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To: Oregon Tribal Representatives

From: Lori Coyner 
Medicaid Director
Oregon Health Authority

Subject: Opportunity to comment on Oregon Health Plan (OHP) Renewal
Request to the Centers for Medicare and Medicaid Services (CMS)

Since Oregon's existing five-year Oregon Health Plan (OHP) 1115 Demonstration (or "waiver") ends in June 2017, the Oregon Health Authority (OHA) is developing a waiver renewal request to the federal Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS). Approval of this request will enable the state to continue the highly successful health system transformation work that has taken place statewide by extending the Demonstration for an additional five years, beginning July 1, 2017 and continuing through June 30, 2022. The state will also request to amend the Demonstration, as appropriate, to further transform and improve the health care delivery system for low-income Oregonians.

This letter is to give Oregon Tribes and American Indian/Alaska Native individuals and entities information and an opportunity to comment on the state's upcoming request to CMS.

Goals of the request

With this renewal and amendment request, Oregon, with a shared commitment with the federal government, will seek to build on our success with the coordinated care model to meet the following key goals across the next five years: (Learn more at www.Health.Oregon.gov)

- I. Build on the transformation of Oregon's Medicaid delivery system with a stronger, expanded focus on integration of physical, behavioral, and oral

- health care through a performance driven system with the goal of improving health outcomes and continuing to bend the cost curve;
- II. Improve the social determinants of health and health equity across all low-income, vulnerable Oregonians with the goal of improving population health outcomes;
 - III. Commit to ongoing sustainable rate of growth that includes the 2% test (limiting spending increases), a penalty for not meeting that target, and an integrated budget that promotes increased spending on health related services and advances the use of value based payments
 - IV. Establish supportive partnerships with CMS to expand the coordinated care model by implementing innovative strategies for providing high-quality, cost-effective, person-centered health care for Medicaid and Medicare dual eligible members.

Background

Since 1994, the Oregon Health Plan (OHP) Demonstration has provided the state's most vulnerable residents with high-quality, evidence-based health care while containing spending growth, saving the federal and state government more than \$33.9 billion over the life of the waiver.

Oregon's current Demonstration, approved in 2012, helped transform the delivery system to one of coordinated care, with 16 coordinated care organizations (CCOs) now delivering the vast majority of physical, oral and behavioral health services to OHP members. Today, approximately 90% of OHP members are enrolled in a CCO. Oregon was with the first wave of states that expanded Medicaid eligibility under the Affordable Care Act. Today, the Oregon Health Plan serves more than 1.1 million Oregonians, or approximately 25% of Oregon's population. Additionally, Oregon has one of the lowest rates of uninsured with nearly 95% of Oregonians now enrolled in health care coverage. This new system of health care delivery has led to better health, better care and lower per capita costs, saving the federal and state government together more than \$1.7 billion, and saving the federal government more than \$1.4 billion, during the current approval ending in 2017.

Since January 2014, approximately 400,000 Oregonians have become newly eligible for Medicaid with the implementation of the Affordable Care Act (ACA) and federal health reform. These newly eligible individuals, as well as those who were already covered by the OHP, are largely served by a coordinated care system through 16 entities statewide called coordinated care organizations (CCOs) that focus on prevention, primary care, care coordination among physical, oral and behavioral health and the needs of their particular communities.

The success of this system is already showing. Current health system transformation has been a success in keeping costs below the national rate of growth for health care expenditures. While holding costs below the national rate of growth, data from Oregon's robust quality measurement program show significant improvements in quality, access, and health (for a full report on health system transformation: www.oregon.gov/oha/Metrics/Pages/index.aspx).

Highlights include:

- **Decreased emergency department visits.** Emergency department visits by people served by CCOs has decreased 23% since 2011 baseline data.
- **Decreased hospital admissions for short-term complications from diabetes.** The rate of adult patients (ages 18 and older) with diabetes who had a hospital stay because of a short-term problem from their disease dropped by 32% since 2011 baseline data.
- **Decreased rate of hospital admissions for chronic obstructive pulmonary disease.** The rate of adult patients (ages 40 and older) who had a hospital stay because of chronic obstructive pulmonary disease or asthma decreased by 68% since 2011 baseline data.
- **Patient-centered Primary Care Home (PCPCH) enrollment continues to increase.** Coordinated care organizations continue to increase the proportion of members enrolled in a patient-centered primary care home. PCPCH enrollment has increased 61% since 2012. Additionally, primary care spending continues to increase, which means more health care services are happening within primary care settings rather than other settings such as emergency departments.

