
Update on Cost, Coverage and other Oregon Health Policy Board Priorities

House Health Care Committee

February 28, 2020

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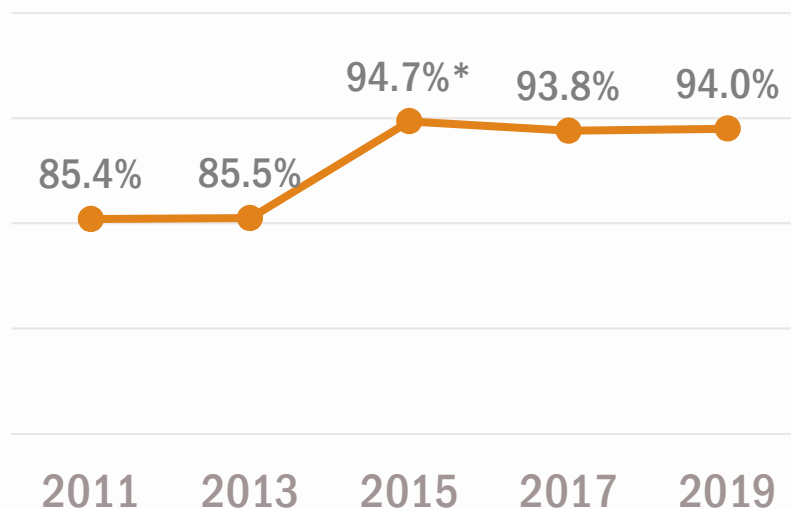
Director, Health Policy and Analytics Division



Oregon has made large gains on expanding coverage...

...but costs are high and growing.

