

**Transforming the Oregon Health Plan
and
Oregon's Medicare/Medicaid
Alignment Demonstration**

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What we will cover today

- Health System Transformation and Coordinated Care Organizations (CCOs) : When, where, why, how
- Information for clients
- Oregon's Medicare-Medicaid Alignment Demonstration Project
- Shared Accountability between CCOs and Long-Term Care
- Timelines
- Question and answer

Today's presenters

- Tina Edlund, Chief of Policy, Oregon Health Authority
- Susan Otter, Project Director, CMS Design Contract for Individuals Who Are Dually Eligible, Oregon Health Authority
- Trisha Baxter, Chief Operating Officer, Department of Human Services Aging and Disability Programs

Oregon Health Plan

- Has saved the federal and state governments \$16 billion since 1994
- Has provided coverage for high-quality, evidence-based health care to low-income Oregonians
- Currently covers more than 600,000 individuals

So why transform now?

- Health care costs are increasingly unaffordable to individuals, businesses, the state and local governments
- Inefficient health care systems bring unnecessary costs to taxpayers
- Takes dollars from education, children's services, public safety
- Significant health disparities continue
- Even for all we spend, health outcomes are not what they should be – estimated 80% of health care dollars go to 20% of patients, mostly for chronic care
- Lack of coordination between physical, mental, dental and other care and public health means worse outcomes and higher costs

If Food Were Health Care

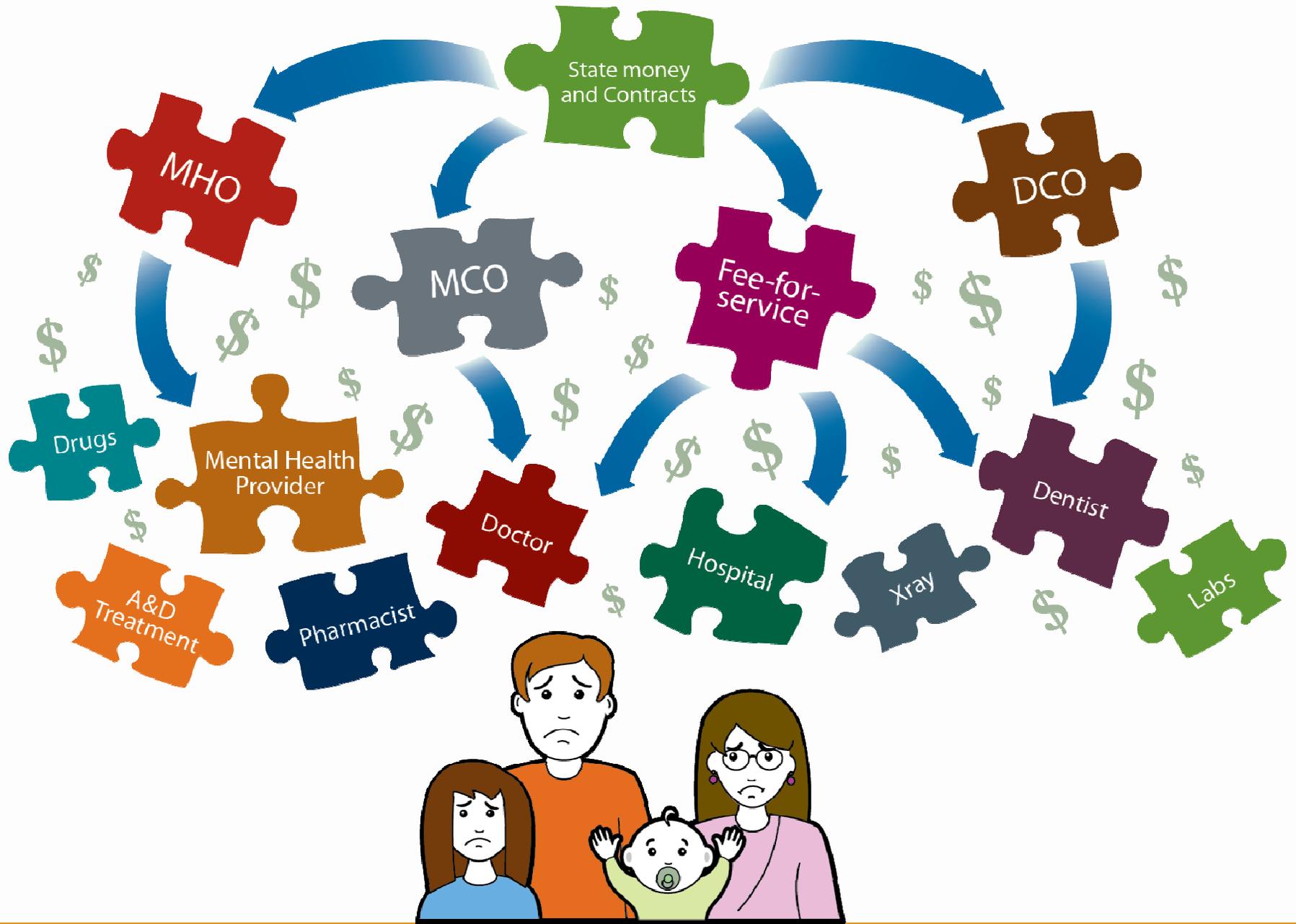
If food prices had risen at the same rates as medical inflation since the 1930's:

