

# Primary Care Transformation in Oregon: A Foundation for Health Care Reform

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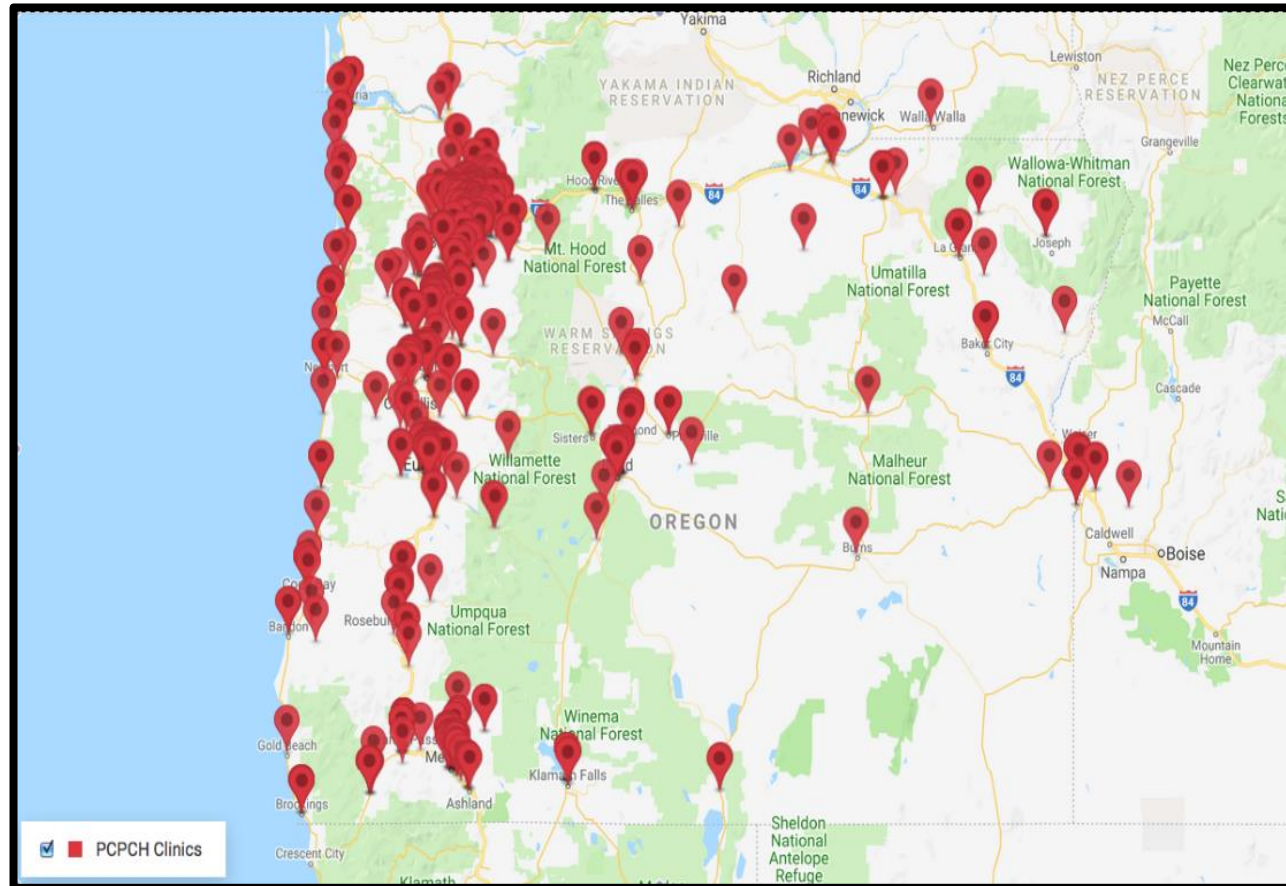
# A Brief History of Primary Care Transformation in Oregon

- **HB 2009: Transformation of Primary Care in Oregon**



The Patient-Centered Primary Care Home Program is part of Oregon's efforts to fulfill a vision for better health, better care and lower costs for all Oregonians.

