

Analysis

Oregon Health Authority

Oregon Educators Benefit Board Reform Options Report

Analyst: Linda Ames

Request: Acknowledge receipt of a report on Oregon Educators Benefit Board reform options.

Recommendation: Approve the request.

Analysis: A budget note was included for HB 5030 (2013) that directed the Oregon Educators Benefit Board (OEBB) to form a workgroup to consider and prepare a report on payment and delivery reform options and transparency in health care costs. The workgroup met several times, and included members representing the OEBB Board, the insurance carriers serving OEBB, hospitals and health systems, physician groups, and individuals receiving benefits from OEBB.

Payment and Delivery Reform Options

More than 64% of OEBB members use medical homes for their primary care. Under Moda Health, members who use Patient-Centered Primary Care Homes can reduce their out-of-pocket costs. Kaiser Permanente also provides care under that model. Moda Health also implemented a medical home model that focuses on the highest cost patients. The workgroup recommended that these types of strategies continue.

Informed Choices and Transparency in Out-Of-Pocket Costs

OEBB has implemented the Informed Enrollment tool, allowing members to compare the costs of each of the medical plans available, in order to make more informed decisions about which plan to choose. The workgroup also discussed several pricing tools that are available through insurance carriers and the Oregon Hospital Association. The workgroup recommended that OEBB evaluate these tools to determine if they could meet the needs of OEBB members interested in researching costs of health care services. The workgroup was specific that quality should be taken into account as well as costs. The workgroup also recommended that OEBB develop guidelines for price transparency and include that in contractual agreements.

Health Care Data and Baseline for Health Care Costs

The workgroup reviewed a recent report regarding hospital costs. The report looked at potential savings if hospital payments allowed were tied to some percentage of Medicare rates. The workgroup also reviewed cost and utilization data for OEBB over the last four years. The data shows that costs were generally increasing over that period, although moderating during 2012-13. More than 40% of the overall costs are associated with hospital costs. On the other hand, utilization of services has been decreasing and is expected to continue to decrease in the future.

In this short timeframe, the workgroup was unable to examine other payment methodologies, and recommended that OEBB continue to work with stakeholders on other methodologies and strategies, and report back to the 2015 Legislature.

The Legislative Fiscal Office recommends acknowledging receipt of the report.