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# The Oregon Health Care Landscape: how we got here and where we are going

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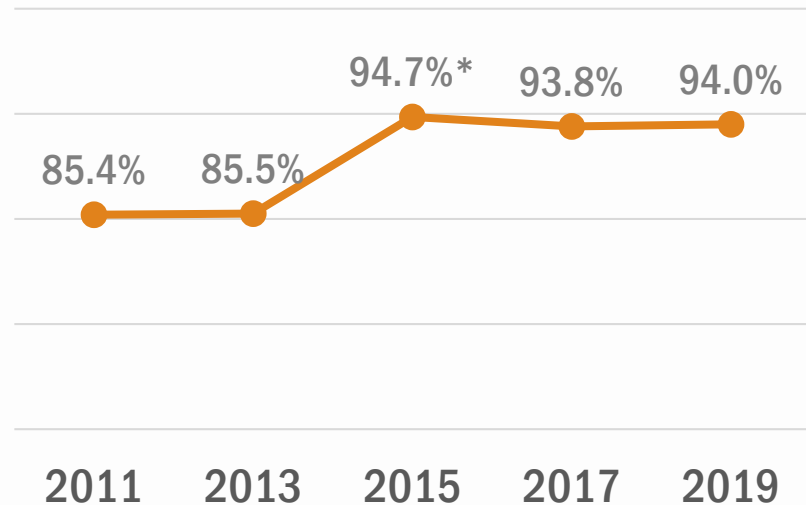
# Today

1. Insurance coverage and costs in Oregon
2. Health care reform efforts
3. The challenge ahead

# **Insurance Coverage & Costs in Oregon**

**Oregon has  
made large  
gains on  
expanding  
coverage...**

**94% of Oregonians are insured**

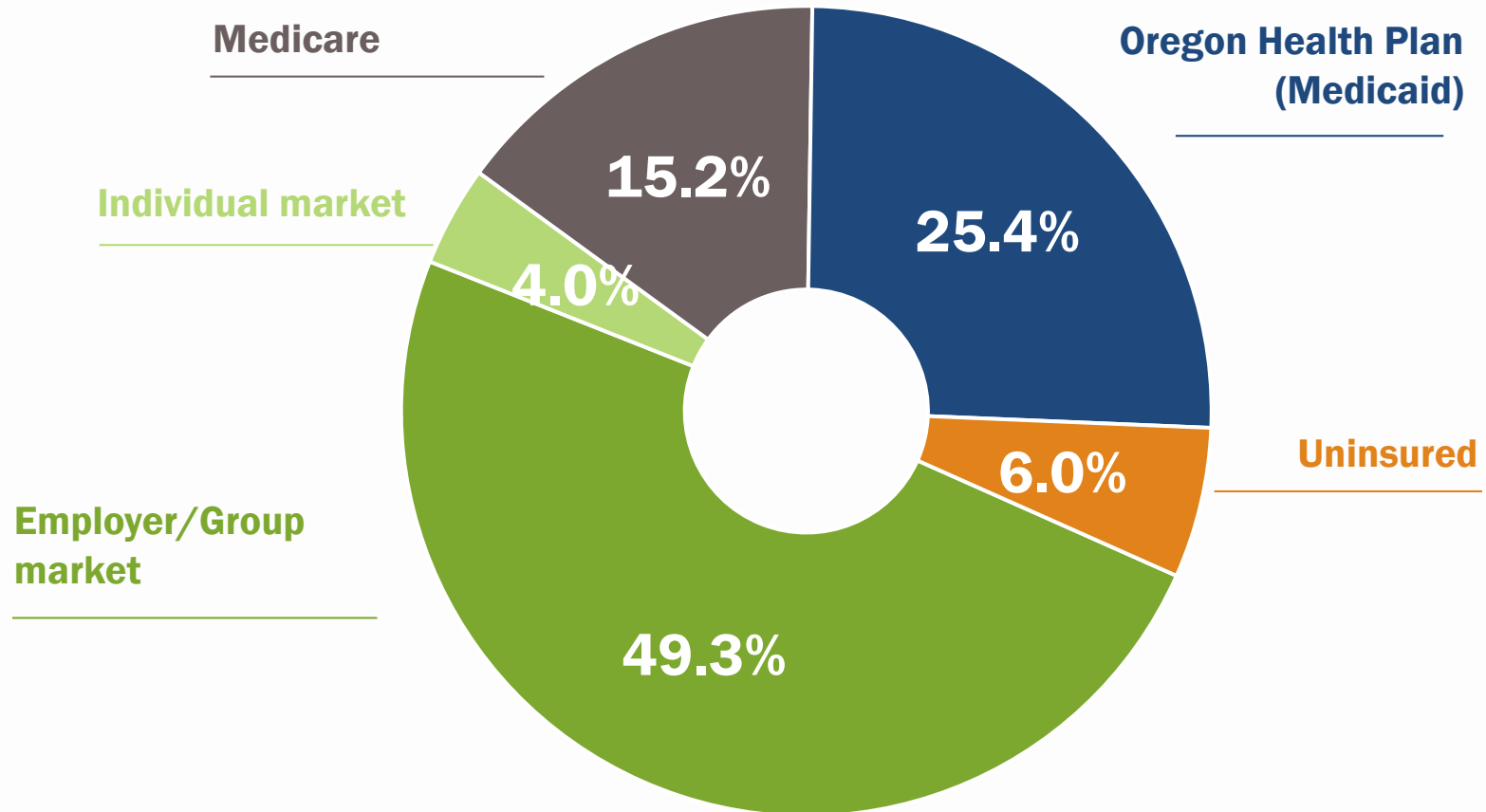


**...but who remains uninsured?**

\*Statistically significant difference from the previous year at 90% confidence level.

