.9%	29.6%	36.4%	39.1%
PacificSource C.S. - Central OR	19.2%	5.3%	17.0%	21.7%	44.0%	47.2%
PacificSource C.S. - Columbia Gorge	22.2%	6.0%	17.1%	27.6%	42.3%	39.8%
PrimaryHealth of Josephine County	18.2%	6.1%	17.7%	36.7%	33.8%	32.1%
Trillium Community Health Plan	13.8%	4.6%	16.8%	33.8%	45.3%	40.1%
Umpqua Health Alliance	16.7%	4.5%	17.6%	31.2%	39.5%	36.0%
*Western Oregon Advanced Health	–	–	–	–	–	–
Willamette Valley Community Health	14.1%	6.5%	19.3%	33.1%	47.1%	40.5%
Yamhill County Care Organization	16.3%	4.9%	15.8%	20.5%	49.7%	56.6%

* There were very few respondents in these two CCO service areas. These rates are statistically unreliable and have been suppressed.

Health Insurance in Oregon After the ACA



Oregon Health Insurance Survey. Oregon Health Authority, 2015.

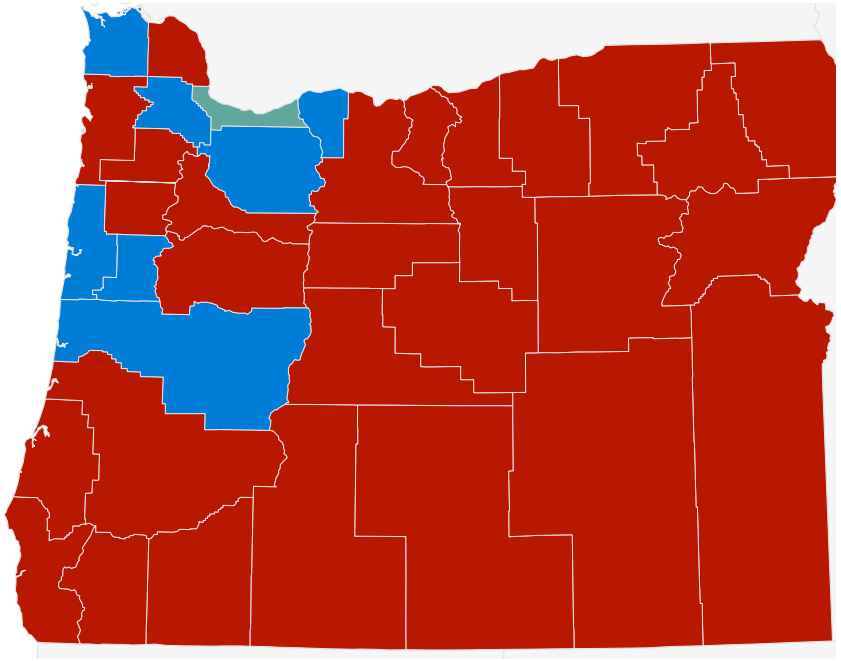
Complaints about the ACA

- The government should not force me to buy insurance.
- The required benefit package has things I do not want.
- The cost is going up too much in the individual market.
- I don’t want to pay for other people’s health care.

2016 Presidential Election in Oregon

Clinton

Trump



Six Important Questions In Any Health Care Reform Debate

1. What are the primary goals of our health care system? What outcomes matter to us?
2. What basic level of benefits should we provide to everyone?
3. How much do we want to spend and how will the system manage cost?
4. What mechanisms will we use to insure quality and value?
5. What is the proper balance between social insurance and free-market consumerism?
6. What portion of cost should be born by government, business, and individuals?