# Primary Care Clinic Engagement with PCPCH



- ✧ >650 clinics
- ✧ Nearly 75% of all Oregon PC clinics
- ✧ Care for more than 3 million Oregonians
- ✧ >80% implement new processes/hire staff<sup>1</sup>
- ✧ \$240m savings to health care system in 3yrs<sup>2</sup>

<sup>1</sup>Gelmon, S. Trotta, R. (2013) PCPCH Supplemental Surveys Evaluation <https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/2012-13%20PCPCH%20Survey%20Evaluation.pdf>

<sup>2</sup>Gelmon, S., et al (2016) *Implementation of Oregon's PCPCH Program*, <http://www.oregon.gov/oha/HPA/CSI-PCPCH/Documents/PCPCH-Program-Implementation-Report-Sept2016.pdf>

# A Brief History of Primary Care Transformation in Oregon (continued)

## **2015: SB 231**

- Measure primary care spending across Oregon population – all payers report, summary “Primary Care Spend Report” prepared annually for Legislature/public starting 2016.
- Establish a [Primary Care Payment Reform Collaborative](#) – advise how to effectively increase primary care infrastructure investment.
  - Multi-stakeholder group including consumers, clinicians, carriers, self-insured reps
  - Presented specific consensus recommendations to the Oregon Health Policy Board/Legislature - [December, 2016](#) – a “vision”

## **• 2016: PSU evaluation**

### **“Implementation of Oregon’s PCPCH Program: Exemplary Practice and Program Findings”**

Qualitative and quantitative analysis

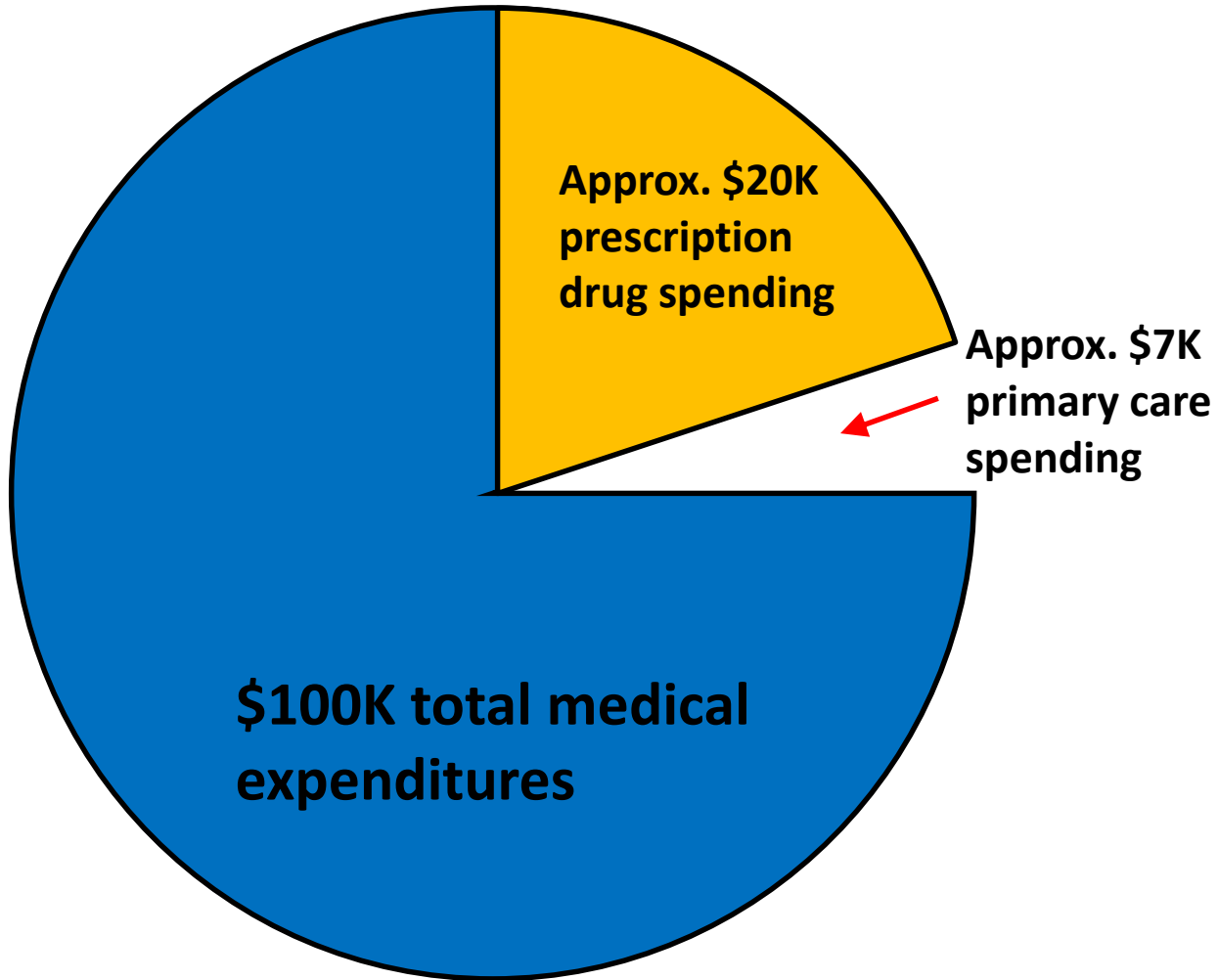
- Cost trends for 1.2 million Oregonians
- Decreased cost trend 4.2%
- Estimated \$240 million in savings 2011-2014

