Oregon Association of Hospitals and Health Systems

July 12, 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:

In developing further recommendations to the legislature, we appreciate that the Task Force is pursuing robust information and thoroughly considering the impact of all available program design options on the population that a new bridge plan would aim to serve. As the Task Force discussions thus far reflect, difficult tradeoffs may be needed to build a program within the confines of the available federal resources as described in HB 4035.

To emphasize our prior comments, one tradeoff that absolutely cannot be made is reducing reimbursement to hospitals, either directly or indirectly. The actuarial analysis of a hypothetical Basic Health Program (BHP) presented at the June 14 Task Force meeting suggested that some federal dollars would be available to raise provider rates above Medicaid. However, even in the best-case scenario with extended ARPA subsidies and elimination of the reinsurance penalty, utilizing the entirety of this surplus to increase provider rates still would not bring them even close to commercial reimbursement levels. Given that a BHP would remove over 30,000 people from the existing commercial market and withhold up to 55,000 others who would be eligible for commercial market subsidies following Medicaid redetermination, this functions as a significant cut to hospital revenue.

Hospitals have come to the rescue time and time again throughout the COVID-19 pandemic, and despite these challenges, have continued to support care for those in need through Medicaid and financial assistance/charity care. Hospitals have also remained engaged in work to reduce the total cost of care. But there is a limit to what costs hospitals can continue to absorb. The latest Oregon Hospital Utilization & Financial Analysis report shows that hospitals in our state are facing their most dire financial circumstances since the start of the pandemic.[1] Ultimately, it is our patients and communities who suffer as the only viable option for some hospitals is to reduce services.[2]

To protect patient access to hospital services in a hypothetical bridge plan, the Task Force should recommend that health plans meet robust network adequacy requirements and that hospitals have an opportunity to negotiate adequate reimbursement.

While we acknowledge that the Task Force's charge per HB 4035 was specific to the bridge program, we again caution that the conversation around this program cannot occur in a vacuum. We have already articulated examples of unintended consequences that could result from creating a BHP, such as care interruptions and reduced access. Others have since been identified in greater detail, including the likely reduction in "silver loading," which would raise costs for the remaining

[1] *Apprise Health Insights, June 7, 2022, available at: Q1 2022 HUFA Report.pdf (d1o0i0v5q5lp8h.cloudfront.net).*
[2] *See also OAHHS comments to the Cost Growth Target Advisory Committee, June 21, 2022, available at: OAHHS-Letter-to-CGT-Advisory-Committee-6.21.2022-FINAL.pdf (oregon.gov).*

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consumers in the individual market and create an even larger financial cliff for people just above the income limit for a BHP at 200% FPL.

In addition to these unintended consequences, a new bridge program would impact many other aspects of health reform in Oregon. We previously mentioned the potential impact on the Sustainable Health Care Cost Growth Target program. Other examples include Oregon's next Medicaid waiver, the implementation of Healthier Oregon (formerly Cover All People), and the state budget for the next biennium and beyond. These topics are fundamentally inseparable, and policy discussions about them cannot be siloed.

We support integrating the conversations regarding plan design and the impact of a bridge program on the marketplace and continuing those conversations through the fall. We further urge the Task Force to advise the legislature that the Task Force's recommendations regarding a bridge program should be considered alongside the many other health care reform initiatives currently underway as part of a larger policy discussion in the 2023 legislative session. An extension of the federal Public Health Emergency means that a bridge program is less urgent than was originally thought. There is time to consider how to optimize access to coverage and care for all Oregonians – along with our overarching goals to contain health care costs and eliminate health inequity – in light of the current challenges facing our health care system.

Meanwhile, OHA, DHS, and DCBS should focus their time and resources on the core aspects of the upcoming Medicaid redeterminations process, which will impact many more people than the subset of 55,000 expected to be served by a new bridge program. Conducting robust outreach and streamlining transitions between CCOs and the marketplace will go much further in the near term to preserve coverage, access, and continuity of care for the redetermination population. We look forward to further discussion with the agencies in support of ensuring continued coverage for this population, and we hope additional transparent conversations about process and planning will continue as this work unfolds.

Thank you for the continued opportunity to engage in this process. We look forward to seeing a draft of the Task Force's recommendations.

Thank you,

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