Since the 2012 renewal, the State has further expanded health care access to the State's nine federally recognized Tribes through the Uncompensated Care Program (UCCP) and developed outcome and incentive strategies through the Hospital Transformation Performance Program (HTPP).

Renewal request and potential amendments

With this renewal, Oregon will request that CMS continue to approve all of the State's existing waiver authorities. These authorities will allow the State to:

- Expand the integration of behavioral health services through partnerships with counties, corrections, and community-based programs.
- Build on the success of the Hospital Transformation Performance Program (HTPP) to further support goals of transformation and ensure sustainable funding and alignment of care coordination across the delivery system.

- Refine and advance the coordinated care model through a robust measurement program; expanded Patient-Centered Primary Care Home program; quality incentive payments; expanded HIT infrastructure and Transformation Center.
- Promote a recovery-based model of care and strengthen substance use diversion services along the continuum of care by requesting a Substance Use Disorders Waiver in 2017.
- Increase access to housing and housing supportive services for vulnerable populations.
- Partner with the Oregon Early Learning Council to provide in-home mental health screening and referral services to families with young children
- Ensure access to health care services for American Indians and Alaska Natives.
- Expand the use of traditional health care workers (THWs) within the delivery system.
- Advance integrated budget and rate development strategies to promote the use of flexible services, social determinant investments, and value-based payments.
- Promote better coordination and improve health outcomes for those Medicare and Medicaid dual eligible members
- Increase the health care workforce in underserved areas and in behavioral health settings using evidenced-based, best practices for recruiting and retaining workforce.

In addition, the State would like to build on the successes of the past five years by continuing the Tribal Uncompensated Care and Hospital Transformation Performance programs, aligning and integrating them into the transformation efforts and enhancing coordinated care for all populations.

Impact on Tribes

The state welcomes recommendations that will build stronger avenues of consultation and communication with Tribes as sovereign entities. The state will also support closer and beneficial relationships between CCOs and IHS and Tribal and Urban Indian clinics and providers, and help ensure consistency in policies and practices related to the delivery of care coordination services. The overall impact of the coordinated care transformation affects all Oregonians by making available localized coordinated health care in all parts of the state.

In addition, the Tribal health program for uncompensated care (UCCP) makes supplemental payments to IHS and Tribal health facilities operating under ISDEAA 638 authority: 1) for uncompensated care costs of non-covered primary care services that are

no longer funded under the OHP's Prioritized List and 2) for uncompensated care costs of covered primary care services provided to low-income individuals (to 133 percent of the Federal Poverty Level, FPL) who have no Medicare, Medicaid, CHIP or other coverage. Through this program, OHA seeks not only to enhance the resources of Tribes to meet the health care needs of their members, but to stabilize services offered through Tribal Health Programs and expand access for uninsured individuals. These efforts will be continued and enhanced with approval of this request by CMS.

OHA appreciates your interest in the OHP and in its impact on Tribal members and Tribal entities. The State requests your input as we develop the requests for these changes. Please share this information with any individuals or groups who may be interested in or affected by the changes. Copies of the draft request and additional information on the 1115 Demonstration waiver can be found at: www.oregon.gov/oha/OHPB/Pages/health-reform/cms-waiver.aspx.

OHA is also planning several roundtable meetings with Tribes on:

- March 30, 2016
- April 4, 2016
- April 8, 2016
- April 20, 2016

Dates will be confirmed and specific times announced in the near future. Additionally, you may contact Karol Dixon, OHA Tribal Affairs Director, at 971-283-1822 or Karol.L.Dixon@state.or.us to request additional consultations on the waiver renewal.

Please send written comments **by April 15, 2016** to Janna Starr; Health Policy and Analytics; Oregon Health Authority; 500 Summer St. NE; Salem, OR 97301-1079 or Janna.Starr@state.or.us.

Thank you for helping OHA to present the best request possible to the federal government to continue the Oregon Health Plan and bring better health, better care and lower costs to Oregonians.