94% of Oregonians are insured

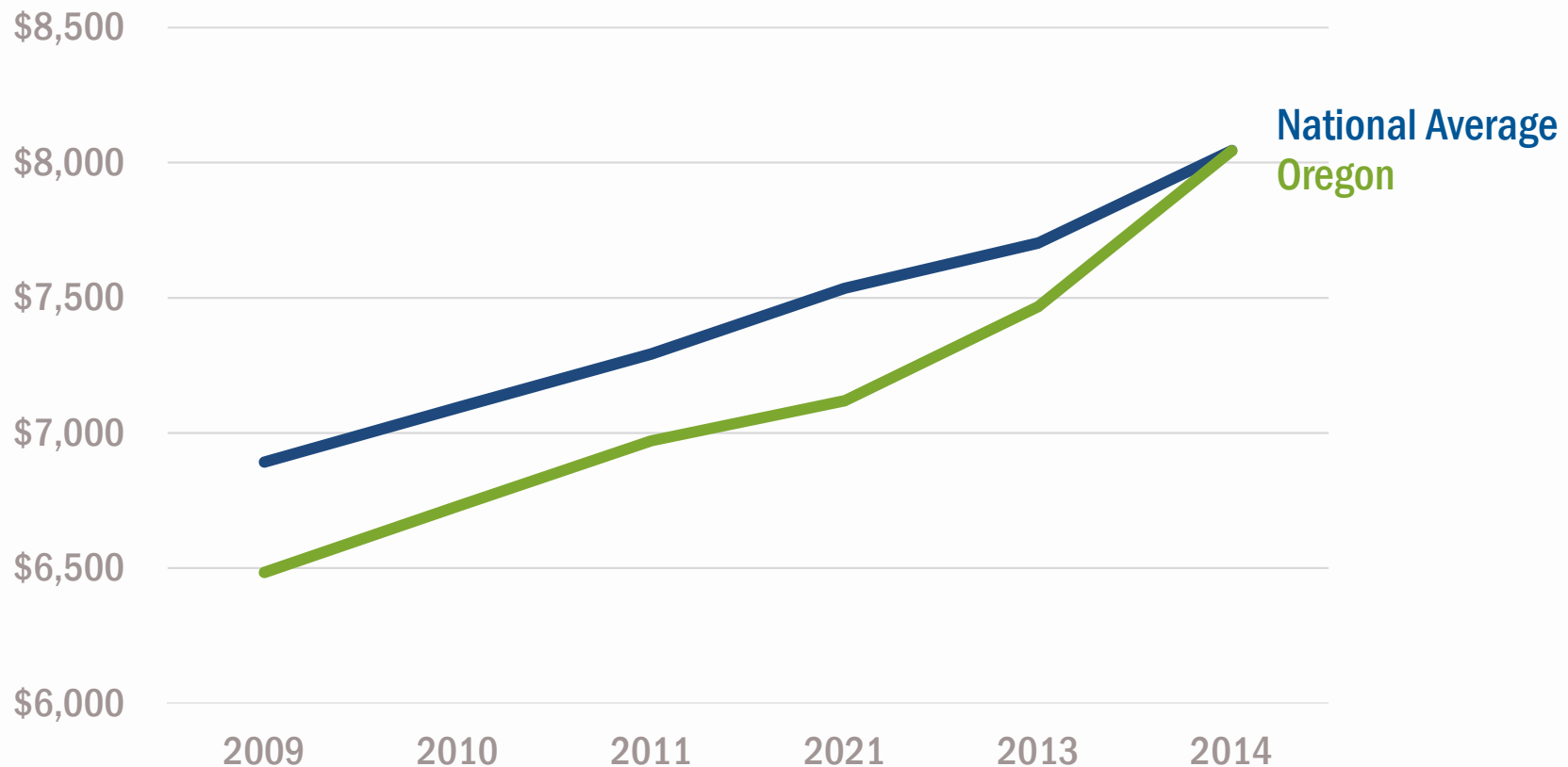


*Statistically significant difference from the previous year at 90% confidence level.
Source: Oregon Health Insurance Survey

Statewide Health Care Cost Growth Target (SB 889)

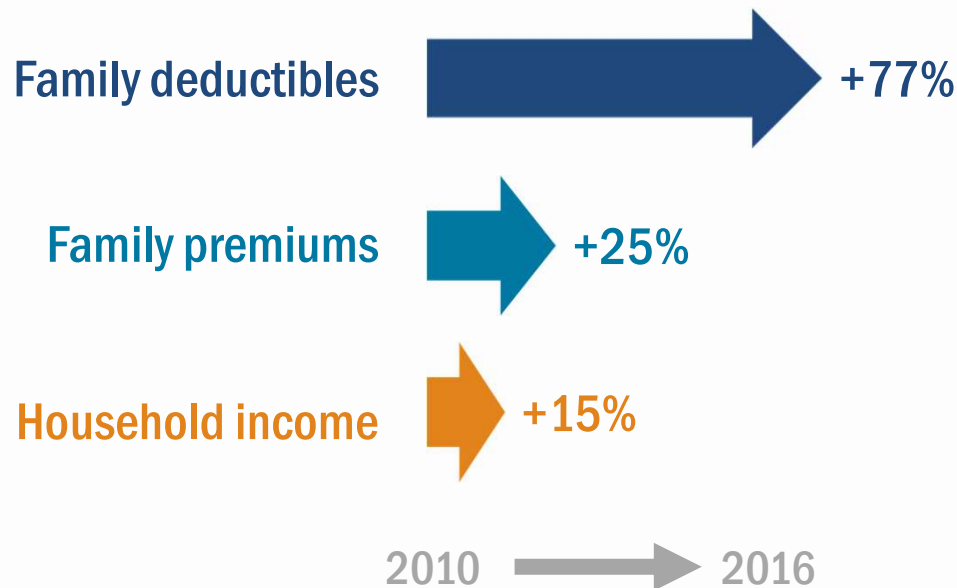
Oregon's per capita costs are growing faster than the national average.

And we've now caught up with U.S. mean.

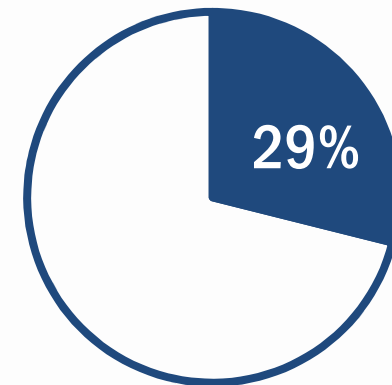


The burden of health care costs is high for Oregon families.

