Comments/questions related to preliminary expenditure estimates from Optumas

I am submitting some comments and questions related to preliminary expenditure estimates that were presented to the Expenditures and Revenue Analysis (ERA) Work Group at the January 24, 2022 meeting. The values were listed on a slide titled "CY 2019 OR Status Quo Expenditures (Preliminary)" and, for the most part, agree well with the estimates that I sent as public comment to the March 25, 2021 Task Force meeting (see https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/235735). I suggest that the Task Force ask Optumas about several things which differ from the estimates I presented in that submission by more than the expected uncertainties.

Regarding Medicaid, the values from Optumas agree with values from the automated Medicaid Budget and Expenditure System (MBES) 2019 report (downloadable from https://www.medicaid.gov/medicaid/financial-management/state-expenditure-reporting-for-medicaid-chip/expenditure-reports-mbescbes/index.html), except that they seem to have left out $510 million in expenditures listed under "ADM". From a note at the MBES report site

> *Beginning with the FY 2013, the Medicaid and Administration Expenditures are separated by state into different tab within the same file labeled "MAP" and "ADM" respectively*

Is there a good reason not to include the Medicaid "ADM" expenditures?

Oregon's per capita share of national out-of-pocket expenditures (OOP) in 2019 is $4.87 billion. Optumas lists OOP as $3.25 billion. It makes sense that Oregon's per capita OOP are lower than the national average, but it would be useful to learn how Optumas arrived at their estimate.

The rest of my questions all relate to line items that are listed in the National Health Expenditure (NHE) reports from the Center for Medicare and Medicaid Services (CMS), but for which publicly available state level data is difficult to find. In the paper I submitted to the Task Force last March, I estimated values for Oregon in these categories by calculating an Oregon "share" of national expenditures. It does not appear that Optumas has included these expenditures. My estimates, questions, and comments for each of these categories follows:

1. **federal expenditures that are not Medicare, Medicaid, or military** (primarily listed in CMS NHE as "general assistance" and "other federal programs") – Oregon's "share" is $500 million

2. **state/local not Medicaid & CHIP** – Oregon's "share" is $500 million. Much of this may be County expenditures for behavioral health and Federally Qualified Health Centers. It seems that these expenditures may not be captured in the categories that Optumas has considered in preliminary estimates.

3. **private expenditures not from private insurance** (From National Health Expenditure Accounts: Methodology Paper, 2020 – *"Other private revenues include the medical*

portion of property and casualty insurance, philanthropic support, and non-patient revenue.") – Oregon's "share" is $3.2 billion.

4. **public health** – Oregon's "share" is $1.1 billion. COVID has demonstrated that the line between public health and private healthcare is blurry, and it may be best that it becomes blurrier within a decent single-payer system, so it is important to include these expenditures. They were probably substantially larger in 2020 and 2021, and in a single-payer system, they should remain larger than they were prior to 2020.

5. **structures & equipment** – Oregon's "share" is $1.7 billion. Since the Task Force is leaning towards having the system pay for capital improvements, it seems important to include these expenditures.

I encourage the Task Force to engage with Optumas on these issues.

Submitted by Charlie Swanson