

# Medicaid Funding Package 2015

## Package Development

The Medicaid funding package reflected in the proposed budget was developed through a public-private process led by the Oregon Health Leadership Council. OHLC is a collaborative organization of hospitals, health systems, medical clinics, CCOs and insurers working to develop practical solutions to reduce the rate of increase in health care costs and premiums.

## OHLC Principles Reflected in Package

- Maintain momentum and incentives to continue transformation efforts – ultimately the best means to bend cost curve.
- Build financing model based on existing framework – hospital tax, general fund commitment, quality pool.
- Invest in transformation as much as possible under federal agreement.
- Align collaborative efforts and metrics of all stakeholders.

## Package Summary

- Current budget proposal provides a total of \$13.1B in Total Funds for the Medicaid Budget for the 2015-2017 biennium.
- Senate Bill 5526: Funds the Medicaid budget at the 3.4% per person growth rate in Oregon's waiver agreement with the Federal Government.
- House Bill 2395: Renews the existing hospital tax program for 4 years. Retains and funds the transformation performance programs for hospitals and CCOs for the period of the agreement.
- House Bill 2395: Continues the successful contracting framework between CCOs and hospitals (non-par rate).

### Key Revenue Sources 2015-2017

- \$10B Federal Matching Funds
- \$1B Hospital Tax
- \$1.217B General Funds
- \$137M Tobacco Master Settlement Agreement (TMSA)

## Transformation 101

- There are 16 coordinated care organizations (CCOs) throughout Oregon, serving more than one million Oregonians. These CCOs:
  - Are locally governed by a partnership between health care providers, community partners, consumers and those taking financial risk.
  - Manage a global budget that includes behavioral, physical, and dental healthcare.
  - Accountable for meeting performance standards and quality health outcomes.

**Please support HB 2395 and SB 5526  
the Medicaid Funding Package**

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