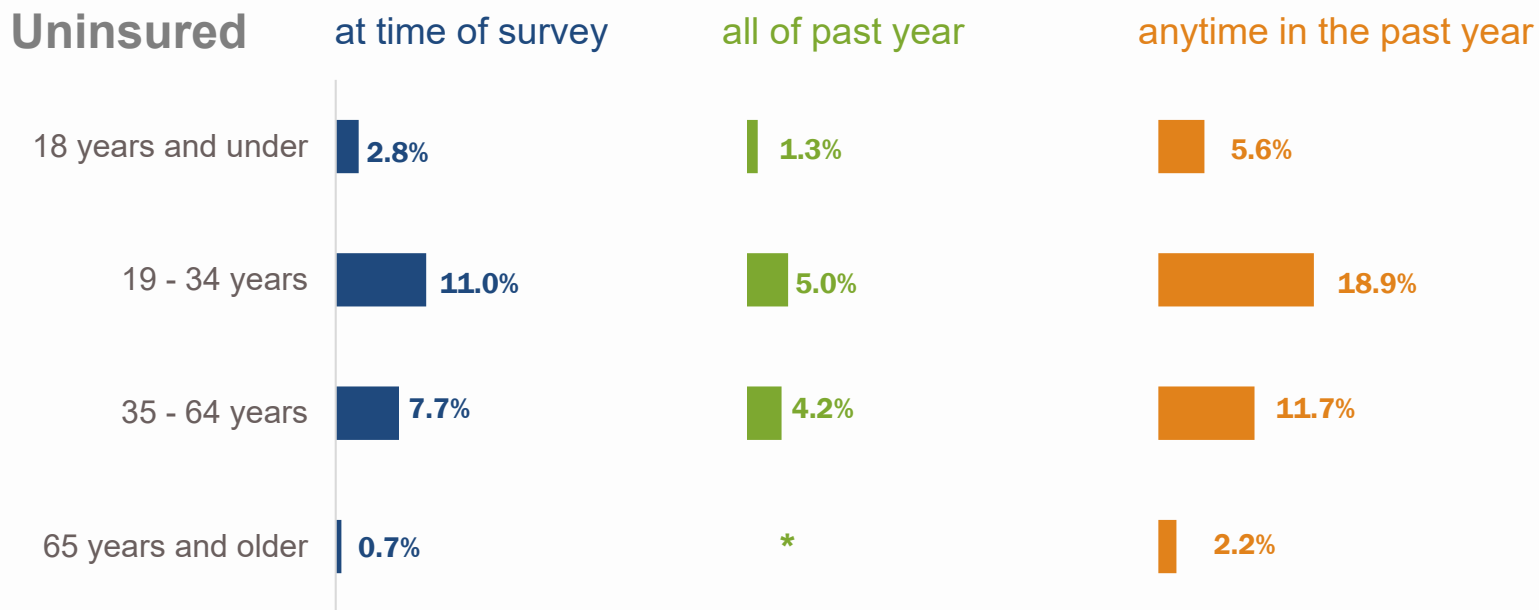
Source: Oregon Health Insurance Survey

# Most Oregonians have health insurance



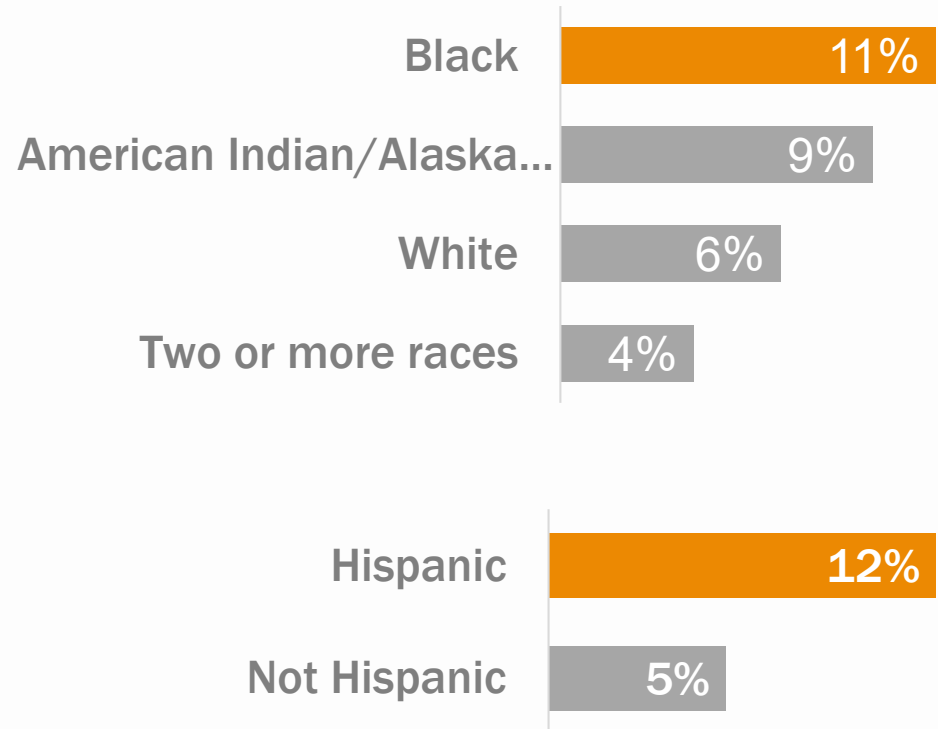
Source: Oregon Health Insurance Survey, 2019

# Over 10% of 19–34-year-olds in Oregon were uninsured in 2019



Source: Oregon Health Insurance Survey  
\*Data suppressed due to small sample size

