

HB 3650 - Plans for Other Public Purchasers

HB 3650¹ calls on OHA to report on plans for contracts with CCOs for other public health benefit purchasers, including PEBB, OEBB and Healthy Kids Connect.

PEBB/OEBB Plan for Transformation

Introduction

Health care costs are increasingly unaffordable—to employers and individuals, as well as federal and state governments. Growth in health care expenditures far outpaces growth in general fund revenue without a correlating improvement in health outcomes.

In 2011 the Oregon Legislature and Governor John Kitzhaber created Coordinated Care Organizations (CCOs) in House Bill 3650 aimed at achieving the triple aim of improving health, improving quality of care and lowering costs by transforming the delivery of health care under the Oregon Health Plan. The legislation builds on the work of the Oregon Health Policy Board (OHPB) since 2009.

The Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) uphold a vision tightly aligned with HB 3650's objectives for health system transformation. Statutes authorizing PEBB and OEBB list key attributes for purchasing decisions that further this vision. These key attributes are:

- improvement of employee health ;
- creativity and innovation;
- plan performance and information;
- flexibility in plan design and contracting, and
- choice among high quality plans.

Guided by these key attributes, the Benefit Boards have moved forward toward their shared goal of purchasing quality plans of health benefits that are affordable for the employer and the employee. Their efforts align programs and plan designs for the following elements in House Bill 3650.

Patient Centered Primary Care Homes (PCPCH)

Today, OEBB members can select among four medical home options, and 21 percent of OEBB members are in PCPCH plans. PEBB members have a choice between two medical home options, and 34 percent (2012) of these members are in PCPCH plans.

Development of PCPCH and growth of this system of care is an ongoing collaboration

¹ (2) Using a meaningful public process, the Oregon Health Authority shall develop:
...(e) Plans for contracts with coordinated care organizations for other public health benefit purchasers, including the private health option under ORS 414.826, the Public Employees' Benefit Board and the Oregon Educators Benefit Board.

among the Boards and their carrier partners. Contracts require payments for PCPCH certification. Goals are both to expand availability of PCPCHs geographically and to increase membership in these systems of care. The Boards review the latest PCPCH standards and adopt those that align with PEBB and OEGB needs and vision.

Quality Metrics and Accountability

Metrics and accountability are critical drivers in health care quality improvements. Metrics have enabled the Benefit Boards to track improvements in processes and outcomes over time. Once final agreement and recommendations on CCO metrics are made, each Board will include applicable metrics, seeking maximum alignment with the needs and vision of PEBB and OEGB for the marketplace, including regular commercial, carve-out, and CCO options in contracts and in future requests for proposals.

Innovations in Payment Methods

The Boards direct carriers to negotiate for rates and methodologies that can provide the highest quality at the lowest cost. Among examples of arrangements specified in PEBB and OEGB contracts and used by carriers to promote improved health outcomes and more rational payment methodologies are the following: case rates, bundled payment rates, prospective payment methods (diagnostic related groups) for hospital services, payments tied to evidence-based treatment guidelines and or outcomes of care, achievement of a standard (PCPCH) and global budgeting. The Boards will review the global budgeting methodology and innovative payment methodologies approved by the Oregon Health Policy Board and adopt those that align with the PEBB and OEGB needs and vision and that are viable to implement with commercial market contractors.

Plan Designs that Emphasize Value

Both Boards seek optimal health for members. Their plans incorporate value-based benefit designs to offer preventive and maintenance medicine and services at no or low cost; conversely, members share a higher portion of the cost of services for preference-sensitive or over-utilized services. Guides for shared decision support educate members about the risks, harms and benefits of treatments, with attention to alternatives to higher-cost, over-utilized treatments that lack evidence of better outcomes. Plan designs by both Boards include no-cost coverage of 17 recommended preventive measures, ranging from infant-through-adult vaccinations to screenings for breast, cervical, colon and prostate cancer. The Boards will review additional preventive measures that the Oregon Health Policy Board approves and adopt those that align with the PEBB and OEGB needs and vision and that are viable to implement with commercial market contractors.

Health Promotion and Prevention

Health promotion and wellness activities are in place at some job sites with plans to expand to additional sites to foster a healthy work culture. Targeted programs include weight management, tobacco cessation (a fully covered benefit) and employee assistance programs to address alcohol and drug addiction and other behavioral health

issues. Health promotion and prevention of illness are essential elements of Board programs and Coordinated Care Organizations.

PEBB and OEGB planning

Through House Bill 3650², the legislature requires PEBB and OEGB to consider CCOs as an option for members in the future. PEBB's and, later, OEGB's initial vision for the delivery system was developed between 2004 and 2007. The Oregon Health Authority, formed after PEBB and OEGB last requested proposals from the commercial market, has embraced directives towards achieving the Triple Aim – improve health, improve the member experience of care and reduce costs.