✓ 1 dozen eggs	\$80.20
✓ 1 roll toilet paper	\$24.20
✓ 1 dozen oranges	\$107.90
✓ 1 pound bananas	\$16.04
✓ 1 pound of coffee	\$64.17

Total for 5 items \$292.51

Source: American Institute for Preventive Medicine 2007





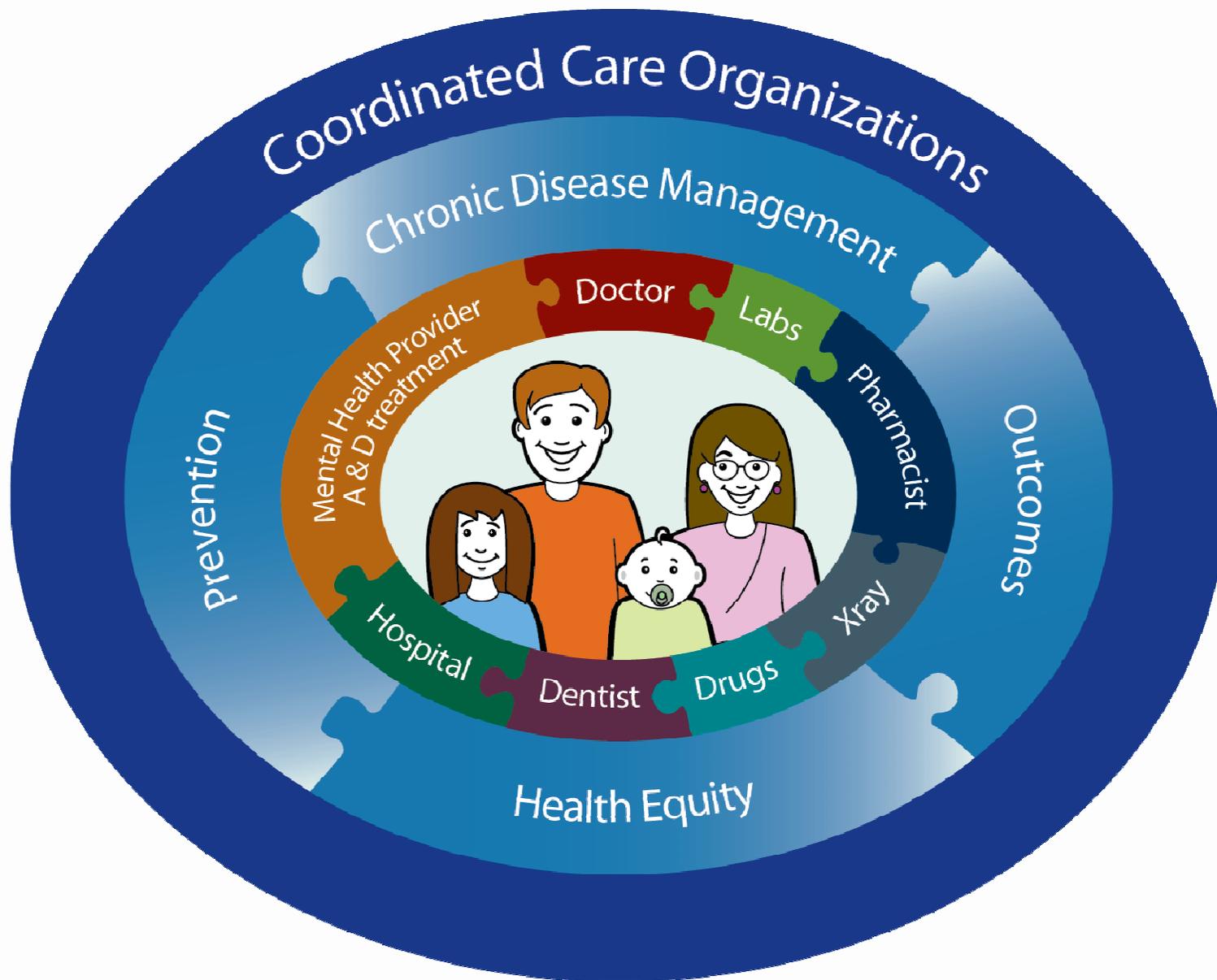
GOAL: Triple Aim

A new vision for a healthy Oregon

-  **Better health.**
-  **Better care.**
-  **Lower costs.**

Coordinated Care Organizations

- CCOs are local health entities that deliver health care and coverage for people eligible for Medicaid (the Oregon Health Plan) and also people covered by both Medicaid and Medicare. CCOs include:
 - **Community-level accountability** for better health, better care and lower costs
 - A focus on **elimination of health disparities**
 - **New models of integrated care** that are patient-centered and team-focused with an emphasis on prevention
 - **A global budget** that grows at a fixed rate for mental, physical and ultimately dental care.
 - Flexibility within the budget to deliver the outcomes expected of them
 - Incentives for improved care through shared savings
 - **Governed by a partnership** among providers of care, community members and the stakeholders in the health system who have financial responsibility and risk.



Results: Better Health, Better Health Care

Ted Hanberg, 83, was in and out of the hospital until a coordinated care team helped him get congestive heart failure under control

Since then he hasn't had a return to the hospital in six months and is living independently with his wife and daughter.



Next steps

- Request for Application for potential CCOs posted March 19. Any questions from potential CCO applicants should go to RFA.Formalquestions@state.or.us
- Medicare-Medicaid Alignment proposal – comments through April 4
- **Non-binding letters of intent for potential CCOs due April 2**
 - This is a public document to ensure communities are informed
