



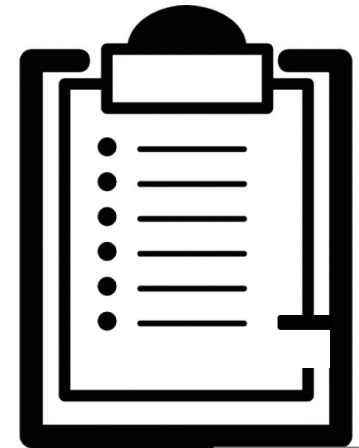
# Healthcare Transformation in Oregon: What's Happening Now?

March 30, 2021

*We will get started shortly. Your lines are muted upon entry. This event will be recorded.*

# Welcome!

- Today's event is being recorded
- All participants are muted on entry
- Ask questions using the Q&A Box
- Please fill out satisfaction survey



# About Oregon Health Forum



- Advancing health policy solutions through meaningful community dialogue
- Affiliate of The Lund Report news source
- Nonprofit supported by donations, sponsorships
- [OregonHealthForum.org/make-a-donation](https://OregonHealthForum.org/make-a-donation)

# Check Out Our Upcoming Events!



Next Chapter: Strategies to Support Older Adults Post COVID-19

## Caring for Our Carers: Policy and Community Solutions for Our Caregiving Crisis

Apr. 6 • 10am • Zoom Livestream • Free



## Single Payer vs. Universal Care: A Debate on the Future of Healthcare

Apr. 13 • 9am • Zoom Livestream • Free



## Under Pressure: Nursing Care During Community Crises

Apr. 26 • 2pm • Zoom Livestream • Free

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# MOSSADAMS

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Please join us for a complimentary webcast April 1<sup>st</sup> 1-2:30 PM PT hosted by Moss Adams: [Roundtable Discussion: Committed to Our Community](#) (register by visiting “Events” tab on [mossadams.com](http://mossadams.com))

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and state health care  
industry events

*Crater Lake  
A monument to perseverance,  
North America's deepest lake filled  
to 1,949 feet over 720 years.*



# Healthcare Transformation in Oregon: What's Happening Now?

## Moderator:

**Jeremiah Rigsby, JD**, Chief of Staff, CareOregon

## Panelists:

**Felisa Hagins**, Political Director, SEIU Local 49

**Kevin Ewanchyna, MD**, Co-Chair, Sustainable Health Care Cost Growth Target Implementation Committee; President, Oregon Medical Association; Chief Medical Officer, Samaritan Health

**Jeremy Vandehey, JD**, Director, Health Policy and Analytics, Oregon Health Authority

**Becky Hultberg**, President and Chief Executive, Oregon Association of Hospitals & Health Systems





**Jeremiah Rigsby, JD**  
Chief of Staff, CareOregon



# **Felisa Hagins**

Political Director,  
SEIU Local 49





**HB  
2362  
would:**

Require healthcare entities to  
notify OHA before  
transactions take place



Engage impacted  
communities through an  
open public process

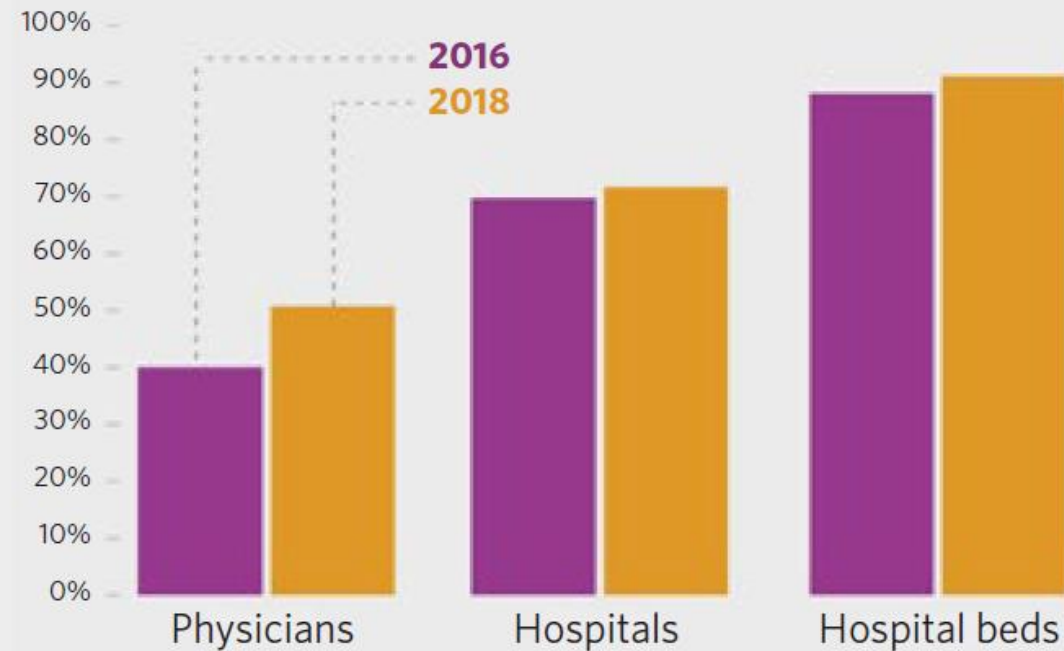
Require entities to  
demonstrate the transaction  
will benefit Oregonians