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The Triple Aim

- Excellent population health
- Affordable cost
- Excellent experience of care for individuals

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Benefit Categories
Oregon Health Plan 2006

1. Maternity and newborn care
2. Primary and secondary prevention
3. Chronic disease management
4. Reproductive services (excludes maternity and infertility)
5. Comfort care
6. Fatal conditions
7. Nonfatal conditions
8. Self-limited conditions
9. Inconsequential care

Prioritized list of health services methodology. Oregon Health Services Commission. Updated 10/25/13

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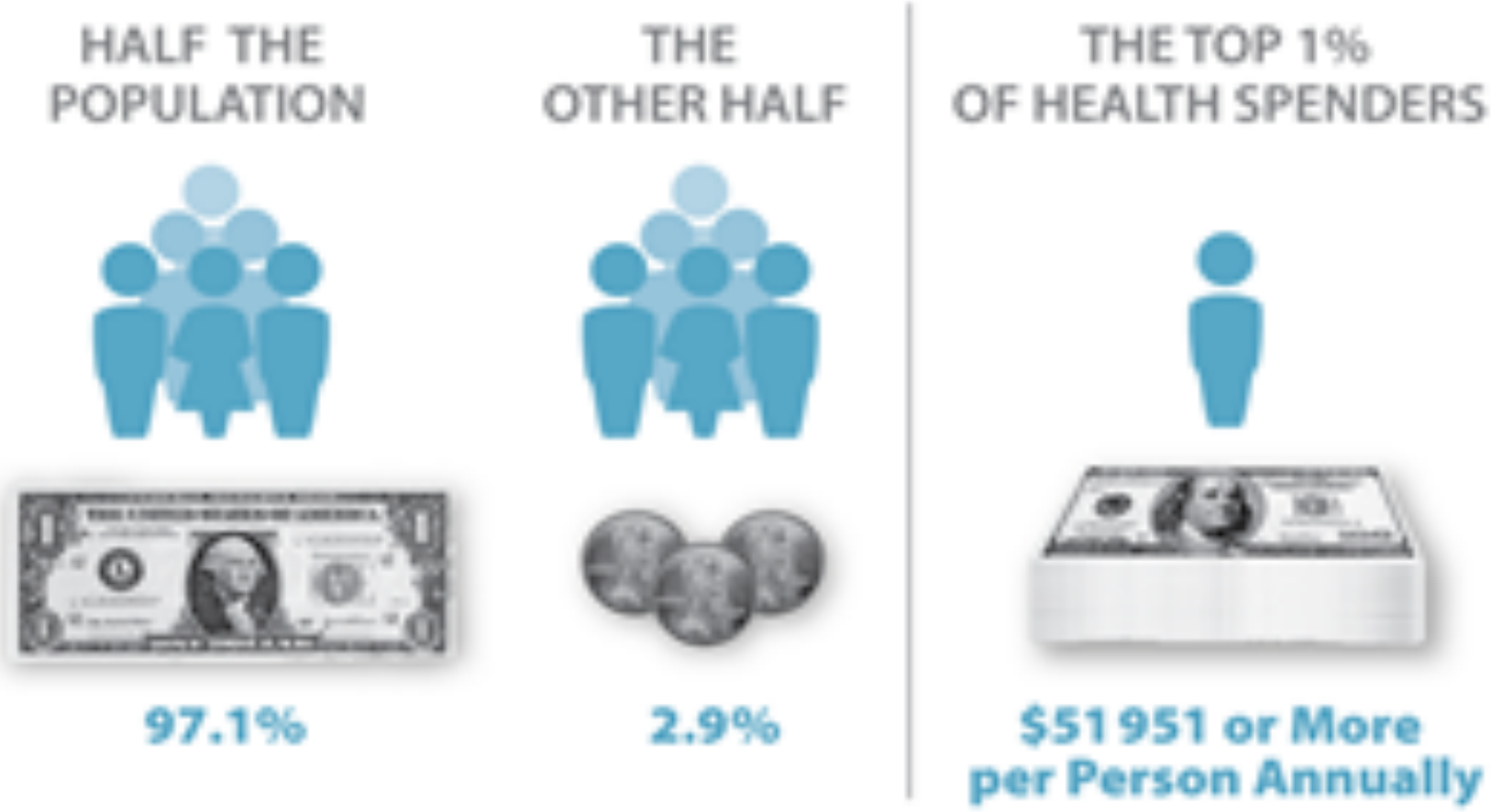
Inconvenient Facts

- 56% of health costs for people with private insurance are incurred by 5% of the people
- 69% of costs are incurred by 10% of the people
- 67% of insured people are very healthy, 20% have an acute condition, and 15% have a chronic condition. Only 1% have catastrophic costs.