Oregon **premiums** and **deductibles** are growing faster than **household income**.
(Percent change 2010-2016)

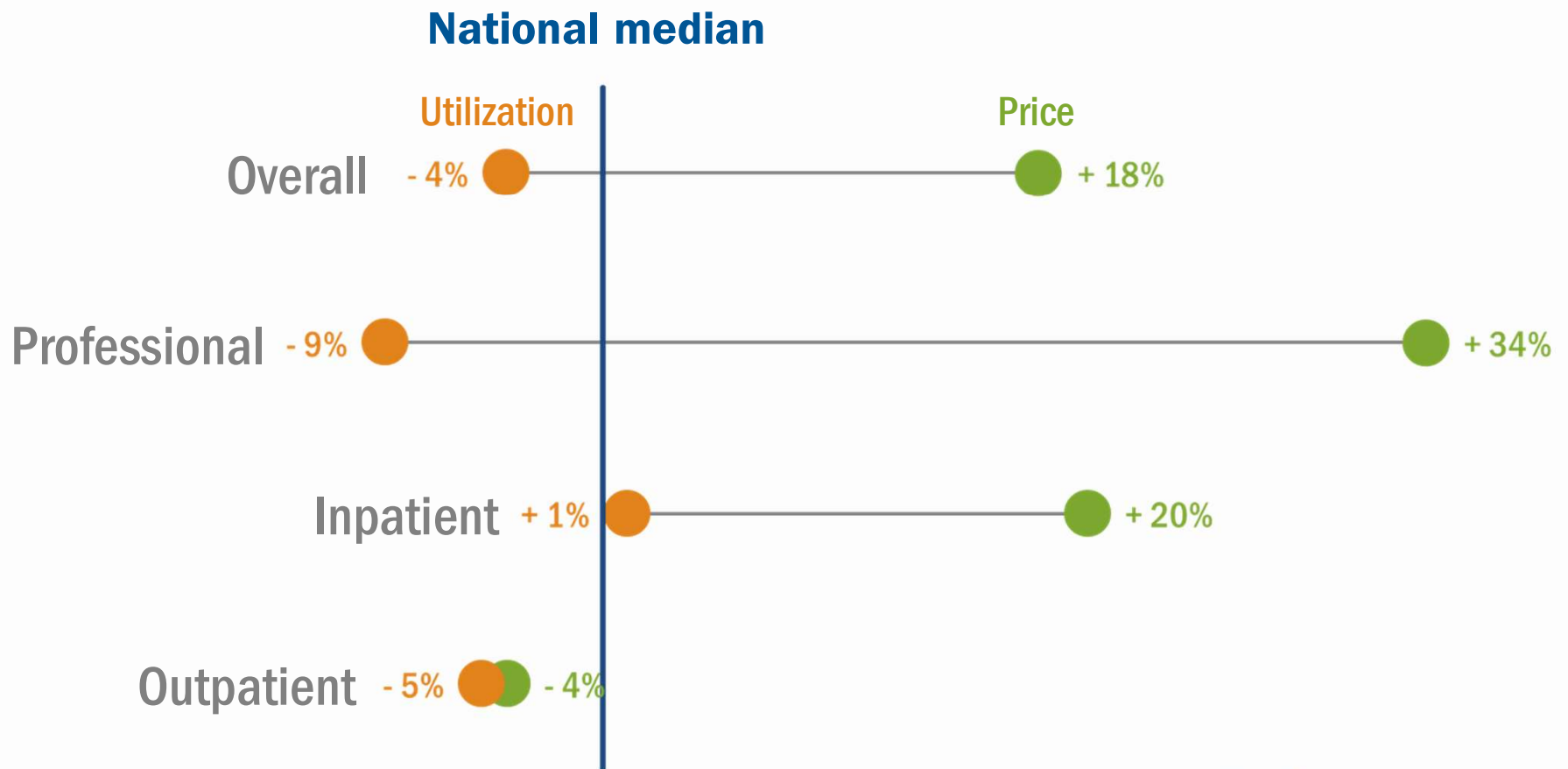


In 2016, Oregon premiums equated almost a third of a family's total income.



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

Overall prices in the Portland metro area are 18 percent above the national median.