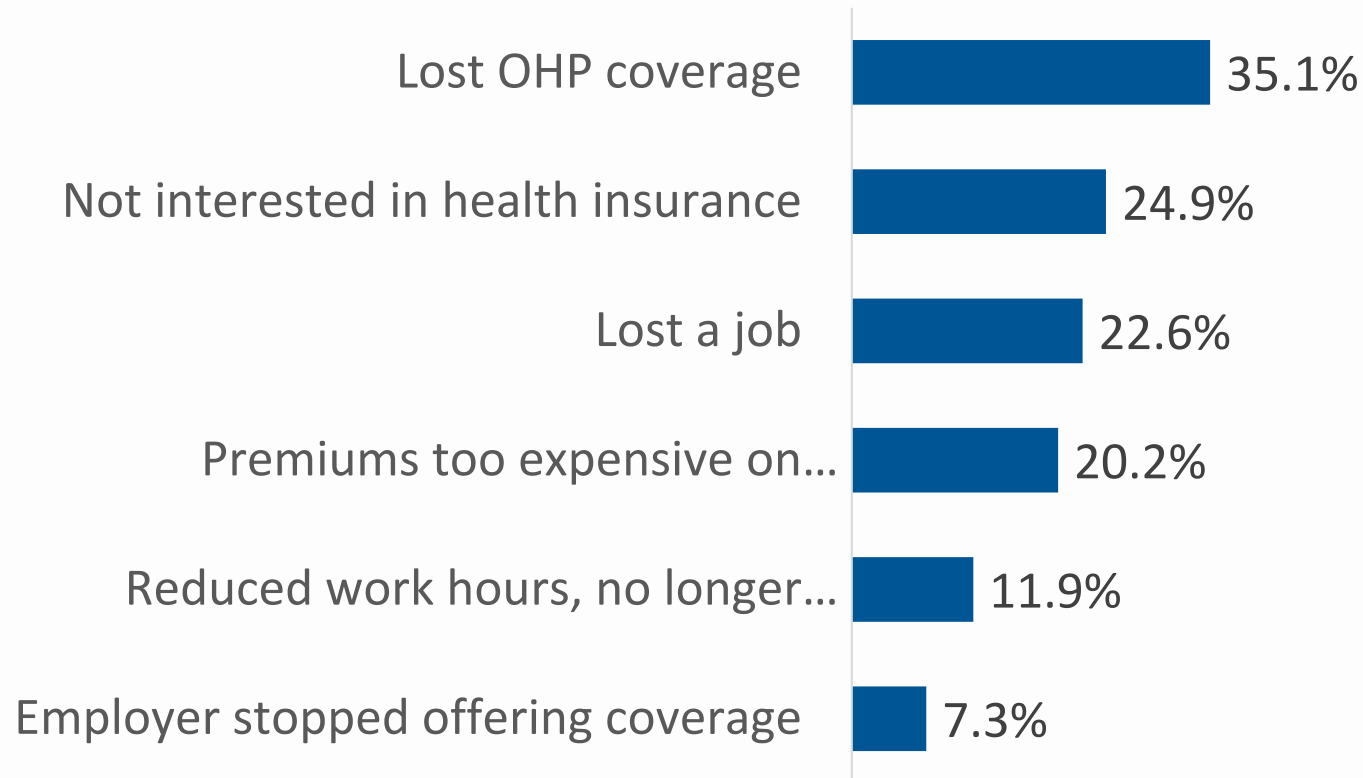
# Black and Hispanic Oregonians are more likely to be uninsured



Source: Oregon Health Insurance Survey, 2019

Note: Asian, Native Hawaiian, estimates are suppressed due to small sample size.

# Reasons for being uninsured



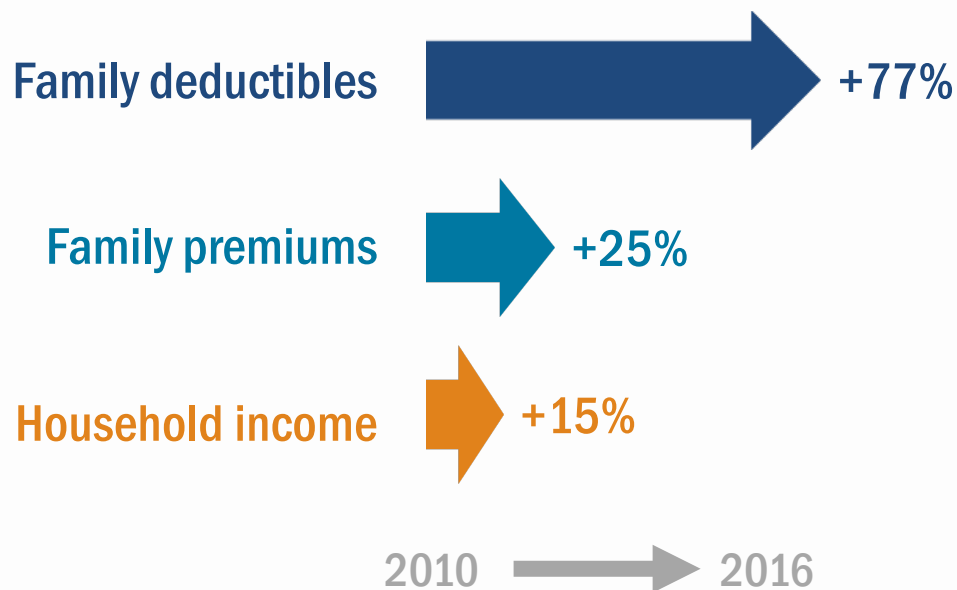
Source: Oregon Health Insurance Survey, 2019. Responses for those uninsured at the time of survey.



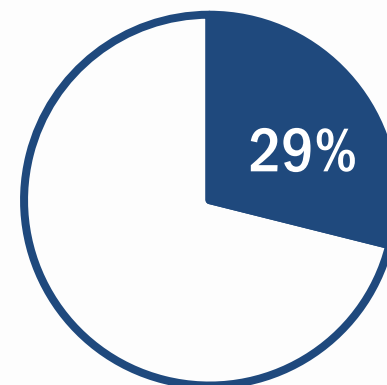
# The burden of health care costs is high for Oregon families.

Oregon **premiums** and **deductibles** are growing faster than **household income**.

