

## A Basic Health Program Makes Sense for Oregon



An Oregon Basic Health Program would improve the lives of low-income working families. It would expand health insurance coverage, provide better benefits, improve household economic security and build on Oregon's recent coordinated care innovations. Oregon could achieve all of this at little or no cost to the state.



### The problem: Still too many uninsured Oregonians

Despite great progress, too many Oregonians remain uninsured. *About 17 percent of low-income adults eligible for marketplace coverage lack insurance.* They include working Oregonians not covered through their job and legally-present immigrants excluded by federal law from recent reforms. For these Oregonians with modest incomes, marketplace coverage remains too expensive, even with generous federal subsidies.



The lack of insurance harms Oregon families and the state. It puts Oregonians at risk of poorer health, increases the economic vulnerability of families, imposes unnecessary health system costs and undermines worker productivity.



### The solution: A Basic Health Program

Basic Health is an option states have under the Affordable Care Act for insuring residents between 138 and 200 percent of the federal poverty line. Basic Health would offer group insurance, providing lower- or no-cost coverage. It would be funded with the federal dollars that would have gone to subsidizing the group's marketplace coverage.



### The benefits: A long list

**Increased and improved coverage.** Under Basic Health, some 10,000 low-income Oregonians would gain health insurance. If operated through the Oregon Health Plan, an additional 56,000 low-income individuals previously in commercial plans would gain insurance covering more services critical to their health, such as adult dental care.



**Improved economic security.** About 56,000 Oregonians would see their health insurance costs shrink or disappear. These families, likely living paycheck-to-paycheck, would save on average \$1,600 per year.



**Improved provider reimbursements and strengthened CCOs.** Oregon could design Basic Health to allow higher Coordinated Care Organization (CCO) provider payments. Stronger provider participation in CCO networks could result.



**Reduced "churn."** If operated through CCOs, Basic Health would lower by 29 percent the rate individuals change between public and marketplace plans due to changes in income ("churn"), reducing disruptions in their care and lowering administrative costs.



**A stable marketplace.** Though Basic Health would reduce Oregon's health insurance exchange by one third, the marketplace would remain stable. Premiums would increase slightly, by 1 percent for higher-income households, with coverage rates unaffected.



### Cost? Little or nothing

Oregon could implement a Basic Health Program at little or no cost to the state. The federal dollars that would otherwise go toward marketplace subsidies for the eligible group would pay for the bulk of the program. Those funds, plus smart design choices that save the state money, could mean a program that pencils out at no cost to the state.



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