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CONSOLIDATION  
IS INCREASING  
RAPIDLY...AND  
NOT SLOWING  
DURING  
PANDEMIC

## National Healthcare Consolidation Across Sectors Increased Substantially from 2016 to 2018

Percentage Affiliated with a Health System



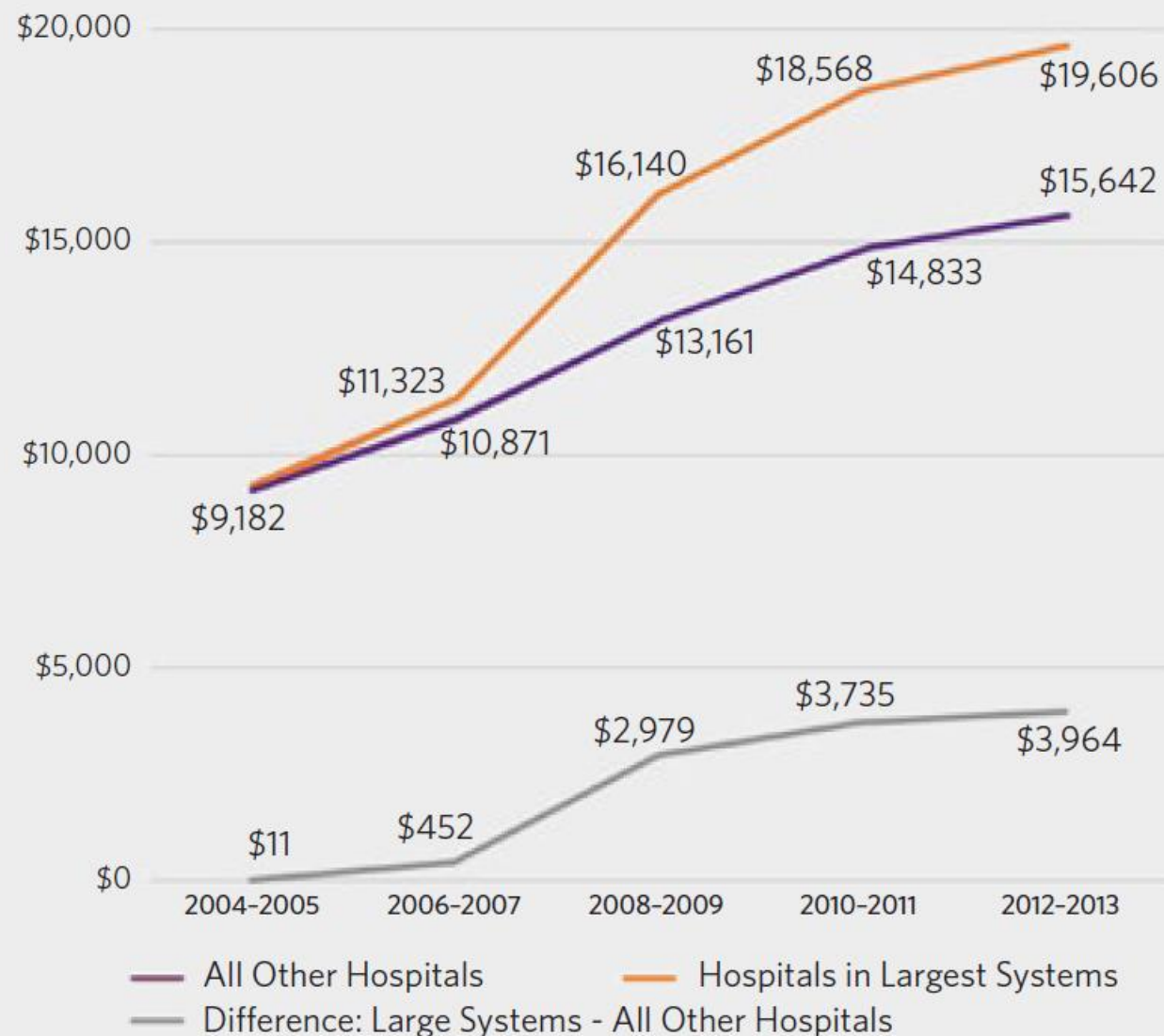
Source: Health Affairs, August 2020. "Consolidation Of Providers Into Health Systems Increased Substantially, 2016-18."

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## California Experienced Dramatic Price Increases Following Hospital Consolidation, Particularly at Hospitals Affiliated with the Largest Systems

Payment per Admission in Hospitals Affiliated with the Largest Multi-Hospital Systems vs. All Other Hospitals, 2004-2013

Source: Melnick, Glenn A. and Katya Fonkych. "Hospital Prices Increase in California, Especially Among Hospitals in the Largest Multi-Hospital Systems." *Journal of Health Care Organization*, June 2016.



