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Legislative Committee Services
State Capitol Building
Salem, Oregon 97301
(503) 986-1813

Background Brief on ...

Health System Transformation

Background

Since 2007, Oregon has been on a focused, evolutionary path towards health system transformation. Significant policy and legislative milestones to date include:

- The Oregon Health Fund Board's November 2008 blueprint for reforming Oregon's health care system, "Aim High: Building a Healthy Oregon."
- House Bill 2009 (2009), which was based on recommendations from the Oregon Health Fund Board. The bill established the Oregon Health Authority (OHA) and the Oregon Health Policy Board (OHPB).
- The OHPB's comprehensive "Action Plan for Health" in December 2010.
- House Bill 3650 (2011), which directed the OHPB to create an implementation plan for health system transformation using Coordinated Care Organizations (CCOs) as a vehicle in Medicaid.
- The OHPB's CCO Implementation Proposal in January 2012.
- Senate Bill 1580 (2012) and Senate Bill 99 (2011), which authorized the creation of CCOs and a state-based health insurance exchange.
- Oregon's 2012 Medicaid waiver approval from the Centers for Medicare and Medicaid Services.
- The OHPB's December 2013 recommendations to the Governor for spreading the coordinated care model into new markets and keeping health care cost growth reasonable and predictable.

Oregon Health Authority

The OHA is responsible for streamlining and aligning state health purchasers and programs to maximize efficiency, organize state health policy and health services, and for implementing the health reform policies and programs created in statute.

The OHA's mission is to improve the health of all Oregonians; increase the quality, reliability, and availability of care for all Oregonians; and to lower or contain health care costs so it is affordable for everyone.

OHA includes most of the state's health promotion and health care programs, including Public Health, the Oregon Health Plan (**OHP**), Addictions and Mental Health, the Public Employees and Oregon Educators Benefit Boards, and public-private partnerships. This gives the state greater purchasing and market power to begin tackling issues with costs, quality, lack of preventive care, and health care access. OHA also has a number of centralized offices to support and accelerate health system transformation in key areas including: Health Analytics, the Office of Equity & Inclusion, the Office of Health IT, the Office of Oregon Health Policy & Research, the Patient-Centered Primary Care Home Program, and the new Transformation Center.

OHA is responsible for most state health care services and for implementing health care reforms. In 2014, OHA is focused on: the Affordable Care Act (**ACA**) implementation, including implementing and managing OHP eligibility determinations in coordination with federal technology, internal improvement or transformation, and supporting implementation of the coordinated care model in Medicaid, Public Employees Benefit Board, Oregon Educators Benefit Board, and beyond. The principles guiding OHA's reform work are:

1. Do what works. Use best practices to manage and coordinate care.
2. Share responsibility for health among providers, individuals, and health plans.
3. Measure performance.
4. Pay for outcomes and health.
5. Provide information so that patients and providers know price and quality.
6. Maintain costs at a sustainable fixed rate of growth.

Because poor health is only partially due to lack of medical care, OHA will also be working to

reduce health disparities and to broaden the state's focus on prevention.

Oregon Health Policy Board

The OHPB is the policy-making and oversight body for the Oregon Health Authority. The nine-member board is responsible for improving access, cost, and quality of the health care delivery system as well as improving the health of Oregonians by developing state public health goals, strategies, programs, and performance standards. (Additional information is available at:

<http://www.oregon.gov/oha/OHPB/Pages/index.aspx>.

Federal Health Reform in Oregon

In March 2010, President Obama signed into law comprehensive health reform legislation: the Patient Protection and Affordable Care Act (**PPACA**) (Public Law 111-148), which is designed (with its companion set of amendments in Public Law 111-152) to expand coverage, control health care costs, improve the health care delivery system, and make investments in public health. The federal legislation augments Oregon's history of health reform. Some of the most significant ACA changes started in January 2014:

- Oregon elected to expand Medicaid coverage to low-income individuals up to 138 percent of the federal poverty level and more than 300,000 individuals enrolled between January and May 2014;
- More than 80,000 Oregonians bought insurance and received federally funded tax credits and cost-sharing reductions through Oregon's health insurance exchange; and
- Several reforms designed to remove barriers to coverage came into effect, such as eliminating the practices of denying people coverage due to preexisting conditions, charging different premiums for people based on their health status, and establishing annual or lifetime benefit limits.

The ACA also contains a number of provisions and federal investments that support: delivery system reform (e.g. experimentation with new models of payment and care delivery), quality

measurement, and value-based purchasing; health care workforce development; and health promotion and community health planning.

Staff and Agency Contacts

Sandy Thiele-Cirka
Legislative Committee Services
503-986-1286
sandy.thielecirka@state.or.us

Leslie Clement, Chief of Policy and Program
Oregon Health Authority
503-945-9718
leslie.m.clement@state.or.us

Courtney Westling, Director of Legislative &
Government Affairs
Oregon Health Authority
503-602-1646
courtney.c.westling@state.or.us

The Oregon Health Authority contributed in the development of this document.

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