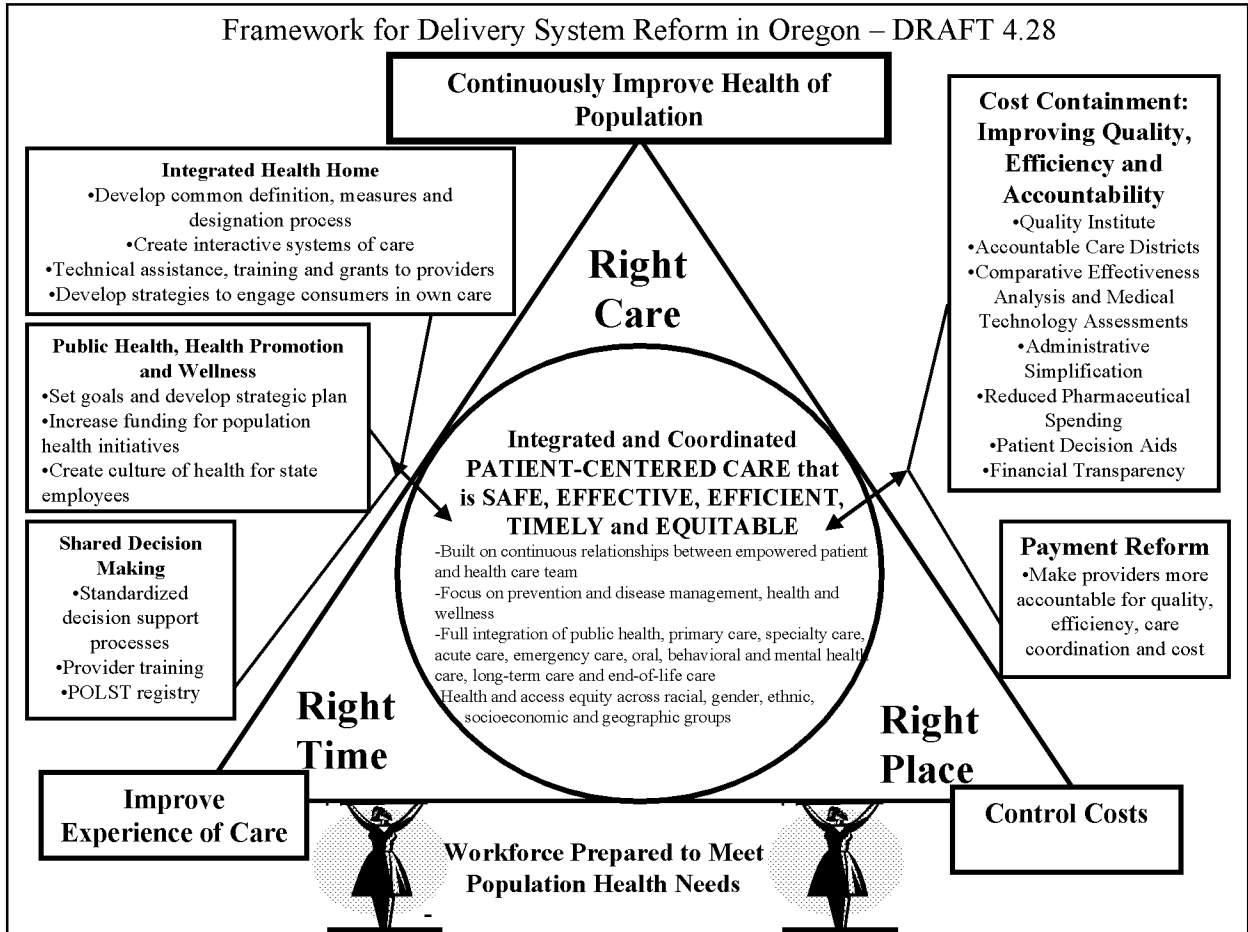


Framework for Delivery System Reform in Oregon – DRAFT 4.28



## PAYMENT REFORM

### **Recommendation 1: The payment system should be reformed to require health care providers to be accountable for quality, efficiency and care coordination.**

A payment reform council should be established within the Oregon Health Fund Board, Quality Institute or a state agency, to develop specific recommendations for comprehensive payment reform guided by the principles and goals below. By January 2011(??), the council will establish initial rules for a payment system that is aligned with the goals of the Quality Institute and other entities created through reform and links levels of payment to quality, efficiency and care coordination. This new payment system will apply broadly to the entire delivery system, with specific features to promote and support the integrated health home model. The council will publicize and promote the new payment system, monitor the progress of public and private payment entities in adopting the payment system, provide technical assistance to entities adopting the payment system and continuously update the system. In addition, the council should partner with the Quality Institute to evaluate the effects of payment reform on health care delivery and spending.

#### Goals of a new payment system:

1. Improve population health and patient experience with care
  - Reward providers for good health outcomes.
  - Improve coordination and management of care, especially for people with chronic disease and reward providers who care for patients with complex care needs and/or multiple chronic conditions.
  - Strengthen primary care and support delivery system redesign centered around the integrated health home model.
  - Encourage providers to care for all patients, regardless of health status.
  - Encourage patient choices that improve adherence to recommended care processes, improve outcomes and reduce the costs of care.
2. Make providers more accountable for delivering high-quality, efficient care
  - Enable and encourage providers to deliver high-quality, efficient, patient-centered care that is based on best available evidence and aligned with guidelines endorsed by the Quality Institute.
  - Make providers responsible for quality and costs within their control.
  - Remove incentives for overtreatment, use of unnecessarily expensive services, unnecessary hospitalizations or re-hospitalizations, errors or adverse events, provision of services with poor patient outcomes, inefficient service delivery and encouraging choices about preference-sensitive services that are not compatible with patient desires.