Oregon's solution: create a 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

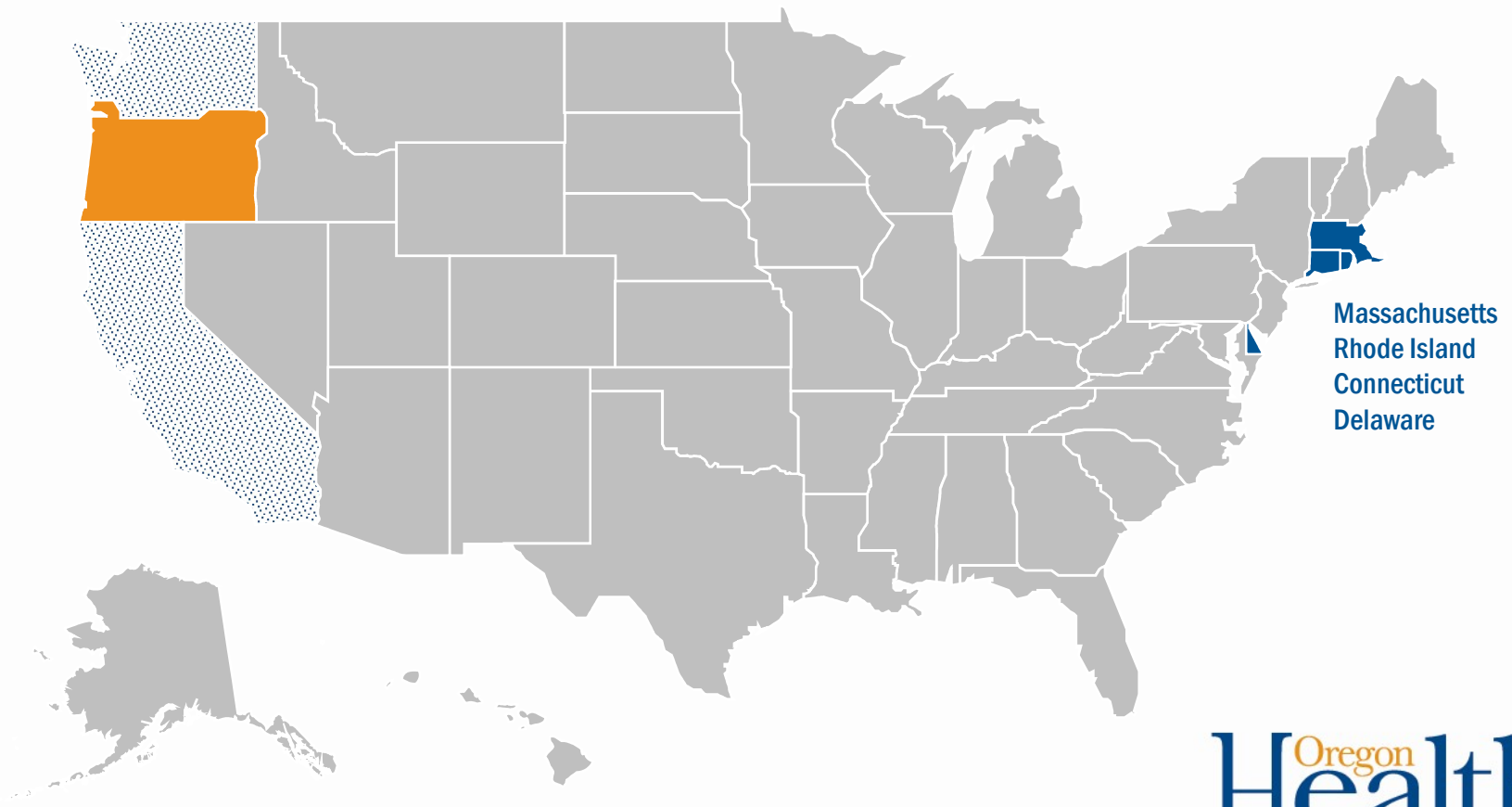
Reasons for cost growth are studied and publicized, informing policy recommendations.



Total cost of care approach

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

Oregon is the 4th state to establish a statewide health care cost growth target program



SB 889 (2019) establishes the Sustainable Health Care Cost Growth Target program.



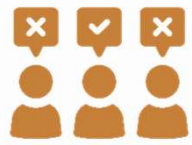
Creates a framework and key functions of the cost growth target program.



Establishes an Implementation Committee under the Oregon Health Policy Board to develop program details.



