

## **Testimony before the House Committee on Health Care**

**Representative Mitch Greenlick, Chair**

**By**

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**AllCare CCO**

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### **INTRODUCTION**

Good Afternoon. I am Doug Flow, Chief Executive Officer of AllCare CCO. Thank you for inviting me to discuss Oregon's health care transformation and how well it is working in southern Oregon. It has been 33 months since we started AllCare CCO and we have already lowered per capita costs, improved quality, and achieved higher patient satisfaction among our OHP enrollees. I would like to share with you today what we have done to achieve that and what we are planning to do in the future to strengthen and expand our successes. **(See page 2 of the attached AllCare CCO companion booklet)**

Today AllCare serves 51,993 OHP enrollees in Jackson, Josephine, and Curry Counties plus two zip codes in Douglas County. **(See page 3)** This is 42% of the local OHP enrollment base. AllCare CCO has worked side by side with numerous organizations and individuals to address all aspects of member health. Included in your information you will find five letters of recommendation from some of our community partners.

The remaining 58% of the OHP population is served by three other CCOs. We collaborate with a different CCO in each county we serve. We believe that competition is beneficial. It keeps us on our toes to be good stewards of the OHP program. It also offers choice to the OHP enrollee, which we believe helps create a sense of self-empowerment and a more proactive attitude toward responsible health behaviors.

### **1. ALLCARE CCO STRUCTURE**

In southern Oregon, we have a significant number of small, independent practices, and we rely heavily on those doctors and nurse practitioners to meet the health care needs of our OHP enrollees. AllCare CCO works closely with its independent providers to address integration and care coordination across care settings. This results in a higher level of community based care, greater patient satisfaction, and a sustainable funding stream for independent providers. This is also a critical factor in provider retention and recruitment; an ongoing challenge for our region.

AllCare CCO is governed by a Board of Directors comprised of stakeholders who represent physical health, mental health, addictions, dental health, and public health. There are 21 members on the Board of Directors and they meet every other month to oversee all facets of the CCO; including clinical and financial integration, quality, network adequacy, and our alternative provider compensation models. **(See pages 4 and 5)**

AllCare has a separate Community Advisory Committee, or CAC, in each county whose major focus is development and implementation of their Community Health Improvement Plan as well as our HUB activities. The CACs meet six times per year and each CAC has dedicated representation on the CCO Board of Directors. **(See pages 6-8)**

AllCare CCO has a Clinical Advisory Panel that meets quarterly to review and recommend evidence based clinical guidelines and best practices to be used by our network of contracted providers. The focus is to strengthen the triple aim of better population health, better patient experience and outcomes, and lower the costs of care through reduced duplication of services, use of lower cost care settings, and elimination of services that are not proven to be clinically effective.

AllCare CCO also supports a County Commissioners Council. This council is responsible for monitoring behavioral health integration, braiding CCO funding with other mental health and addiction recovery programs to ensure greater access to care and higher quality outcomes for those most in need.

AllCare CCO supports the Patient Centered Primary Care Home, or Medical Home, model of care. More than 70% of our PCPs are recognized by the state as a primary care home and they receive an added PMPM fee from AllCare for their care coordination efforts. However, many of our smaller clinics do not have the resources to invest in the full range of Medical Home services. The CCO has established a centralized staff to support our smaller offices to ensure that all OHP enrollees have access to the full range of Medical Home services either through the PCP, through the CCO, or through a combination of both.

AllCare CCO has embarked on a journey to improve the triple aim through development and implementation of alternative payment methodologies. This effort began in October, 2013 through our OHA Transformation Grant; to date, we have deployed risk based payment models for our primary care providers in Josephine County. Beginning July 1, 2015, we will roll out new payment models for our specialists, our behavioral health contractors, and our dental health contractors. We will also extend the new payment models to Jackson and Curry County providers. Once those models are in place, AllCare CCO plans to tackle new payment models for hospitals and other inpatient facilities. **(See page 9)**

AllCare CCO is part of a larger family of businesses that also includes the following companies: **(See page 10)**

- AllCare Health Plan, Inc. has been authorized to transact health insurance in the State of Oregon since 2004. We currently hold a Medicare Advantage contract with CMS to deliver health coverage to those who qualify for Medicare. We market that plan under the name AllCare Advantage. We also hold a contract with PEBB to offer health insurance to state workers under the name of AllCare PEBB. In the future, we plan to expand to new product lines including Medicare Supplement insurance and offer a variety of plans through the Oregon Health Insurance Exchange. The Health Plan is governed by a 14 member board of directors, comprised of 9 physicians and 5 community representatives.
- AllCare Management Services, LLC is where resources reside to support our family of businesses. This includes more than 170 employees with offices in Grants Pass and Medford, Oregon. Functions include member services, provider relations, care coordination and case

management, wellness and prevention programs, claims adjudication, utilization management, information technology, sales and marketing and general administration and finance. AllCare Management Services is also governed by the same 14 member board of directors that oversees the Health Plan.