Robinson JG. JAMA 2004; 291(15): 1880-6.

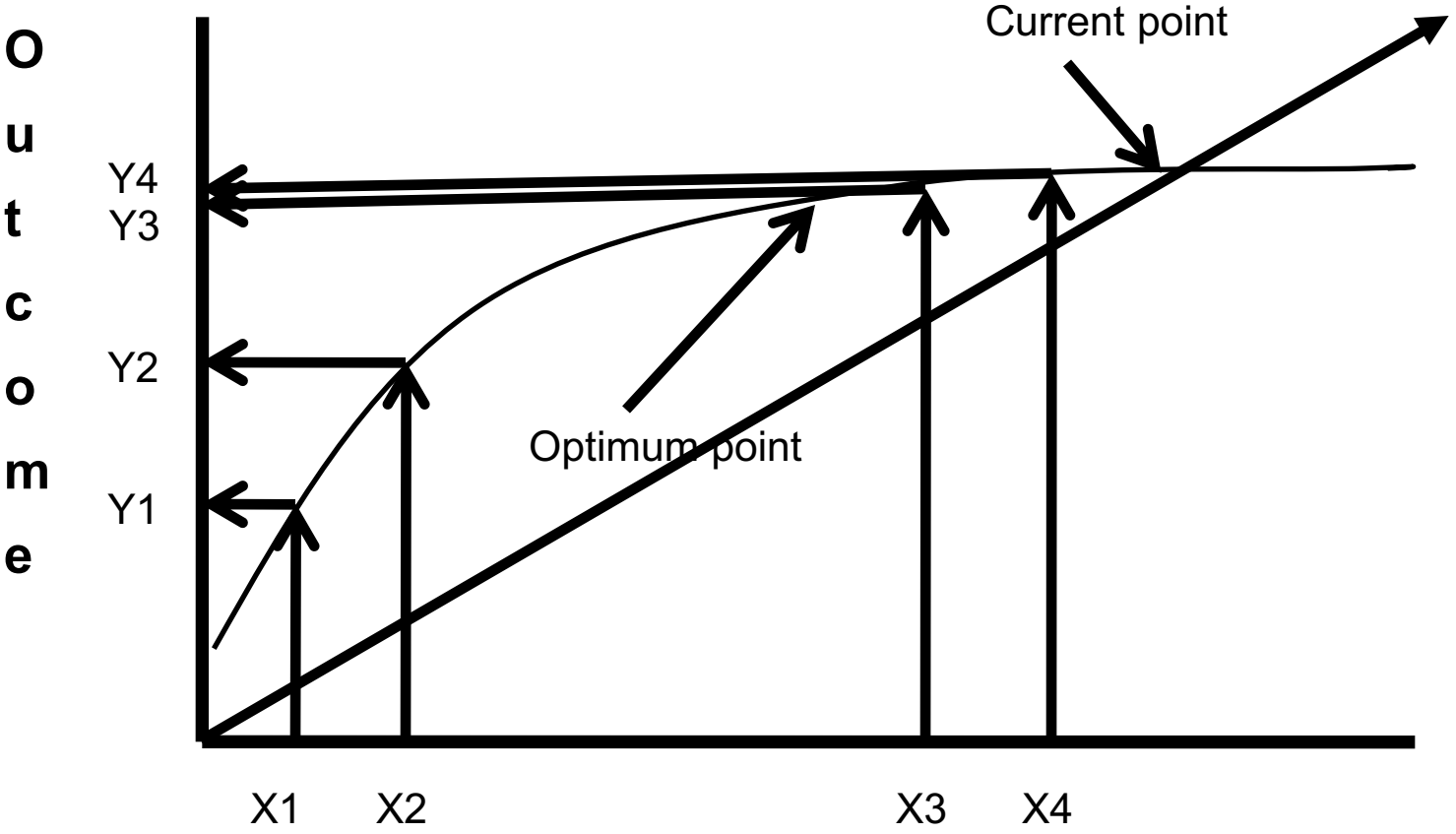
Half of the US Population Accounts for 97.1% of Health Care Spending



Source: Kaiser Family Foundation (http://www.kff.org) analysis. Original data and detailed source information are available at http://facts.kff.org/jama_092612.

