



February 5, 2016

The Honorable Mitch Greenlick
Chair, House Committee on Health Care
State Capitol
Salem, Oregon 97301

RE: House Bill 4017, Basic Health Plan

Dear Representative Greenlick and members of the committee:

Providence Health & Services fundamentally believes that access to health care is a basic right. We strongly support efforts that continue to increase access to health care for all Oregonians, as evident in our support for the COFA premium assistance program proposed this session. In no way should our concerns about the Basic Health Plan lead people to believe we are opposed to pursuing programs that increase the number of covered lives or make insurance more affordable for individuals with no access to subsidies.

Our concern with House Bill 4017 is that it goes far beyond addressing the direct need of uninsured individuals and potentially puts the broader state and public health care market at-risk in the following ways:

- **Legislative approval is not required** to determine if the details of the BHP Blueprint and necessary waivers set forth in this bill are appropriate or viable. A significant concern when the result is a new state insurance program that would expand coverage to over 25,000 lawfully present immigrants and require 46,000 individuals served by the insurance exchange to forgo federal subsidies and select a new, standard plan.
- **The deficit incurred by the state could be significant** as the annual projections range from \$1.6 million - \$119.1 million¹. These projections may even be conservative, since they were based on scenarios requiring health care providers to take significant downside risk and proposed dash two and five amendments appear to raise provider reimbursement - making it unclear how that additional financial gap would be resolved.
- **Creates instability in the individual market** by removing 46,116 individuals, or 42.9% of enrollees, currently covered by the insurance exchange and receiving federal subsidies. Carving out this many lives could have a significant impact on the risk profile and therefore insurance premiums of individuals remaining in the individual market.
- **Substantial unknowns exist** including the technical feasibility of facilitating a basic health plan on the federal exchange platform, the two other states with BHP Blueprints approved by CMS both operate independent exchange websites that are integrated with their Medicaid enrollment platform. Additionally, as proposed this bill would require Oregon to seek two federal waivers, in addition to our Medicaid waiver we are currently working to renegotiate.

¹ HB 2934—Oregon Basic Health Program (BHP) Stakeholder Advisory Group: Recommendations, the Oregon Health Authority, November 2015

While we recognize there continue to be challenges for individuals, even when they are able to access Advance Premium Tax Credits, existing support mitigates their risk. This individuals receive subsidies on their insurance premium and Cost Sharing Reductions which lower maximum out-of-pocket costs, coinsurance, copays and deductibles. There are also premium assistance programs, like that administered by Project Access NOW, which provide additional assistance without creating risk in the market. And, if out-of-pocket expenses still exist after a health care event, Providence has increased charity care thresholds to 200% FPL, further limiting the hardship.

There is no question that we need to address coverage for individuals going without health care insurance due to the logistics of their legal immigration status. But as proposed, HB 4017 goes further than addressing this issue and creates serious concern about the financial sustainability of a basic health plan.

Providence supports increasing access to health care coverage and is anxious to engage in continued dialogue with proponents about how to meet the remaining unmet need in Oregon. Thank you for the opportunity to provide comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Underriner". The signature is fluid and cursive, with a prominent initial "D".

Dave Underriner
Chief Executive Officer
Providence Health & Services – Oregon