

# **Living Well with Chronic Conditions & Tomando Control de su Salud Business Plan**

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**PUBLIC HEALTH DIVISION**  
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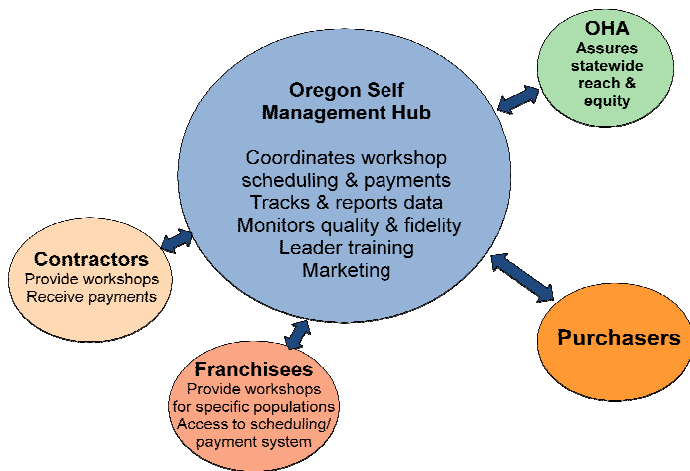
# Table of Contents

Executive Summary.....	3
Preface .....	5
Introduction .....	6
Business Description .....	9
Organizational Design and Development .....	13
<i>Figure 1: Living Well Partnership and Product Delivery</i> .....	16
Constituents and Markets .....	21
Finances .....	25
Implementation .....	30
Conclusion .....	32
Appendices .....	33
<i>Appendix 1: Interviewees and Advisors</i> .....	33
<i>Appendix 2: Patient Population Details</i> .....	35

# Executive Summary

Evidence-based chronic disease self-management programs are widely available across Oregon, delivered via a diverse network of organizations. Current sources of funding for these efforts are similarly diverse, however, and in many cases not sustainable. In order to ensure universal access to evidence-based chronic disease self-management programs in Oregon – and the resultant increases in quality of life and decreases in chronic disease-related healthcare costs – significant changes must be made in the delivery and financing of these programs.

Living Well with Chronic Conditions and Tomando Control de Su Salud are evidence-based chronic disease self-management programs delivered as a series of six weekly 2-1/2 hour workshops. The Living Well Business Plan identifies an efficient, effective delivery and funding mechanism for bringing these programs to scale via the **Oregon Self-Management Hub**. This entrepreneurial, private small business will coordinate statewide supply and demand for programs by developing a delivery network, marketing programs to payers and participants, and facilitating centralized systems for payment processing, scheduling, workshop leader training, and quality assurance. The plan outlines estimated expenses and revenue for the Hub; pricing structures for franchisees, program delivery contractors, and purchasers; and a five-year schedule for shifting the current delivery and financing structure to the new Hub model.



The Hub will operate via a partnership agreement with OHA that governs data gathering and information sharing, program fidelity monitoring, and future expansion of systems to support additional evidence-based self-management programs. Rather than delivering programs directly, the Hub will maintain a network of local delivery

contractors to meet purchaser demand. This will allow purchasers sufficient program access to realize healthcare cost savings without having to employ staff or coordinate workshops and will provide a single contracting entity for statewide program delivery.

**Turnkeys** (franchisees) will consist of entities that serve specific, defined populations and require in-house capacity to provide workshops directly to their customers, such as Federally Qualified Health Centers, hospitals, or health system payers such as Coordinated Care Organizations (CCOs). For an annual fee, the Hub will provide turnkeys with start-up training, materials and support, and workshop materials, leader training, technical assistance, and access to the Hub's statewide scheduling and payment platform.

**Delivery network contractors** may be nonprofits, public agencies, and qualified individuals or organizations that provide Living Well and/or Tomando Control programs. Members of the contracting network will receive payment per workshop series, participant or completer via the Hub's statewide scheduling and payment platform.

**Contracted purchasers** will include entities such as health plans, health systems and employers that are motivated to improve health outcomes and contain healthcare costs. Initial target markets will include CCOs, Medicare Advantage plans, and the Public Employees Benefit Board and Oregon Educators Benefit Board.

**OHA's Public Health Division** will play an important role in monitoring program and participant data to ensure equity of access, especially as relates to populations experiencing health disparities such as low-income Oregonians, racial and ethnic minorities, and the un- and under-insured.

As health system transformation progresses in Oregon, focus is increasing on innovative means to prevent and reduce the burden of chronic diseases and contain costs. Living Well and Tomando Control offer a promising response to this trend by delivering potential cost savings and improved health outcomes for participants. In order to bring these programs to scale, they must be integrated into the transforming health system. The Living Well Business Plan provides a roadmap for this process by centralizing coordination, marketing, and administration; standardizing workshop delivery; and enhancing workshop delivery capacity.

## Preface

At the time of the writing of this business plan, the state of Oregon is in the midst of implementing health system transformation. At the core of this new system are Coordinated Care Organizations (CCOs), networks of physical, mental and dental health care providers that have agreed to work together in their local communities to provide care for people who receive coverage under the Oregon Health Plan (Medicaid). Governor Kitzhaber signed SB 1580 into law by on March 2, 2012, paving the way for CCOs to manifest the Triple Aim of better health, better care and lower costs to the more than 600,000 Oregonians served by the Oregon Health Plan with a focus on improved wellness, prevention, and integration of behavioral, physical and ultimately oral health care.<sup>1</sup>

The CCO establishment process is underway in 2012, with eight organizations approved to begin serving Oregon Health Plan clients as of August 1, and an additional six have been provisionally certified to begin serving clients in September.

How the CCOs are operationalized and to what extent they incorporate chronic disease self-management (CDSM) workshops into their models of care hold direct implications for this business plan, especially in terms of delivery methodology and revenue calculations. For the purposes of this business plan, it is assumed that some percentage of Oregon's CCOs realize sufficient value for including robust chronic disease self management workshops within their models of care (e.g., for purposes of healthcare cost containment), making it possible to incorporate evidence based self-management workshops into their offerings to the extent detailed in this plan.

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<sup>1</sup> [www.oregon.gov](http://www.oregon.gov)

## Introduction

This business plan provides a road map to sustainable workshop delivery and financing for the Living Well with Chronic Conditions program (Oregon's brand for the Stanford Chronic Disease Self-Management Program or CDSMP) and its Spanish language/Latino cultural counterpart, Tomando Control de Su Salud. These programs are collectively referred to in this plan as Living Well.

Thanks to many years of work by the Oregon Health Authority's Health Promotion and Chronic Disease Prevention Section (HPCDP), the Department of Human Services' State Unit on Aging (SUA), local public health authorities, Area Agencies on Aging and other community partners, Living Well workshops are widely available across Oregon, delivered via a diverse network of organizations licensed by the Stanford University Patient Education Research Center. Current funding for these efforts is similarly diverse, however, and in many cases not sustainable. This plan creates a sustainability roadmap for Living Well that identifies an efficient, effective mechanism for workshop delivery and funding to ensure the ongoing availability of this valuable community resource as efforts aimed at health system transformation gain momentum.

The timing of the development of this business plan coincides with many favorable changes in Oregon's health system. Several key aspects of the recently passed CCO legislation are likely to enhance the sustainability of Living Well:

- Significant focus on the Patient-Centered Primary Care Home (PCPCH) initiative, which contains self-management principles and approaches at its core;
- Increasingly close coordination between health care settings and community services and resources; and
- The advent of incentive payments for wraparound chronic disease management services beginning by 2013 for providers achieving NCQA's Patient-Centered Medical Home certification and Oregon PCPCH recognition.