(Percent change 2010-2016)



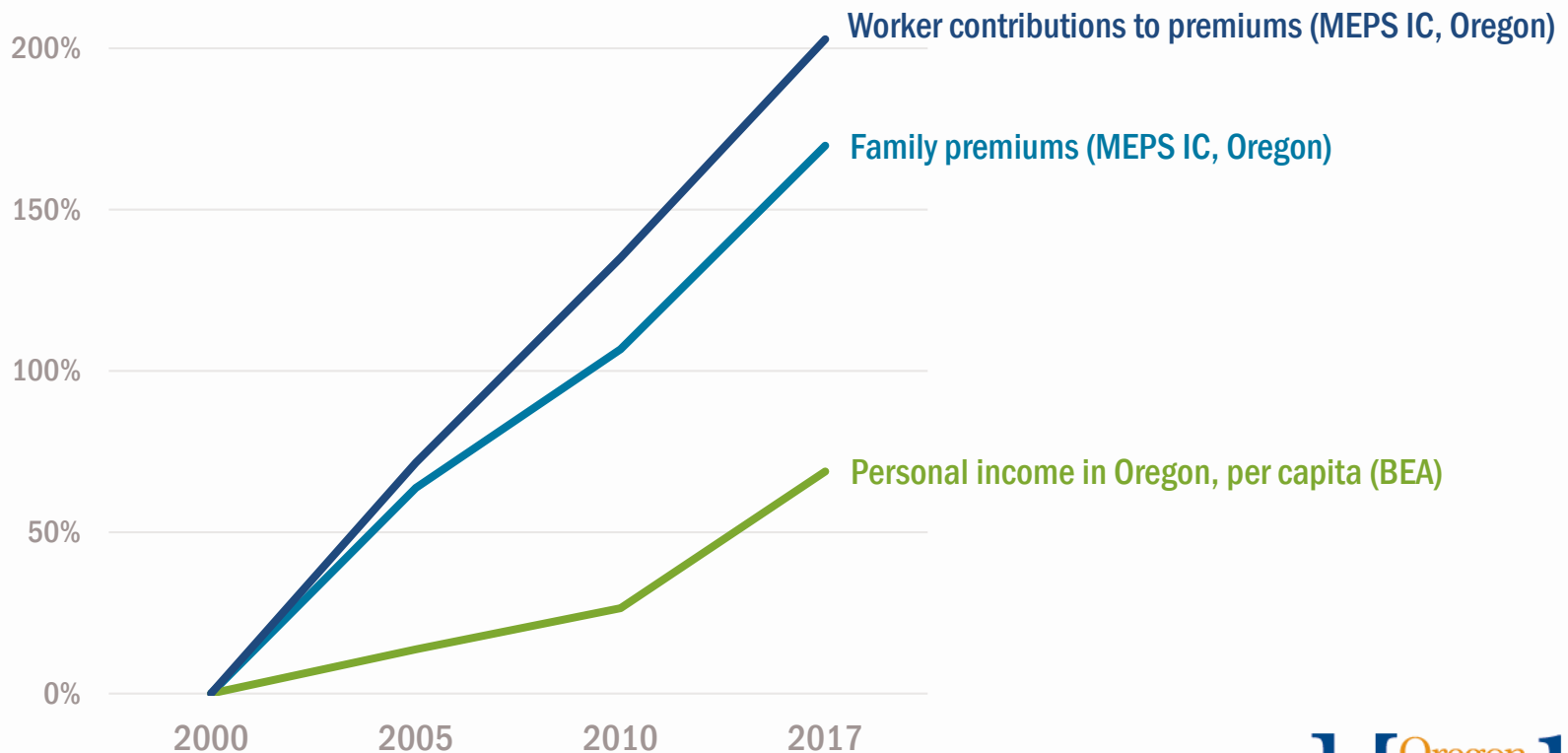
In 2016, Oregon premiums equated almost a third of a family's total income.



Source: "The Burden of Health Care Costs for Working Families" Penn LDI, April 2019

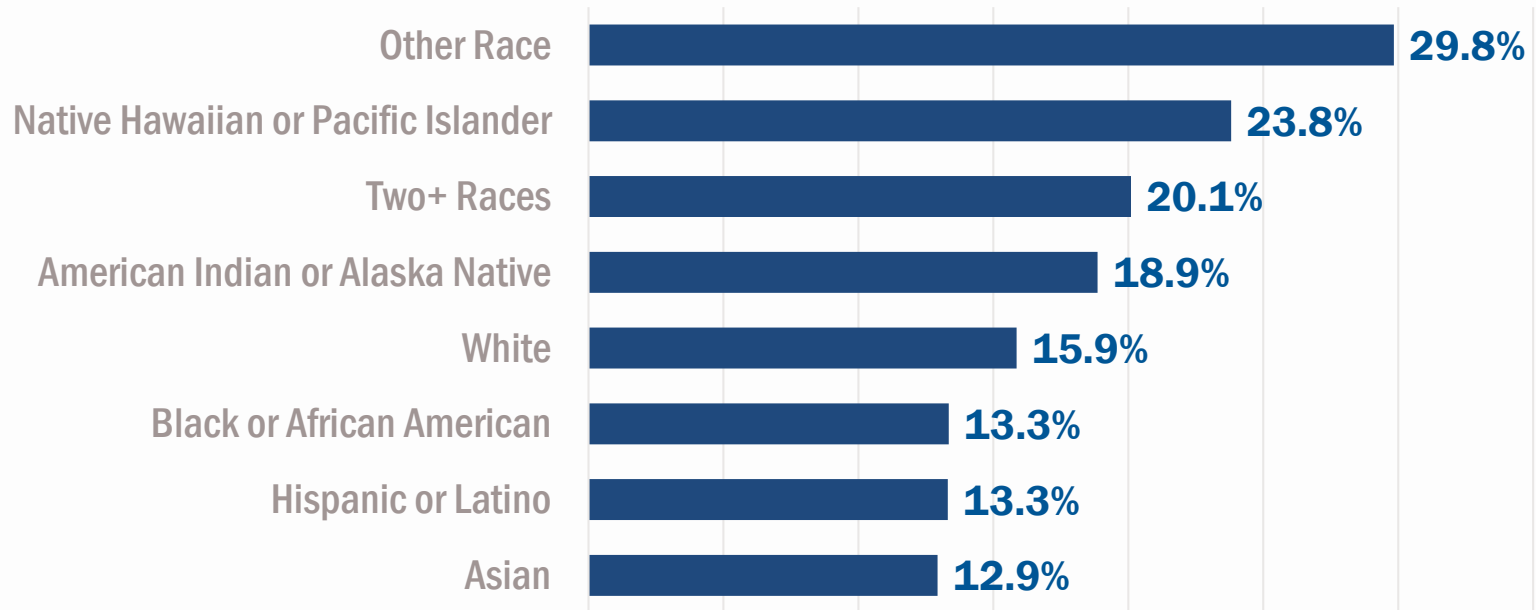
# Oregon health care costs have been far outpacing Oregon wages

Since 2000, Oregon employer-sponsored insurance premiums have grown three times faster than **personal income**.



