



Creating a system that pays for health and invests in health equity

The Oregon Health Plan (OHP) is free for members, and it's paid for by the state and federal governments. Every year, providing health care gets more expensive. How much the cost goes up each year is called the "growth rate."

Oregon has slowed the growth rate by paying coordinated care organizations (CCOs) with what's called a "global budget" rather than paying for each individual service they provide to members. This gives the CCOs more flexibility in where they spend their budgets. For example, they can spend money on *preventing* illness, rather than only paying to *treat* illness.

Because this has worked so well, Oregon is ready to move to the next step: paying CCOs with a "value-based global budget." This means that CCOs will coordinate member care across physical, behavioral, and oral health services, *and* help members meet other basic needs that affect health outcomes, like housing and food.

Key definitions

Global budget: A tool used to give coordinated care organizations flexibility to decide where they think money is best spent in order to keep people healthy and meet metrics (goals) that are set in partnership with the state and public metrics committee.

Value-based global budget: These global budgets encourage CCOs to connect OHP members with health-related services, like housing and food.

Strategies to create flexible, value-based budgets for CCOs to support health equity

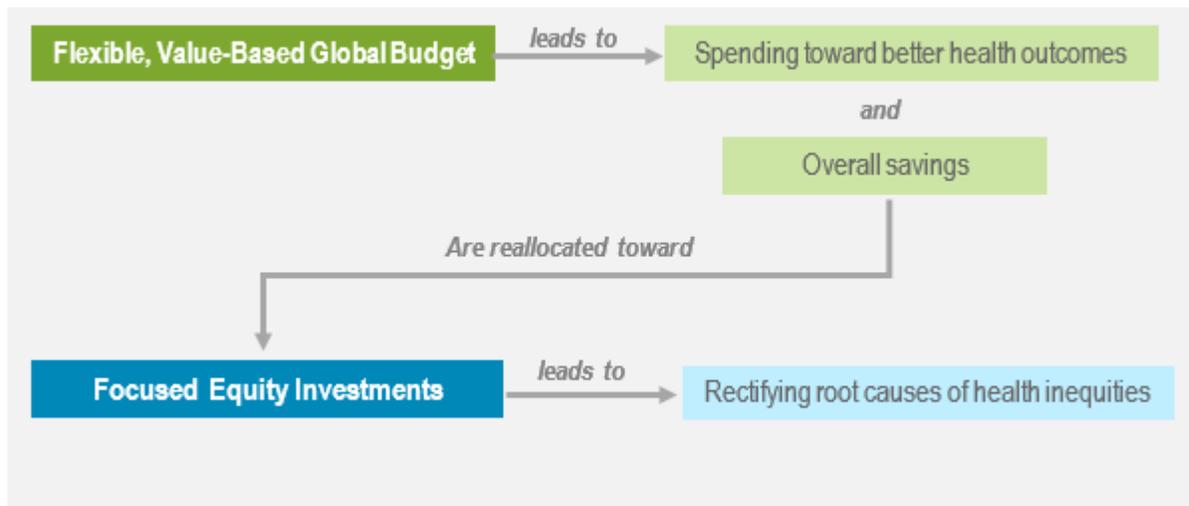
Below are some strategies the Oregon Health Authority plans to ask the federal government for permission to do:

1. **Encourage CCOs to invest more in health-related care that improves members health-outcomes and lives.** Specifically, Oregon wants to require CCOs to spend at least 3% of their value-based global budgets on health equity investments, part of which will be directed toward community-based groups called community investment collaboratives (CICs). See the [Focused Equity Investments summary](#) to learn more about CICs.
2. **Give CCOs a simpler, more predictable global budget.** When CCOs know what their budgets will be in the future, it's easier and less risky for them to make long-term investments in health equity, disease prevention, and community improvement. These investments lead to healthier members and lower health care costs over time.
3. **Better control of prescription drug costs.** Oregon will create a process to provide members with medicine that's clinically proven to work, while also controlling the cost of prescription drugs.

What this means for OHP members

When CCOs save money by preventing illness, Oregon can then use these savings to invest in what are called “focused equity investments.” These investments will help provide health-related services (like mental health supports, help with housing, employment resources, and more), which will help Oregon reach its goal of eliminating health inequities by 2030. This means OHP members will continue to receive high-quality health care *and* access to health-related services,

Here’s what it looks like:



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