Additional contextual factors will have positive implications for the sustainability of evidence-based self-management workshops, including:

- Increased focus on prevention and wellness;
- Shift toward global funding and financial incentives for prevention-related service delivery; and

- Emphasis in evidence-based models of care to achieve improved outcomes and cost savings.

In summary, Oregon's healthcare landscape is increasingly emphasizing improved health outcomes and contained healthcare costs. This makes evidence-based interventions that improve health and decrease costs, such as Living Well, potentially instrumental in helping the health system meet its goals. Developing the infrastructure set forth in this plan will also pave the way for systematic, sustainable implementation of other evidence-based chronic disease self-management and risk reduction programs in the future.

### **Opportunity for Impact and Sustainability**

A group of existing Living Well partners and health leaders met to review the current situation and discuss the future of the program in Oregon in March 2012 (see Appendix 1). Meeting participants agreed that Living Well is highly relevant to the goals of the state's health system transformation process and that a unique opportunity exists to expand and embed Living Well into the transformed system. In addition, they concurred that sustaining access to Living Well in the state depends upon expanding the scope, scale and reach of the program.

In the opinion of Oregon's key Living Well stakeholders, the path to sustainability for Living Well must include:

- Embedding evidence-based practices within the health system;
- Expanding reach and access to Living Well;
- Collecting and reporting population-level health outcomes for Oregonians with chronic conditions who participate in workshops;
- Documenting significant, quantifiable cost savings for Oregon's health system;
- Sustaining access to Living Well workshops within the state; and
- Bringing additional evidence-based CDSM programs into Oregon over time, both to provide a broader range of options to complement existing programs and to better reach populations less appropriate to participate in Living Well.

Expanding and embedding Living Well in this manner will require changes in how the workshops function in the state. At present, Living Well is delivered via a loose network of Stanford-licensed workshop delivery partners around the state, known as the Living Well Network. This network includes a diverse group of entities – health systems, faith- and



community-based organizations, Area Agencies on Aging, local public health authorities and insurers – that coordinate workshop delivery in community and health care settings. In the future:

- Data will be used to identify populations most affected by chronic disease burden and to strategically drive the extent and location of workshop expansion;
- Strategic partners within the health system will be identified and cultivated; and
- Workshop delivery systems will be adapted to meet the need of the health system and a centralized infrastructure will coordinate delivery.

Implications for changes in the roles and responsibilities for existing Living Well Network partners are outlined in the “Structure” section of this plan.

### **Business Plan Purpose**

The purpose of any business plan is to analyze the environment, assess profitability, and define the product, target markets, systems and infrastructures necessary to meet demand, organizational goals and financial sustainability. This plan outlines the structure and systems needed to bring Living Well to scale and ensure sufficient access for targeted populations and payers. It also defines the strategic partnerships, workshop participant markets, health system customers and delivery network needed to operationalize these changes. Finally, it examines revenue models and defines a specific course for implementation.

### **Business Plan Methodology**

This business plan is informed by extensive primary and secondary research. Primary research included interviews with a total of 30 Living Well Network partners, external partners, stakeholders, experts and Oregon Health Authority staff, which were conducted by phone and in-person interviews (see Appendix 1: Interviewee List). Comparative research of other states’ CDSM workshops was also conducted, as was a comprehensive review of Living Well materials (including data reports, marketing materials, technical assistance documents, Living Well Network documents).

This plan is also informed by input from the March 2012 Living Well stakeholder meeting; this group of partners and health leaders shaped the thinking of how to best take advantage of existing opportunities, how to position Living Well in the emerging structures of Oregon’s

transforming health system, and other key issues. The plan is also informed by Nonprofit Impact's national experience with business planning and other work with organizations and public health agencies.

## **Business Description**

### **Problem Definition**

Nationally, 83 cents and 96 cents of Medicaid and Medicare dollars respectively are spent treating chronic diseases.<sup>2</sup> Further, it is estimated that hospitalization costs related to chronic diseases exceeds \$2.2 billion a year in Oregon.<sup>3</sup> While primary prevention strategies such as obesity prevention and tobacco cessation lower future chronic disease-related healthcare costs, evidence indicates that self-management workshops can decrease healthcare costs for those already diagnosed with chronic conditions.<sup>4</sup> Additionally, evidence-based Living Well promises to improve health outcomes for the hundreds of thousands of Oregonians with chronic conditions.

### **Core Product Description: Living Well Workshops**

Living Well is a six-week, evidence-based chronic disease self-management workshop series developed by Stanford University Patient Education Research Center. Workshop participants attend six 2-½ hour training sessions that cover topics such as healthy eating, depression and fatigue management, communication, problem solving, action-planning techniques and skills in self-advocacy and working with health care professionals. Workshops are offered in English (branded as Living Well with Chronic Conditions (LW) and Spanish (Tomando Control de su Salud (TC)). Fidelity monitoring maintains quality by following Stanford's requirements for training and use of a scripted curriculum, supplemented by annual voluntary fidelity observation to monitor leader performance.

In 2005, Living Well workshops were introduced with the intention of developing statewide reach in Oregon through a partnership between Health Promotion and Chronic Disease

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<sup>2</sup> Oregon Health Improvement Plan: <http://www.oregon.gov/OHA/action-plan/hip-report.pdf?ga=t>

<sup>3</sup> Oregon Health Improvement Plan: <http://www.oregon.gov/OHA/action-plan/hip-report.pdf?ga=t>

<sup>4</sup> See bibliography of peer-reviewed studies at <http://patienteducation.stanford.edu/bibliog.html>

Prevention (HPCDP) and State Unit on Aging. The Living Well Impact Report<sup>5</sup> estimated that the nearly 4,000 workshop participants served between 2005 and 2009 realized the following outcomes:

- 107 quality adjusted life years gained;
- 557 emergency department visits were avoided, with an estimated cost avoidance of \$634,980; and
- 2,783 hospital days avoided, with an estimated cost savings of \$6,501,088.

These outcomes hint at the significant levels of healthcare cost avoidance and improved health outcomes possible from expanding access to the Living Well workshops.

### **The Business: Oregon Self-Management Hub**

The new business entity described in this plan, the Oregon Self-Management Hub (the Hub) is envisioned as a statewide, centralized organization. Its core function is the coordination of supply and demand for Living Well workshops. It fulfills this function by:

- Developing and ensuring sufficient workshop delivery capacity to meet demand
- Marketing workshops to and securing commitment from workshop customers (health system payers), and
- Facilitating centralized systems (i.e., third party payment processing, scheduling, workshop leader training, etc.).

The Hub operates via a partnership agreement with HPCDP that governs data gathering and information sharing, expansion of systems to support additional evidence-based self-management programs and quality assurance/fidelity monitoring. The Hub is envisioned as an entrepreneurial, private small business.

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<sup>5</sup>Oregon Living Well Impact Report:

<http://public.health.oregon.gov/DiseasesConditions/ChronicDisease/LivingWell/Documents/Living%20Well%20Program%20Impact%20Report%20Final.pdf>

### *Vision*

Effective and appropriate evidence-based chronic disease self-management programs are available to all Oregonians, resulting in significant increases in quality of life and decreases in chronic disease-related healthcare costs.

