

February 25, 2015

Comments on SB 18

Members of the Senate Committee on Health Care:



The undersigned organizations, diverse in size, structure and mission, came together in 2012 to form a single coordinated care organization (CCO), Health Share of Oregon, to serve the Oregon Health Plan (OHP) population in Clackamas, Multnomah, and Washington counties. This type of collaboration was unprecedented in Oregon, but now there are 16 CCOs that are meeting the goals of the Triple Aim in health care: better health, improved care, and reduced costs. Our organizations have been able to collaborate in new and exciting ways to improve health care delivery for Medicaid enrollees, and have been able to do that knowing that the Legislature clearly articulated its intent for CCOs to be immune from antitrust liability to ensure stakeholders would work together. SB 18 would reverse that course and eliminate that protection. We are writing to express opposition to SB 18.

Faced with an enormous budget challenge in the 2011-13 biennium, the Legislature passed health system transformation legislation to provide a new way to deliver health care for Medicaid enrollees. Traditionally, the State has addressed budget shortfalls by reducing enrollment, reducing benefits, or reducing reimbursement rates. The Legislature created a new path: coordinated care organizations that would collaborate, integrate and coordinate care to improve quality while bending the cost curve.

Including antitrust protections in the law that created and governs CCOs sent a clear message that it was the policy of the State of Oregon to encourage collaboration and cooperation among payers and providers in our Medicaid program. OHP has been allocated finite resources in the form of a global budget, and the Legislature recognized that collaboration among stakeholders is critical to achieve the Triple Aim in Oregon. Eliminating these antitrust protections would send a message that the policy of the State has changed and the type of collaboration we've seen is no longer supported.

The law that created and governs CCOs requires much of CCOs, including the development of alternative payment methodologies. For example, Health Share convened all of the behavioral health providers in our community to develop a new payment methodology based on case rates and levels of care to streamline payment across our entire service area. This is exactly the type of collaboration that CCOs were designed to enhance, and removing antitrust protections may increase the risk of this type of cooperation.

In order to preserve the coordinated care model and permit continued innovation in the Medicaid market, we respectfully request that you join us in opposing SB 18.

Sincerely,

CareOregon
Kaiser Permanente
Legacy Health
Oregon Health & Science University
Providence Health & Services
Tuahy Health Alliance