
Oregon Health Authority Health Policy and Analytics Division

Presented to
Joint Ways & Means Subcommittee on Human Services
February 4, 2020

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OREGON HEALTH AUTHORITY
Health Policy and Analytics Division

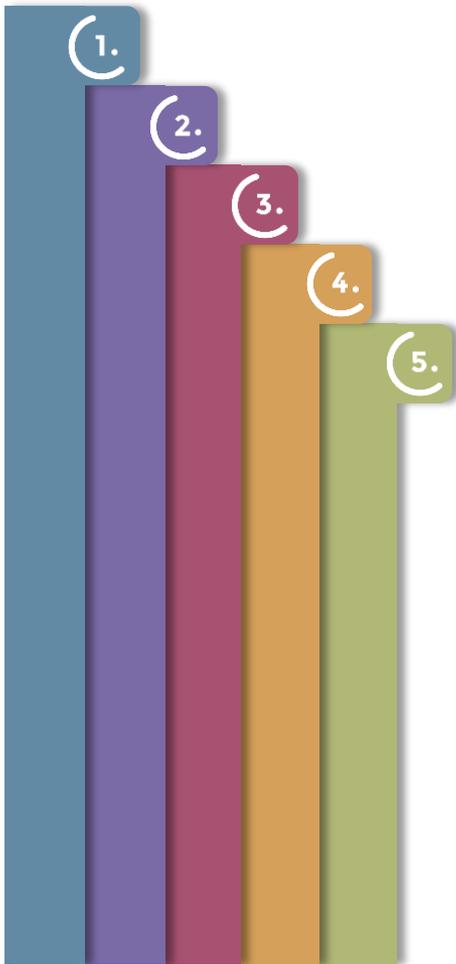
Why Transform the Health System?

What HPA Does

HPA Strategies & Successes

Challenges Moving Forward

Proposed Budget



OHA's Strategic Goal: Eliminate health inequities by 2030

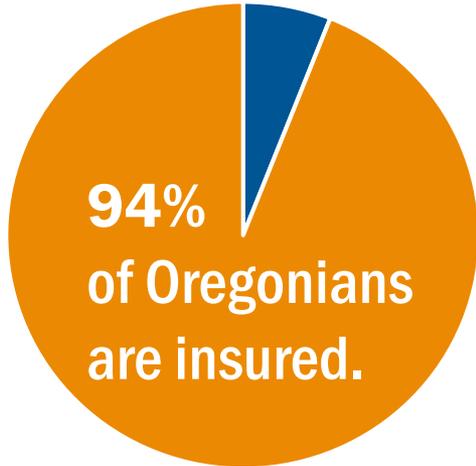
1 Better health

2 Better care

3 Lower costs

94 percent of Oregonians are insured.

But what of the remaining 6 percent?



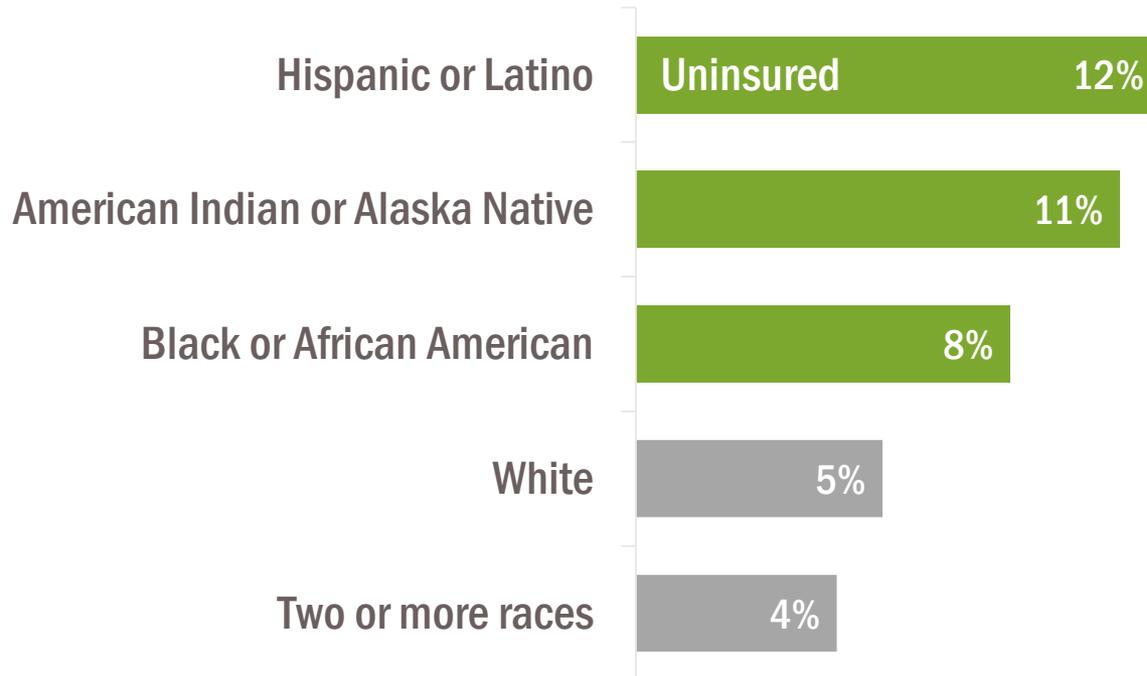
The remaining 6% are uninsured because...