# WHY IS HEALTHCARE CONSOLIDATION A PROBLEM?

## Higher prices

- Healthcare in Oregon is already too expensive
- Impacts disproportionately felt by low-income & BIPOC individuals

## Reduced wages

- For healthcare workers: limited competition means wages and benefits aren't competitive either
- For all workers: when healthcare prices go up, employers compensate by lowering wages and raising premiums

## Reduced Access to Care

- Partnerships with Catholic-affiliated health systems often lead to restrictions on services, such as:
  - Reproductive care
  - Gender-affirming care
  - Death with dignity

# COVER ALL PEOPLE



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**Problem:** 4-6% of Oregonians uninsured - 260,000 people

---

Big % are adults not eligible for Medicaid due to immigration status

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COVID disproportionate harm immigrant population

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**HB 2164 & HB 3352:** Expand Cover All Kids to adults

---

Address the biggest coverage gap

---

Racial equity imperative

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## PUBLIC OPTION

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**Problem:** Not enough quality and affordable choices on the exchange

---

Family glitch, churn, small business populations can't afford coverage

---

**HB 2010  
& HB  
3381:**

---

Two public option approaches

---

Seek to improve affordability of plans on the exchange

---

Goal is helping expand access

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## **Kevin Ewanchyna, MD**

Co-Chair, Sustainable Health Care Cost Growth  
Target Implementation Committee;  
President, Oregon Medical Association;  
Chief Medical Officer, Samaritan Health

