



## OREGON ACADEMY OF FAMILY PHYSICIANS

### 2019 Legislative Agenda and Bills to Watch

#### Definition Changes in Primary Care Spend Report

After three years of collecting data on primary care spending, issues have emerged in the methodology used to calculate primary care spending.

- The Oregon Health Policy Board recommended removing psychiatry and obstetrics from the definition of primary care.
  - 10% of spend report is due to psych and OB. As it is currently measured, there is no way to know whether that happens in a primary care setting or a specialty clinic.
  - OAFP proposes replacing these practitioner types with “primary care integrated behavioral health clinicians.” This designation will apply to *any* clinicians delivering behavioral health in a primary care setting.
- Remove exclusion of “prescription drugs” from calculation of primary care spending *and* total medical expenditures.
- Remove requirement for CPC+ payers to provide “similar payment methodologies” for all clinics regardless of participation in CPC+
  - The logic behind this provision was that certain clinic types (namely pediatric clinics, rural health clinics, and FQHCs) were categorically excluded from participating in CPC+. Oregon is committed to moving toward value based payment, and this provision supported that
  - The problem is that it unfairly targeted CPC+ payers who were trying to do the right thing by participating in the first place, and excluded the payers who did not participate.
  - The OAFP proposes replacing this provision with a provision requiring all payers to increase their value-based payments to 20% of their primary care spending by 2020. This is aligned with policy aims for the next version of Coordinated Care Organizations (CCOs).<sup>i</sup>
    - Under current conditions, there is no incentive for an individual payer to provide VBPs if other payers do not.

#### OHA sets ambitious payment reform goals for CCO 2.0

With CCOs scheduled to renew their contracts in 2019, the Oregon Health Authority (OHA) is working hard to finalize policy goals for the next **phase** of CCOs. They presented their draft report to the House and Senate Health Committees during the week of 10/8.

The public engagement process is over and the Oregon Health Policy Board will adopt final policy recommendations at its October meeting.

There are four main policy areas included, with more specific 1-year and 2-5 year goals, outlined in the plan. Those policy areas and some of the early goals are:

1. Improving behavioral health care
  - a. Governor Brown and the OHA would like to see clear accountability, network adequacy, and metrics that measure and track oral and behavioral healthcare integration.
2. Value based payments (VBPs)
  - a. Proposing 20% VBPs for primary care payment by 2020 (and 70% by 2024) and separate infrastructure payments for Patient Centered Primary Care Homes (PCPCH) as well as development of VBPs in behavioral health, oral health, children's health, maternity care and for hospitals. Alignment of VBPs across CCOs, OEBC and PEBB, and the commercial market are called out as well.
3. Social determinants of health (SDOH)
  - a. Increased spending on SDOH, and a rate methodology to accommodate this.
4. Maintaining a sustainable growth rate
  - a. Increased accountability and financial transparency

### **Prior Authorizations and Step Therapy**

The OAFP is supporting the Oregon Medical Association's efforts to standardize processes and increase transparency around prior authorizations and step therapy. The bill concept includes the following:

- a. 30-day notice for new rules
- b. Payer reporting of statistics of denials
- c. Requires insurers to accept requests via ePrescribing, not fax or proprietary payer portals.
- d. Continuous 12-month prior auths for meds in which evidence based care deems 12 months appropriate.
- e. Evidence based denials communicated clearly.
- f. No retroactive claims denials.
- g. Step Therapy – fail first history follows patients from payer to payer.
- h. Limit mid-year formulary changes

### **Health Care System Rate Caps**

The interim Health Care Cost Review task force plans to introduce legislation in 2019 to impose a broad, system-wide health care rate cap in Oregon. The idea mirrors work already being done in Massachusetts. The idea is also similar to the 3.4% annual cap on increases to Oregon's Medicaid, OEBC and PEBB plans. In turn, this would theoretically put downward pressure on provider rates during contract negotiations.

The 2019 legislation would give the Oregon Health Authority resources to study what Massachusetts is doing and figure out:

- What kind of budget and staffing at OHA would be needed?
- What methodology would be used to set the benchmark?
- What is the enforcement mechanism if an entity does not meet the benchmark?

Follow up legislation is planned for either 2020 or 2021 to actually implement the caps or benchmarks.

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<sup>i</sup> A coordinated care organization is a network of all types of health care providers (physical health care, addictions and mental health care and dental care providers) who work together in their local communities to serve people who receive health care coverage under the Oregon Health Plan (Medicaid).