Rate Review and Next Steps in Health Reform

Presentation to the Oregon Health Policy Board

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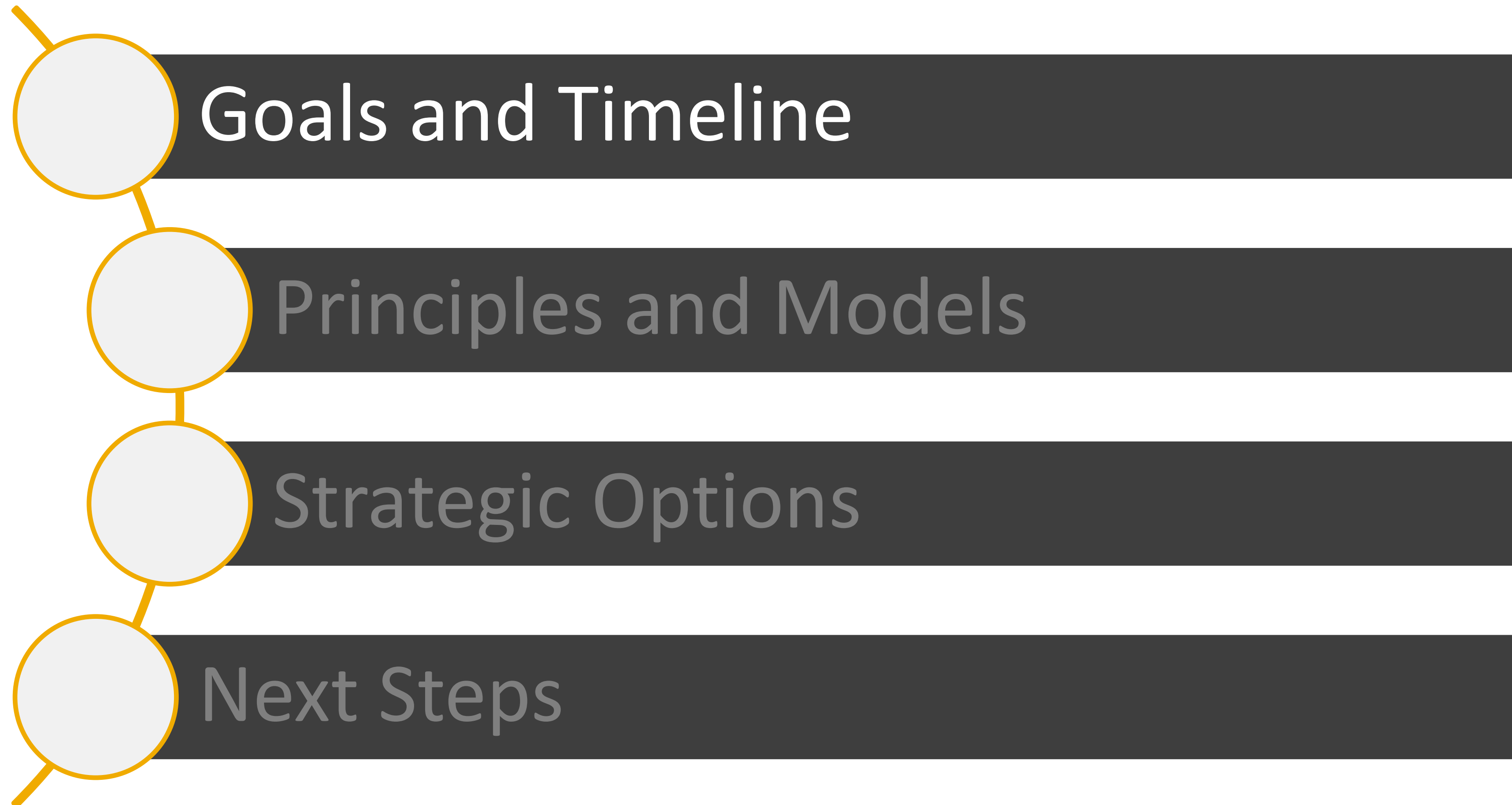
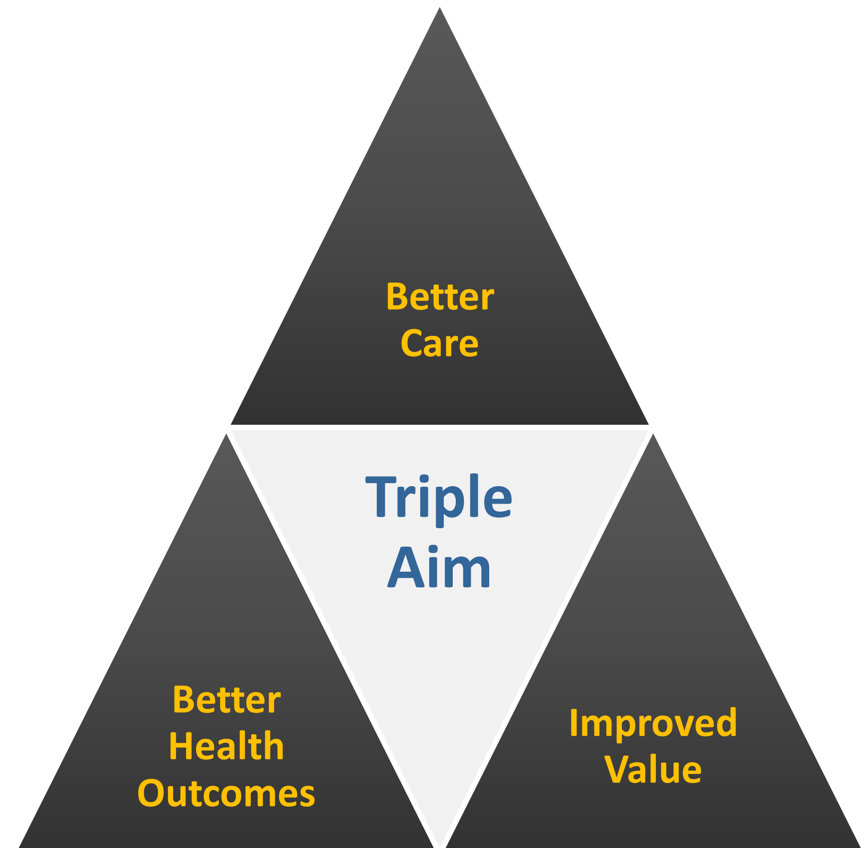
Overview