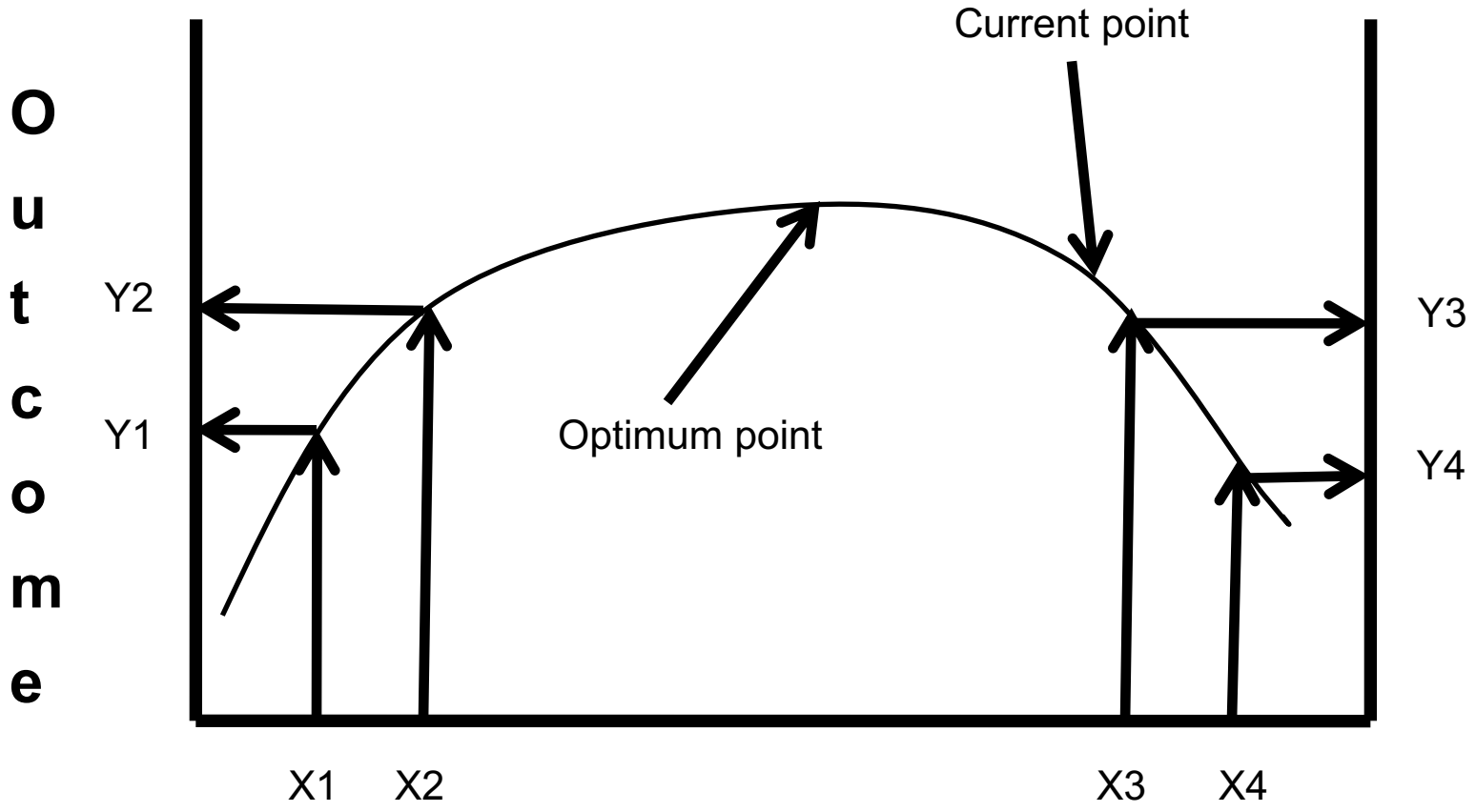
Individual Health Care

(functionally limitless resources)

