

FACT SHEET: Clinical Improvement Assessment Program

Concept: SB 455A brings the state, healthcare insurers and providers together to develop and implement common evidence-based clinical guidelines and best practice standards for the use of medical technology. Building on existing state structures through the Health Services Commission (HSC) and the Health Resources Commission (HRC), this will be a critical resource for bringing Oregon's healthcare insurers and providers together to improve the quality and value of health care they provide. This bill is a key recommendation from the work of the Oregon Health Fund Board to improve the health care delivery system in Oregon by reducing costs and improving access and quality. This work has the potential to help "bend the cost curve" of healthcare in Oregon, as the rapid explosion of medical technology is the leading cause of rising healthcare costs.

Purpose: Oregon has long been a leader in conducting and synthesizing comparative effectiveness research on new and existing technologies and treatments, as well as developing evidence-based guidelines for the Oregon Health Plan. Under current statute, the Health Services Commission, through an open public process, develops and maintain the Oregon Medicaid program's Prioritized List of Health Services. Both clinical effectiveness and cost-effectiveness of health services is considered using peer-reviewed medical literature, and the Commission develops and/or endorses clinical guidelines for many of those services. The Health Resources Commission, also through a public process, is directed by its statute to review the evidence for medical technologies and pharmaceutical agents. It partners with existing state, national and international efforts already investing in comparative effectiveness research, to further support high quality comparative effectiveness research and use the best available data and evidence to make transparent policy recommendations. However, both the Health Services Commission's and the Health Resources Commission recommendations are focused on the state's Medicaid program.

SB 455A would initiate the development of a Clinical Improvement Assessment Project for Oregon that would direct these two Commissions to coordinate efforts with other public and private insurance programs and healthcare providers on the evidence for health services. These Commissions will provide public purchasers (as defined) with the guidelines and evidence reviews produced through their processes to be used in healthcare purchasing decisions.

The work of the Health Services Commission and the Health Resources Commission would be closely aligned with the overall health outcomes and goals as determined by the Health Authority proposed by the Oregon Health Fund Board and HB 2009.

The state could play a convening role to develop a common set of evidence-based guidelines and best practice clinical standards for the use of new and emerging medical technology. Uniformly applying the best evidence across the public and private sector should lead to reductions in variation of care, more appropriate use of health resources, and higher quality of care. In addition, guidelines could be used to develop benefit packages based on the value of treatments and services. Guidelines also have the potential to reduce the practice of defensive medicine. This collaboration will start with the treatment of chronic conditions and will review and endorse existing high-quality guidelines whenever possible, and have the ability to convene experts to create them when they don't exist.

This initiative builds on existing state functions to work toward a collaboration similar to that which has been underway in Minnesota for the past twenty years in the Institute for Clinical Systems Improvement or ICSI. The ICSI brings together diverse groups to transform the health care system so that it delivers

patient-centered and value-driven care. It is comprised of over 50 medical groups and works with Minnesota's largest health plans.

There is wide variation on how care is delivered in the US. The most recent Dartmouth Atlas report which tracks variation in spending in Medicare across the country, noted in their 2008 report that chronically ill patients loyal to UCLA Medical Center had more than twice as many physician visits compared to the Mayo Clinic and spent about 50% more days in the hospital. The Mayo Clinic was cited to use fewer resources and spend less per capita than their peers, while also receiving high marks on established quality measures. Other centers of care can spend far more resources and have no better quality of care.¹

Systematic reviews are the building blocks underlying evidence-based practice; they focus attention on the strengths and limits of evidence from research studies about the effectiveness and safety of a clinical intervention. Working with private purchasers, health plans and providers in the development of guidelines and the use of new technology, common policies can be developed across publicly funded health programs regarding the coverage of new and existing treatments, procedures, and services. This can lead to cost savings. Estimates of potential savings to the Oregon with a widespread use of evidence-based common clinical guidelines and medical technology assessments are up to \$650 million in 3 years and up to \$4.2 billion in 10 years.²

Currently, the HRC and HSC are volunteer Commissions that are very thinly staffed; this is a severe constraint on their ability to expand their work beyond recommendations to the Medicaid program. State funding of \$421,000 which is included in the Governor's Recommended Budget, would provide resources for facilitating collaboration with public and private health plans for both comparative effectiveness and evidence-based guidelines, with a focus on improved outcomes for chronic diseases, as well as a small amount for consulting or other comparative effectiveness analytical tools to inform both Commissions' work.

Impact if Not Approved: If not funded, there will be limited ability to expand the work of these Commissions to fulfill key design pieces of the Oregon Health Fund Board's plan for delivery system redesign, payment reform, primary care revitalization, and transparency in cost and quality reporting. These are all keystone elements for building the foundation of health care reform and cost containment.

Other Possible Solutions: The alternative is to attempt these planning and design efforts with individual public agencies and private sector insurers in a less timely, less integrated and perhaps less effective manner. Resources for the commissions are limited. With a primary focus on Medicaid, their work has minimal impact on other recipients of publicly purchased health care, commercially-insured populations, or the uninsured. Progress toward containing health care costs, improving access and quality will be impaired without these expanded collaboration efforts.

Fiscal Impact: \$610,858 Total Funds (\$421,880 General Fund, \$188,978 Federal Fund)

Contact:

Jeanene Smith, MD, Administrator Phone: 503-373-1625 E-mail: jeanene.smith@state.or.us
Tina Edlund, Deputy Administrator Phone: 503-373-1848 E-mail: tina.d.edlund@state.or.us

¹ Wennberg, John E. et al "Tracking the Care of Patients with Severe Chronic Illness – The Dartmouth Atlas of Health Care 2008", released April 2008 page 8-9 Executive Summary

² Based on OHPR estimates using the Commonwealth Fund's analysis in "Bending the Curve" 2008 report.