Source: Oregon Health Insurance Survey, 2019

Coverage has not been accessible to all

Communities of color are more likely to be uninsured.



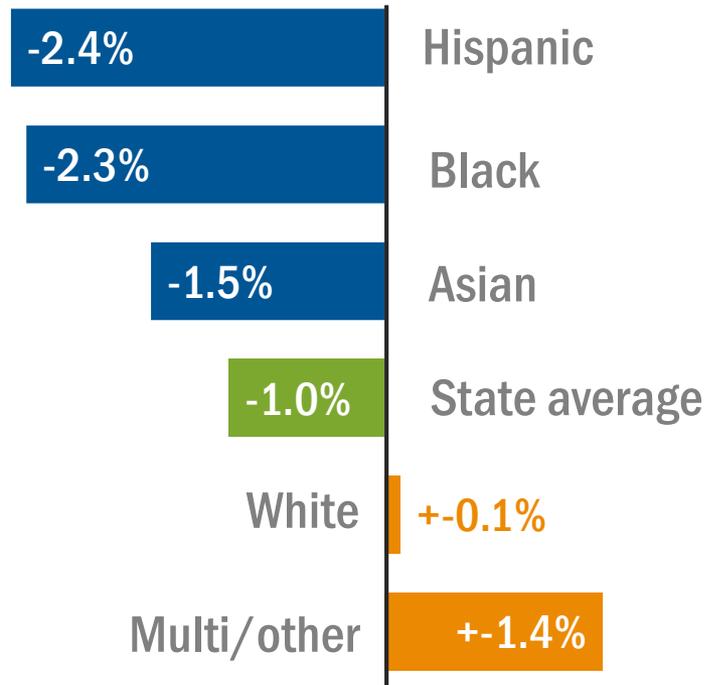
Source: Oregon Health Insurance Survey, 2019

Note: Asian, Native Hawaiian/Pacific Islander; and Other estimates are suppressed due to small sample size.

The impact of COVID-19 on coverage

Larger coverage drops have occurred in Hispanic/Latino, Black and Asian communities during the pandemic.

