
Coordinated Care Organizations: Frequently Asked Questions

We all have a stake in improving health care for people who count on the Oregon Health Plan (OHP) for care. Costs are skyrocketing for families, employers and government. The Oregon Health Plan serves more than 600,000 Oregonians and the increasing cost of health care far exceeds the rate of inflation.

In June 2011, Governor Kitzhaber and the Legislature passed a bi-partisan bill (House Bill 3650) that proposes a statewide system of Coordinated Care Organizations (CCOs). These organizations would manage all of the care for Oregon Health Plan members in their communities. The goal of the legislation is to create a new model of health care that will improve health. The vision is also aimed at beginning to lower the high cost of care by emphasizing prevention, reducing waste, improving efficiencies and eliminating avoidable differences in quality and outcomes.

As the criteria and standards for Coordinated Care Organizations are being developed, OHP members, providers, advocates and stakeholders can stay involved and informed. Go to www.health.oregon.gov to learn more.

What's being proposed?

House Bill 3650 proposes organizations in Oregon that would administer the health care coverage for OHP members through a collaborative network of service providers. The idea is to take the best thinking in Oregon and creating local organizations focused on one thing: reducing the barriers that stand between members and good health. Because each community is different, there may be different models for CCOs. The criteria for how CCOs would operate are being developed with input from members, providers, stakeholders and the public.

Under the proposal, when would this change happen?

The proposal is being developed and will be presented to the Legislature in February 2012. The goal would be to start approving CCOs for the Oregon Health Plan in July of 2012.

Who would this change affect?

Oregon Health Plan members and their families, local providers of care, hospitals, and managed care plans.

How would things be different than they are today for OHP members?

Today, if you are an Oregon Health Plan member, especially one with a chronic illness, you can face a dizzying array of barriers to good care. You find yourself being handed off from specialist to primary care provider and back again to address your health needs, often in an uncoordinated and fragmented way, sometimes receiving duplicative tests and procedures.

Resources are scarce for community health workers to help you manage your disease.

If you have a mental health provider and a physical health provider, they don't have the means to communicate about your overall health and health care needs. Under the CCO model, all these providers would have incentives and infrastructure to work together for your health. Additionally, HB 3650 specifically emphasizes the need for health care tailored to the cultural needs of Oregon Health Plan members.

How would things be different than they are today for OHP providers?

Under the proposal, local providers would have the means and incentive to work together for the population they serve. There would be more flexibility for preventive care, chronic disease management and culturally competent care. The CCO would manage a global budget and if performance standards were met, providers could share in the savings.

How would mental health care for OHP/Medicaid members change under the CCOs?

Mental health for Medicaid/OHP members would be integrated with physical health care. A member's primary care providers would work as a team with the member's mental health professional to ensure that they receive the right care at the right time. The CCO's vision would be to give local providers the flexibility they need to focus on a member's overall wellness.

Would all OHP members get their care through a CCO?

Wherever possible. It won't happen overnight but as CCOs are developed across the state, members will benefit from this new model of care. The goal is that as many OHP members as possible would get care through their local CCO and its network of providers.

What exactly would a CCO look like?

The vision is that CCOs would be a community-based network of patient-centered care, driven by local need. The legislation provides for flexibility to set them up in a way that will work best locally because health care needs may be different from community to community.

What's next and how can I get involved?

Governor Kitzhaber has called together work groups to help develop the CCO plan, chartered by the Oregon Health Policy Board. The work groups will be focusing on CCO criteria, global budget methodology, outcomes, quality and efficiency metrics, and Medicare-Medicaid integration of care and services. They will meet until November 2011.

In addition, the Oregon Health Policy Board will continue to hold monthly meetings and there will be other statewide meetings with opportunity for public involvement.

How would CCOs be different than the managed care organizations that exist today?

Today more than 80 percent of Oregon Health Plan members receive physical and mental health through a type of managed care organization that receives a set rate per patient for health care. The MCOs contract with local providers for the care and they have done a good job over the years.

Under the CCO model, a couple of key things would change. First of all, a CCO in a community would be responsible for coordinating all of the mental, physical and dental care for OHP members through collaborative relationships. Under the

proposal, a CCO also would be paid differently than MCOs are today. There would be a global budget for all care, rather than a set rate or a “capitated rate” for each different type of care. At the same time, the CCO would have more flexibility to manage dollars in a way that pays for improved health rather than having to rely on approved billed services. Performance measurements for CCOs would provide incentives for better care. And CCOs would be accountable for addressing avoidable population differences in health care outcomes.

As a provider, I am already seeing reduced rates for Medicaid members. Will this reduce them even more?

The goal of creating local coordinated care organizations is to improve care and reduce costs so deeper reductions won't be necessary. Providers would have more flexibility in treating their members. Metrics would allow for providers and CCO to be paid based on member outcomes, instead of by just the number of services provided. For example, by keeping members at their healthiest and out of high-cost emergency rooms, providers would be paid more than if their members' health did not improve. There are opportunities for shared savings when members are healthy and not in need of high-cost care such as emergency room visits.

What is a global budget and how would it be determined? How is it different than capitated rates?

A global budget would be provided to each CCO to provide high-quality coordinated health care to the population it serves. Providers would have more flexibility in how they use this budget, so they can work to keep members healthier in the ways that best meet their members' and community's needs.

Global budgets also provide opportunities for shared savings when providers and CCOs meet their goals.

Where can I get more information?

Go to www.health.oregon.gov.

Oregon Health Policy Board

The Oregon Health Policy Board is a nine-member citizen board serving as the policy-making and oversight body for the Oregon Health Authority. It is responsible for improving access, cost and quality of the health care delivery system, and the health of all Oregonians. OHPB was established through House Bill 2009.

www.oregon.gov/OHA/OHPB/contact_us.shtml



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