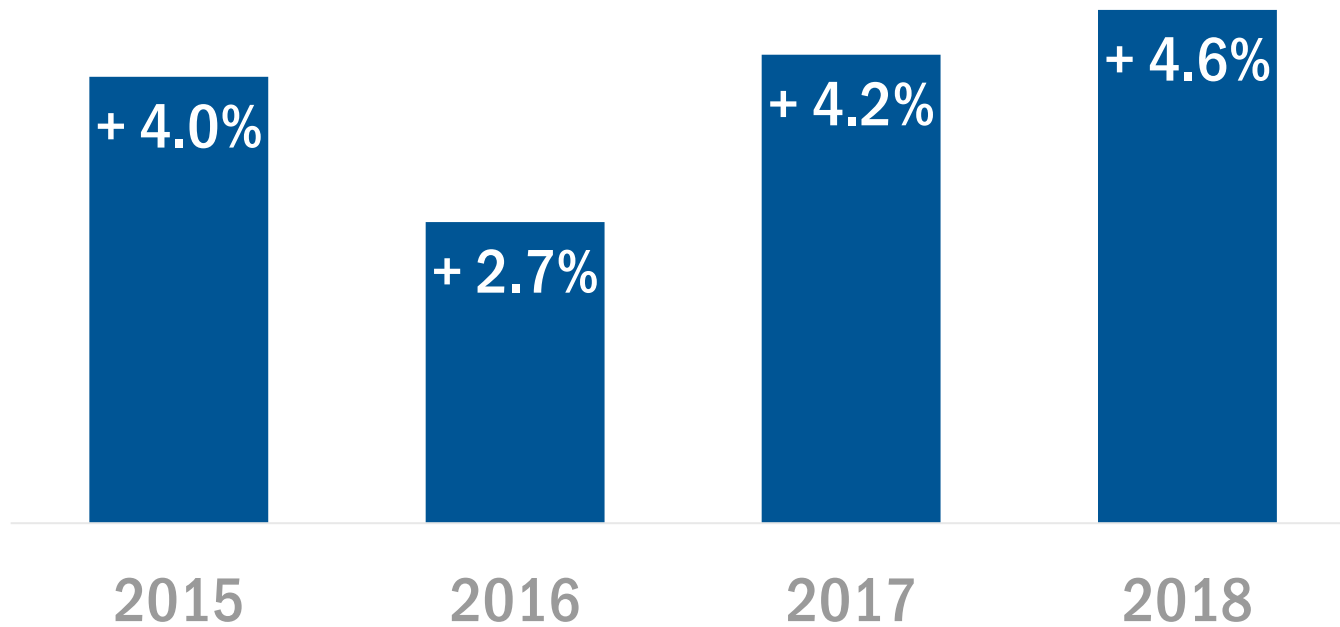


# **Advancing Value Based Payments**

Kevin Ewanchyna, MD

# Health care costs are growing nationally

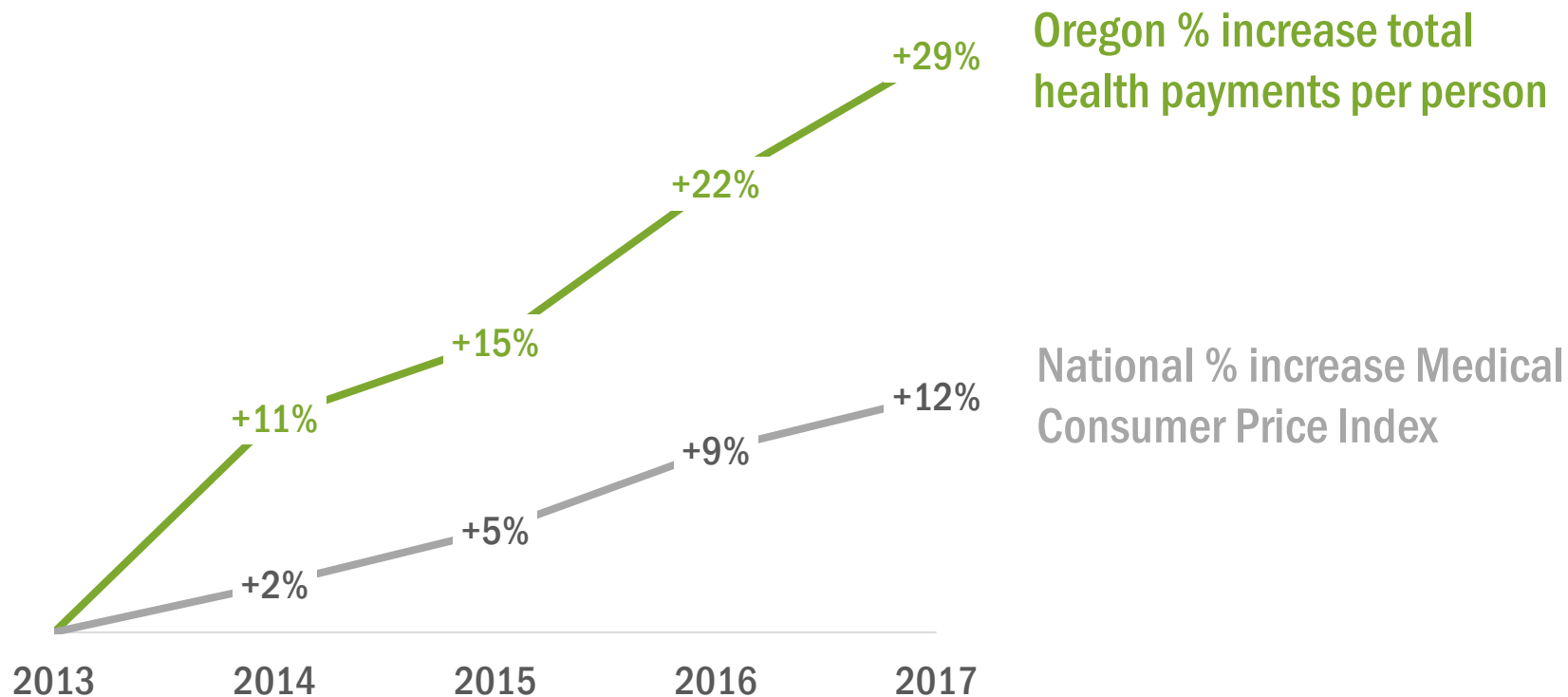
Annual percent increase.