Percentage point increase/decrease, 2019-2020

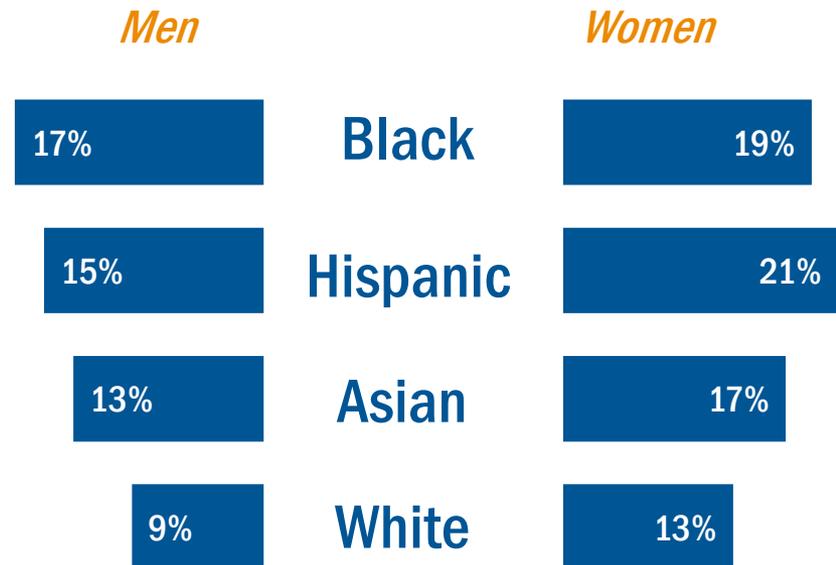


Source: 2019 American Community Survey 2019; Pulse 2020 (US Census Bureau)

The impact of COVID-19 on employment



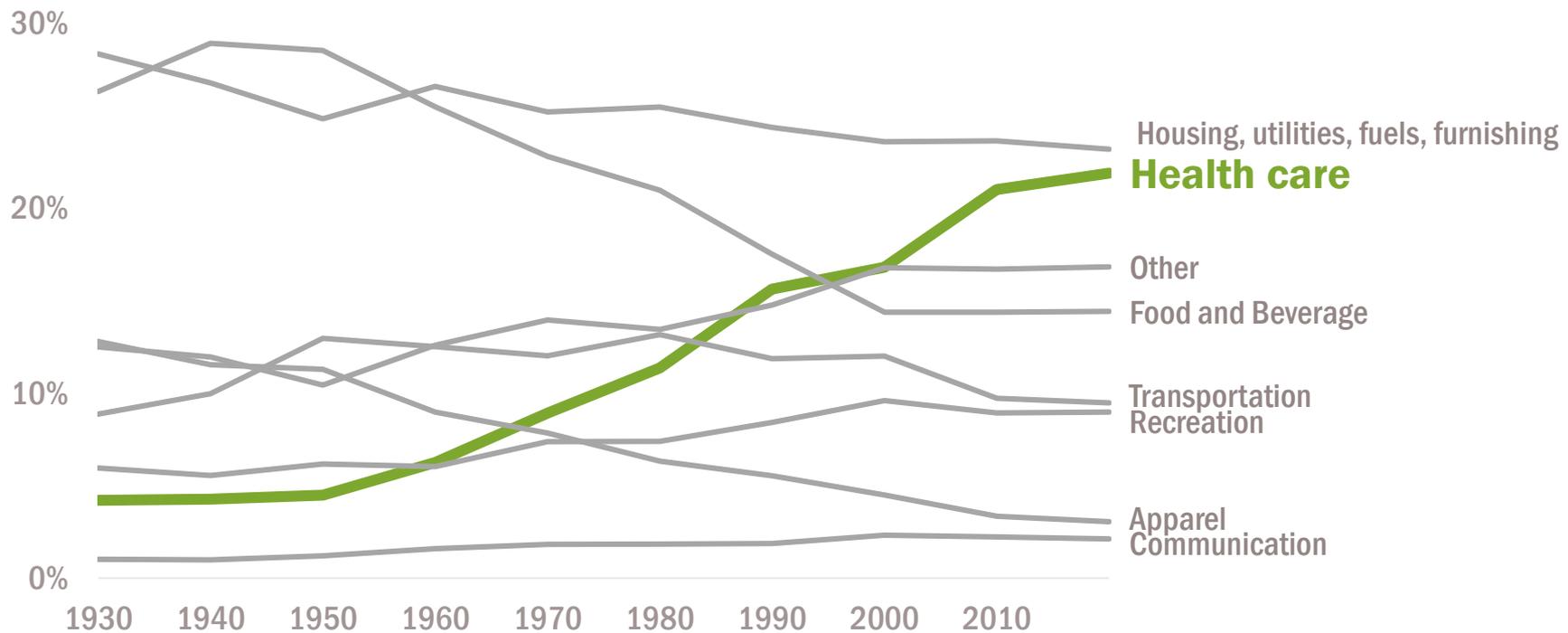
Percent job loss, February to May 2020



:Source: Pew Research Center analysis of Bureau of Labor Statistics data, June 2020