# A Brief History of Primary Care Transformation in Oregon (continued)

## 2017: SB 934

- Use value-based payment methods that are not paid on a per-claim basis to:
  - Increase investment in primary care
  - Align primary care reimbursement by all purchasers of care
  - Continue to improve reimbursement methods, including by investing in the social determinants of health
- Increase investment in primary care without increasing costs to consumers or increasing the total cost of health care
  - set a minimum threshold of 12% of total medical expenditures on primary care by 2023
- Primary Care Payment Reform Collaborative to “advise and assist” implementation of investment, using Value-Based Payments, report annually on progress to the Legislature.
- Second set of consensus [recommendations in progress report - February 2019](#) – a “roadmap”

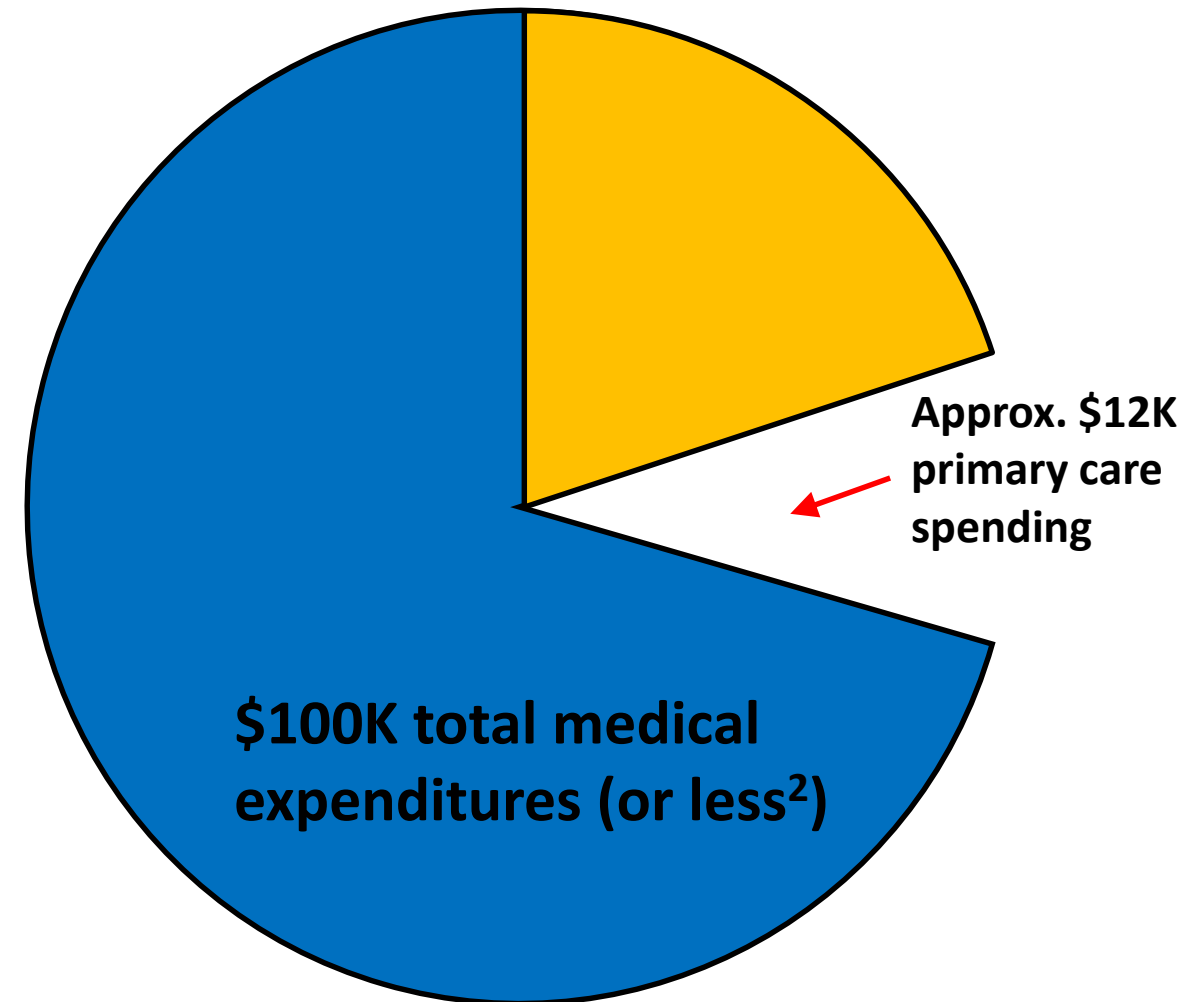
Example Calculation of Primary Care Spending  
percentage aligned with national data and research <sup>1</sup>