The Governor's Charge to the Oregon Health Policy Board

The Governor has asked the Board to recommend statutory and regulatory changes to align ACA implementation with Oregon's CCO reform model and ensure **Triple Aim** goals are met, including strategies to:

- Mitigate cost shifting
- Decrease health insurance premiums
- Increase transparency and accountability
- Enhance the rate review process



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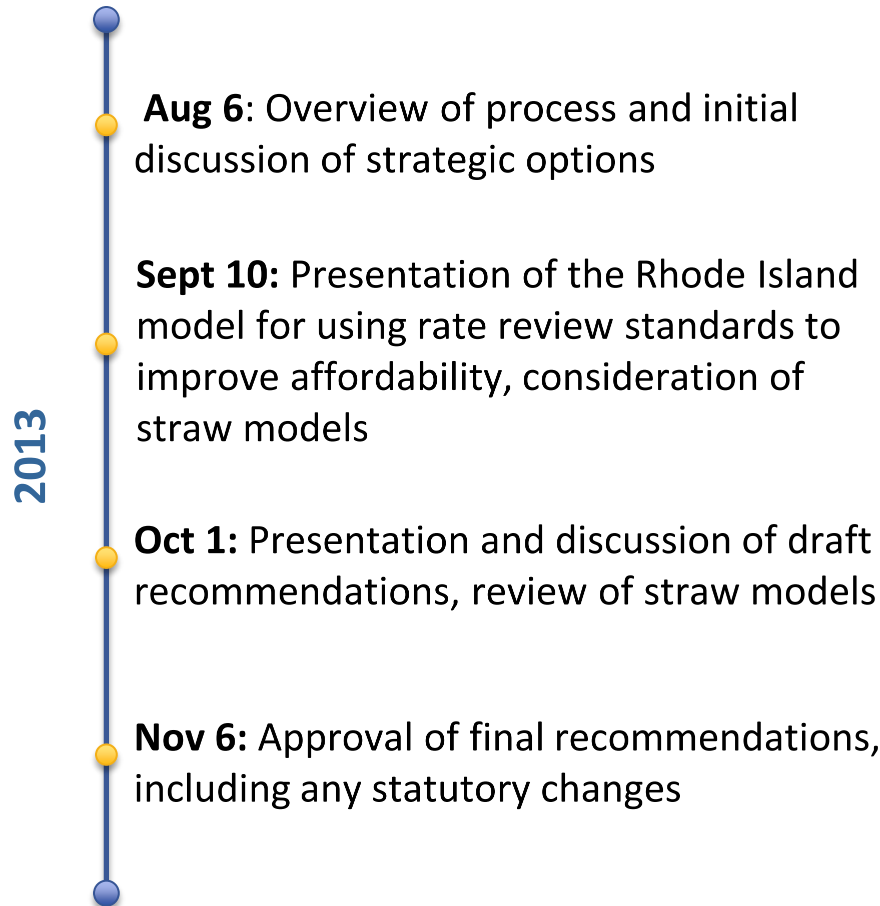
Updated Project Timeline