Requires an Implementation Plan to the Legislature in September 2020.



The Implementation Committee is charged with...

Setting the cost growth target

Developing a data use strategy

Identifying enforcement and accountability strategies

Identifying a governance plan

Addressing quality and equity

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

The cost growth target applies at 4 levels

Statewide

Statewide

Market Level

Medicare

Medicaid

Commercial

Insurer Level

Fee-for-
service

MA
Insurers

Fee-for-
service

CCOs

Insurers*

Provider Level

Large Providers with
Attributed Members

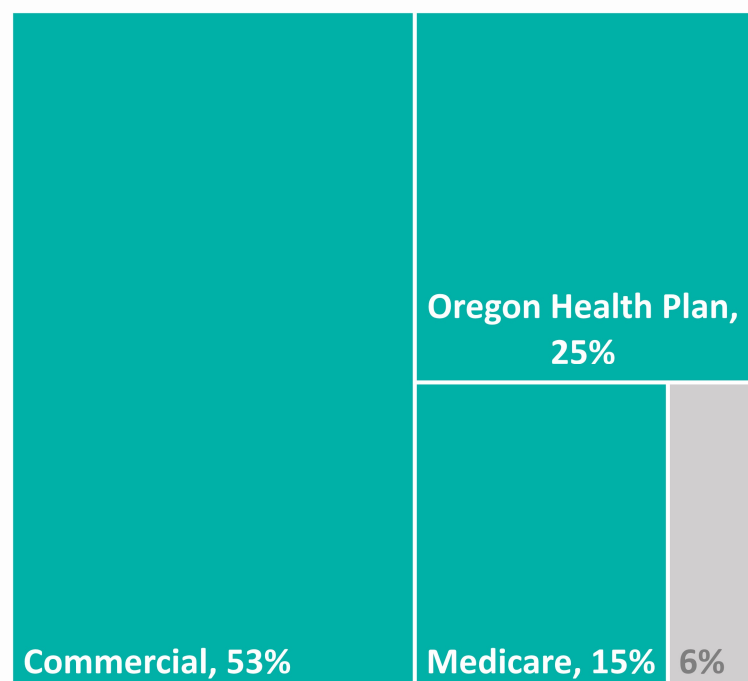
Small Providers with
Attributed Members
(providers not
separately identified)

Spending for
Unattributed Members

*for insured and self-insured business

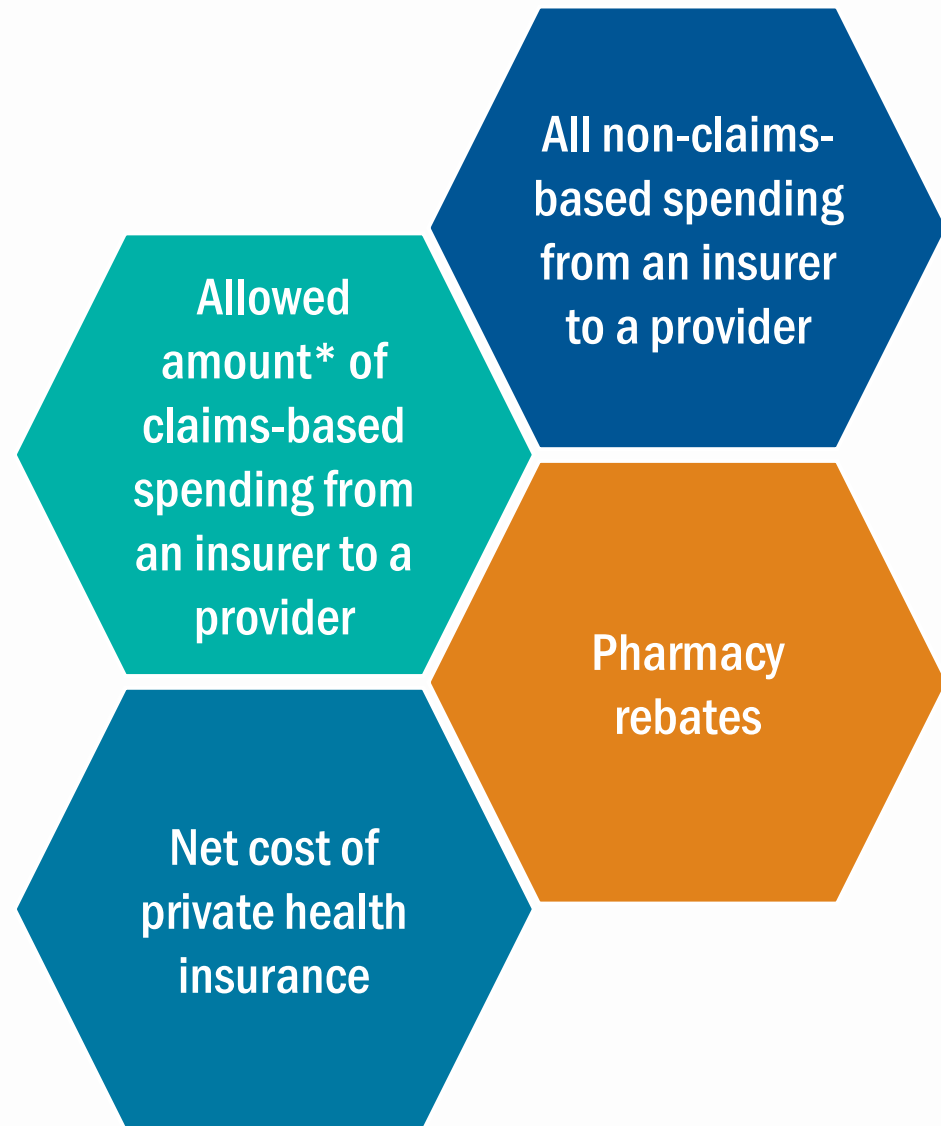
Whose spending is included?