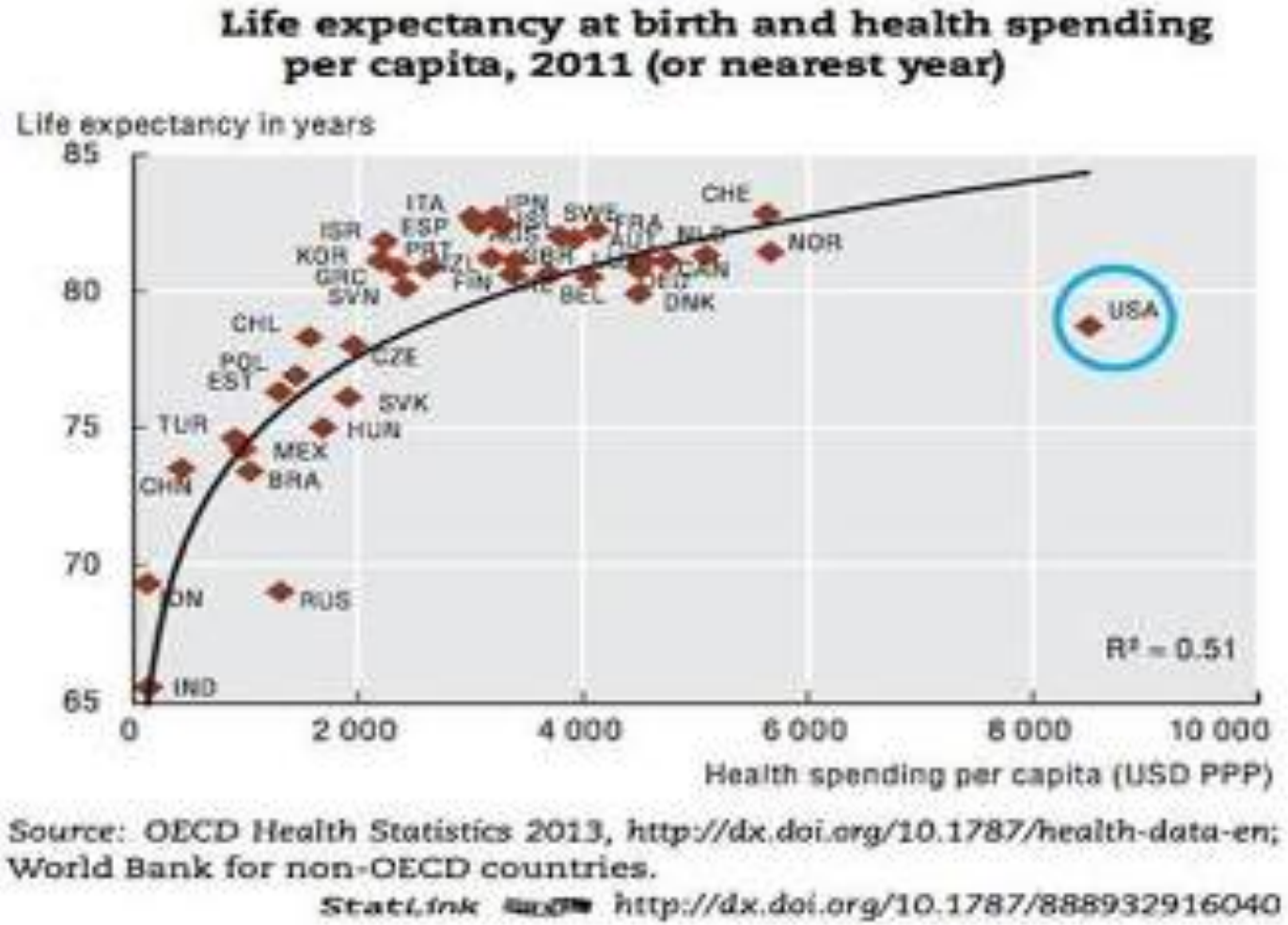


Population Health Care

(limited resources)