### *Mission*

To provide access to evidence-based chronic disease self-management workshops throughout the state of Oregon in a manner that maximizes health outcomes for those with chronic conditions and avoids substantial chronic-disease related healthcare costs.

### *Guiding Values*

- *Quality Assurance*: Ensure the integrity of the evidence-based workshops and the delivery of quality of life and cost containment outcomes via systematic, regular attention to fidelity and provision of technical assistance to enhance quality and efficiency;
- *Data-Driven and Equity-Focused*: Use epidemiological data to guide program scope and access to effectively serve those populations and geographic areas disproportionately affected by chronic conditions;
- *Financially Sustainable and Fiscally Attractive*: Based upon a revenue model that not only provides sustainable revenue streams to support centralized functions, but also delivers quantifiable savings for payers;
- *Culturally Competent*: Within the bounds of program fidelity, both marketing/outreach and workshops themselves are customized to resonate and be respectful of participants' cultural backgrounds.

### *Strategic Goals*

- Provide Living Well workshops to an additional 4,500 Oregonians with chronic conditions by 2015.
- Improve quality of life indicators for Living Well workshop participants
- Realize \$8,194,000 in documented healthcare cost savings for Living Well workshop participants (640 ER visits @ \$729,117 and 3,196 hospitalization days @ 7,464,888 avoided) by 2015.
- Develop the organizational infrastructure, systems, partnerships and workshop delivery capacity to achieve this level of workshop delivery.

- Secure health system payer commitment that ensures a sustainable revenue model, and generates \$383,000 in net revenues by 2017.

### *Niche*

The Hub's core product – Living Well workshops – is the best-known chronic disease self-management program in the state of Oregon. Living Well has a substantial evidence base and is endorsed or supported by the Surgeon General,<sup>6</sup> the Centers for Disease Control and Prevention, the National Council on Aging and the Administration on Aging. Research shows significant promise regarding its ability to deliver positive health outcomes and healthcare cost containment. Living Well is supported by leaders in Oregon's political and healthcare fields, where it is widely recognized as having the potential to help CCOs and other health system payers meet their prevention and cost-containment goals. The Hub provides access to Living Well workshops at a scale and geographic reach unmatched by any individual licensed Living Well provider and carries with it the OHA Living Well program's reputation for quality and fidelity assurance. It is designed to be uniquely able to meet the demands of Oregon's large health system payers regarding self-management workshop delivery.

### *Strategic Focus*

The Hub's strategic focus is to maximize access to Living Well workshops in Oregon in a way that is financially and organizationally sustainable. This requires taking advantage of prevailing trends to embed Living Well within the transforming health system. In other words, this means making Living Well mission critical, an intrinsic part of the cost of doing business for the health systems. It also requires a structure that addresses existing logistical challenges, such as:

- Expanding workshop delivery capacity quickly;
- Modifying delivery methodology to meet the needs of the health system;
- Working in partnership with health systems to ensure that health providers actively and appropriately refer participants to Living Well;
- Providing means to facilitate payments that align with health system procedures, requirements and restrictions.

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<sup>6</sup> Galson, SK (2009): Self-Management Programs: One Way to Promote Healthy Aging. Public Health Reports 124 (478-9).

# Organizational Design and Development

*Note: What follows is a description of the future Oregon Self-Management Hub, which is envisioned as the system to build on and replace the current Living Well Network and state-level coordination structure.*

## **Business Model**

A business model defines how an organization does its work and how it generates resources and revenues to support that work. With the creation of the Hub, the model for Living Well workshops in Oregon shifts from a traditional public health program delivery model to a modified franchise model.

As a modified franchise model, the Hub's work is to successfully market the core product (workshops) to customers, setting standards across the brand and securing "franchisees" and contractors for product delivery. To stay competitive and relevant, the Hub must ensure that its customers receive sufficient return on their investment, that the supply of Living Well workshops meets customer demand and that those involved in delivery adhere to fidelity standards and receive fair compensation.

In this business model, funding for Living Well workshops shifts away from "soft money" grants and local funding and toward the health care system (i.e., the sector to which the financial benefits of Living Well accrue). This necessitates a change in thinking regarding target markets. If the payers of the health system are funding the workshops, they are the Hub's target market. In this case, the partnership of the Hub and HPCDP brings the health outcomes to specific populations indirectly – by strategically selecting which payers within the target market to cultivate. The modified franchise model suggests a robust marketing approach emphasizing documentable healthcare cost savings (return on investment or ROI), rather than a narrative that speaks primarily to health outcomes and health disparities among population groups.

The model also suggests a shift in relationship from delivery partners as co-creators of Living Well to contractors operating within a defined delivery network. The Hub maintains productive relations with these important groups by soliciting and acting upon their feedback and expertise, providing fair compensation for their work, and allowing for flexibility where

possible. Some current delivery partners may choose not to participate in this new business model, but many will welcome a means to continue providing this valuable service in their communities within a structure that provides reliable revenue.

## **Management and Staffing**

The CEO is responsible for creating the Hub and overseeing the transition from a loosely affiliated network of delivery partners to a systematized, centralized, rapidly growing entity. This requires significant start-up experience and the ability to develop and maintain external relationships with HPCDP, customers, strategic partners, local delivery network members and other health system and political leaders. A primary role for the incoming CEO is marketing to and securing customers to ensure sufficient revenue to fund the organization.

The success of this venture depends on the ability of the Hub to sell the customer on the ROI and deliver the core product sufficiently and efficiently to meet customer demand. HPCDP and many in the local delivery network possess content area expertise regarding such key issues as workshop availability, leader training and marketing to participants. Hub staff should not duplicate this expertise; instead they must focus on creating and maintaining systems. Hub staff's primary role is to understand customer demand and coordinate workshop delivery capacity in the right place, at the right time, in a cost-effective manner. Staff must demonstrate expertise building and growing systems to support workshop delivery, financing and technology.

All staff should have project management experience, demonstrated expertise in developing and expanding systems, marketing and sales and/or customer service skills, communication skills, technology expertise and contract management experience. In addition, primary staff functions include:

- Ensuring product delivery capacity
- Recruiting local delivery network members
- Developing network capacity to meet program delivery demands
- Identifying resources and coordinating leader training
- Providing support and technical assistance to contractors and turnkey workshop delivery partners
- Workshop marketing and sales
- Communicating ROI and value of the core product

- Developing relationships and creating loyal customers
- Website development and maintenance
- Development and distribution of marketing materials
- Finance and administration
- Creation of systems to ensure accurate, timely billing and payments
- Tracking and coordination of leader and master trainer activity and workshop capacity
- Negotiation and administration of contracts with workshop delivery contractors, turnkeys and purchasers
- Management and reporting of participant, network member, workshop and outcomes data.