The cost of health care is growing uncontrolled

Spending as percent of household income

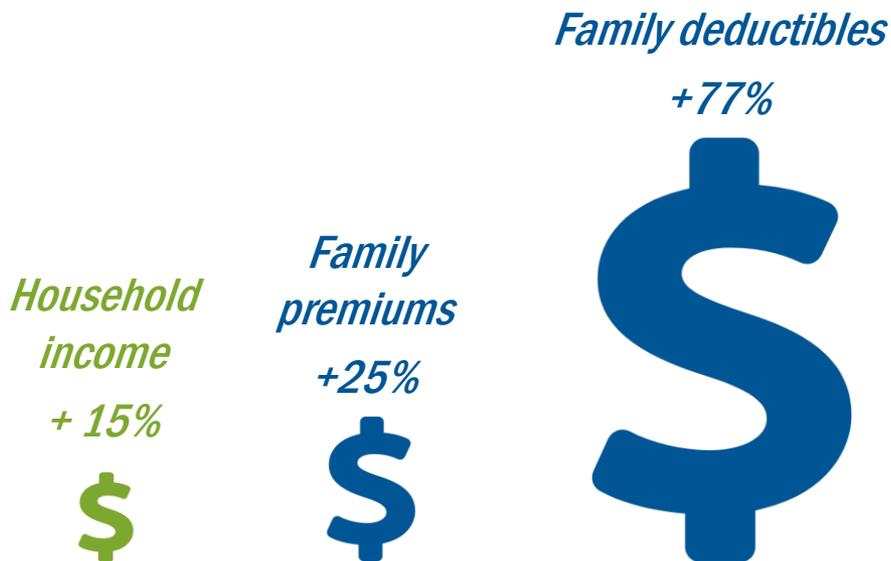


Source: BEA, Table 2.5.5. Personal Consumption Expenditures by Function

Health care is unaffordable for Oregon families

Deductibles and premiums in Oregon are growing faster than **income**.

(Percent change 2010-2016)



In 2016

Oregon premiums equated to 29% of a family's total income.



In 2016

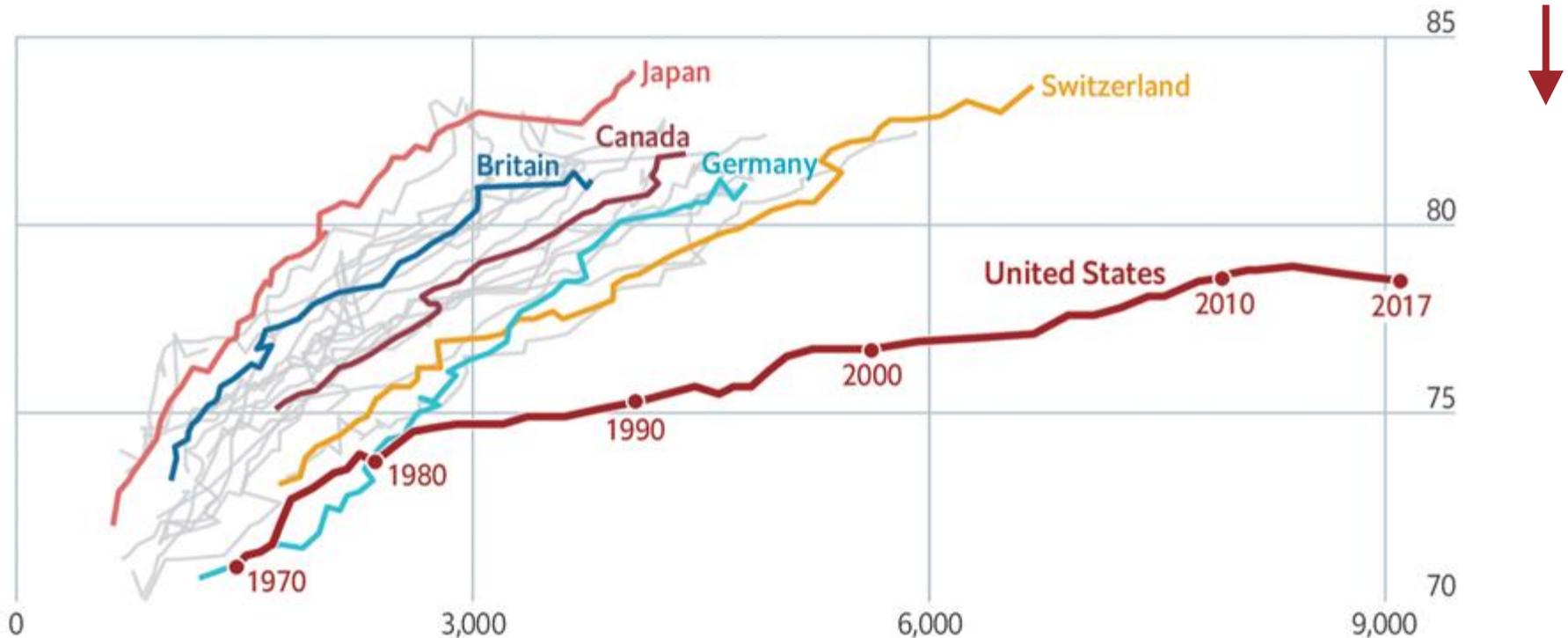
16% of Oregon families delayed care because of cost.