Manatt and Georgetown will work with OHA, with input from DCBS and Cover Oregon, to support the Board's work.

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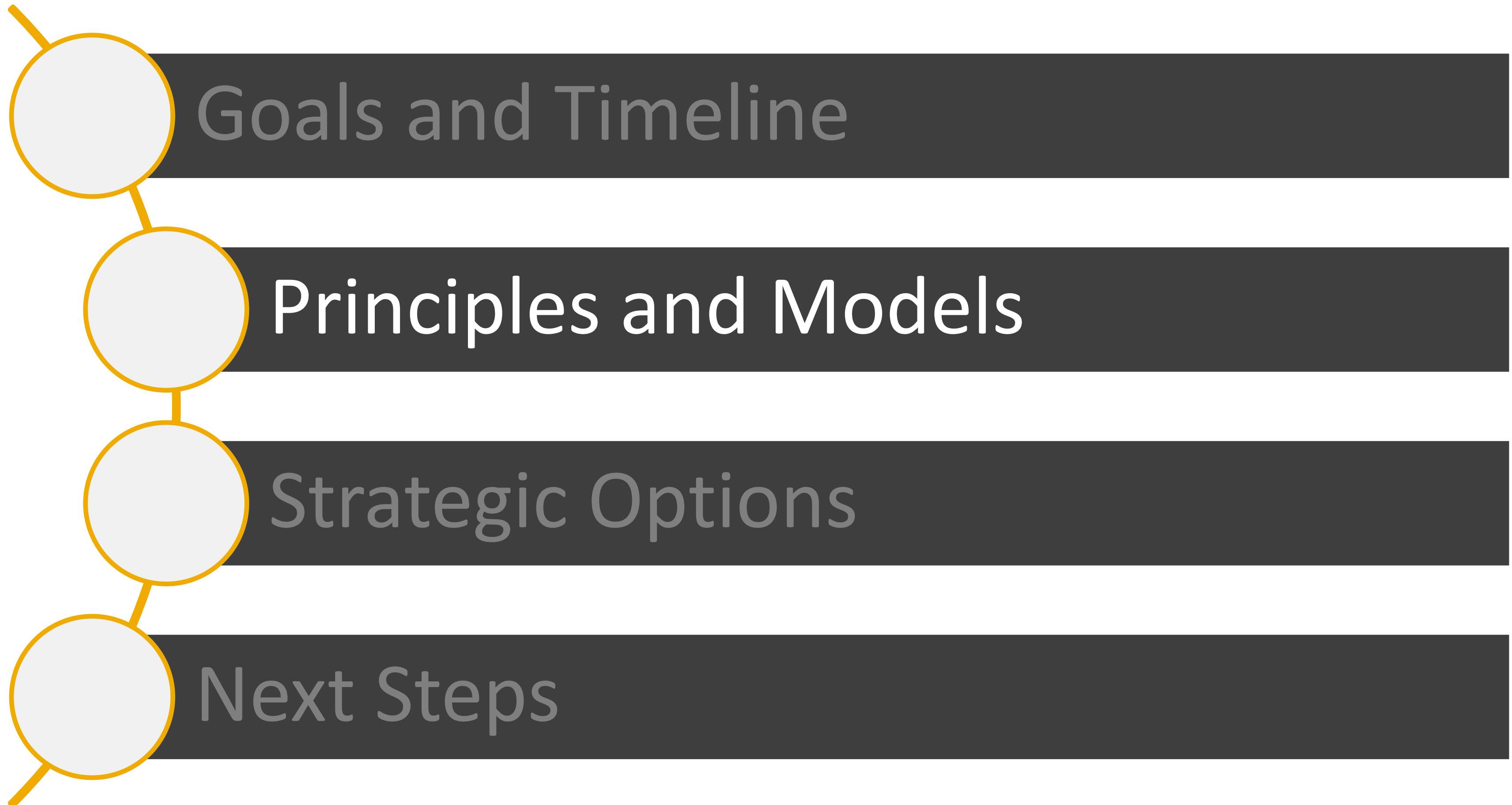


