Alternative Payment Methodology pilot project

Health System Transformation and changes in primary care.

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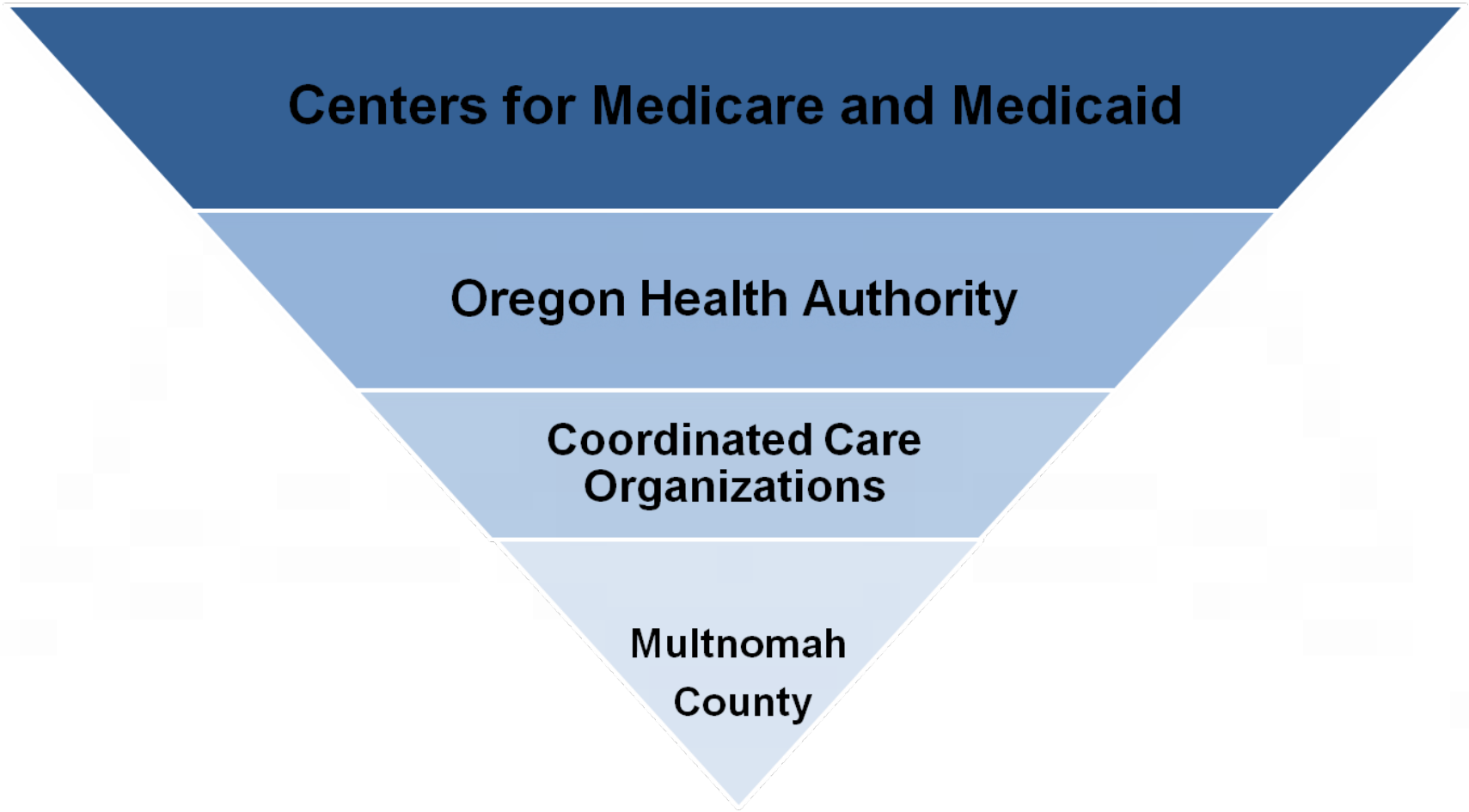
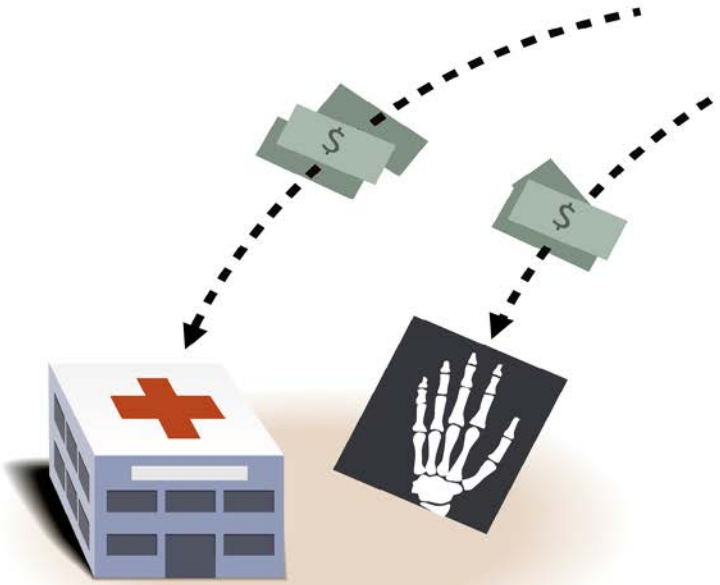