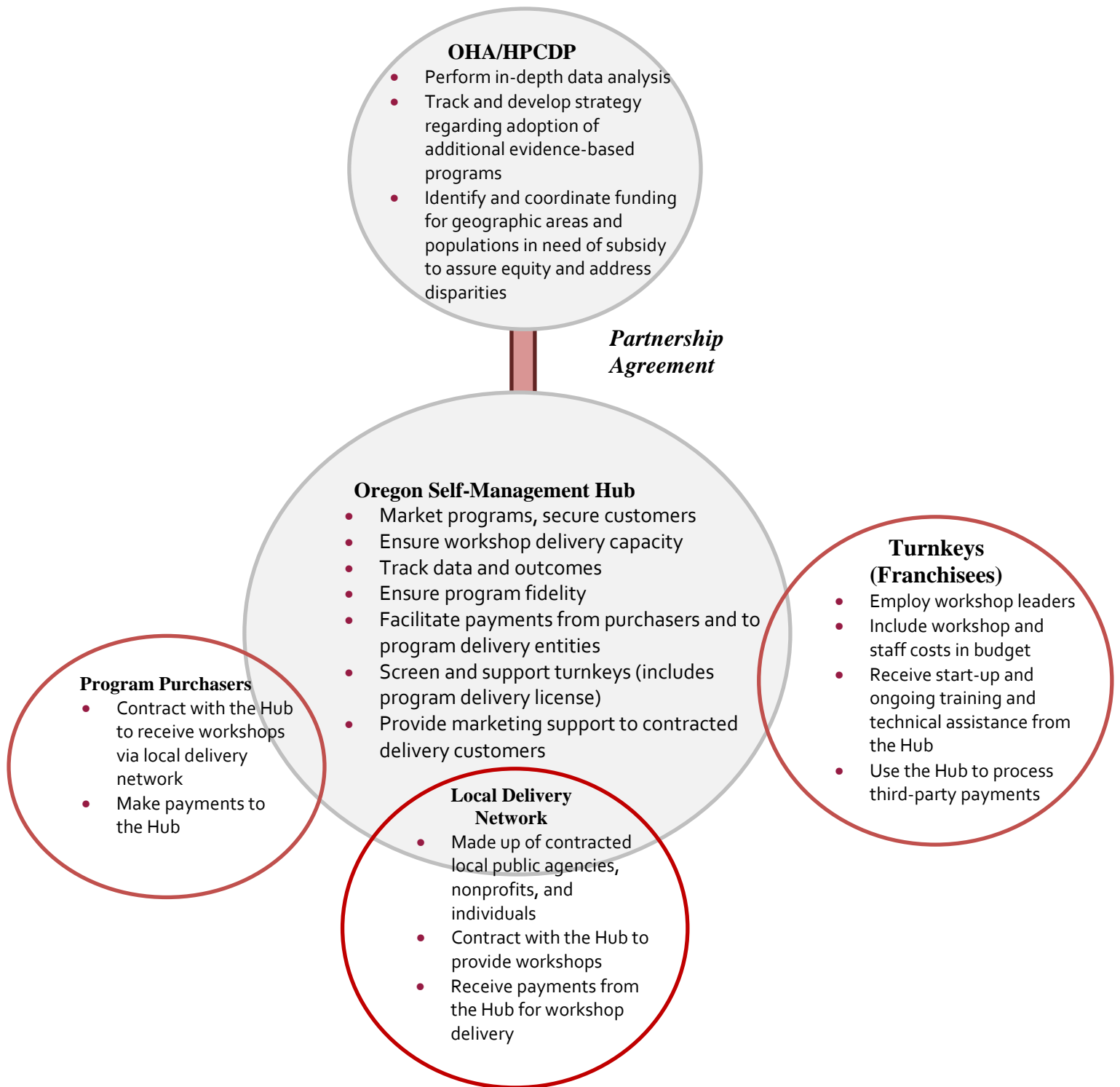
### **The Partnership**

The Hub operates under the auspices of a partnership agreement with HPCDP, which outlines each entity’s role and responsibilities, how the two will work together, and how any net proceeds will be disbursed. HPCDP and the Hub will work as true partners to identify populations most likely to benefit from Living Well workshops and strategize financially sustainable means for reaching those populations.

<b>Hub Role/ Responsibility</b>	<b>HPCDP Role/ Responsibility</b>
<ul style="list-style-type: none"> <li>• Sign and adhere to partnership agreement</li> <li>• Compile and share activity and outcome data</li> <li>• Provide timely, accurate financial reports</li> <li>• Analyze customer feedback and workshop usage</li> <li>• Provide Living Well workshops to populations experiencing health disparities as funded</li> <li>• Explore feasibility and add business-appropriate evidence-based programs to offerings</li> <li>• Market to and secure customers</li> </ul>	<ul style="list-style-type: none"> <li>• Sign and adhere to partnership agreement</li> <li>• Analyze and share chronic disease trend data</li> <li>• Analyze chronic disease data and identify populations most likely to benefit</li> <li>• Secure funding to subsidize Living Well workshop delivery to populations experiencing health disparities</li> <li>• Investigate other promising evidence-based programs and interventions and make recommendations for future implementation.</li> <li>• Incorporate other appropriate programs already established as best practices.</li> <li>• Provide introduction to customers and support to the Hub as appropriate</li> </ul>



**Figure 1: Living Well Partnership and Product Delivery**



## Product Delivery

Workshop delivery will use two delivery methods: a) turnkey and b) contracted delivery.

### A. Turnkey Delivery

Turnkey delivery is a true franchise model for health system entities that serve specific, defined populations such as Federally Qualified Health Centers, hospitals or a health system payer such as a CCO that requires in-house capacity to provide the Living Well workshop core product directly to its customers. Turnkeys integrate promotion of workshops, education of service providers and tracking of workshop participant information into their day-to-day business functions. Compared to contracted service providers, turnkey systems streamline workshop scheduling and bring additional staff capacity for self-management support to bear, such as engaging clients in motivational interviewing to encourage positive behavior changes, providing additional evidence-based programs and offering supportive interventions such as tobacco cessation counseling.

The Hub will screen potential turnkeys for capacity to execute this delivery method. Once vetted as a viable business partner, each turnkey will receive start-up training, materials and support services from the Hub as well as a set amount of workshop materials, leader training and technical assistance annually. The Hub's services will represent a savings over the potential turnkey starting up their own Living Well operation from scratch. Turnkeys that require outside capacity for reimbursement from third-party payers may use the Hub to process payments in return for a fee.

<b>Turnkey Provides</b>	<b>Oregon Self-Management Hub Provides</b>
<ul style="list-style-type: none"><li>• Information needed to assess delivery capacity</li><li>• Turnkey startup fee</li><li>• Recruit/ employ leaders; coordinator</li><li>• Integrate Living Well referral into healthcare model</li><li>• Annual maintenance fee</li><li>• Activity and impact data (within HIPAA constraints)</li><li>• Additional materials available at agreed-upon costs</li></ul>	<ul style="list-style-type: none"><li>• Screening for delivery capacity</li><li>• Start-up training and support (job description samples, leader training, sample marketing materials, sample data tracking and other systems)</li><li>• Annual maintenance support (customized; likely to include set amounts of leader trainings, hours of technical assistance, hours of quality monitoring, sets of materials, etc.)</li><li>• Third-party payment processing as needed</li></ul>

**B. Contracted Program Purchaser Delivery**

Contracted delivery is a modified franchise delivery model where the customer (most often a health system payer) opts to cover Living Well workshops for its enrollees. Rather than providing the product itself as a turnkey provider would, a contracted delivery purchaser contracts with the Hub to ensure product delivery. The Hub does not deliver workshops directly; instead it cultivates and maintains the local delivery network at a sufficient level to meet contracted delivery customer demand. This method of delivery allows the customer sufficient access to Living Well workshops to realize healthcare cost savings without having to employ staff or coordinate workshops. It also provides the ability to pay a single entity for statewide workshop delivery services, instead of engaging in contracts with a number of smaller local delivery network providers.