2016 and 2017 Primary Care Spending Reports:  
commercial investment ~7% of total medical  
**expenditures on primary care.** CCOs ~12% (medians)

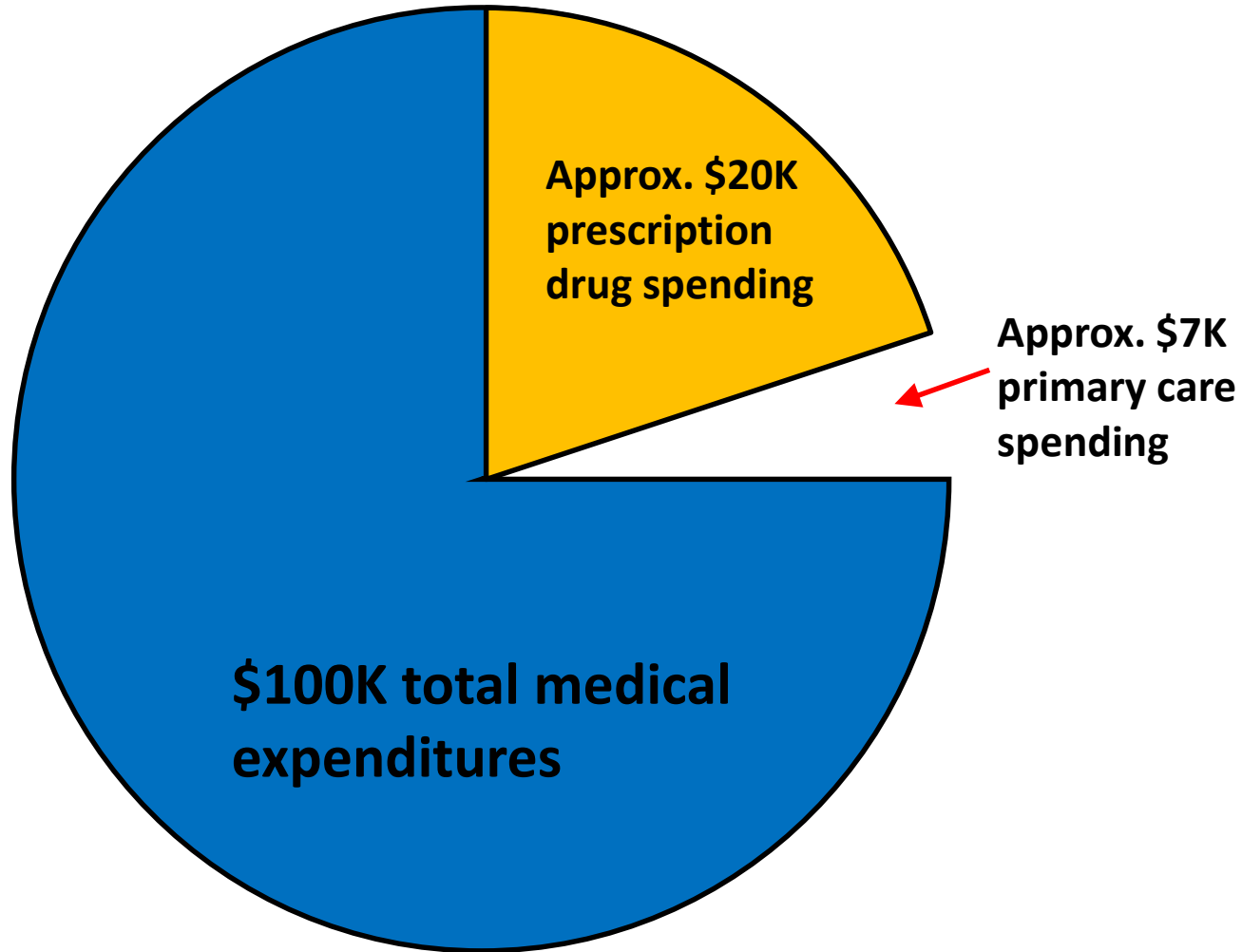
<sup>1</sup> E.g. [Milbank Memorial Fund 2017 Report on Standardizing Measurement of Primary Care Spending](#)

Example Calculation of Primary Care Spending  
percentage increase by 2023 as intended



<sup>2</sup> Data clearly demonstrates that investment in advanced primary care allows intervention upstream to prevent downstream problems, can produce cost savings across all payer types. See [Primary Care Evidence Report from 2017](#).