Guiding Principles

Pursue alignment between CCO model, ACA implementation, and Board recommendations

Enhance transparency in rate review and across health system

Promote accountability with clear metrics and public reporting on results

Regulations should focus on outcomes and not be overly prescriptive as to means

Rate review should be actuarially-based **and** hold carriers accountable for quality improvement and cost containment

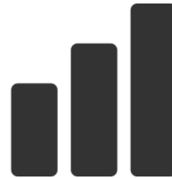
Rhode Island Model

Process

Identify cost containment strategies

Prioritize with stakeholders

Develop standards and metrics in priority areas



Affordability Standards

Increase primary care spending

Expand commitment to medical home model

Support the state's health information exchange

Reform hospital contracting practices

Lessons

Get buy-in upfront

Develop meaningful and measurable standards

Remain flexible and adapt

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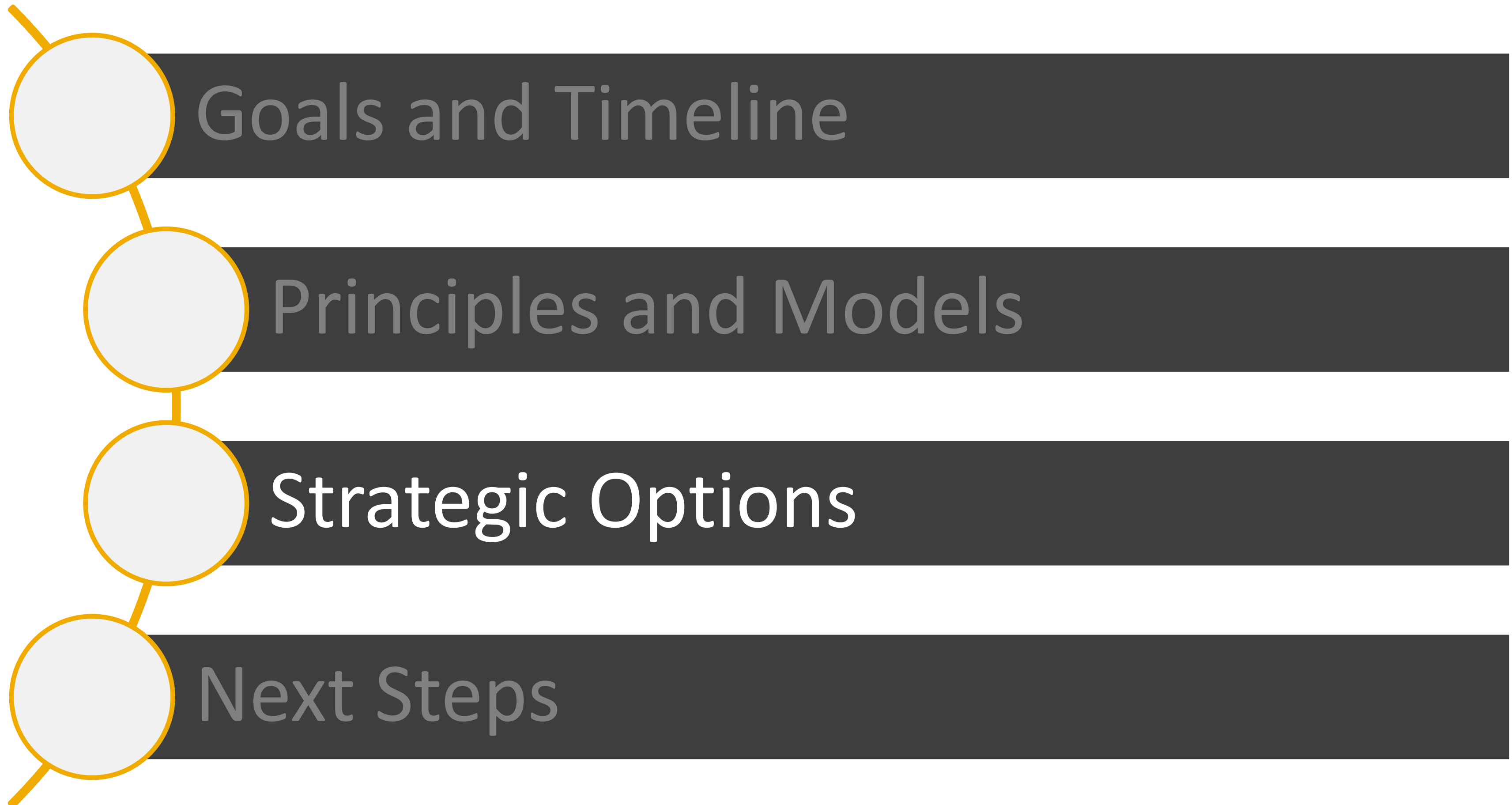
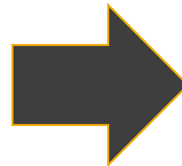