The Hub will actively market and secure contracts with payers. It will also provide sample marketing materials for the customers to use in encouraging healthcare providers to refer patients, enrollees or members, and to promote Living Well workshops to enrollees directly. The Hub coordinates scheduling of workshops and workshop leaders, making this delivery method very convenient for the customer. The National Council on Aging offers an online version of CDSMP known as Better Choices, Better Health, and some contracted delivery customers may be interested in adding this option. The Hub will track this opportunity but will maintain its focus on supporting in-person self-management programs.

<b>Contracted Purchaser Customer Provides</b>	<b>The Hub Provides</b>
<ul style="list-style-type: none"> <li>• Information regarding workshop needs (numbers, timing, location)</li> <li>• Payment for workshop participation and/or completion</li> <li>• Systems that integrate Living Well referral into healthcare model</li> <li>• Promotion of workshops to healthcare providers and enrollees</li> </ul>	<ul style="list-style-type: none"> <li>• Matching of customer needs to local delivery network</li> <li>• Development and management of contracts with customers and delivery network members</li> <li>• Scheduled workshops and workshop materials</li> <li>• Billing/accounting system and payment processing</li> <li>• Data tracking, annual data/impact summaries and data-related templates and tools for purchaser analysis</li> <li>• Technical assistance on referral systems</li> <li>• Sample marketing materials, webinar introduction for healthcare providers, etc.</li> </ul>

## The Local Delivery Network

The Local Delivery Network is comprised of nonprofits, public agencies and qualified individuals or organizations that provide Living Well workshops around the state.

Characteristics of the ideal network member include:

- Significant overlap between Living Well outcomes and their organizational or professional goals;
- Ability to connect with individuals with chronic conditions; and
- Sufficient capacity to provide workshops per annual contract.

Each member of the local delivery network will have an annual contract that specifies number of workshops to be provided, timeframe and geographic areas covered. In most cases, workshop locations will be coordinated by the Hub and delivery contractor or the customer, and workshop participants will enroll via the Hub’s website. Network members will receive payment for workshops or workshop participants and/or completers (participants who attend at least four of six workshop sessions) delivered per their contract. Network members may offer Living Well workshops or spaces in workshops at their own expense for workshop participants who are not enrollees with a contract delivery customer, as long as doing so does not exceed licensing limitations.

<b>Hub Role/Responsibility</b>	<b>Local Delivery Network Member Role/ Responsibility</b>
<ul style="list-style-type: none"> <li>• Screen and recruit local delivery network members</li> <li>• Draft, sign, adhere to annual contract</li> <li>• Provide sufficient leader training opportunities</li> <li>• Match network members and customers</li> <li>• Process timely, accurate payments</li> <li>• Address quality and other concerns in direct, timely, professional manner</li> <li>• Provide additional materials at agreed-upon cost</li> <li>• Provide additional licensing at agreed-upon cost</li> <li>• Oversee/ensure statewide quality monitoring of local delivery workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Assess capacity to participate as network member</li> <li>• Maintain good standing as licensed leaders and adhere to workshop quality and fidelity standards</li> <li>• Agree to and deliver a specific number of workshops (numbers, timing, locations)</li> <li>• Collect and report participant and workshop information to Hub</li> <li>• Adhere to contract commitments and principles of quality improvement and assurance of program fidelity</li> <li>• Provide good customer service</li> <li>• Optional: provide Living Well workshops outside of this structure</li> </ul>

## **Systems and Processes**

It is beyond the scope of this plan to fully build out the Hub's internal systems. What follows is intended to broadly define the core functions and capacities the Hub systems and processes must provide.

### *Technology*

The current Living Well website will be revamped to better support new systems, for example:

- Specific areas and online tools for turnkeys and contracted delivery customers;
- Functionality to streamline billing, payments, workshop scheduling and reporting of workshop activity;
- Online technical support for workshop leaders;
- Referral of inquiries from individuals to relevant payers; and
- Participant registration and lists of upcoming workshops (if enrolled with a contracted delivery customer).

### *Administrative/ Financial System*

Efficient and robust administrative and financial management systems will be crucial to the success of the Hub as a business entity. Systems must coordinate with health system payment methodologies and must allow the ability to track large amounts of detailed information to ensure coordination of workshop delivery and payment. The data platform must have the capacity to track workshop and leader training numbers and other metrics, to ensure adherence to Stanford licensure requirements and enable reporting to purchasers.

### *Screening/Contracting*

Annual written agreements will govern relationships between the Hub and turnkeys, contracted delivery customers and local delivery network members. The Hub will develop procedures and policies to guide screening of potential network members and turnkeys for capacity, and of incoming customers to identify the most appropriate delivery method. The Hub will also develop a system for efficient development, revision and renewal of contracts, and set protocols for addressing breaches of contract in a timely, professional manner.

## Information Management

The Hub requires a data management system to report on relevant information, including tracking of workshops provided and participant attendance, and tracking of workshop results and outcomes. The output of this system will inform reporting of ROI to customers, and will be used for marketing purposes to demonstrate the business case for providing workshops to specific populations served by major purchasers.

## Constituents and Markets

### Target Market

In order to become self-sustaining, the Hub requires a market likely to pay for access to Living Well workshops. Because the financial benefit from Living Well accrues primarily to entities that bear the financial burden of healthcare delivery costs, healthcare system payers are the general market. Within the market of all health system payers, the Hub focuses on a target market, which is the subset of payers that:

- Serve populations with a disproportionate level of chronic disease burden;
- Serve populations with the highest level of readiness and best fit for participation in Living Well workshops;
- Show interest in Living Well and its potential for significant healthcare cost avoidance.

The table below lists three target markets identified based on the criteria above:

Target Market	Payer(s)	Initial Customer Targets
CCOs	State of Oregon	One or two large CCOs (in the Portland/Salem area or other areas with large population)
Public Employees Benefit Board/Oregon Educators Benefit Board (PEBB/OEBB)	PEBB/OEBB	PEBB/OEBB and carriers: <ul style="list-style-type: none"><li>• Providence</li><li>• Kaiser Permanente</li><li>• ODS Companies</li></ul>
Medicare Advantage Plans	Federal government; private providers	One of the top three plans (market share): <ul style="list-style-type: none"><li>• The Regence Group (20.2%)</li><li>• Kaiser Permanente (15.4%)</li><li>• Providence Health Plans (15.1%)</li></ul>

In addition to these markets, it is likely that the Hub will also approach large employers – focusing on those that are self-insured and thus bearing the risk for their employees’ health care costs – as potential program purchasers.

### Corresponding Populations of Focus

The target markets serve an estimated 650,000 Oregonians with chronic conditions. For further details about the three populations of focus, their chronic disease burden and implications for delivery of Living Well workshops see Appendix 3.

Target Market	Corresponding Population	Details
CCOs <sup>7</sup>	Medicaid members with chronic conditions	N = 376,227 ~73% urban 22% Latino (vs. 12% in state)
PEBB/ OEBB <sup>8</sup>	Public employees and retirees with chronic conditions	N = 100,454 PEBB tends to be more urban; OEBB tends to be more evenly distributed geographically
Medicare Advantage Plans <sup>9</sup>	Medicare Advantage Plan members with chronic conditions	N = 173,774 Higher percentage of women, and of those aged 65+ than general population

### Strategic Partnerships

A strategic partnership is a specific, defined type of partner relationship. Strategic partnerships imply a mutually beneficial, working relationship in which both parties are likely to contribute funds, time and other assets. By definition, the relationship between the Hub and HPCDP is a strategic partnership.