# The burden of health care costs is high for Oregonians.

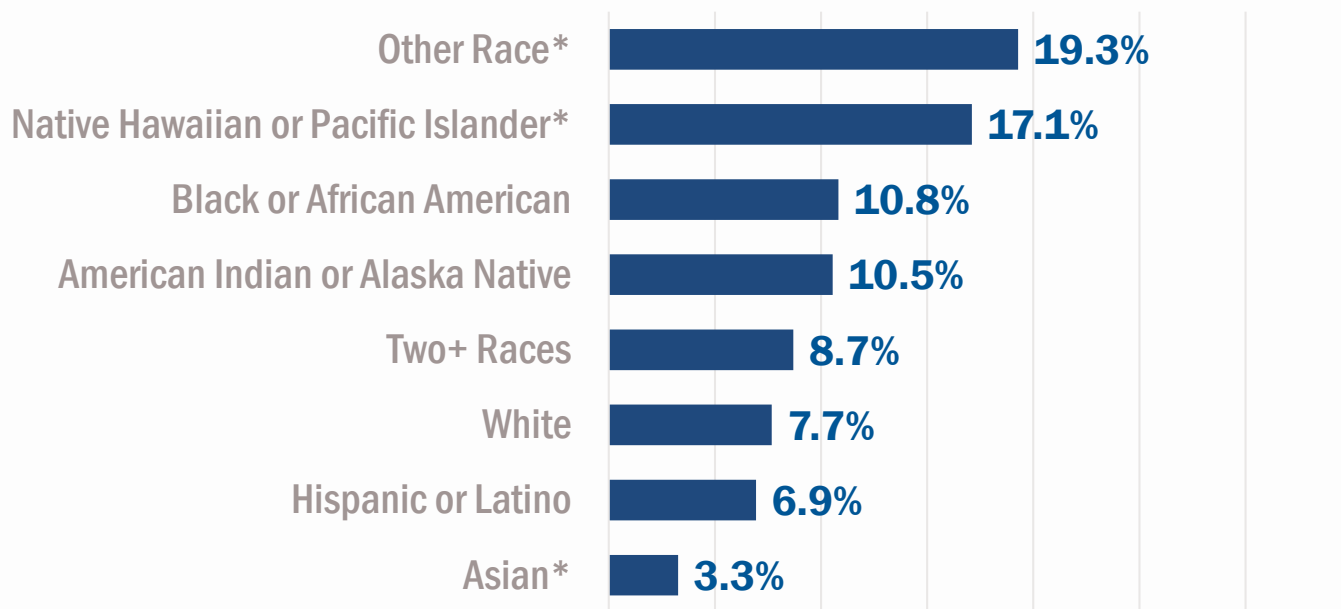
Percent of Oregonians who delayed any care in the past year because of cost



Source: Oregon Health Insurance Survey, 2019

# The burden of health care costs is high for Oregonians.

Percent of Oregonians who were unable to pay medical bills in the past year

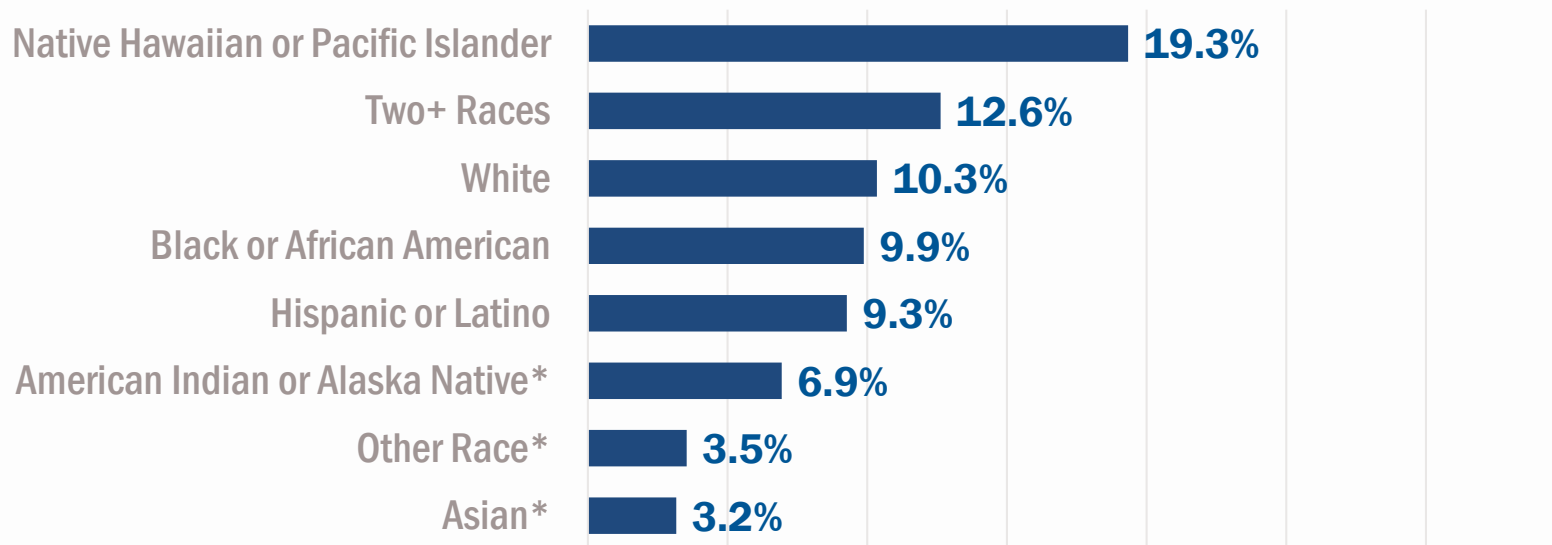


\* Interpret data with caution. Sample sizes are small for this group.

