Paying for Prevention: A critical opportunity for public health

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US Ranked 37th in Health Outcomes

• Spends more than almost all other nations
• Differences not due to age or income
• Spending continues to increase
  • Health care accounted for 9% of GDP in 1980
  • Accounted for 17% of GDP in 2011
  • Projected to reach more than 20% by 2021
• Most of this spending is largely attributable to *preventable* conditions
If food had risen at the same rates as medical inflation since the 1930s:

- 1 dozen eggs $80.20
- 1 dozen oranges $107.90
- 1 lb. of bananas $16.04
- 1 lb. of coffee $64.17

Source: American Institute for Preventive Medicine 2007
The Affordable Care Act

Patient Protection and Affordable Care Act promises better access:

- Expanded health insurance coverage
- Coverage for basic preventive health care

Health insurance doesn’t guarantee better health or even better care
2. Better care.
3. Lower costs.
Oregon Health Plan

- 50% of babies born in Oregon
- 16% of Oregonians
- 85% of Oregon providers
- 11% percent of total state budget
- **Fastest growing** portion of state budget
Coordinated Care Organizations

A local network of all types of health care providers working together to deliver care for Oregon Health Plan clients.

Care is coordinated at every point – from where services are delivered to how the bills are paid.
Changing Health Care Delivery

Benefits and services are integrated and coordinated

One global budget that grows at a fixed rate

Metrics: standards for safe and effective care

Local accountability for health and budget

Local flexibility
CCO Characteristics

• Coordinate physical, mental health and chemical dependency services, oral health care.

• Encourage prevention and health through alternative payments to providers.

• Engage community members/health care providers in improving health of community.

• Address regional, cultural, socioeconomic and racial disparities in health care.
CCO Characteristics

- Manage financial risk, establish financial reserves, meet minimum financial requirements.
- Governed locally with a community advisory council.
- Operate within a global budget.
Federal Investment

• Waiver under section 1115(a)(1) of the Social Security Act
  • Agreement signed July 5
  • Terms and conditions finalized this month
• Lower the cost curve of Medicaid expenditures by two percentage points in the next two years
  • Projected to reduce state and federal Medicaid spending by $11 billion over 10 years
What we have accomplished so far

**March 2012**
- SB 1580 passed, waiver completed and submitted

**April 2012**
- First CCO RFPs completed
- $1B procurement to establish CCOs starts

**May 2012**
- CMS agreement
- $1.9B

**June 2012**
- Waiver approved; contracts with new CCOs finalized

**July 2012**
- Waiver approved; contracts with new CCOs finalized

**Aug. 2012**
- 8 CCOs launch

**Sep. 2012**
- 5 CCOs launch

**Nov. 2012**
- 2 CCOs launch
Role of public health
Health Is More Than Health Care

- Only 10% of health determined by medical care
- More than 60% of health determined by environmental, social, and behavioral factors
- Health is much more than just health care
Health Is Driven by Systems & Policies

Opportunities for Public Health

• Deliberate action to ensure prevention is embedded in a reformed health system

• Key opportunities for public health:
  1. Community health assessments
  2. Linking community and clinical prevention
  3. Alternative payment methods to pay for non-clinical preventive services
  4. Coordination of care and planning
Community Health Assessment

• Assessment is one of the core functions of public health

• CHA is a systematic examination of the health status indicators for a given population that is used to identify key problems and assets in a community.

• Perfect storm of CHA activities
  • Statutory local public health and mental health planning requirements
  • IRS non-profit hospital requirements to conduct community health needs assessments
  • Public Health Accreditation Board (PHAB) requirements
  • Oregon’s CCO health assessment requirements
Public Health Can Play a Key Role

Community Prevention
Prevention of disease or injury before it occurs or reoccurs in the person.

Clinical Prevention
Early detection and treatment of disease or injury.

= Healthy People in Healthy Communities
Community Prevention

Some of the greatest return on investments in public health in the past decade include:

• Immunization
• Tobacco control
• Folic acid fortification of foods
• Drastically reducing lead-based products
• Preparedness for pandemic influenza
The National Prevention Strategy supports linking community and clinical prevention.

An investment of $10 per person annually in evidence-based prevention programs could save the United States over $16 billion within five years.
Alternative Payment Methodologies

• Finding ways to pay for more than just individual health care claims
  • United Healthcare and the YMCA has designed an alternative payment methodology for the Diabetes Prevention Program, a community intervention

• High potential return on investment for the health care and health insurance system
  • In Oregon’s Medicaid program alone, a 5% reduction in diabetes and hypertension would save $35.8 million annually
Care Coordination

• Clinical care coordination:
  • Trusted resource for information & referrals
  • Home visiting
  • Targeted case management

• Community health improvement planning
  • Resource for long-term, systematic efforts to address public health problems based on community health assessment
A Success Story in the Making

• Public health, health care providers, and health insurers can come together

• Trillium Community Health Plan (CCO) is setting aside $10 per member per year from its global budget
  • Fund the Lane County public health department to hire a community epidemiologist and two community health analysts
  • Develop evidence-based tobacco prevention measures
Public Health’s Opportunity

- Fiscal pressures/risk of sequestration and risks to prevention funding streams
- Health care cost containment efforts
- Only a little more than a year until January 1, 2014 and health insurance expansion
- Window of opportunity for public health to embed payment for prevention into a reformed health system
Questions

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Resources and References

- Oregon’s State Health Profile (Statewide Health Assessment and List of Indicators)
- Oregon’s Public Health Strategic Plan
- IRS Publication 11-52 on Non-profit Hospital Community Health Needs Assessments
- Public Health Accreditation Board
- The Guide to Community Preventive Services
- Community Health Assessment and Group Evaluation Tool
- Mobilizing Action through Partnerships and Planning