Through a public process, PEBB and OEGB will develop a request for proposals (RFP) that will take into account the PEBB and OEGB vision, objectives and achievements over the past five years; the current health care environment of Oregon; and the goal of furthering the objectives of the Triple Aim.

In early 2012, the PEBB Board with involvement by several OEGB Board members will begin the public planning required to develop an RFP for health benefits beginning 2014. Planning work will address the outline of the RFP, plan design parameters, structure, methods of solicitation, selection criteria, accountability metrics and models for member health engagement. The expectations and metrics currently under development for the CCOs will be integrated into this work. The Boards in coming months will decide on the structure of RFP subcommittees responsible for development of the RFP and evaluation of bidders. The following table summarizes time frames and actions. Lessons from this RFP process and alignment strategies will be included in subsequent OEGB and PEBB RFPs.

² *ibid*

2014 PEBB/OEBB Medical Plan Proposals

Time Frame	Key Actions
February 2012	PEBB and OEBB provide feedback to OHPB on future RFPs with CCO options. PEBB, through OHA, receives final decisions on CCO criteria from Legislature.
January – July 2012	PEBB makes plan design decisions. PEBB and OEBB hold joint board meetings to discuss the development and design of a PEBB’s request for proposal, outlining expectations, timelines and action steps.
	PEBB and OEBB receive regular updates from OHA staff around implementation of CCOs.
May- June 2012	PEBB continues to research and finalize parameters for medical RFP including criteria and metrics from OHA CCO implementation work.
March- Sept. 2012	Develop solicitation work plans, process, timeline, content, scoring and deliverables, which are expected to include, at a minimum, alignment with CCO criteria and metrics. A request for information (RFI) could be fielded to determine the readiness of and risks related to the delivery system and any impacts on quality and cost of care for PEBB/OEBB members.
Sept. 2012	PEBB finalizes RFP structure, including regular commercial bidders, any carve-outs, and CCO plan options
Oct. 2012	PEBB releases RFP, inviting responses from regular commercial bidders, any carve-outs, and CCO plan options.
Jan. 2013	Close acceptance of proposals for plan year 2014.
Feb. 2013	Score and evaluate PEBB RFP proposals.
October 2013	PEBB holds open enrollment for plans with all successful bidders including any regular commercial, carve-out, and or CCO options. OEBB releases RFP with CCO options.
March 2014	OEBB completes selection based on response to RFP.
August 2014	OEBB begins open enrollment.

Healthy Kids Connect

From the launch of the Healthy KidsConnect (HKC) insurance program in 2009, working to achieve the Triple Aim has been an integral part of the HKC contracts and delivery of services. HKC is an innovative first step taken by the Oregon Health Authority (OHA) to improve children's access to commercial health care, make it more affordable with 85-90% subsidies for qualified families, and improve health outcomes with preventative services and better coordinated care. As the "mini-Exchange" that provides high quality private market insurance for uninsured Oregon children in all income levels above 200% FPL, HKC is integrating components of the standards for Coordinated Care Organizations (CCOs) as outlined in HB 3650.

For the past two and a half years, the Office of Private Health Partnerships (OPHP) has contracted with the four commercial health insurance companies (one statewide and three regional). Contracts have included the language which encourages the bold innovation planned for the CCOs. Examples of this include: "**Health Care Innovations.** The Contractor shall provide innovative approaches to transparency of the rate and quality of medical services; measurement of clinical outcomes and quality of care; and evidence-based care management, benefit design or provider payments." A typical yearly report to OPHP asks the HKC carriers to describe examples of progress and steps they are taking to achieve the Triple Aim.

HKC carriers are currently moving toward delivering services through Patient Centered Primary Care Homes (PCPCHs) as one of the critical components of CCO implementation. Families choose a primary care provider to better integrate patient care, control costs, and improve health outcomes. As the OHA completes recognition of the providers as PCPCHs, HKC carriers will begin reporting on metrics as described in HB 3650 for CCOs. These PCPCH reports will help start tracking the implementation of medical homes, including numbers of HKC members enrolled in PCPCHs and children with chronic conditions who are being cared for in a medical home by tier levels. Since the HKC carriers are all licensed and regulated by the Oregon Insurance Division, high levels of accountability, customer care and satisfaction are maintained.

Future HKC contracts and the next Requests for Proposals will look for opportunities to incorporate the standards for CCOs. As the HKC program starts to transition to the new Oregon Health Insurance Exchange, delivery of services under the HKC contracts will continue to reflect the vision, ideas, and metrics of CCOs and PCPCHs to achieve transformation of health insurance and the overall health care system.

Other Public Health Benefit Purchasers

HB 2009 created the Public Health Benefit Purchasers Committee under the Oregon Health Policy Board, made up of representatives from PEBB, OEBC, Trustees of PERS, city and county government, and special districts. The committee is tasked with aligning benefit designs based on best evidence and value which achieve maximum quality and cost outcomes. OHA will work with the committee to identify opportunities to align other public health benefit contracts that reflect the vision, ideas, and metrics of CCOs and patient centered primary care homes.