Source: Oregon Health Insurance Survey, 2019

# The burden of health care costs is high for Oregonians.

Oregonians who reported problems paying off medical bills over time



\* Interpret data with caution. Sample sizes are small for this group.

Source: Oregon Health Insurance Survey, 2019

# Health Reform Efforts

# The Health Reform Journey in Oregon

1965



1987



1994

1995



Oregon  
Health  
Authority

2008



2003



2009

2012

2014

2019

“CCO 1.0”



Oregon  
Health  
Authority

# Efforts to expand coverage

- Expanding Medicaid eligibility
- Affordable Care Act
  - Medicaid Expansion
  - Marketplace Subsidies
- Basic Health Study
- RAND Study of Single Payer & Other Universal Programs
- Universal Health Care Task Force
- OHA Public Option Analysis (SB 770)



# Universal Health Care Taskforce

SB 770 (2019) established the Task Force on Universal Health Care to make recommendations on a well-functioning single payer health care financing system that is responsible to the needs and expectations of Oregonians.

# Public Option / Medicaid Buy-In

SB 770 also directs OHA to develop a plan to “provide an affordable health care option to all Oregon residents” with a focus on those “who do not have access to health care.”

## Considerations:



No net cost to the state



Comprehensive benefits



Minimal cost sharing



Use CCO model



Account for distribution of risk



Use premium tax credits



Maximize federal funds



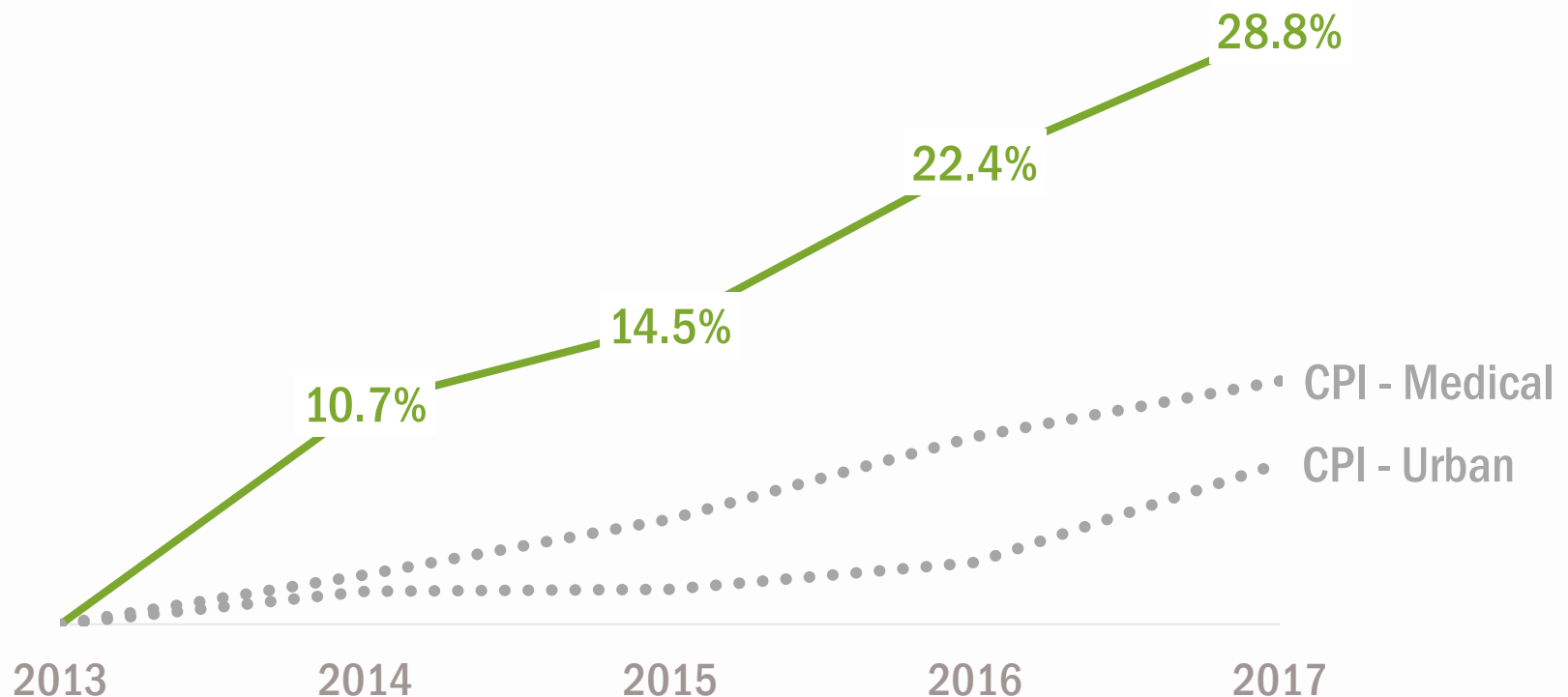
Use CCO provider networks

# Cost and Delivery System Reforms

- Leveraging state purchasing power to change how care is delivered
  - CCO 2.0
  - PEBB / OEBC
  - Marketplace
- Moving beyond state programs to impact the commercial market
  - Statewide Health Care Cost Growth Target (SB 889)