Sources: "The Burden of Health Care Costs for Working Families" Penn LDI, April 2019
Oregon Health Insurance Survey, 2019

U.S. health care costs double other countries, but life expectancy is lower

Health spending per person →

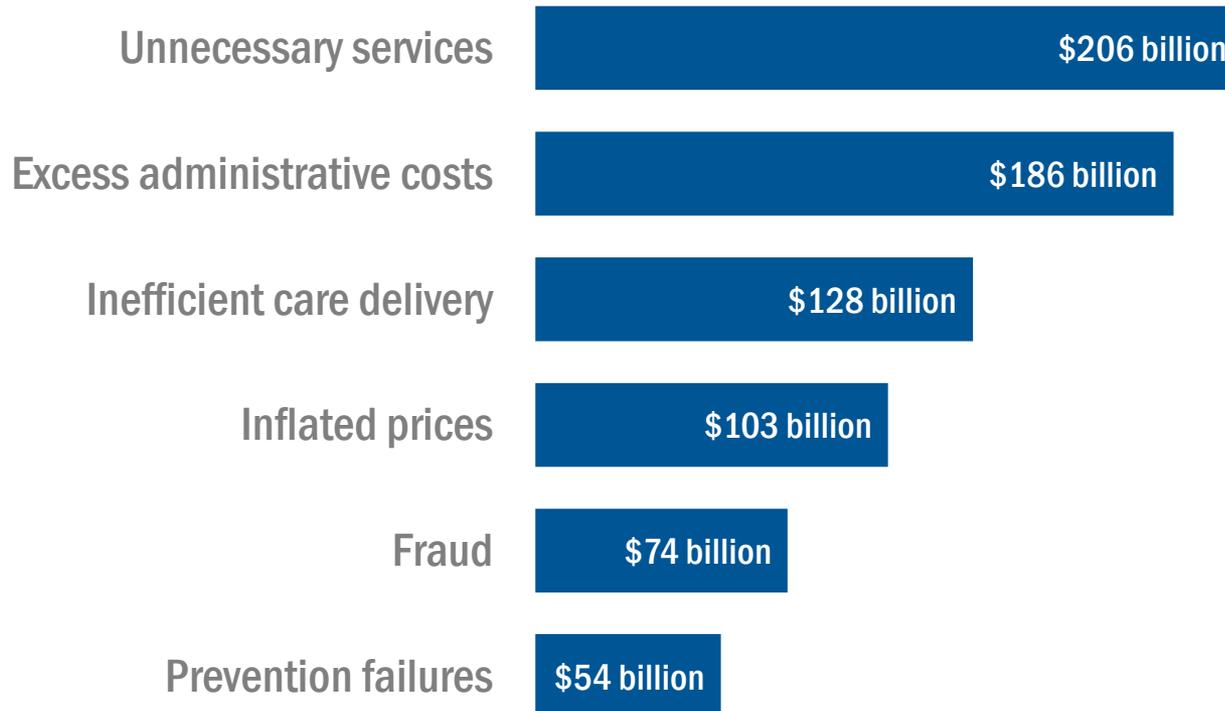
Life expectancy ↓



Source:

Brian Fund, "How the U.S. Health-Care System Wastes \$750 Billion Annually," The Atlantic, September 7, 2012.

