

Department of Human Services 2009-11 Policy Option Package

Division Name: Administrative Services Division

Program Name: Oregon Health Policy and Research (OHPR)

Policy Option Package Initiative: Vulnerable Oregonians Have Access to Health Care

Policy Option Package Title: Healthcare Workforce Initiatives

Policy Option Package Number: 229

Related Legislation: LC Gov-10

Summary Statement:

This Policy Option Package supports two key initiatives to address Oregon's health care workforce shortages and increase the number of providers who practice in the state. This POP enables collection of accurate data on demographic and practice information to help inform policy recommendations for the state regarding Oregon's health care workforce, and helps attract and retain primary care providers to Oregon by providing a tax credit. These efforts will, in turn, help revitalize primary care and transform the delivery system toward a patient-centric high-value, high-quality system. Over time, this will upgrade Oregon's training, recruitment and retention efforts.

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

The key objectives of this proposal are to:

- Implement a data collection plan using the health professions' licensing processes and provide routine data analysis so Oregon has ongoing capacity to understand Oregon's health care workforce; inform public and private educational and workforce investments; and inform policy recommendations for the Governor's Office, legislative leadership and state agencies regarding Oregon's health care workforce
- Attract and retain primary care providers to Oregon by providing a tax credit to primary care providers (e.g., physicians, nurse practitioners, physician assistants and dentists) licensed and practicing in Oregon, to offset student loan payments made annually and directly by primary care providers

2. WHY DOES DHS PROPOSE THIS POP?

An effective health care delivery system requires an adequate supply and distribution of qualified health providers. Yet understanding the exact needs of the state are limited by lack of accurate health care workforce data. Past Oregon provider surveys and information from OHSU suggest an increasing number of physicians retiring or leaving practice without adequate replacements being trained and staying in the state. Oregon, like most of the country, also is facing an aging "baby boomer" population with increased chronic disease health care needs that will potentially overwhelm the current health care workforce.

The Governor's Office, Senate Subcommittee on Health Care Reform and other stakeholders have confirmed the need for ongoing collection of accurate health care workforce data and have identified the health professions' licensing process as a means to collect accurate demographic and practice characteristic data. Currently, only the Oregon State Board of Nursing employs this type of model to collect data on the state's nursing workforce. The analysis of the nursing data is conducted by the Oregon Center for Nursing.

The Oregon Health Fund Board (OHFB) would coordinate with the Oregon Healthcare Workforce Institute (OHWI) and respective licensing boards to:

- Routinely collect data via questions regarding practice and workforce demographics included on the health professions' initial and renewal licensure applications.
- Analyze data and produce and disseminate annual reports regarding Oregon's licensed health professionals' workforce and workplace demographics.
- Work with the Office of Health Policy and Research (OHPR), Oregon's Area Health Education Center, and other state and private workforce and education research entities to identify data needs, provide data analysis and produce routine reports.
- Work with DHS, the Office of Rural Health and other government agencies to provide information and analyses necessary to leverage federal health care funding.
- Work with the Department of Community Colleges and Workforce Development, Oregon University System, OHSU, Oregon Department of Education, and Workforce Investment Board to provide information via data analyses necessary to inform investments in health care workforce education and development.
- Serve as a public clearinghouse for data obtained from the health professions' licensing boards.
- Develop and maintain a Web site to make information available on Oregon's health care workforce and workplace demographics.

This POP also would establish a tax credit program aimed at improving the supply of primary care practitioners, particularly in rural areas of the state.

- OHFB and the Office of Rural Health would establish criteria for certification of eligibility of primary care providers for the tax credit program.
- Credits will be earned for payments on qualified debt only.
- Tax credits would not cumulatively exceed each provider's total loan amount.
- Credits would not exceed \$12,000 annually for an individual and \$24,000 on a joint return.

- Credits would be given for both principle and interest payments.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?

This POP supports the mission of DHS to make it possible for Oregonians to lead lives that are independent, healthy and safe by contributing to improved health outcomes and quality of care for publicly supported populations such as Oregon Health Plan clients and state employees, as well as all other populations in the state. This proposal focuses on better understanding the workforce issues facing Oregon and targeting incentives to maintain an adequate and effective workforce to deliver health care to all the people of Oregon.

