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

Dear Co-Chair Steiner Hayward, Co-Chair Prusak and members of the joint task force:

Providence's advocacy priorities have long included health care access and coverage for everyone. This includes support for Medicaid expansion, Cover All Kids and Cover All People; along with complementary strategies including expanding income eligibility for hospital financial assistance and the HOPE amendment. To this end, we actively engaged in conversations about House Bill 4035 during the 2022 legislative session and advocated for policies that would ensure that the Medicaid redetermination population is able to maintain coverage with limited disruption.

As we have monitored the joint task force's discussions over the past couple of months, many of our initial concerns about the Basic Health Plan program have yet to be resolved. We understand the task force still has significant work ahead to define the scope of the program, analyze data and make recommendations. In outlining our guiding principles and priorities related to this policy decision, it is Providence's hope to inform aspects of the conversation as it moves forward.

- **Ensure the task force has adequate data to fully understand the impact of these decisions across markets.** When House Bill 4035 was passed the legislature was anticipating a restrictive timeline, based on the expiration of the federal public health emergency, and no opportunity to address these issues during the 2023 legislative session. Now that there is time for a broader, more thorough conversation, Providence urges this committee to take the time to be certain proposed solutions are not risking health insurance access for some while creating a new plan for others. Take advantage of the time to find a solution with the fewest impacts to other Oregonians.
- **Consider the impact on individuals and families over 200% FPL that may have their premiums increased when individuals leave the marketplace for the Basic Health Plan.** Providence appreciates work underway by the Division of Financial Regulation to understand the uncertainty the Basic Health Plan creates for the rest of the insurance market. Based on Providence's initial analysis, we found similar conclusions as those that were presented by Manatt at the June task force meeting. Both reviews finding that a very large portion of members enrolled on the individual marketplace in a silver cost-sharing reduction plan will leave the marketplace for the Basic Health Plan, thus eliminating CSR subsidies and reducing what is called the silver CSR load. Since the

Affordable Care Act Advanced Premium Tax Credits for all marketplace plans are tied to the second lowest silver plan premiums, the premiums for other metal levels, primarily bronze and gold plans, will see a dramatic premium increase. In some cases, premium increases could be as large as 19%. This means a family of four with a total income around $55,000 purchasing a bronze plan in the marketplace, will see a dramatic premium increase. We are concerned the ultimate result will be lower income individuals and families that do not qualify for the Basic Health Plan will leave the market entirely, thus reducing the number of insured in Oregon.

- **Consider the impact on 33,000 Oregonians under 200% FPL that will be required to transition from their current commercial insurance plan to the Basic Health Plan.** While we fully understand the benefit of a Basic Health Plan for those individuals who "churn" off Medicaid, individuals between 138-200% FPL chose to participate on the individual market today for a variety of reasons. For some, participation on the individual market provides access to primary care, specialty and behavioral health providers that may not be available in a Coordinated Care Organization network. Forcing a transition to a Basic Health Plan may result in loss of a patient-provider relationship. Oregon has done incredible work since the Affordable Care Act was passed to contain costs on the individual market, ensure carriers are available in all counties, maintain network adequacy and provide a robust benefit package.
- **Create a program that operates fully within the capitated budget provided by the federal government.** Legislative intent was clear that a Basic Health Plan would need to operate within the capitated global budget provided by the federal government, understanding that it is not financially viable to expand Medicaid to individuals up to 200% FPL. While we understand this leads to difficult decisions, it is important that we do not jeopardize the financial stability of the Oregon Health Plan by putting financial burdens on a system that we currently struggle to fully fund.
- **Consider the impact on health care providers.** There has been discussion within the task force about the three "levers" needing to be considered – reimbursement rates, enrollee costs and covered services. Medicaid reimbursement does not cover the cost of providing health care services; providers take losses to serve this important population. While providers understand that a Basic Health Plan will result in reimbursement less than full commercial reimbursement, the burden should not fall solely on providers.

Providence wants every Oregonian to have access to affordable health insurance coverage, especially those that will no longer be eligible for Medicaid once the federal public health emergency expires. By focusing some of the task force's conversation on how this impacts Oregonians across insurance markets (Oregon Health Plan, Basic Health Plan, individual marketplace and small group) we can ensure we do not perpetuate a dramatic cost-shift and shift the burden of Medicaid "churn" to low-income individuals and families over 200% FPL. Some of the strategies we have put forward previously and continue to support include:

- Specialized navigators – Trained to focus on individuals redetermined off Medicaid, able to provide detailed information about federal subsidies and provider networks that most closely align with current CCO plans (see mapping below). Navigators should proactively connect with individuals that are no longer eligible for Oregon Health Plan and qualify for subsidies.

- Network mapping – Require the OHA to develop consumer facing system that maps CCO and individual market provider networks to help consumers make decisions. It would be valuable to allow customers to see the plans that align most closely with their current network and the costs of those plans. The OHA has already requested and received data from Providence to accomplish this goal.
- Subsidy assistance - Identify gaps in existing federal and state subsidies and develop robust assistance plan that address these gaps.

Providence shares the legislature's goals to maintain affordable access and limit gaps in coverage when the federal public health emergency expires. We are committed to partnering as this work moves forward to ensure that while we meet these goals, Oregon also protects all customers on the individual market who deserve affordable access to care. Thank you for the opportunity to provide comment.

Respectfully,

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