

Local Health Department Experiences with the State Innovation Model Initiative: Oregon

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Introduction

Through the State Innovation Models (SIM) Initiative, the Centers for Medicare and Medicaid Services (CMS) has provided up to \$300 million since early 2013 to support the design, development, and testing of state-based models for multi-payer payment and healthcare delivery system transformation to improve health system performance for residents of participating states. The CMS has funded 25 states to develop or implement State Health Care Innovation Plans for improving health and reducing healthcare costs:

- Six states, including Oregon, were designated **Model Testing Award** states and received \$250 million to implement their already developed State Health Care Innovation Plans.
- Three states were designated **Model Pre-Testing** states and received funding to continue to develop comprehensive State Health Care Innovation Plans within six months of receiving funding.
- Sixteen states were designated **Model Design** states and received funding to develop a new State Health Care Innovation Plan.¹

The National Association of County and City Health Officials (NACCHO), with funding from the Centers for Disease Control and Prevention, is producing a series of reports to educate local health departments (LHDs) about SIM-related activities in their states. As states reframe and redesign their financing and delivery structures, LHDs must ensure that their local perspective is represented.

This document outlines the experiences of LHDs in Oregon and their involvement in State Health Care Innovation Plan activities during the past few years.

Implementation

Some people view Oregon as a progressive and innovative state, including its healthcare and public health initiatives. The Oregon Health Authority submitted its Oregon Health Care Innovation Plan to the SIM Initiative in September 2012,² and Oregon's State Innovation Model grant funding is being spent on testing the models laid out in that plan. Oregon's overall health transformation model is based on creating



community linkages and transforming reimbursement models for its Medicaid program, Oregon Health Plan. To do this, the state has created a regional system of 16 locally governed Coordinated Care Organizations (CCOs) that provide integrated dental, mental, and physical healthcare for Oregon Health Plan members and involve input from local stakeholders.³

Approximately \$5 million of the \$45 million SIM grant award is directed to the Oregon Health Authority's Public Health Division for activities that include a Behavioral Risk Factor Surveillance System (BRFSS) survey of Medicaid members; a BRFSS race/ethnic oversample; further development of a Web-based community health assessment tool; and a \$1.8 million grant program⁴ for LHDs and CCOs to implement evidence-based population health interventions in clinic and community settings.

Challenges

The idea of focusing healthcare innovation on the state's Medicaid program makes sense for the state because Medicaid is Oregon's largest health expenditure. Oregon's health system transformation model emphasizes local flexibility, so each CCO can determine its level of involvement and financial support of population health initiatives. However, the absence of a state mandate related to the role of LHDs can lead to inconsistencies in local partnerships. As part of the SIM work, CCOs must contract with LHDs for safety net services, but CCOs have been overwhelmed in implementing a brand new business model and contracting with LHDs has not been the first priority.

A major challenge that LHDs find with this approach is overemphasis on clinical quality metrics versus population health metrics and reimbursement, which essentially creates provider “winners and losers” and minimizes the importance of a holistic public health approach.

Challenges associated with the implementation of the state’s health insurance exchange website, CoverOregon, have also negatively affected the state’s ability to effectively transform its health system.

Opportunities

Despite the challenge associated with focusing on achieving metrics for increased reimbursement, LHDs do see the value in creating a system of metrics focused on health outcomes. If LHDs were more involved, they could contribute to developing and implementing the metrics and sharing data among competing providers or payers.

Recommendations

Participate in Planning

LHDs should participate in the state planning process and learn more about potential plans; knowing the state’s intentions can help LHDs figure out how to modify services to maintain relevance.

Determine the LHD’s Value to the Process and Implementation

LHDs have different capacities to work on SIM-based initiatives and activities. As providers jostle for position, LHDs should strategize about what value they bring and position themselves for all potential outcomes.

References

1. Centers for Medicare and Medicaid Services. *State innovation models initiative fact sheet*. Retrieved April 2, 2014, from <http://go.cms.gov/1jBoKbX>
2. Oregon Health Authority. (2012). *State health care innovation plan—Oregon CMMI SIM model testing application*. Available at <http://www.oregon.gov/oha/ohpr/sim/docs/grant%20document.pdf>
3. Oregon Health Authority. *About coordinated care organizations*. Available at <https://cco.health.oregon.gov/pages/aboutus.aspx>
4. Health System Transformation Grant Program. Available at <http://public.health.oregon.gov/providerpartnerresources/healthsystemtransformation/pages/community-prevention-program.aspx>

ADDITIONAL RESOURCES

NACCHO’S HEALTH REFORM PROJECT WEBPAGE

www.naccho.org/topics/healthreform/

SIM INITIATIVE WEBPAGE

<http://innovation.cms.gov/initiatives/state-innovations/>

GLOSSARY OF AFFORDABLE CARE ACT TERMS

<https://www.healthcare.gov/glossary/>

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The mission of the National Association of County and City Health Officials (NACCHO) is to be a leader, partner, catalyst, and voice for local health departments.

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