- Every CCO applicant required to hold a public meeting about their application sometime between early April and mid-May

All documents online at:

www.health.oregon.gov

Key information for clients

- **Coordinated Care Organizations: local in your community**
 - Focused on prevention, helping people manage chronic conditions, coordinating mental and physical health care, reducing unnecessary emergency room visits
 - Person-centered care that keeps people healthy
 - Individualized plans for people with complex and intensive needs
 - New health care workers who help people navigate the system and learn to manage health conditions
- **Nothing is changing today.** CCOs will start later this year in some communities and be statewide by 2017
- **All services covered today will continue to be covered**
- If a CCO forms in any community:
 - There will a public meeting so people can learn more
 - There will be at least 30 days notice before anything changes
- **OHA and DHS will help with any and all questions**

Timeline – CCOs

As of March 19, 2012

Waiver submitted to CMS	March 1
Temporary rules filed	March 16
RFA for potential CCOs posted	March 19
RFA question sessions	March 22, 27
Non-binding letters of intent due to OHA	April 2
Technical applications from CCOs due (Wave one)	April 30
Financial applications from CCO due (Wave one)	May 14
New CCOs certified	May 28
Medicaid contracts signed with new CCOs	By June 29
CCO-Medicaid contracts to CMS	By July 3
Medicaid contracts effective for new CCOs	August 1

CMS Medicare/Medicaid Alignment Demonstration

- CMS 3-year demonstration
 - Three-way contracts among health plans, state and CMS for
 - Integrating care for dually eligible individuals
- Oregon's proposal
 - Voluntary demonstration for CCOs
 - Working with CMS to ensure the demonstration will be a fit for Oregon

How does the CMS demonstration relate to CCOs?