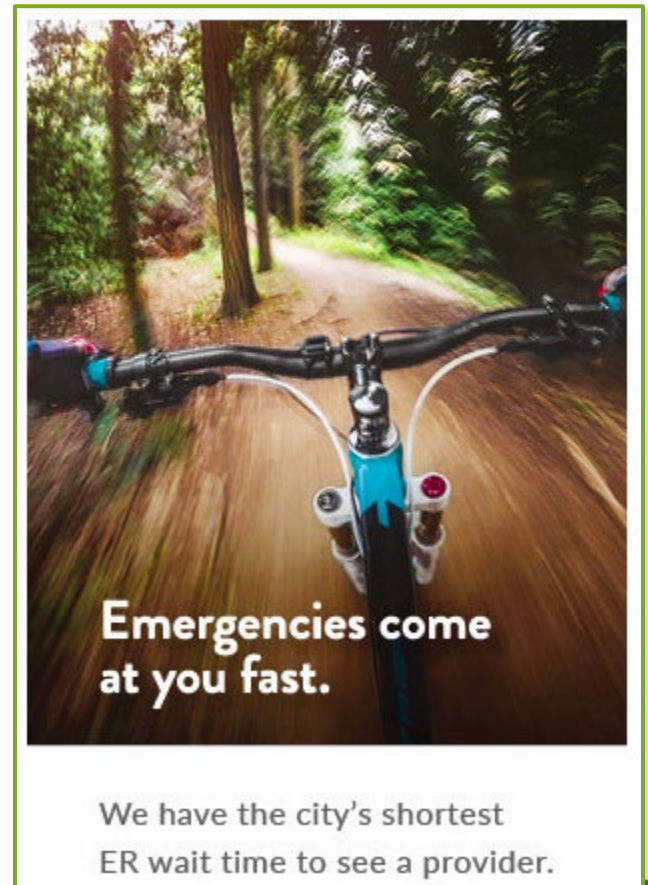
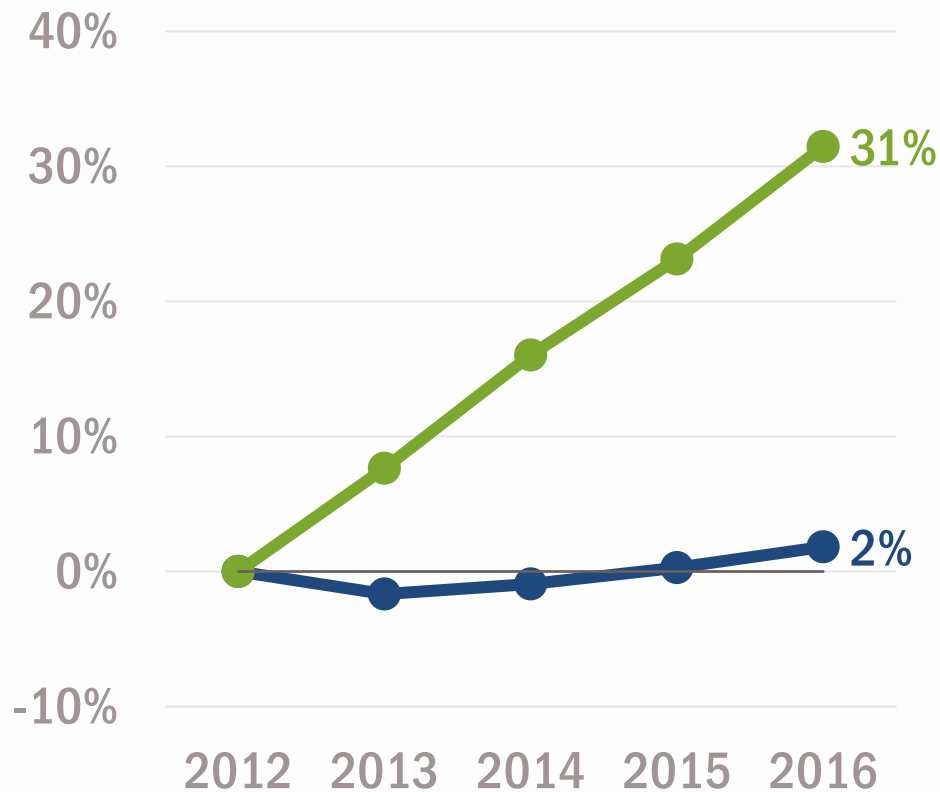
# Before COVID-19, health care spending in Oregon was growing at a rate of 6.5% per person

Meanwhile, Medical and Urban CPIs grew at much slower rates.



# The struggle to contain costs...

Cumulative change in emergency department **utilization** and **price**.



Source: Health Care Cost Institute, 2016 Health Care Cost and Utilization Report

# SB 889 - Oregon's Statewide Health Care Cost Growth Target



## Common goal

Payers and providers are publicly responsible for reducing health care cost growth.



## Sustainable target

Selecting a target that ensures health care costs do not outpace other economic growth, such as general inflation or wages.



## Transparency

Reasons for cost growth are studied and publicized, informing policy recommendations.



## Total cost of care approach

Taking a total cost approach allows payers and providers to shift from volume to value-based approaches.

# What is the health care cost growth target?

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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Cost growth target = **3.4%**

First five years

Informed by historical GDP and  
historical median wage

Cost growth target = **3.0%**

Next five years

An advisory group will reconvene before 2026 to determine if  
the cost growth target of 3.0% is appropriate

