

May 26, 2022

Oregon State Legislature  
Joint Task Force on the Bridge Health Care Program  
900 Court St. NE  
Salem, OR 97301

Co-Chair Steiner Hayward, Co-Chair Prusak, and Members of the Task Force:

On behalf of Oregon's 62 community hospitals and the patients they serve, the Oregon Association of Hospitals and Health Systems (OAHS) appreciates the Task Force's continued collaborative and thorough discussion about how to formulate the bridge program under HB 4035. Increased transparency and stakeholder engagement remain critical as the planning continues; this program will have effects far beyond the immediate population it seeks to enroll. As the Task Force weighs the options to identify the lower risk pathway and program design, we offer the following recommendations to help preserve access to health care for patients in our communities.

**1. Take time to find the right long-term solution.**

The health care system in Oregon is facing unprecedented strain. At the same time, several significant reform efforts are being considered or are already underway. With the likely extension of the federal Public Health Emergency, there is more time to prioritize planning and the coordination of resources to support the redeterminations process, and even less justification to develop a new program on a short timeline that carries significant risk of unintended consequences. We caution that the task force should not rush to a solution for this particular population that will create an adverse ripple effect and require us to spend valuable resources fixing more problems in the future.

For example, we share the concerns raised by some Task Force members and in other public comments about creating a new plan that restricts consumer choice. Allowing people to remain on, or choose to join, a marketplace plan will help mitigate the scenario where the "churn point" is just moved from 138% to 200% FPL. It also leverages the administrative efficiency of existing systems and provides much-needed reimbursement stability for providers serving this population. If the task force chooses to sacrifice optionality for a more straightforward path in the short term, Oregon may also be sacrificing important opportunities to innovate and provide better coverage and care for this and other populations in the future.

Taking the time needed to find the right solution for the population identified for this current challenge will also allow that solution to dovetail with other important policy goals. Initiatives like the one being discussed for this population are inseparable from broader cost containment and payment reform work. We need to be mindful of how this and other such programs may slow or interfere with those efforts. For instance, entities absorbing any additional costs associated with the options considered by the task force would face an additional barrier to reaching the Cost Growth Target. Similarly, restrictions on provider rates would further tie payment models to fee-for-service when health systems across the state are working together to move toward value-based care. The challenges in our health care system must be examined and addressed holistically if lasting change is to be made.

**2. Hospitals and other providers must have the ability to negotiate their participation in the bridge plan. This includes negotiating commercial-range rates as well as payment mechanisms.**

As we have voiced elsewhere,<sup>1,2</sup> hospitals in Oregon are struggling to make ends meet and to provide the level of care that their communities need and expect. While each individual hospital and health system has its own unique story about how it has been impacted, patterns across the state show that many hospitals' expenses are outpacing revenue as they face high inflation, supply chain disruptions and shortages, lengthening hospital stays due to deferred care and a fragmented post-acute care system, and the need to increase employee wages.<sup>3</sup>

A bridge program that requires people currently enrolled on marketplace plans move to a separate plan with reduced reimbursement functions as yet another cut to hospitals' dwindling revenue. The same is true if the bridge program creates a plan that precludes current Medicaid enrollees from selecting a marketplace plan when they otherwise would have as part of the redeterminations process. Hospitals and health systems need to be able to negotiate rates and payment mechanisms and decide to participate in plan networks or not based on their individual financial and other circumstances.

Hospitals want their patients and communities to get well and stay well – especially people who face socioeconomic challenges that are often rooted in other forms of marginalization. As the task force considers plan design options, it must be realistic about what it costs to offer those benefits and whether our delivery system can meet those needs with the limited resources it has available. If hospitals and other providers are not able to obtain sustainable reimbursement for patient care, services may be reduced, access will become challenging, the burned-out health care workforce will face even more strain, and quality of care could be at risk. Everyone loses in that scenario – which defeats the purpose of what this program seeks to accomplish.

Thank you for the opportunity to provide comment. We look forward to reviewing the actuarial analysis planned for the next meeting on June 14, which will shed greater light on the financial realities of this potential program. We will remain engaged as the task force develops its proposal.

Thank you,



Sean Kolmer  
Senior Vice President of Policy and Strategy  
Oregon Association of Hospitals and Health Systems

---

<sup>1</sup>[https://www.oregon.gov/oha/HPA/HP/Cost%20Growth%20Target%20Meeting%20Documents/CGT\\_OAH\\_HS-Comments-4-8-22.pdf](https://www.oregon.gov/oha/HPA/HP/Cost%20Growth%20Target%20Meeting%20Documents/CGT_OAH_HS-Comments-4-8-22.pdf)

<sup>2</sup><https://oahhs.org/press-releases/hospitals-finish-2021-in-weakened-financial-position-as-omicron-wave-hit/#:~:text=Continued%20workforce%20shortages%2C%20higher%20expenses%20and%20flat%20revenue.a%20yearly%20data%20report%20from%20Apprise%20Health%20Insights>.

<sup>3</sup><https://d1o0i0v5q5lp8h.cloudfront.net/oahhs/live/assets/documents/Apprise/HUFA/CY%202021%20HUFA%20Annual%20Report.pdf? t=1649697044>