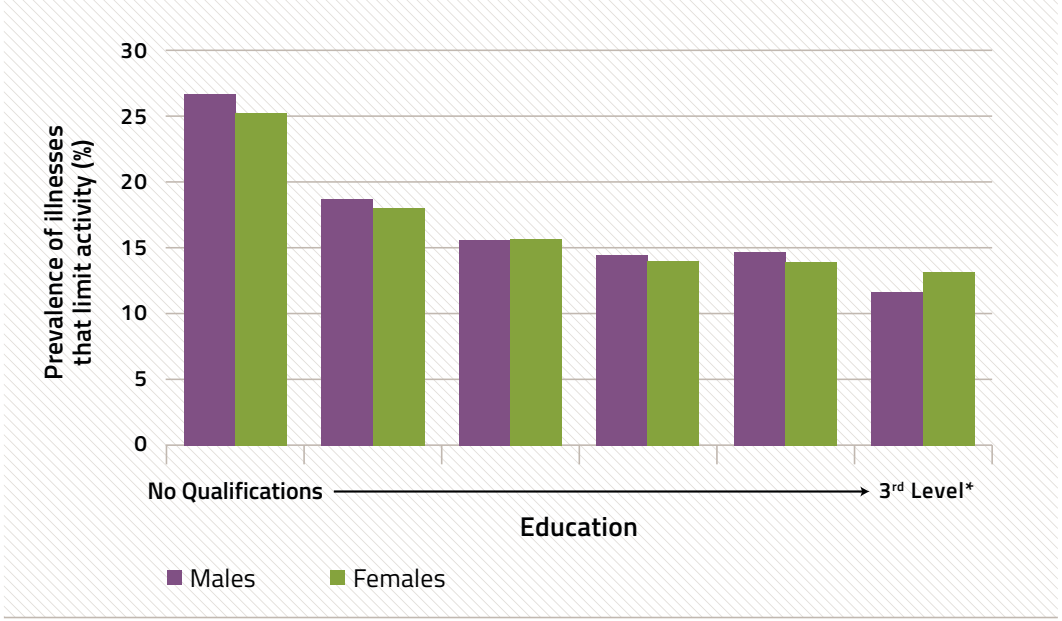


2011 Data from World Bank



Health Depends More on Education Than on Health Care

Figure 4. Even with universal access to the National Health Service, illness rates in Britain are higher for those with less education.



* 3rd level: equivalent to receipt of a bachelor's degree or higher.
Data (standardized) for participants aged 16–74, National Statistics Longitudinal Study, 2001.
Source: adapted from Figure 7 in *Fair Society, Healthy Lives: The Marmot Review.*[4]

Six Important Questions In Any Health Care Reform Debate

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Quality Improvement Opportunities

- The patient-centered medical home
- Integrated primary care and mental health services
- Electronic data to understand trends and patterns
- Better coordination of care across sectors