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<sup>7</sup> Estimate based on general Medicaid population data from the 2004 Oregon Medicaid Health Risk and Health Status Survey.

<sup>8</sup> Source: 2009 PEBB/OEBB Survey of State Employees.

<sup>9</sup> Source: Medicare Advantage 2010 Data Spotlight: Plan Enrollment Patterns and Trends, Kaiser Family Foundation (<http://www.kff.org/medicare/upload/8080.pdf>)

It is important to differentiate between the HPCDP-Hub strategic partnership and relationships between the Hub and its many contractors and customers. Contractor and customer relationships are centered on a specific exchange of value (in this instance, payment in exchange for workshops). They are subject to termination should one party not live up to its part of the exchange.

As the Hub develops, additional strategic partnerships may be needed, most likely as a means to develop new revenue streams or to deliver workshops to a new target market. For example, should efforts to have Living Well reimbursed by Medicaid dollars come to fruition, the federal Centers for Medicare & Medicaid Services would be a potential strategic partner.

### *Public Relations*

Public relations is the communications process an organization maintains to foster a positive public image and presence. Public relations underlie all marketing efforts.

HPCDP has invested a great deal of time and resources to build awareness of Living Well workshops in Oregon. HPCDP has promoted the brand, promoted brand and program awareness and developed positive relationships with important stakeholders in the political realm (i.e., key state legislators, committee members, Governor's office staff) and within Oregon Health Authority administration. These public sector audiences are important for the Hub to maintain a positive image and presence.

Health system administration, providers and payers are also important audiences. The Hub and HPCDP will work together to develop and maintain relationships and ongoing communications that promote Living Well workshops and their attendant outcomes to the various audiences.

### *Outreach Strategies*

Marketing is understanding and satisfying the needs and interests of the market. It refers to the outreach strategies used to reach and engage target markets.

Initially, the Hub's outreach strategies are fairly straightforward and focus on understanding and satisfying the needs of the target market of health system payers:

- Regular, one-on-one, in-person meetings and communication;



- Discussing Living Well return on investment in terms of the metrics most important to the payers;
- Understanding logistical and structural needs and restrictions;
- Developing customized product proposals; and
- Using account management approach to ensure ongoing, regular, relevant communication.

Important outreach tools during this initial stage will include:

- A revamped website with information that speaks directly to the target markets;
- Marketing materials that detail research and healthcare cost outcome information;
- Attendance and/or delivery of educational presentations at relevant conferences and meetings (i.e., wherever target market members gather); and
- Conducting a Hub launch, which would serve as an opportunity to get media attention and highlight target market members as healthcare innovators bringing Living Well to their enrollees.

The Hub does not have a great deal of direct competition at present, but the competitive field could change quickly as more organizations find ways to bring products to market that lower healthcare costs. This makes it very important to establish and communicate the Hub's unique niche strongly and consistently: *The Hub provides access to the Living Well workshops at a scale and geographic reach unmatched by any other licensed Living Well provider. It is designed to be uniquely able to meet the demands of Oregon's large healthcare system payers and their need for chronic disease self-management programming.*

Once relationships with the target market are established and customer contracts are secured, the Hub will benefit from developing a more comprehensive strategic marketing plan that considers recruiting local delivery network members, educating healthcare providers to refer patients to Living Well and promoting Living Well to patient populations.

# Finances

## *Estimated Hub Expenses*

<b>Line Item</b>	<b>Year One</b>	<b>Years 2 – 4 (avg.)</b>	<b>Year 5</b>
Stanford License		1,000	2,000
<i>Start Up Expenses</i>			
Software/ hardware		8,000	
Website upgrade	20,000		
Office furniture		6,000	
<i>Annual Operational Expenses</i>			
Website maintenance	2,500	2,500	2,500
Computer system maintenance			2,000
Marketing materials	5,000	5,000	5,000
Rent		6,000	12,000
Office systems (phone, postage, payroll)		5,500	8,500
Meeting expenses	1,000	1,500	2,500
Supplies		1,000	2,000
<i>Staff Expenses</i>			
Salaries		180,000	285,000
Benefits (25% for FT staff)		45,000	75,000
Contractors (accountant, master trainers, etc.)		5,000	20,000
Mileage	500	1,000	2,500
<i>Product Delivery Expenses</i>			
Leader training (\$750/leader trained)	4,278	53,475	176,111
Workshop materials (\$160/workshop)	7,200	74,000	226,400
Payments to network (\$250/participant)	-	800,000	2,750,000
Workshop expenses (\$1200/workshop)	-	384,000	1,320,000
<b>Total Estimated Expenses</b>	<b>69,478</b>	<b>1,842,875</b>	<b>5,310,511</b>

*Estimated Hub Revenues*

Line Item	Year One	Years 2 – 4 (avg.)	Year 5
Turnkey start up fees <sup>10</sup>	\$30,000	\$ 30,000	\$ 60,000
Turnkey annual fees	-	\$32,000	\$ 96,000
Contracted Workshops <sup>11</sup>	-	\$1,600,000	\$5,500,000
Additional Materials sales	\$1,600	\$4,800	\$8,000
Leader Training Slots	-	\$3,000	\$7,500
Workplace wellness contracts (\$7,500)	-	\$7,500	\$22,500
<b>Total Estimated Revenues</b>	<b>\$31,600</b>	<b>\$1,677,300</b>	<b>\$5,694,000</b>
<b>Total Estimated Expenses</b>	<b>\$69,478</b>	<b>\$1,842,875</b>	<b>\$5,310,511</b>
<b>Estimated Net Revenue</b>	<b>(\$37,878)</b>	<b>(\$165,575)</b>	<b>\$383,489</b>

*Pricing Structure*

**A. Turnkey (Franchisee) Delivery**

Two turnkey scenarios were developed based on workshop delivery capacity: a 15 workshop per year turnkey that will reach 150 to 180 participants annually and a high capacity turnkey model that will deliver 30 workshops per year and reach 300 to 360 participants annually. Larger urban CCOs will be primary customers in the high capacity model.

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<sup>10</sup> Based on turnkey implementation schedule on page 28.

<sup>11</sup> Based on contracted workshop implementation schedule on page 28.

**Sample 15-Workshop Budget for Turnkey Franchise Operation**

<b>Line Item</b>	<b>Amount</b>
Staffing - Coordinator (.5 FTE)	\$17,000
Staffing - Leaders (.5 FTE)	\$17,000
Workshop Expenses (food, mileage)	\$10,100
Promotional materials	\$2,000
Annual Franchise Fee	\$8,000
Overhead (supplies, office, etc.) - 20%	\$9,000
<b>Total</b>	<b>\$63,100</b>

This scenario leaves approximately .2 FTE of paid staff time available for other tasks such as tobacco cessation support.

**Turnkey Pricing**

<b>Support Provided (Annual)</b>	<b>15-Workshop</b>	<b>30-Workshop</b>
Start Up Franchise Support Fee	\$14,000	\$16,000
Sets of workshop materials (10)	15	30
Leader Training slots	3	3
Hours of technical assistance	100	100
Covered by Hub's Stanford license	Yes (up to 15)	Yes (up to 30)
Annual Franchise Support Fee	\$8,000	\$12,000
Sets of workshop materials (10)	15	30
Leader Training slots	1	2
Hours of technical assistance	60	60
Covered by Hub's Stanford license	Yes (up to 15)	Yes (up to 30)

## B. Contracted Delivery

The contracted delivery scenario was developed based upon delivering blocks of ten workshops, with an average of ten participants per workshop or 100 participants total per workshop block. The differential between pricing per completer and payment per completer generates income to support the Hub's business functions. Contracted delivery customers receive:

- A set amount of workshop slots for their enrollees;
- Workshop materials;
- Workshops led by trained, licensed workshop leaders;
- Sample marketing and promotional materials;
- Ten hours of promotional consultation per 100-participant block; and
- Access to the technical and administrative infrastructure of the Hub to smoothly coordinate workshops and billing and payment processes.