Source: CMS National Health Care Expenditures



# Health care costs are growing in Oregon

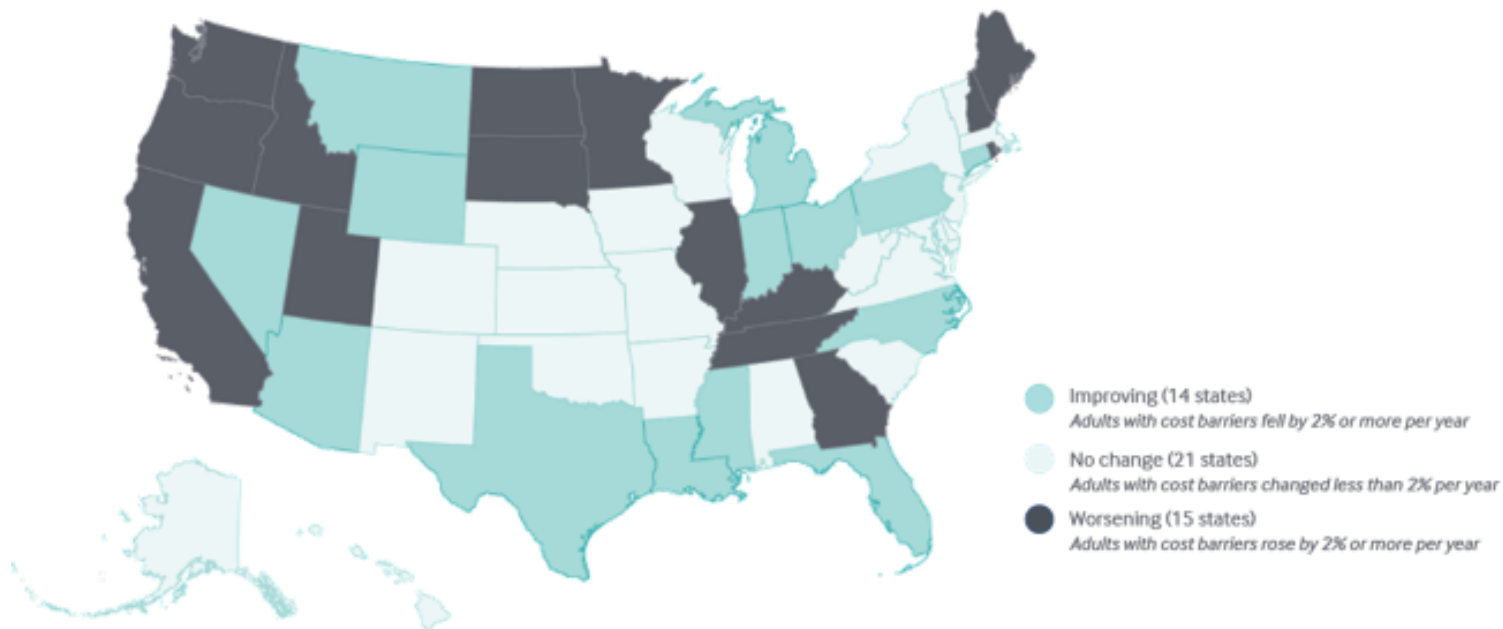


# Health care costs are growing for consumers

## Oregon is one of 15 states where cost barriers worsened between 2016-2018

adults reporting they went without care because of cost

Average annual percent change, 2016 to 2018



# Health Care Cost Growth Target Implementation Committee



Cost Growth Target



Data Use Strategy



Accountability



Quality & Equity



Taking Action



Transparency

# The target is 3.4% for the first five years



**Cost growth target = 3.4%**

First five years



**Cost growth target = 3.0%**

Next five years



# Value Based Payments (VBP) are a key strategy for achieving the target



Cost Growth  
Target



Quality &  
Equity



Data Use  
Strategy



Accountability



Taking Action



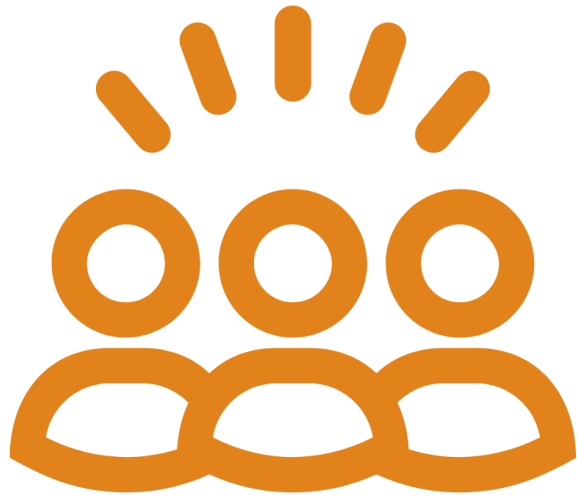
# Principles for Increasing the Use of Advanced VBP Models

- ✓ Advanced VBP models are a critical strategy to contain costs to meet the health care cost growth target.
- ✓ Prospective budget-based & quality-linked payment should be the primary model used, when feasible
- ✓ When they are not feasible, VBP models that include shared savings and downside risk should be used
- ✓ Principles include specific VBP targets
- ✓ VBP models should be designed to **promote health equity** & mitigate adverse impacts on populations experiencing health inequities

# What does this mean for clinicians?

- Value versus Volume (change in Relative Value Unit “RVU” methodology way of thinking)
- Balancing the increasing costs of our care compared to our **quality outcomes** (World Health Organization)
- Having team extenders focus on Social Determinants of Health, Health Equity; ability to collect and report
- Where do Value Based Payments make sense? Where in the practice of medicine may this be more difficult?
- OHLC/OHA Low Value Care Report – the need for operationalization

# A collaborative partnership to advance the adoption of VBP across Oregon



- VBP Voluntary Compact
- VBP Compact Workgroup

<http://www.orhealthleadershipcouncil.org/oregon-value-based-payment-compact/>

**Thank you.**

## **Jeremy Vandehey, JD**

Director, Health Policy and Analytics,  
Oregon Health Authority



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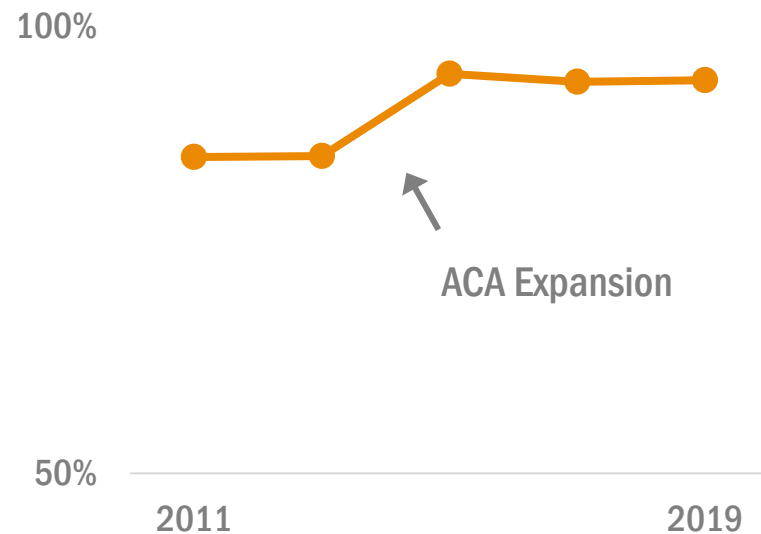
Jeremy Vandehey, Director

Health Policy & Analytics Division



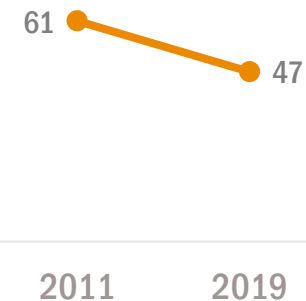
# Oregon has been a leader in health reform

We've **expanded coverage** to 94% of Oregonians.

