

Agency Report
Oregon Health Authority
Transformation Fund

Analyst: Linda Ames

Request: Acknowledge receipt of a report on the Health System Transformation Fund.

Recommendation: Acknowledge receipt of the report.

Analysis: The 2013-15 budget for the Oregon Health Authority (OHA) included \$30 million General Fund for the Health System Transformation Fund, to support efforts of Coordinated Care Organizations (CCOs) to transform health care delivery systems. Two budget notes were included for HB 5030, one that specified the distribution methodology for the money, and the other asking the agency to report back to both the 2014 and 2015 legislative sessions on the implementation of the grant program associated with the Fund.

OHA collaborated with CCOs to develop a process and timeline for the grant program. All 16 CCOs agreed that \$3 million of the Fund should be used to leverage 90% federal funding to invest in statewide technology. The remaining funds were allocated based on the budget note – a minimum award of \$1.25 million to each CCO and the remainder based on number of members in each CCO. The agency has been distributing funds as they are needed for each specific project. All 16 CCOs had their projects approved, for a total of 120 individual projects.

The report includes a summary of projects, as well as highlights from specific projects. Appendices include details of all projects and preliminary outcomes. Some common project themes include investments in information technology and exchange; person-centered primary care homes; care coordination, especially between physical and behavioral health providers; alternative payment models; and community grant programs.

Because of the short timelines for the grant program, a number of CCOs have requested an extension from OHA to expend their grant funds through December 2015. OHA worked with the CCOs to document the reasons for the extensions, and all requests have been granted. OHA will distribute the money to CCOs by June 30, 2015, and the CCOs will have until the end of the year to complete the projects.

The Legislative Fiscal Office recommends acknowledging receipt of a report on the Health System Transformation Fund.