### *Contracted Delivery Pricing*

- \$500/completer; \$50,000 for blocks of 100 completers

### *Contracted Delivery Payment*

- \$250/completer

### *Contracted Delivery Customers*

In order to allow adequate time to build the Hub's relationships and internal systems, sales of contracted delivery will not begin until year two of business plan implementation. The Public Employees Benefit Board, Oregon Educators Benefit Board and larger CCOs will be primary customers in year two. It is anticipated that one of the top three Medicare Advantage plans will come on board by year four or five of business plan implementation.

**Product and Participant Growth Projections**

Product	Year 1		Year 2		Year 3		Year 4		Year 5	
	# of Prod.	# of Part.	# of Prod.	# of Part.	# of Prod.	# of Part.	# of Prod.	# of Part.	# of Prod.	# of Part.
Turnkey start-up (15 workshop)	1	160			1	160	1	160	2	320
Turnkey start-up (30 workshop)	1	320	1	320	1	320	4	1,280	6	1,920
Turnkey annual (15 workshop)			1	160	1	160	2	320	3	480
Turnkey annual (30 workshop)					3	960	2	640	2	640
Contracted delivery (10-workshop blocks)			13	1,300	25	2,500	57.5	5,750	110	11,000
Total Participants		480		1,780		4,100		8,150		14,360

## Implementation

Implementation of this business plan will take place over time; budget projections allow for a five-year implementation period. This approach gradually transitions HPCDP out of the role of central organizer of Living Well in Oregon into the role of strategic partner. Simultaneously, the Hub is created and taken to scale to fulfill its core functions.

Implementation tasks can be organized into four categories:

- *Target Market:* cultivating relationships with and securing commitment from members of the target market
- *Workshop Capacity:* evaluating, expanding and delivering sufficient level of Living Well workshops to meet demand (right number, right place, right time)
- *Providers and Participants:* developing messages and materials and supporting customers to promote Living Well to healthcare providers (to drive referrals) and to their enrollees (to drive workshop participation)
- *Central Infrastructure:* building the Hub as a strong, sustainable organization

The table on the following page outlines the suggested sequence of implementation.

**Implementation Action Steps by Category**

Timeframe	Current Situation	Year 1	Years 2-4	Year 5
Target Market	<ul style="list-style-type: none"> <li>• HPCDP maintains relationship with PEBB and DMAP (Medicaid office)</li> <li>• No relationship with Medicare Advantage Plans</li> <li>• No relationship with CCOs (new)</li> </ul>	<ul style="list-style-type: none"> <li>• Begin marketing efforts to Medicare Advantage plans and recruit one turnkey and secure one large CCO as a contracted delivery customer</li> </ul>	<ul style="list-style-type: none"> <li>• Develop one to two new turnkeys per year</li> <li>• Secure PEBB and one of the top three Medicare Advantage plans</li> <li>• Grow CCO customer base</li> </ul>	<ul style="list-style-type: none"> <li>• The Hub is responsible for retaining target market customers and recruiting new customers</li> <li>• Customer retention rate is high</li> </ul>
Workshop Capacity	<ul style="list-style-type: none"> <li>• HPCDP offers leader training and recruits delivery partners</li> <li>• Delivery partners decide number and location of workshops depending on funding and demand</li> </ul>	<ul style="list-style-type: none"> <li>• Support turnkeys during start-up phase</li> <li>• Communicate changes to delivery partners</li> <li>• Build systems to track workshop capacity needs</li> </ul>	<ul style="list-style-type: none"> <li>• Systematically recruit local delivery network members to meet demand</li> <li>• Test/ refine systems</li> <li>• Support turnkeys</li> <li>• Recruit individual leaders</li> </ul>	<ul style="list-style-type: none"> <li>• The Hub evaluates workshop demand; provides leader training/ recruits network members; coordinates distribution of workshop capacity</li> </ul>
Providers/ Participants	<ul style="list-style-type: none"> <li>• Delivery partners recruit participants directly; a few educate providers about Living Well</li> </ul>	<ul style="list-style-type: none"> <li>• Develop materials for turnkey use in educating providers/ participants</li> <li>• Work with CCO customers to create promotional approach</li> </ul>	<ul style="list-style-type: none"> <li>• Refine promotional materials</li> <li>• Complete the Hub strategic marketing plan, begin implementation</li> <li>• Use network members in promotional efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Turnkeys educate providers/ recruit participants directly</li> <li>• Contracted delivery customers promote Living Well to enrollees/ providers</li> </ul>
Central Infra-structure	<ul style="list-style-type: none"> <li>• HPCDP maintains website and 800 number; holds license and provides technical assistance, etc.</li> <li>• Delivery partners participate in work groups</li> </ul>	<ul style="list-style-type: none"> <li>• Revamp website</li> <li>• Share plan with current partners; get input</li> <li>• Draft contracts and data sharing agreements</li> <li>• Identify Hub CEO</li> </ul>	<ul style="list-style-type: none"> <li>• Create partnership agreement</li> <li>• Develop financial and administrative systems</li> <li>• Begin hiring staff</li> <li>• Office gets Stanford license</li> </ul>	<ul style="list-style-type: none"> <li>• The Hub is fully staffed and functional (processing payments, executing contracts, tracking data, providing workshop capacity)</li> </ul>



## Conclusion

The timing is right to develop the Hub and significantly increase access to evidence-based chronic disease self-management workshops to Oregonians with chronic conditions. Oregon's public health and health systems are focused on systems change, and many of these systems changes affect how healthcare dollars are spent and on what approaches those dollars are focused. As health system transformation progresses, systems are developing an increased focus on preventing and reducing the burden of chronic disease and containing costs. Living Well offers a promising response to this trend by delivering potential cost savings and improved health outcomes for participants.

The term *serendipity*, first coined by Horace Walpole in 1754, was inspired by a fairy tale about three princes from Serendip who were always making discoveries, by accident and sagacity. This term describes Oregon's current situation quite well; the combined sagacity of HPCDP and leaders in the Public Health Division and Oregon Health Authority administration and delivery partners who recognize the potential impact of chronic disease self-management have positioned Living Well workshops as a well-known, respected intervention. This is enhanced by the "accident" – or perhaps the fortuitous timing – of the paradigm shift underway within the health care service delivery system.

To take advantage of this moment – to truly bring access to Living Well workshops to scale for increased financial sustainability and increased impact – the product must become integrated into the transforming health system. Centralizing workshop coordination, marketing and administration through the Hub; standardizing workshop delivery methods; and growing workshop delivery capacity through the local delivery network and leaders embedded in turnkeys will do this in a sustainable way that ensures impact for the long term.