- AllCare eHealth Services, LLC is our electronic medical records company that serves 60 clinics in southern Oregon with more than 500 users. Participants include physical health and mental health providers, and local public health and mental health services. Since 2008, AllCare eHealth Services has enhanced access to technology on a subscriber basis so that small and rural clinical practices can offer high quality and state of the art patient care at a fraction of the cost it would take to host their own EMR. AllCare eHealth Services is governed by a separate board comprised of 9 Directors.
- Mid Rogue IPA was formed in 1994 for the purpose of joint contracting with commercial health insurance companies on behalf of the IPA's members. However, over time, an evolving mission has also been the recruitment and retention of medical providers to southwest Oregon. There are currently 94 shareholders, primarily in Josephine County; The IPA is governed by the AllCare Health Plan Board of Directors.

Our key partners include the County Commissioners, local Community Mental Health Centers, Addiction Recovery programs, Public Health Departments, local hospitals, skilled nursing facilities, and long term care; and our providers, including primary care, specialty care, and dental care. We contract with more than 1,200 local providers across our three counties. This represents about 95% of available resources. Our network serves all of our product lines, including the CCO. **(See page 11)**

AllCare CCO is a separate company within the AllCare family of Companies. Under the OHA contract, AllCare CCO is paid a per-member-per-month rate by the state. It is up to AllCare CCO to deliver OHP services within the parameters of that capitated rate. If the CCO is successful, it will make a profit; if not, it will incur a loss. To date, profits have been retained for future reserves, distributed among risk-bearing providers as shared savings and invested in a transition to population health management.

AllCare and its shareholders have operated on an OHP capitated basis since 1996. Primary care providers in Josephine County now receive a PMPM capitation rate that is risk adjusted for patient acuity. They also receive incentive payments if they meet specific quality, access, and utilization management measures. This payment model is now offered in our other counties beginning July 1, 2015.

AllCare CCO and its family of other businesses are for-profit entities. In 2014, the company paid \$13.5 million in local, state and federal taxes. At the same time, AllCare is a reliable community partner. For example:

- It has given our three Community Advisory Committees \$500,000 this year to implement their Community Health Improvement Plans, with no strings attached. It is up to the CACs to determine how the money shall be spent.

- We support 4 FTEs in Josephine County Public Health Department to ensure services that are used by OHP enrollees, and the broader community, are not lost due to county budget constraints.
- We provide significant financial support to numerous community programs throughout the region, including Women's Crisis Centers, the Gospel Rescue Mission's "identity recovery program", local food banks, Boys and Girls Club, a homeless housing initiative in Jackson County and many more. These programs provide services that meet the health and social needs of OHP enrollees and complement the services provided through AllCare CCO.

## **2. FUNDAMENTAL CHANGE**

As stated in my opening comments, AllCare CCO has already seen a reduction in per capita costs, improved quality, and better patient experience. **(See page 12)**

- Our per capita costs have declined since August, 2012 when the CCO was launched.
- Quality has improved every year as demonstrated by the state quality measures.
- Our internal primary care patient satisfaction surveys show that patients have an 86% approval rating of very satisfied or extremely satisfied with their access to care and the quality of care their PCP delivered.

In addition, there are four areas where AllCare CCO is leading fundamental change in southern Oregon: **(See page 13)**

- Alternative Payment Models
- HUB/Education
- Non-Emergent Medical Transportation
- Flexible Services

**1) Alternative Payment Models:** Early on, AllCare CCO identified the need to shift to value based payment methodologies as the most expedient way to achieve full and rapid integration. While global budgeting allowed CCOs to start the process of integration, traditional payment methodologies worked against time. We wanted more rapid and sustainable change sooner rather than later.

Over the last 18 months, AllCare CCO established four work groups to develop Alternative Payment Models (APMs). The first was comprised of primary care providers and pediatricians. The second included specialty care providers, followed by the behavioral health work group and the dental health work group.

Each work group developed their own APM that addressed key areas where AllCare CCO wanted to see change. This included: **(See page 14)**

- Utilization management
- Higher quality
- Better access
- Expanded Participation in CCO Leadership (Citizenship)

- Improved Patient Satisfaction
- Strengthened Patient Centeredness through PCPCH
- Integration across care settings and provider types through better care coordination

Our first payments will be distributed this July to our primary care providers and pediatricians. The other three APMs will be launched July 1, 2015 with the first payouts next June. Our training staff provides in-clinic training on the new payment models, including proper coding and documentation to ensure providers maintain the data needed to meet the metrics.

## **2) HUB/Education**

We have hired a full time master's level educator to integrate our CCO activities with other agencies that impact the health of our communities such as schools, housing, and public health. Also, we recently authorized two community health workers to be embedded in Early Head Start and Head Start programs in Josephine and Jackson counties.

## **3) Non-Emergent Medical Transport**

One of the most frequent complaints we heard from our behavioral health and oral health partners was the number of no-shows they experienced each day. Countless dollars were expended on professional staff only to find resources sitting idle due to no-shows to scheduled appointments.