### Example Calculation of Primary Care Spending percentage in line with national data and research <sup>1</sup>

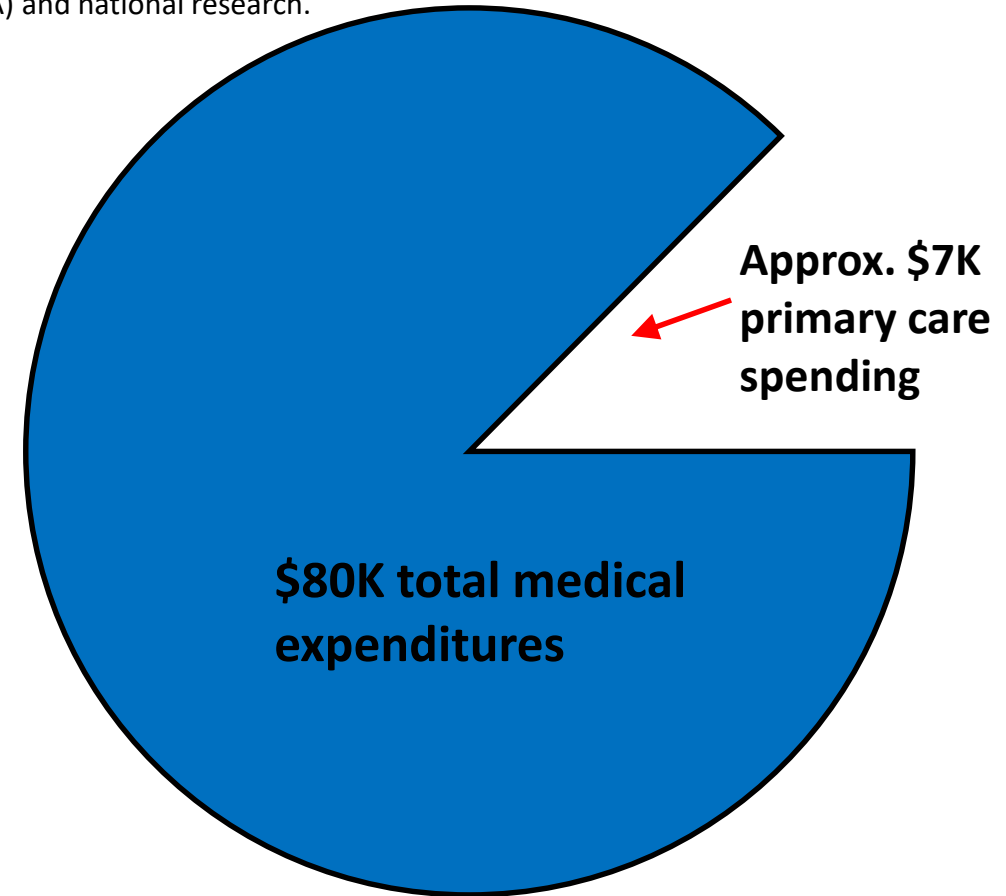


2016 and 2017 Primary Care Spending Reports: commercial investment ~7% of total medical expenditures on primary care. CCOs ~12% (medians)

<sup>1</sup> [Milbank Memorial Fund 2017 Report on Standardizing Measurement of Primary Care Spending](#)

### Example Calculation of Primary Care Spending percentage after Oregon changed methodology in 2018

(SB 934 passed in 2017, set a 12% Primary Care spending goal and removed prescription drug spending from total medical expenditures. The removal of prescription drugs from total medical expenditures puts OR in conflict with national law (ACA) and national research.



**NOTE: % spending on Primary Care is larger here, even though overall investment in Primary Care has not gone up.**

# Senate Bill 765

$$\text{Primary care spend (\%)} = \frac{\text{Total primary care expenditures}}{\text{Total medical expenditures}}$$

1. Update definitions for reporting by CCO's, OEBC, PEBC, commercial carriers to meet 2023 primary care expenditure threshold of 12%

## Numerator changes

Add to to primary care total

- Mental health services delivered in a patient centered primary care home (PCPCH)
- Women's health services delivered in a patient centered primary care home (PCPCH)

Remove:

- Specialty psychiatry
- Specialty obstetrics and gynecology

## Denominator

Restore to total medical expenditures:

- Cost of prescription pharmaceuticals

2. Gives OHA and DCBS rule making authority to set targets for value based reimbursement (alternative payment methodologies) and reporting requirements.