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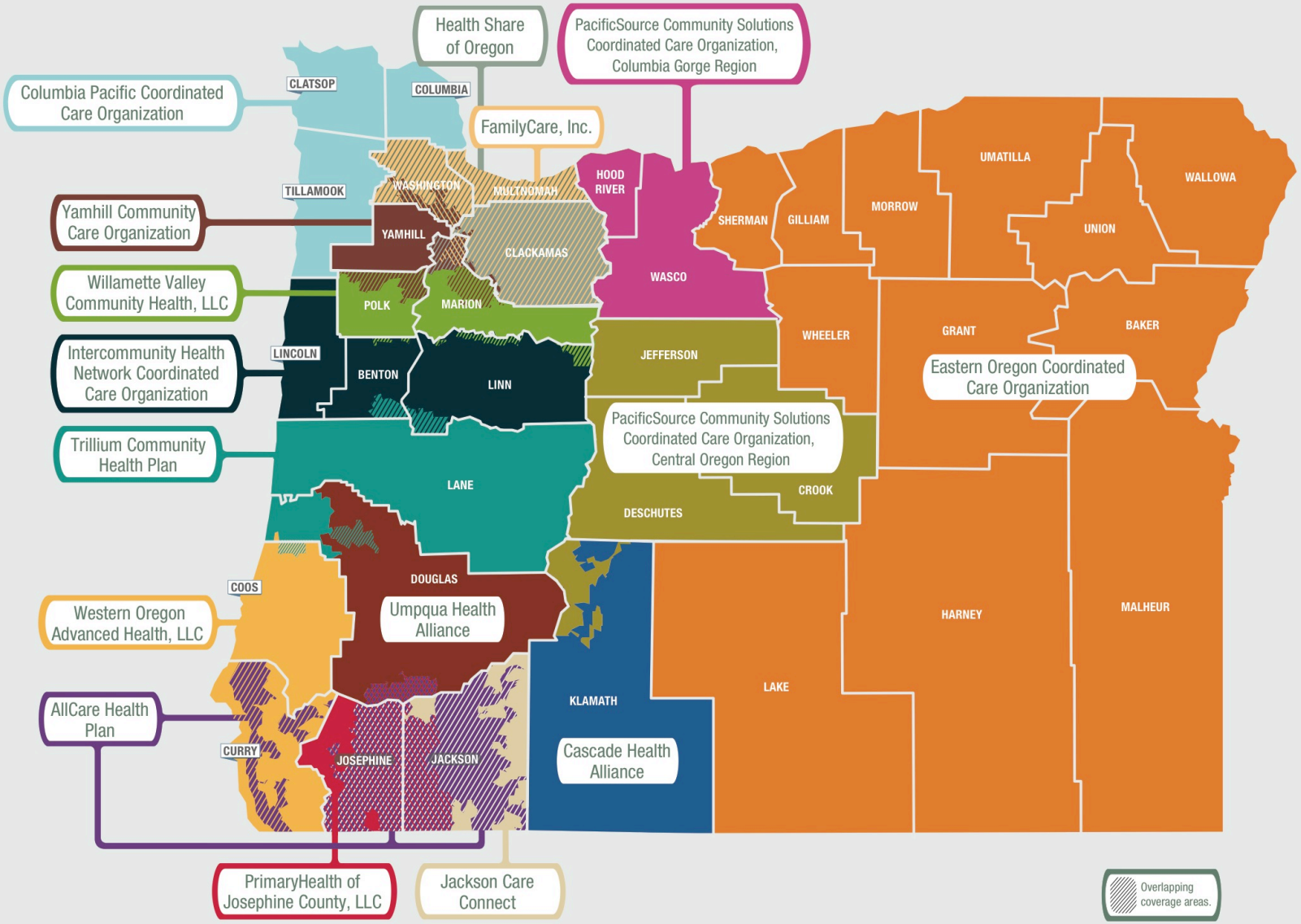
"Evidently, the dominant decision makers in this nation have now concluded that our health system can properly offer the (corporate) executive's child a higher probability of avoiding illness, or of surviving and fully recovering from a given illness, than it offers the child of a gas station attendant or waitress- that our health system can properly be tiered by income class. That is purely a moral judgment. As such, it is not wrong. But it would have been appropriate, in a democracy, to debate this important question more explicitly than it was. Instead, the proponents of this distributional ethic cloaked their case in the jargon and normative theories willingly supplied, without proper warnings, by the economics profession."

Uwe Reinhardt, 1996

Strategies for public debate

- Be positive and encouraging
- Do not depress people, inspire them
- Empower people to take control
- Make “I” statements and ask questions
- Encourage collaboration
- Suggest resources

Coordinated Care Organization Service Areas



Oregon Health Authority

Eight things we can do now

1. Stop blaming others; take responsibility.
2. Stop waiting on the government.
3. Be skeptical about large health systems.
4. Reduce health care cost.
5. Partner with patients to create a new clinical method.
6. Insist on stable funding for primary care and mental health.
7. Speak out and inform patients about fraud and greed.
8. Incite public debate at the local level.

Julian Tudor Hart

"The new departments should be teaching a **disciplined anger**, not against people, but against attitudes and situations that impede the effective delivery of medical science to sick people. Without such anger, the new young doctors will be brought up by the areas of gracious medicine; and anger without discipline is mere cursing."