

FINANCE & REVENUE TECHNICAL ADVISORY GROUP (TAG) MEETING 2

| | |
|------------------|---|
| Attendees | Chuck Sheketoff (co-lead); Dr. Sam Metz (co-lead); Dwight Dill; Cherryl Ramirez; Dr. Lionel (Chad) Chadwick; Glendora Claybrooks; Les Rogers; Dr. Santa; Sarah Bartelmann (OHA staff); Sarah Knipper (OHA staff); Laurel Swerdlow (OHA staff) |
| Absent | N/A |
| Date/Time | December 15, 2020 1PM-3PM |

| | |
|---|---|
| Meeting Purpose/ Desired Outcome | <ul style="list-style-type: none"> Develop shared understanding of total Oregon healthcare expenditures and spending by payer-source, provider type, and type of service. |
| Key Issues | <ul style="list-style-type: none"> What is the total amount spent in Oregon? There are multiple data sources and ways to answer this question. It is challenging to represent all payers and all services because there is no single data set that captures this. When considering these numbers, it is important to note that spending on healthcare does not necessarily correlate with quality or outcomes. On the payer side, additional attention needs to be paid to Medicare. The TF may wish to consider combining Medicare and Medicaid as an incremental step towards a single-payer system. On the services side, additional attention needs to be paid to behavioral health. The Provider Tax is an important revenue stream. The TAG should consider how a single payer system may augment this revenue stream. How can we talk about a new state tax for healthcare so that it garners sufficient support from employers and employees? What benefits need to be included so we are providing a service that the public supports? We can expect some level of cost reduction resulting from streamlining administration. However, administration is in the eye of the beholder, so the TAG needs to be intentional about how it measures savings resulting from streamlining administration. Data related to the paid loss ratio may be a helpful consideration. |
| Actions Items (e.g., data requests, next meeting agenda) | <ul style="list-style-type: none"> CMS data presented were from a 2014 report. The 2019 CMS report was released on December 16, and indicated total national healthcare spending in 2019 grew 4.6%, which was similar to the 4.7% growth in 2018 and the average annual growth since 2016 of 4.5%. OHA will circulate the full report to the TAG. The “It’s Complicated” slide is augmented from a RAND Corporation 2018 report titled “An Assessment of the New York Health Act: A Single Payer Option for New York State.” OHA will circulate the full report to the TAG. |

| | |
|-----------------------------------|---|
| | <ul style="list-style-type: none"> OHA will consider how it may estimate amounts for each revenue flow in the “It’s Complicated” slide. |
| Follow up Questions | <ul style="list-style-type: none"> Does the CME health care expenditure data by state include federal matching dollars? No. State-level funding only captures state-level Medicaid spending – not federal spending. See p33 of their methodology. https://www.cms.gov/files/document/definitions-sources-and-methods.pdf What is the OHSU transfer? OHSU makes an Inter-Governmental Transfer (IGT) payment each year in lieu of the hospital provider tax. More information on premiums and cost sharing for employer-based insurance – both single and family coverage: https://ldi.upenn.edu/brief/burden-health-care-costs-working-families Is there a missing line for money flowing from federal or state government to corporations in the “It’s Complicated” slide? No. This amount is captured by the “federal tax exclusion for ESI premiums” line. |
| Revisit Later | <ul style="list-style-type: none"> SB 770 suggests that the state pay hospitals capital budgets. How much will this cost? How will this expenditure impact total expenditures? At the January 28th Task Force meeting, we will consider which funding streams are regulated by federal waivers. SB 770 refers to the Plan as a “public trust.” What does that mean? It will be up to the Task Force to propose a definition for this. The definition of “public trust” may impact public support. How much profit is in the “It’s Complicated” chart? |
| Items to Report Out to Task Force | <ol style="list-style-type: none"> In order to develop a shared understanding of what constitutes total expenditures, the TAG reviewed a diagram which summarizes how healthcare is currently funded (referred to above as the “It’s Complicated” slide). Our discussion focused on preserving and maximizing the federal and state funds enumerated in the diagram. A single-payer system will augment total expenditures. This TAG needs to think critically about how existing costs, savings, and funding will change as a result of the Task Force’s work. This TAG needs to consider how to communicate with the public regarding new healthcare funding mechanisms. How can we talk about a new state tax for healthcare so that it garners sufficient support from employers and employees? What benefits need to be included so we are providing a service that the public supports? We will eventually need to estimate cost of the Plan in order to estimate the total amount of additional revenue needed. The TAG voted that the Task Force should wait until later in the process to decide on a target year projection to guide cost/savings estimates. We received public comment which was appreciated and sparked further thinking regarding the flow of dollars contributing to total expenditures. |
| Meeting Materials | <p>Meeting agenda and slides</p> <p>Finance & Revenue TAG meeting 1 summary</p> |