Transparency Options

Baseline

- Rate review: filings are public, public hearings on rate increases, funding for consumer advocacy, consumer friendly rate comparison charts
- Annual report with detailed market profiles and year-to-year comparisons
- All claims all payers data base in development
- Pre-service pricing disclosure for 35 leading services (also in ACA)



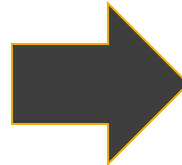
Enhancements

- Rate review: public reporting on key metrics in quality improvement and cost containment
- Expanded annual report based on new reporting
- Enhanced disclosure of hospital and provider pricing
- Public and standardized provider contract terms
- Provider spending trends by region
- Quality reporting/rating (ACA requirement)
- More consumer friendly tools (rate comparison charts, pre-service pricing disclosure)

Quality Improvement Options

Baseline

- Rate review: changes in quality improvement efforts are a consideration in rate review
- ACA requires reporting on five categories: care management, hospital readmissions, patient safety/medical errors, EMRs/other IT initiatives, and health disparities (rules pending)
- QHPs required to develop improvement plans in each category (rules pending)



Enhanced Accountability Through a Continuum of Strategies

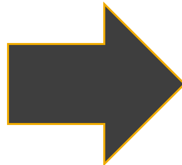
- Set minimum standards (never events, EMR use)
- Set goals at state or carrier level (reduced hospital readmissions)
- Identify and spread/require use of best practices (evidence-based medicine)
- Payment reforms that incent quality (pay for performance, bundled payments)

Work on quality improvement to be coordinated with the Quality Metrics Work Group under HB 2118

Cost Containment Options

Baseline

- Rate review: changes in cost containment efforts are a consideration in rate review, an indexing system is used as a consideration in reviewing administrative cost trends
- MLR standards and rebates (ACA)



Enhancements

- Rate review: require carriers to set measurable goals in specified areas, expand administrative cost model to medical trend and/or premium increases
- Require carriers to offer limited or select networks as a reduced price option
- Promote value-based product designs
- Promote wellness incentives and expand to individual market (SB 539)
- Expand use of electronic medical records and other IT initiatives
- Ensure market adjustments to reduced charity care/bad debt
- Move market toward alignment with CCOs generally and in areas such as care coordination, spending on primary care, adoption of patient-centered primary care home model of care, integration of health delivery systems, and outcome-focused payment reform (increased use of alternative payment models)
- Limit rate increases for carriers with "excess" surplus (PA model)

Overview

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Next Steps

1. Presentation by Chris Koller, former RI Health Insurance Commissioner, and consideration of straw models at September Board meeting
2. Draft recommendations and review of straw models at October Board meeting
3. Final recommendations at November Board meeting

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