

LC 416: Focusing the Quality Incentive Program on Health Equity

OHA's CCO Quality Incentive Program has far more potential to drive change and advance health equity than is currently being realized due to structural constraints.

Health Equity was Not in the Original Program Design

Coordinated Care Organizations (CCOs) serve most members of the Oregon Health Plan. The Quality Incentive Program offers CCOs an opportunity to earn millions in bonus funds based on performance on a set of quality metrics – over \$300M in 2023 and 2024. When it began in 2013, the CCO Quality Incentive Program did not recognize, and was not designed, to advance health equity. In the decade since, much has changed; in 2019 OHA and the Oregon Health Policy Board formally adopted a health equity definition, and in 2020 OHA committed to the strategic goal of eliminating health inequities by 2030.

The program has driven positive change over the years, but recent analysis by REALD categories show significant disparities persist among groups that have been economically and socially marginalized. The program has powerful potential to drive health equity improvements that could be realized with better leveraging of equity-centered metrics. A moderate redesign is necessary if the program is to more effectively address health inequities and their structural drivers.

Redesigning for Equity

In Senate Bill 966 (2023), the Legislature required OHA to study the Quality Incentive Program and provide recommendations for programmatic and governance structure changes. The intent of the study and recommendations is to align the design of the program to focus primarily on addressing health inequities. Study findings (due in mid-September 2024) require engagement with people whose health is most affected by the Oregon Health Plan.

This legislative concept will be informed by the study, so many details are still to be determined at this stage. Likely content for the concept includes changes to the

governance committee(s) and financial incentive structures. Some of the changes recommended by the study may be possible to enact at the program level without requiring legislative action.

For more information:

Marybeth Mealue

Senior Policy Analyst

503-490-8100

marybeth.mealue@oha.oregon.gov

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