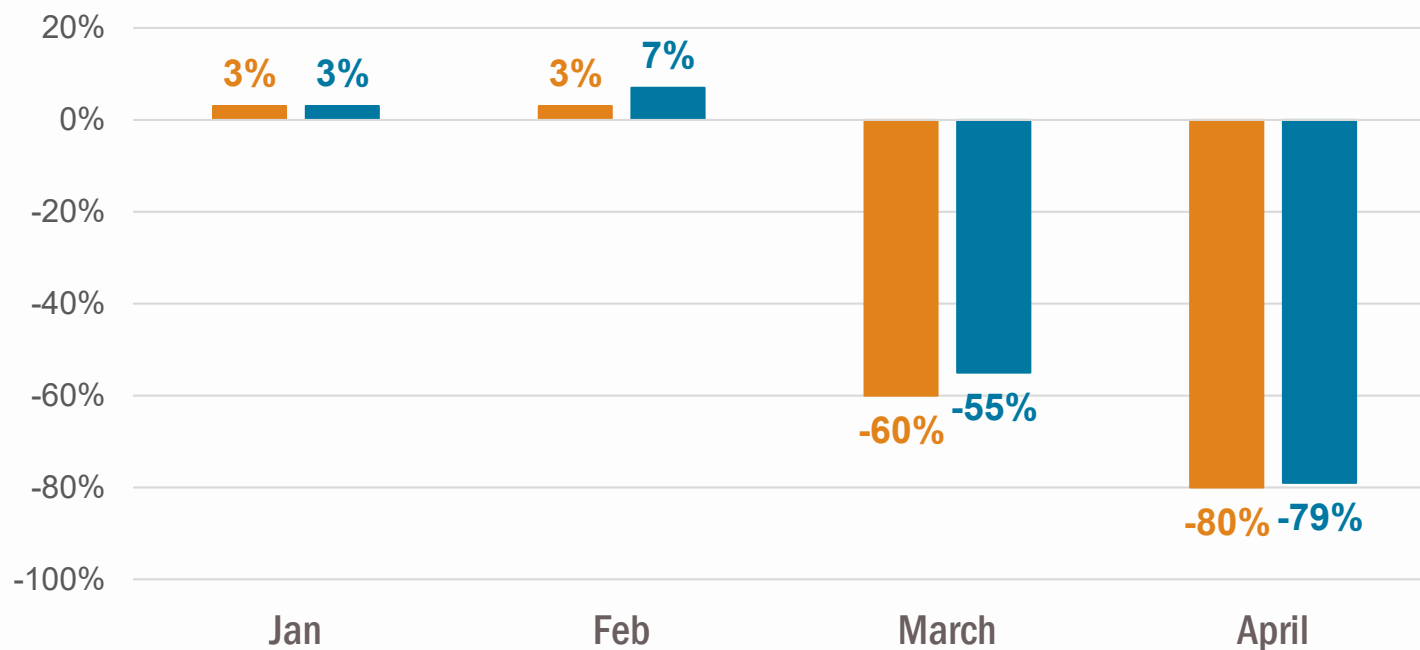
Committee affirmed this decision on July 17<sup>th</sup>

# The Challenge Ahead



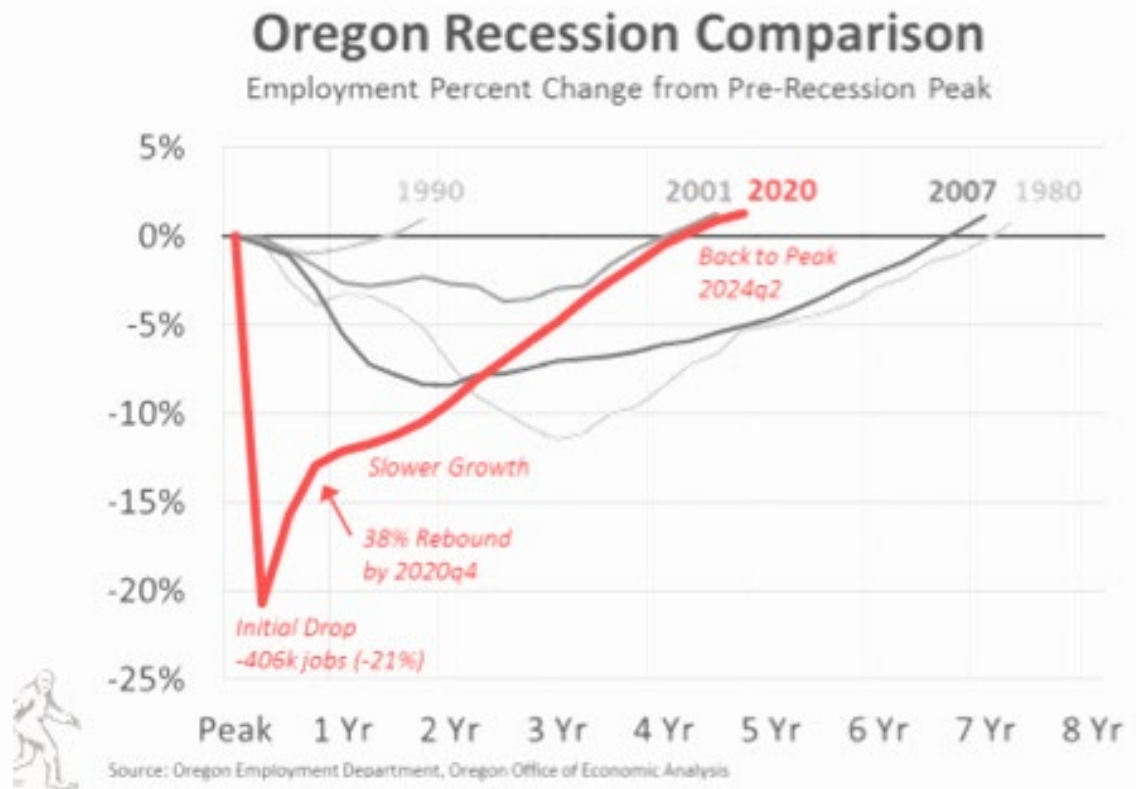
# Drop in utilization = drop in revenue

Percent change in commercial **utilization** and **revenue** (estimated allowed amounts) from 2019 to 2020 across all professional services.



Healthcare Professionals and the Impact of COVID-19: A comparative study of revenue and utilization.  
FAIR Health. June 2020.

It takes  
years to  
recover from  
severe  
recessions



Source: Oregon Employment Department. Oregon Office of Economic Analysis

- **Highlighted structural problems in the system, especially inequities.**
- **Fluctuations in health care spending sent shockwaves, threatening some providers. However, the system can adapt quickly (telehealth expanded rapidly).**
- **There will be pressure to go back to the old way of business.**
- **Exposed inefficiency in the system**
- **Combination of job loss and ongoing isolation and quarantine will put pressure on human service caseloads.**

## **What we learned from COVID-19**

# Questions