Regional Care Organizations

Healthcare Model Overview

Regional Care Organizations (RCOs) are local provider and community led organizations that collectively accept accountability for the overall quality and total cost of patients' care. TCOs differ from other healthcare models in that they must also invest in social determinants of health through a formal partnership with social service and community groups. They often seek to spend healthcare dollars on programs that are not traditionally considered "medically necessary" services, such as mold remediation and food security, as these factors significantly influence health outcomes. RCOs generally operate on a full capitation payment system. They also rely on a strong technology infrastructure that provides meaningful data to conduct population level analyses to understand and attribute value within their system and to appropriately allocate financial incentives.

Several states have implemented innovative healthcare models similar to Regional Care Organizations, including Colorado, Oregon, and North Carolina. All are realizing positive results in health outcomes and cost savings. Along with creating networks of providers and using health information technology to better coordinate care, these states formally integrated social services and community agencies in the healthcare delivery system to address social determinants of health. In fact, RCO governance structures that include both community and healthcare entities taking responsibility for patient health improvements is one of the most critical aspects to this model's success. Although the states have different healthcare delivery models and payment arrangements, all were established with the goal of improving quality of care and containing costs for the state Medicaid population.

Some of the accomplishments from these states' healthcare innovation and transformation efforts include:

- Colorado reported $100 million in total savings for the state's Medicaid program for 2013-2014[1]
- Oregon has reported decreases in emergency room visits (21%) and hospital admissions for chronic obstructive pulmonary disease (48%) for its enrolled population[2]
- Oregon estimates that they will save between $57 and $114 million in healthcare costs in the coming year[3]
- From 2003 to 2012, the North Carolina CCNC program saved approximately $78 per quarter per beneficiary for non-elderly, non-Medicaid members[4]

The Case for RCOs in Oklahoma

Oklahoma is in very poor health, ranking amongst the lowest in the nation in health outcomes. These outcomes result from a complex interplay of challenges in the healthcare environment, unaddressed social determinants of health, poor lifestyle behaviors from many of its residents, and, critically, a system that treats them as diagnoses rather than as a whole person. Leading healthcare environment challenges include provider shortages, medically underserved regions, and problems accessing care. Housing, food insecurity, and a lack of transportation are among the most critical unaddressed social determinants, and impactful behavioral aspects include tobacco use, poor nutrition, and a lack of physical activity, among others. For state-purchased healthcare in particular, which consumes a greater percentage of the state budget annually, this situation is unsustainable.

As an attempt to address many of these factors, Oklahoma proposes to transition its current health care system to a Regional Care Organization model. The flexibility of the RCO approach uniquely positions it to address the complexity of the factors contributing to negative health outcomes in the state. Rather than downplaying patients' life circumstances, RCOs emphasize the broader environmental, socio-demographic, and behavioral factors affecting health outcomes. Their flexibility enables them to deliver non-medical services alongside medical benefits, removing the barriers to effective care and ameliorating the root causes of many conditions. This perspective will be critical to developing innovative and personalized solutions to the obstacles that Oklahomans face to leading healthier lives.

State Examples – Case Studies in Regional Care Organizations

The Accountable Care Collaborative
Colorado

Colorado's Accountable Care Collaborative (ACC) is a series of regionally defined care delivery entities for the state's Medicaid population. Each entity includes a primary care provider network, a Regional Care Collaboration Organization (RCCO) for provider and member support, and the State Data Analytics Contractor (SDAC), which provides actionable data for primary care providers and the RCCOs. The ACC operates under a traditional fee-for-service payment structure, but also includes a per member per month payment that is split between the RCCO, primary care providers, and the SDAC. Colorado's ACCs allow the RCCOs to coordinate with primary care providers to improve health outcomes through patient-centered care that also controls costs by reducing duplicative, excessive, and inappropriate use of health care resources.

Coordinated Care Organizations
Oregon

Oregon's Coordinated Care Organizations (CCOs) are regionally defined, fully capitated networks of providers that work in conjunction with community organizations. Oregon's CCOs utilize an integrated care delivery model on behalf of network providers where the CCO assumes primary accountability for health outcomes, costs, and patient care. The provider networks also work closely with community organizations to provide support in addressing patients' social determinants of health. The CCOs share a common set of clinical quality measures that determine the amount of shared savings each organization is eligible for based on outcomes. The individual CCOs can operate under a variety of alternate payment arrangements. Unique to Oregon's model is the inclusion of the community advisory council which helps the governing board better understand the needs of the local population related to health care and social determinants of health. Oregon started the CCO program for the state's Medicaid population in 2012 and has included state employees in the plan since 2015.

Community Care
North Carolina

Community Care of North Carolina (CCNC) is a statewide care coordination infrastructure for Medicaid enrollees founded on the primary care medical home model. Each local network facilitates partnerships among essential local providers including hospitals, county health departments, social services, and primary care physicians. Every patient is assigned a care manager who coordinates their overall care, while a central agency manages the program's data to monitor performance. The CCNC model currently works with fee-for-service payments with an additional per member per month payment to assist with care coordination efforts.

End Notes & Citations

1 – Creating a Culture of Change: Accountable Care Collaborative 2014 Annual Report, Colorado Department of Healthcare Policy and Financing
2 – http://www.oregon.gov/oha/OHPB/healthreform/docs/cco-fin-analysis-exec.pdf
3 – http://www.oregon.gov/oha/Metrics/Documents/2014-Final-Report-June-2015-ADA-Accessible.pdf
4 – Community Care of North Carolina Financial Audit August 2015, North Carolina Department of Health and Human Services, Division of Medical Assistance