- Same benefits – better opportunities for coordination and simplification
- Financial incentives aligned for CCOs to integrate and coordinate care
- Intersecting programs can make things simpler and less confusing
 - One benefit package
 - One contact for both Medicare and Medicaid questions
 - One set of materials for beneficiaries

Dually eligible individuals in Oregon

- There are approximately 59,000 dually eligible individuals in Oregon
- Many are in managed care plans for Medicare or Medicaid
 - 47% are in managed Medicare
 - 61% are in managed Medicaid
- Approximately 24,000 (41%) of dually eligible individuals receive long-term care services and supports

Importance of including dual eligible Medicare funding in CCOs

- Better coordinate care and achieve better outcomes for individuals who are dually eligible
- Key features of Demonstration:
 - Align Medicaid and Medicare requirements
 - Passive enrollment of dually eligible individuals in CCOs (with opt-out option)
 - Blended Medicare/Medicaid funding and flexibility around spending
 - Integrated Medicare/Medicaid benefits

CMS Design contract/demonstration

- OHA has planning funding through a design contract with CMS
- Design contract states can request implementation funding from CMS
- Design contract may also be opportunity to pursue other promising models:
 - Housing with services
 - More flexibilities around Program of All-Inclusive Care for the Elderly (PACE)

Timeline: Medicare-Medicaid alignment

As of March 19, 2012

Public comment for draft Medicare-Medicaid Integration Proposal (30 days)	March 5-Apr. 4
Notice of Intent to Apply for 3-way contract due to CMS	April 2
Final Medicare-Medicaid Integration Proposal submitted to CMS	Mid-April
OHA/CMS develop memorandum of understanding, outlining details of demonstration	Spring/Summer
CMS and OHA certify CCOs for demonstration	July 31
3-way contracts signed by CCOs, OHA, CMS	Sept. 20
Medicare-Medicaid Integration 3-way contracts effective	Jan. 1, 2013

Next steps:

See: <http://cco.health.oregon.gov> to:

- Review and comment on Oregon's draft proposal (by April 4)
- CCO applicants: Find instructions to submit a Notice of Intent to Apply if considering participating in the demonstration

Shared accountability and the CMS Medicare/Medicaid Alignment Demonstration

- Shared accountability for LTC is expected for all CCOs
 - Participation in the Medicare/Medicaid Alignment Demonstration will be voluntary for CCOs
 - CCOs that choose not to participate in the voluntary demonstration will need to work with local LTC offices to develop an MOU
 - CCOs that participate in the demonstration will also need to develop MOUs with local LTC

APD Services and CCOs

- Services:
 - CCOs: physical, behavioral, oral health
 - APD: Medicaid-funded long-term services and supports (LTSS)
- New coordination and partnerships:
 - a system of shared accountability between CCOs and Oregon's Long-Term Care system.

Goals of Shared Accountability

- Coordinated and aligned care and services for all individuals getting long-term services and supports.
- Care and service coordination tailored to unique skills and service environments in long-term care settings.
- Mechanisms for shared accountability

Shared Accountability and APD Goals

- Shared accountability compatible with APD mission, values and goals:
 - Independence, choice and dignity
 - Person-centered long-term services and supports
 - New opportunities for spreading best practices of social model to medical services provided through CCOs

Partnership in action

- New, close partnerships of health care (CCO) and social service (APD/AAA) providers:
 - Locally developed agreements on how to work together
 - Information sharing
 - Increased care coordination
 - Learning collaboratives

Partnership in action

- Assistance to consumers to understand new health care systems, resources, processes
- Metrics
- Cross-participation in governance structures

Local Flexibility Encouraged

- Tailored to local needs and resources
- Community stakeholders may be involved through CCO governance structures
- Expected evolution of relationships over time

Current Activities

- DHS is:
 - Developing communication and training plans for staff and stakeholders
 - Collaborating with the Oregon Health Authority
 - Sharing key contacts
 - Preparing guidance for APD/AAA offices on MOUs

Health System Transformation :

APD Contacts

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