Spending on behalf of >90% of Oregon residents who are insured by Medicare, Medicaid or commercial insurance, or are self-insured for commercial coverage, and receive care from any provider in or outside Oregon.



Spending by the Indian Health Services for Oregon residents and for Oregonians incarcerated in a state correctional facility will be included to the extent that their data are accessible and comparable, and data collection can be replicated over time. Out of state residents who receive care from Oregon providers may be included should the data be reportable, consistent across insurers, and replicable over time.

What constitutes total health care expenditures?



*"Allowed amounts" refer to the price paid by the insurer to the provider and the patient liability owed directly to the provider, regardless of whether the patient actually paid the owed amount.

Key Decisions Remaining

- ✓ What data should OHA collect and report on?
- ✓ Frequency and format of public hearings
- ✓ A plan for measuring quality
- ✓ A plan for addressing health inequities
- ✓ Ways to support providers in meeting the target
- ✓ Accountability and enforcement options
- ✓ Future governance for the program

Medicaid Buy-In / Public Option (SB 770)

Potential Delivery Models

1. Utilize existing CCOs

ideally serving the same service area for which they deliver Oregon Health Plan (OHP) benefits

2. Utilize commercial insurance carriers

to deliver a public option product defined by the state and sold on the health insurance marketplace

3. Hold the risk as the state and use a third-party administrator

possibly modeled on the self-insured plan covering state employees

How to Address Focus Populations

Churn

A plan to help individuals when they lose OHP coverage and move to commercial plans and who may be at risk of becoming uninsured

Individuals ineligible for subsidies

An off-Marketplace plan to help individuals who do not have access to ACA subsidies and who pay full premium cost or go uninsured

Marketplace enrollees

A plan to address the challenges facing people who get subsidized coverage but for whom premiums or deductible may still be unaffordable.

Timeline



May 2020

Draft report to Legislature



June-August

Public engagement process



September

Final report to Legislature

Oregon Health Policy Board Update

Oregon Health Policy Board

Current Priorities

- Cost growth
- Health equity
- Children's health

Workforce Incentive Program

Mergers & Acquisitions Guidance

Health Equity Definition

Health Equity Definition

Oregon will have established a health system that creates health equity when all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, gender, gender identity, sexual orientation, social class, intersections among these communities or identities, or other socially determined circumstances.

Achieving health equity requires the ongoing collaboration of all regions and sectors of the state, including tribal governments to address:

- The equitable distribution or redistribution of resources and power; and
- Recognizing, reconciling and rectifying historical and contemporary injustices.

Oregon Health Policy Board

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Metrics

Children's Health & InCK Grant

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