In response, AllCare CCO decided to facilitate a dedicated and independent non-emergent medical transport program. The program is funded on a PMPM basis with a withhold. The withhold is paid back if certain quality, patient satisfaction, and utilization benchmarks are met. The vendor/contractor is totally at risk for performance on those indicators. To date, over 11,000 transports are provided each month across our three-county service area. The no-show rate has dropped considerably, thereby improving efficiencies and ensuring greater access to care for our OHP enrollees. Recent satisfaction surveys have been very positive.

## **4) Flexible Services**

Flexible services have provided AllCare the opportunity to identify and remove barriers that directly impact an individual's ability to attain optimum health. Inadequate housing, food, transportation and safety needs not met, stand in the way of someone managing their chronic conditions or seeking preventative health services. Some examples of where AllCare has used flexible services include paying a past due electricity bill so a member and her family could obtain housing, purchasing blankets for a mother and daughter living in a travel trailer, and purchasing two cords of wood for a member recovering from surgery with no alternative heat source.

## **3. INTEGRATION**

In addition to our alternative payment models that are designed to promote integration, AllCare CCO supports integration in the following ways. **(See page 15)**

- Embedded Personnel:

- We deploy a certified Doula within a Women’s Health Center responsible for assessing all expectant mothers for high risk behaviors with an emphasis on patients with addictions. The goal is to achieve early identification of high risk behaviors, enter the patient into treatment as early as possible to avoid complications for the newborn and to improve the mother’s overall health.
- AllCare funded critical public health and mental health positions in Curry County during their transition to the non-profit “Curry Community Health”.
- We also support primary care practitioners within our community mental health program in Josephine County to meet the medical needs of patients with severe and persistent mental illness. We know that these patients often die 25 years sooner than those without SPMI due to complications for untreated chronic medical conditions such as diabetes and heart disease. It is our goal to treat such patients within an integrated program that meets all their needs seamlessly. This program is scalable and will be expanded to additional mental health clinics this year.
- We deploy a primary care women’s health care provider in the Josephine Public Health Department along with an RN WIC coordinator and a Register Dietician to maintain critical public health services.
- We have care coordinators embedded in our Federally Qualified Health Centers to ensure patient care is seamless between primary care and behavioral health providers.
- Improved Screening and Referrals
  - We have incented our PCPs to screen patients annually using SBIRT (Screening, Brief Intervention and Referral for Treatment) for early identification, intervention, and follow-up for alcohol and drug abuse. And we have incented our behavioral health providers to improve access for PCP referrals to mental health and addiction recovery programs to increase warm hand-offs. In many instances, our addiction recovery staff respond to PCP referrals while the patient is still in the PCP office.
  - We are working with our dental health providers to develop referral networks for patients with periodontal disease, which is usually a precursor to diabetes and heart disease. If dentists identify periodontal disease, it is our intent to ensure that referrals to primary care are easy and well-coordinated. At the same time, we want to improve dental referrals among our PCPs for patient with diabetes and heart disease who are at risk of contracting periodontal disease.
- Telehealth
  - In Curry County, primary care providers and the county Community Health agency are using Telehealth to provide better access to behavioral health services. This is a manpower shortage area and access to behavioral health services has been lacking for many years. Telehealth offers an immediate solution to this long-standing problem. We have partnered with Providence Hospital in launching “Health eXpress”, a virtual urgent care service.
- Integrated Care Coordination Teams
  - We have organized our four care management/care coordination teams to include behavioral health supports both internal to the CCO staff structure as well as through our partnerships with community based programs and agencies. The CCO structure has made care coordination far more effective. Recently an AllCare Care Coordinator

worked with an A & D counselor to obtain a motel room for a homeless twenty-eight year old man being discharged from the hospital until a residential bed became available. This collaboration would not have been possible without flexible services and likely prevented future costly inpatient stays for the patient.

- We employ about 50 care coordination staff that supports our primary care providers, whether they are recognized by the state as PCPCH or not, to ensure that every OHP enrollee has access to care coordination and integrated treatment planning no matter who their PCP is. As noted earlier, about 70% of our PCPs throughout the three county service area are recognized by the state as PCPCH medical homes.

#### **4. QUALITY MEASURES**

AllCare CCO has had success in meeting or exceeding a number of the 17 Quality Measures including a continued decrease in emergency room utilization, and an improvement in SBIRT. AllCare has also increased the number of PCPCH from 10% at CCO start-up to the current 70% over the three county service areas.

Similar to many CCOs, AllCare CCO has had trouble with the following three quality measures: **(See page 16)**

- Adolescent well-child check-ups.
- Depression Screening
- 7 Day follow up to Mental Health discharges

AllCare CCO has been aware of these issues since 2013 and we recognize the difficulty in finding solutions to improve performance on these measures.

Currently, we are tracking and monitoring every patient to determine who may be at risk for each of these measures and we are working with our community partners and contracted providers for early identification, intervention, and follow-up.

#### **5. COMMITTEE QUESTIONS**