# Appendix 1: Interviewees and Advisors

## Program Delivery Partners (Living Well Network)

- Maria Benavides, Yakima Valley Farm Workers Clinic\*
- Scott Bond, Oregon Cascades West Council Of Governments
- Don Bruland, Rogue Valley Council Of Governments\*
- Marilyn Carter, Douglas County Health & Social Services
- Tatiana Dierwechter, Benton County Health Department\*
- Melissa Dilley, Providence Health & Services
- Lavinia Goto, Willamette Valley Providers Health Authority
- Linda Graham, Tuality Healthcare
- Brenda Johnson, Deschutes County Public Health
- Tom Machala, Jefferson County Public Health Department\*
- Lonny Mayeda, Jackson County Mental Health Services
- Laura Sisulak\* and Carol Hansen Hills, Oregon Primary Care Association
- Jana Kay Slater, Samaritan Health Services\*
- Elizabeth Takahashi, Multnomah County Health Department

## Oregon Health Authority/Department of Human Services Program Staff

- Danna Drum, Jane Moore, Cara Biddlecom and Laura Chisholm, Health Promotion and Chronic Disease Prevention
- Dr. Mel Kohn, State Health Officer and Director, Public Health Division
- Dr. Bruce Gutelius, Deputy State Epidemiologist, Public Health Division\*
- Jennifer Mead and Elaine Young, DHS - State Unit on Aging

## Partners, Stakeholders, and Experts

- Dr. Carlos Crespo, Portland State University School of Community Health
- Dr. Bob Dannenhoffer, Physicians of Douglas County
- David Fischer, Oregon Health Authority Addictions and Mental Health Division
- Rod Hart, The ODS Companies\*
- Mary Lou Hennrich, Oregon Public Health Institute\*
- Joan Kapowich\* and Margaret Smith-Isa, Public Employees Benefits Board/Oregon Educators Benefits Board

- Linda Lang, Oregon Association of Hospitals and Health Systems\*
- Erinn Kelly-Seil\* and Pat Davis-Salyer, Oregon Department of Human Services
- Kristie Patton, National Council on Aging
- Barbara Prowe, Oregon Coalition of Healthcare Purchasers\*
- Rebecca Ramsay, CareOregon\*
- Dr. Wally Shaffer and Chris Barber\*, OHA Division of Medical Assistance Programs
- Lillian Shirley, Multnomah County Health Department
- Nancy Whitelaw, National Council on Aging

\*Denotes participants in March 19, 2012 stakeholder input meeting.

## Appendix 2: Patient Population Details

### Medicaid (Coordinated Care Organization) Population

Demographic	Number
Total number of Medicaid insured individuals <sup>12</sup>	637,673
Estimated percent of total Medicaid population (#) with chronic conditions <sup>13</sup>	59% (376,227)
Percent of total Medicaid population (#) Latino	22% (141,502)
Estimated number of Latinos with chronic condition (22%)	83,522
Percent of total Medicaid population (#) female	56% (35,084)
Percent of total Medicaid population (#) aged 65+	6.7% (42,523)

#### *Geographic distribution:*

- 73 percent in urban counties (470,404)
- 27 percent in rural counties (166,855)

Chronic conditions data listed here only include cardiovascular disease, arthritis, asthma and diabetes, so the actual number of OHP members with chronic conditions is likely much higher.

#### *Implications for Living Well/Tomando Control*

- Higher than average Latino population (22 percent vs. 12 percent statewide) indicates the need for both Living Well and Tomando Control workshops for this population.
- The health system transformation legislation passed in March 2012 is fundamentally changing how Oregon's Medicaid population is served. Given that CCO entities are only now being created, it is too soon to predict exactly

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<sup>12</sup> Demographic information data source: Oregon Health Authority, July 2011.

<sup>13</sup> Chronic conditions data source: Oregon Medicaid Health Risk and Health Status Survey, 2004.

how they would incorporate Living Well into their model of care; however the overlap between the CCO focus on prevention and cost containment and the outcomes of Living Well make a strong case for building workshops into the basic benefits structure.

- The new CCO structure is intended to provide a high degree of autonomy and decision making authority at the local/regional level, so local workshop delivery partners may have an opportunity to influence decisions about services and benefits.

## PEBB/OEBB Population<sup>14</sup>

Demographics	PEBB	OEBB	Total
Total number of insured individuals	49,172	51,282	100,454
Estimated percent with chronic conditions	33%	31%	
Estimated number with chronic conditions	16,227	15,897	32,124
Number of Latino insured individuals	1,7521	1,949	3,670
Estimated number of Latino insured individuals with chronic conditions	568	604	1,172

The majority of PEBB-insured individuals reside in or near Portland and Salem. By comparison, OEBB-insured individuals are more evenly distributed around the state. In the past, the annual turnover rate for state government employees has been approximately ten percent.<sup>15</sup>

Data presented here only include cardiovascular disease, arthritis, asthma and diabetes, so the actual number of PEBB and OEBB members with chronic conditions is likely much higher. PEBB has already indicated interest in Living Well workshops, has test piloted the Better Choices, Better Health online self-management program with their early retiree members, and is willing to actively promote Living Well to its members.

### *Implications for Living Well/Tomando Control:*

- Lower than average Latino population (3.5 percent for PEBB and 3.8 percent for OEBB vs. 12 percent statewide) indicates limited demand for Tomando Control workshops for this population.
- Turnover rate is relatively low; this implies that PEBB and OEBB can consider ROI over a longer timeframe and therefore may realize more cost savings over time.
- Given that PEBB and OEBB are public payers with private companies as its insurance carriers, serving the PEBB/OEBB population with Living Well

<sup>14</sup> Source: 2009 PEBB/OEBB Survey of State Employees.

<sup>15</sup> Source: Legislative Fiscal Office, Budget Information Report, July 2004

workshops may provide an opportunity to develop business relationships between the Hub and private insurers.

## Medicare Advantage Population<sup>16</sup>

Demographics	Number
Total number of Medicare Advantage insured individuals	254,056
Percent of total Medicare population enrolled in Medicare Advantage plans	41%
Number of Medicare Advantage providers in Oregon (2012)	21
BRFSS prevalence of self-reported conditions (arthritis, asthma, cardiovascular disease or diabetes)	68%
Estimated number of Medicare Advantage insured individuals with one of these chronic conditions	173,774

Nationally, Medicare Advantage (MA) plan enrollees tend to be more prevalent in urban areas. The MA market is becoming more concentrated; from 2009 to 2010, the total number of plans decreased by 18 percent. In Oregon, the top three providers hold a 51 percent market share:

- The Regence Group – 20%
- Kaiser Permanente – 15%
- Providence Health Plans – 15%

Data presented here only include MA members with cardiovascular disease, arthritis, asthma and diabetes, and conditions are self-reported rather than based upon claims.

The actual number of individuals with chronic conditions is likely much higher.

Traditionally, Medicare Advantage has been most attractive to moderate-income individuals who are less likely than higher-income beneficiaries to have access to employer-sponsored retiree health benefits, and less likely than lower income beneficiaries to qualify for Medicaid. Nationally, Medicare Advantage enrollment increased 6 percent between 2009 and 2010.

### *Implications for Living Well/Tomando Control*

- Current turnover rates are not available. However, as plans consolidate and enrollment increases, turnover is likely to decrease and ROI will be longer.
- The majority of enrollees are most likely located in Oregon’s urban counties.

<sup>16</sup> Source: Medicare Advantage 2010 Data Spotlight: Plan Enrollment Patterns and Trends, Kaiser Family Foundation (<http://www.kff.org/medicare/upload/8080.pdf>)