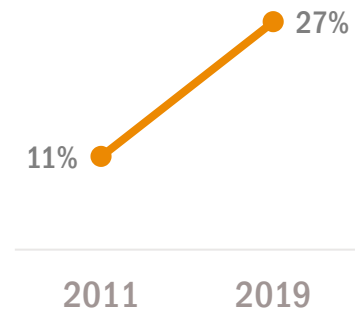


Through the CCO model, we have **improved care delivery**...

ED utilization



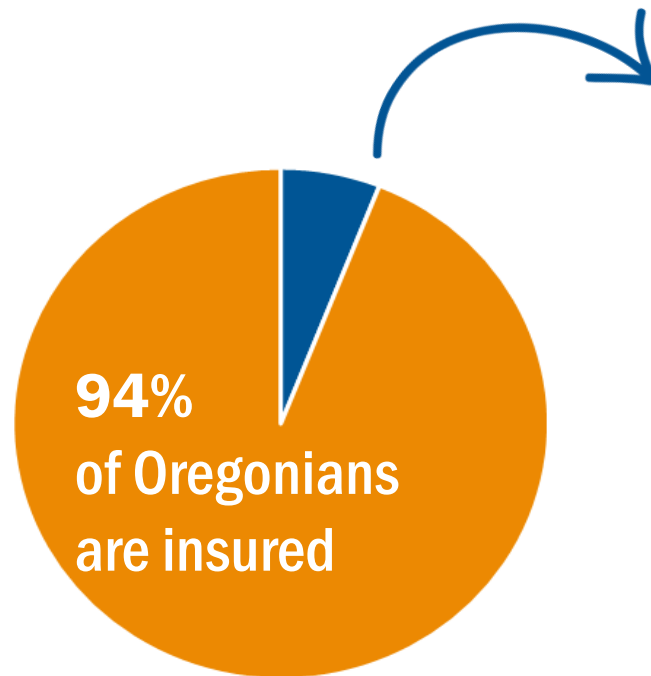
Dental sealants



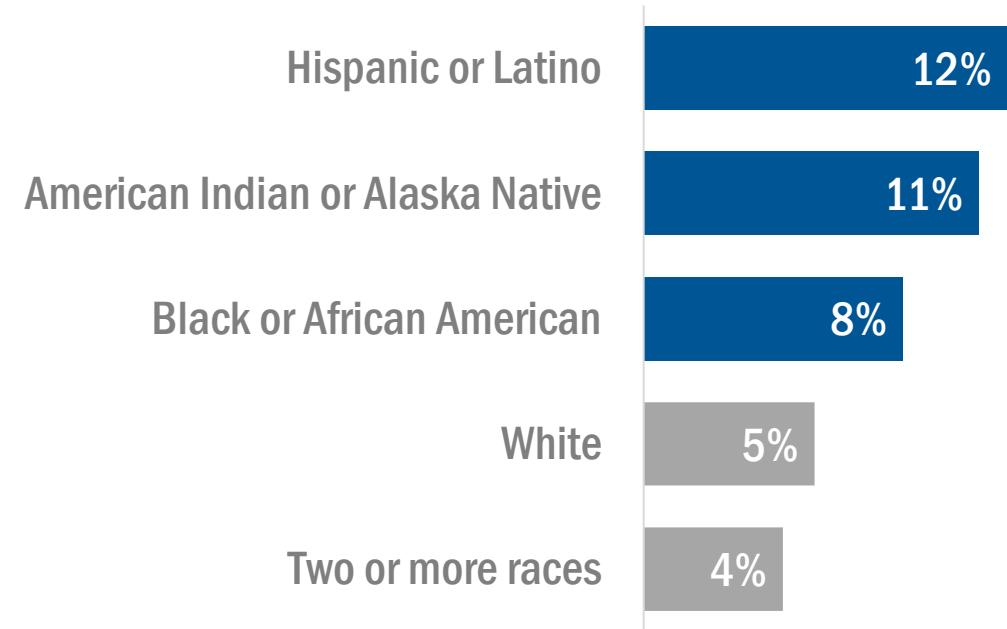
*... while reducing cost growth.*

# But not everyone has benefited

Statewide, just 6 percent of Oregonians are uninsured.



But **inequities persist**, with communities of color more likely to be uninsured.