Centers for Medicare and Medicaid
Oregon Health Authority
Coordinated Care Organizations
Multnomah County

Multnomah County Health Department by the numbers

- 8 clinics, 13 school based health centers, and 6 dental clinics
- Serving approximately 71,000 people per year
- 75% of clients are on the Oregon Health Plan, 25% are uninsured
- Federal primary care 330 grant qualifies us as an FQHC
- We spend $4m in County General Fund out of $67m in total expenditures for Primary Care, Dental, Pharmacy, School Based Health Centers and associated services

Paying for transactions vs. outcomes

Currently



Future

Context

Currently paid on a per visit basis:

- Reimbursed for services by insurance including Medicaid
- Uninsured patients pay based on a sliding fee scale
- We receive “wrap around” payments for Federally Qualified Health Center services provided to patients insured by Medicaid

Alternative payment methodology isn't new:

- Primary Care Renewal started in FY2011 ~$680k annually
- Patient Centered Primary Care Home started in FY2012 ended Sept 2013 ~ $800k per year

These initiatives while programmatically important are less significant from budgetary perspective.

APM designed to:

- Support patient engagement and whole person care
- Align incentives with the type of care we want to provide
- Be budget neutral

APM will affect our business operations; how we bill, how we measure outcomes. Many systems will need to be changed.

What stays the same?

- Patient centered Primary Care Home still the cornerstone of patient care and satisfaction
- Requires a high quality, well run, well-funded system
- Ideally amount of money we have will not change

Our success depends on maintaining clients and engaging them effectively.

What's Different?

- Paid capitated rate – per member per month instead of per visit.
- Paid up front – improves cash flow
- Allows more flexibility in care

FQHC Pilot Project details

- 75% of our revenue is fee-for-service revenue and is included in the project
- 3-year pilot will require concurrent systems and quarterly reconciliation against current payment method
- Begins April 2014 for all Health Department Primary Care clinics
- Initially Dental, Mental Health, Prenatal care and School-based Health Centers not included
- Exploring inclusion of HIV clinic

Risks

- As community safety net, we may end up serving primarily uninsured and sickest patients without sufficient payment.
- Medicaid expansion means increased competition among community providers for Medicaid and newly insured patients.
- State metrics for Coordinated Care Organizations focus on primary care (17 of 19 performance measures are meant to be achieved in primary care).

Additional Medicaid expansion opportunities

- Medicaid expansion will benefit the clinics as we will receive reimbursement for previously uninsured clients
- Allows people to seek health care preventively – before they become sicker.
- Allows hospitals to bill Medicaid for inmates admitted to the hospital for more than 24 hours.
- Promotes continuity of care, upon release from jail, by enrolling eligible inmates in Medicaid.

How we will measure success

- Triple Aim
- Pay for Performance Metrics
- Patient Retention
- Achieving a sustainable payer mix

Questions?