Workforce supply issues will remain challenging over the next two decades. These efforts, along with previous investments in the health care workforce by the Governor, will help Oregon understand its needs and recruit and retain qualified providers. The work of OHFB calls out the need to revitalize primary care and transform the delivery system toward a patient-centric, high-value, high-quality system. Provider supply is a necessary ingredient to that vision. Over time, these two initiatives will interact and upgrade Oregon’s training, recruitment and retention efforts.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This POP relates to:

- KPM 29, Routine health care provided to OHP clients – the proportion of OHP clients provided routine health care services annually
- KPM 27: Safety net clinic use

- KPM 29: Customer service
- It also is tied to a new 2008 KPM for DMAP related to prevention, primary care and ambulatory care measures to increase prevention of illness and reduction of expensive hospital stays.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

An LC has been put forward: LC GOV-10

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

There are periodic surveys funded by Medicaid to analyze workforce data, in addition to some national sources. In all cases, the data often are outdated by the time the information is made available and, as a result of lower than optimum survey return rates, may not be a representative sample. In the case of national data, sample sizes often are too small to allow for sub-state or regional analysis of workforce needs. Surveys are expensive and health care providers are difficult to survey, as it adds to their administrative burden. Coupling data-gathering with routine activities such as license renewal limits the administrative load on the providers and allows for much more accurate and timely information for use in policymaking.

There are several approaches to providing incentives to attract and retain health care providers, many of which have been used in Oregon and in other states. A tax credit approach has less administrative burden while creating sustainable incentives for attracting and retaining providers.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Oregon would continue to make large health care investments in purchasing services for Medicaid and state employee populations with crude estimates of workforce capacity to provide those services. An adequate workforce, particularly in the area of primary care services, is critical to health care reform, but even in the absence of reform, access to adequate primary care is essential for vulnerable low-income Medicaid populations and, if inadequate, can lead to increased costs and fragmented care as OHP clients resort to seeking care through hospital emergency departments. With an aging “baby boomer” population across the state, creating incentives to attract and retain providers is critical to attaining a goal of high-quality, low-cost access to health care for Medicaid clients, state employees and all Oregonians.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

The following agencies would be affected:

- OHPR, Oregon’s Area Health Education Center (AHEC) and other state and private workforce and education research entities would identify data needs, and provide data analyses and routine reports.
- DHS, Office of Rural Health and other government agencies would provide information and analyses necessary to leverage federal health care funding.
- The Department of Community Colleges and Workforce Development, Oregon University System, OHSU, Oregon Department of Education, and Workforce Investment Board would provide information via data analyses necessary to inform investments in health care workforce education and development.

- OHFB and the Office of Rural Health would establish criteria for certification of eligibility of primary care providers for the tax credit program.
- The Oregon Department of Revenue would oversee the tax credit mechanism.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

- \$500,000 for workforce data collection and analysis and to support the licensing boards in their data collection efforts.
- \$1.2 million estimated for tax credits for loan repayment for qualifying primary care providers.

Implementation Date(s): July 1, 2009

End Date (if applicable): N/A

a. Will there be new responsibilities for DHS? Specify which division(s) and describe their new responsibilities.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Administrative Services | <input type="checkbox"/> Addictions and Mental Health |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Division of Medical Assistance Programs | <input type="checkbox"/> Seniors and People With Disabilities |

b. Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) and describe how it will be affected.

- | | |
|---|---|
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Payment Accuracy and Recovery |
| <input type="checkbox"/> Information Security/Privacy | <input type="checkbox"/> Investigations and Training |
| <input type="checkbox"/> Document Management | <input type="checkbox"/> Facilities |
| <input type="checkbox"/> Audit and Consulting | <input checked="" type="checkbox"/> Contracts and Procurement |
| <input type="checkbox"/> Information Services (computers) | <input type="checkbox"/> Budget, Planning and Analysis |
| <input type="checkbox"/> Financial Services (accounting) | <input type="checkbox"/> DHS Office of Communications |

Impact on contracts and procurement to be determined

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

No

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

No

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

- \$500,000 for development and implementation of a provider workforce survey linked to health professions licensing
- \$1,200,000 tax credit program to provide credits against loan repayment for primary care providers meeting certain criteria (to be developed).

f. What are the ongoing costs?

- \$500,000 for development and implementation of a provider workforce survey linked to health professions licensing. The ongoing cost assumes that the licensing boards will be brought into the survey process in a sequenced manner.
- \$1,200,000 tax credit program to provide credits against loan repayment for primary care providers meeting certain criteria.

g. What are the potential savings?

Savings in terms of less need for a provider survey, largely funded by Medicaid, allowing those dollars to be used more effectively in other quality measurements. Less cost to healthcare delivery systems to attract and retain providers to serve in their communities, which can have benefit in lowering healthcare costs as purchased by the state for OHP and state employees.

h. Based on these answers, is there a fiscal impact?

Yes

- i. What are the sources of funding and the funding split for each one? Include grant names and fund type, such as “Medicaid, General and Federal Funds.”**

Professional Services: General Fund (69%), Federal Fund – Medicaid (31%)

Special Payments – General Fund (100%)