Source: Oregon Health Insurance Survey, 2019

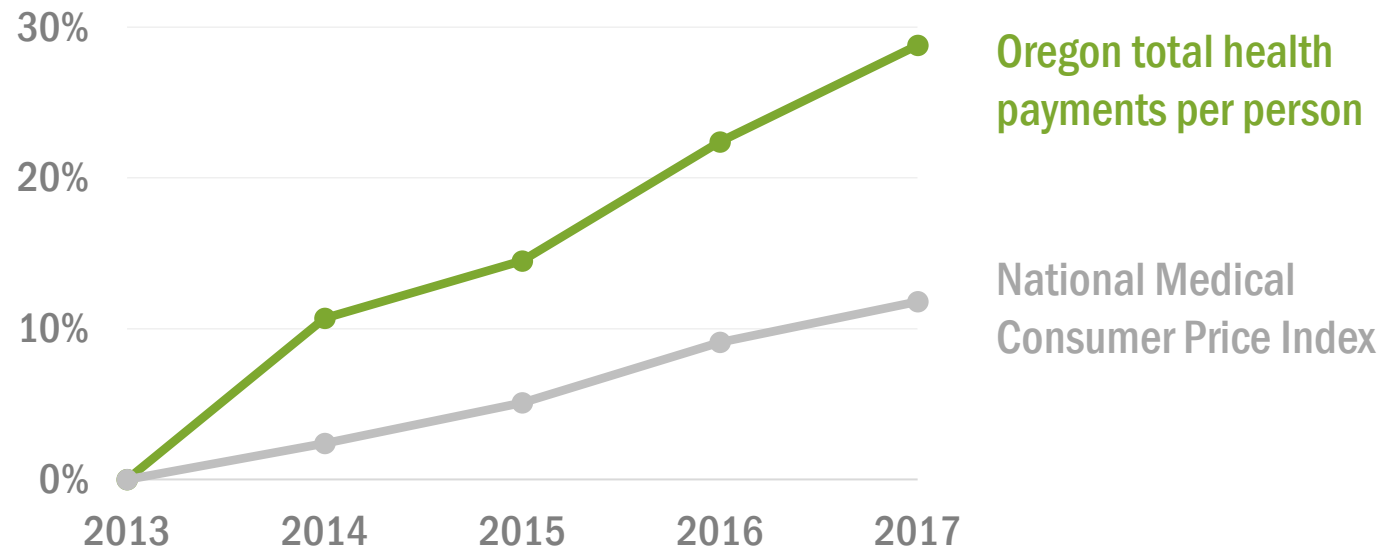
Note: Asian and Native Hawaiian/Pacific Islander are suppressed due to small sample size.



# And health care remains unaffordable

Health care costs are growing faster  
in Oregon than nationally.

(Annual percent increase)



In 2016

*Oregon premiums equated to 29% of a family's total income.*



**Where we go from here**



# Filling coverage gaps



## Task Force on Universal Health Care

SB 770 (2019) directs OHA to develop a plan to provide an **affordable health care option to all Oregon residents** with a focus on those who do not have access to health care

## Cover All People

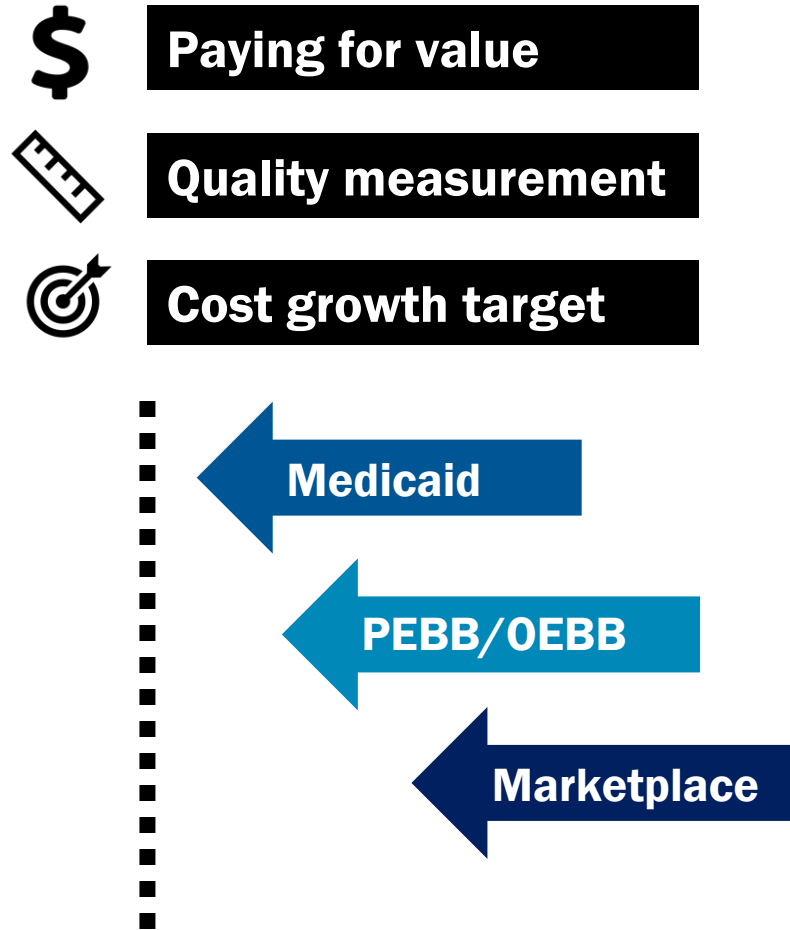
Goal is to build on ACA and expand affordable coverage to those who were left out

Modeled after successful Cover All Kids program

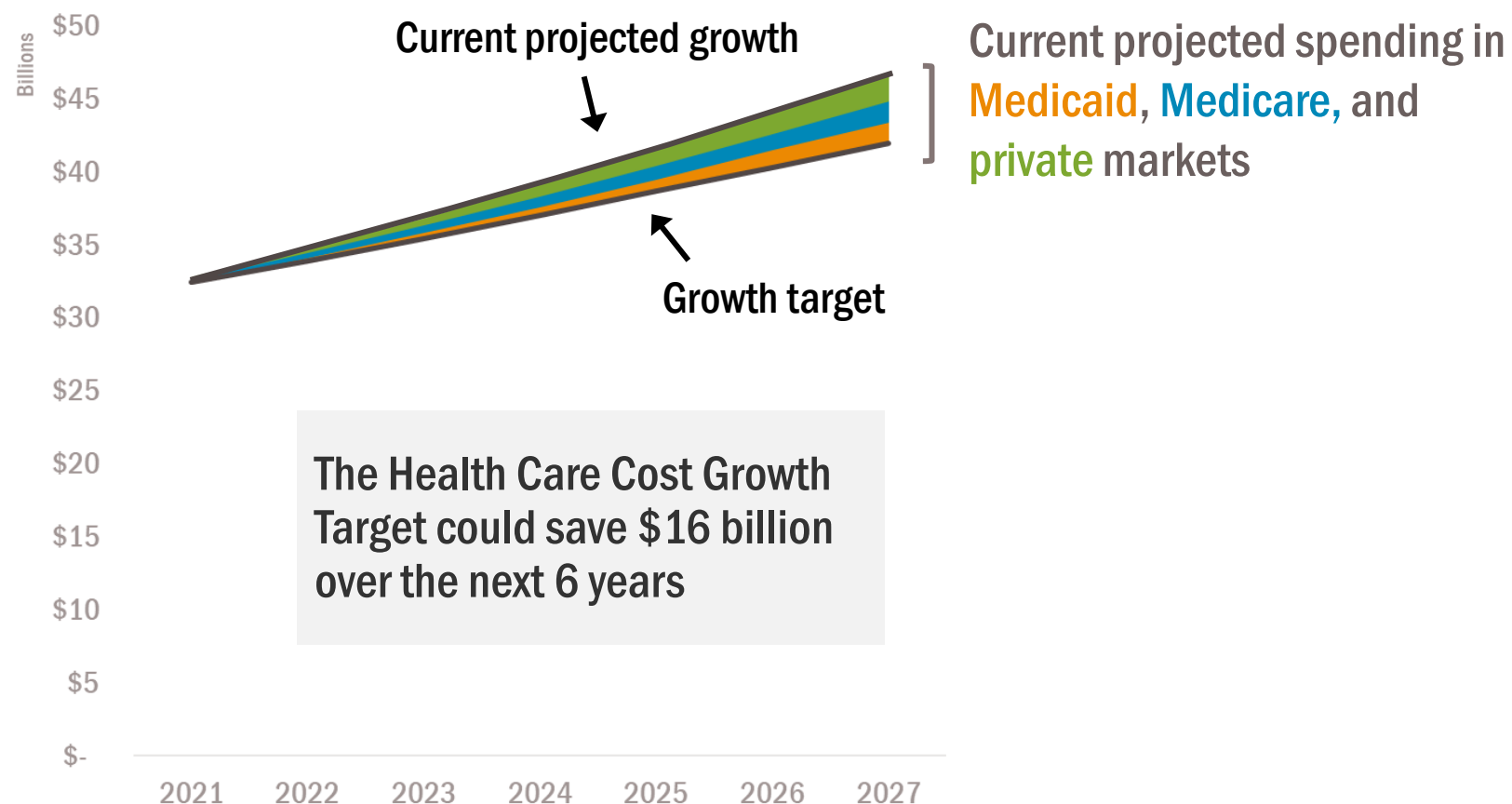
# !OHP ES PARA MÍ!



# Aligning across markets



# Applying a cost growth target to other markets



# Spreading the use Value-Based Payments across the state

Establishing a **statewide** value-based payment roadmap and infrastructure to support increased **adoption and alignment of VBP** across Oregon.



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# Thank You



## **Becky Hultberg**

President and Chief Executive,  
Oregon Association of Hospitals & Health Systems







# Oregon Health Forum

Becky Hultberg

March 30, 2021



# Context: COVID-19

- Change fatigue is real across our entire workforce.
- Capacity is an issue.
- Financial recovery is uncertain and uneven.
- What we've learned:
  - Policy must consider operational reality, or it will fail.
  - We succeed by collaborating and maintaining focus.

# Health care transformation

## Underlying assumptions:

- Cost-growth target will be the foundation for the next chapter of health care transformation.
- The way to achieve the cost-growth target is aligning incentives and paying differently for health care.
- Health care NOT sick care

# Moving to value

What that means:

- Moving from a system that rewards quantity to one that rewards outcomes
- Fundamentally changing the business model of health care
- Operating two systems at once as we make this transition
- *We are asking health care providers to take huge risk and make massive operational changes.*

# Critical success factors

This will take:

- Time
- Significant resources - and sometimes initial investment
- Organizational capacity for change
- Stability in the external environment
- Shared public-private commitment

# Policy implications

- Policy should align with our goals
  - Mergers & acquisitions bill: inhibits innovation, impact on rural health care
- Consider cumulative impacts of policy
  - Cost
  - Regulatory burden
- Stay focused on the long game of improving patient care at lower costs!



A photograph of a man with a beard holding a young child who is sleeping peacefully against his chest. The entire image is covered with a semi-transparent blue filter. The text 'Thank You' is written in a white, serif font on the left side of the image.

**Thank You**

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# Audience Q&A

**Thank you for attending!**