Much of that spending doesn't improve health

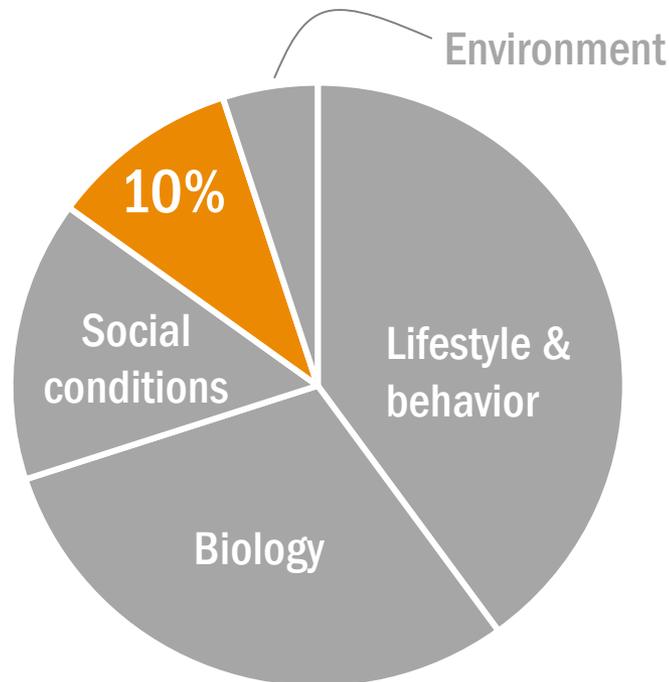


Source:

Brian Fund, "How the U.S. Health-Care System Wastes \$750 Billion Annually," The Atlantic, September 7, 2012.

Wrong focus = wrong result

The medical care we get only determines about 10% of our health.



Social and environmental conditions – or the *social determinants of health* – make a much bigger difference in how healthy we are.

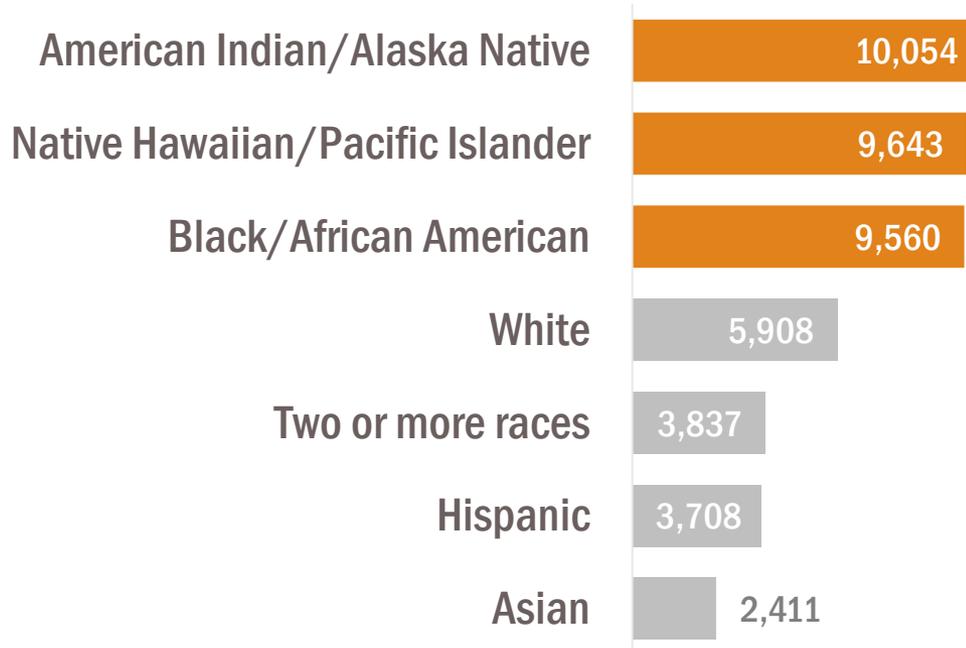
Source:

Schroeder, SA. (2007). We Can Do Better – Improving the Health of the American People. *NEJM*. 357:1221-8

Communities of color bear the burden

Years of potential life lost before age 75

per 100,000



Leading causes of premature death:

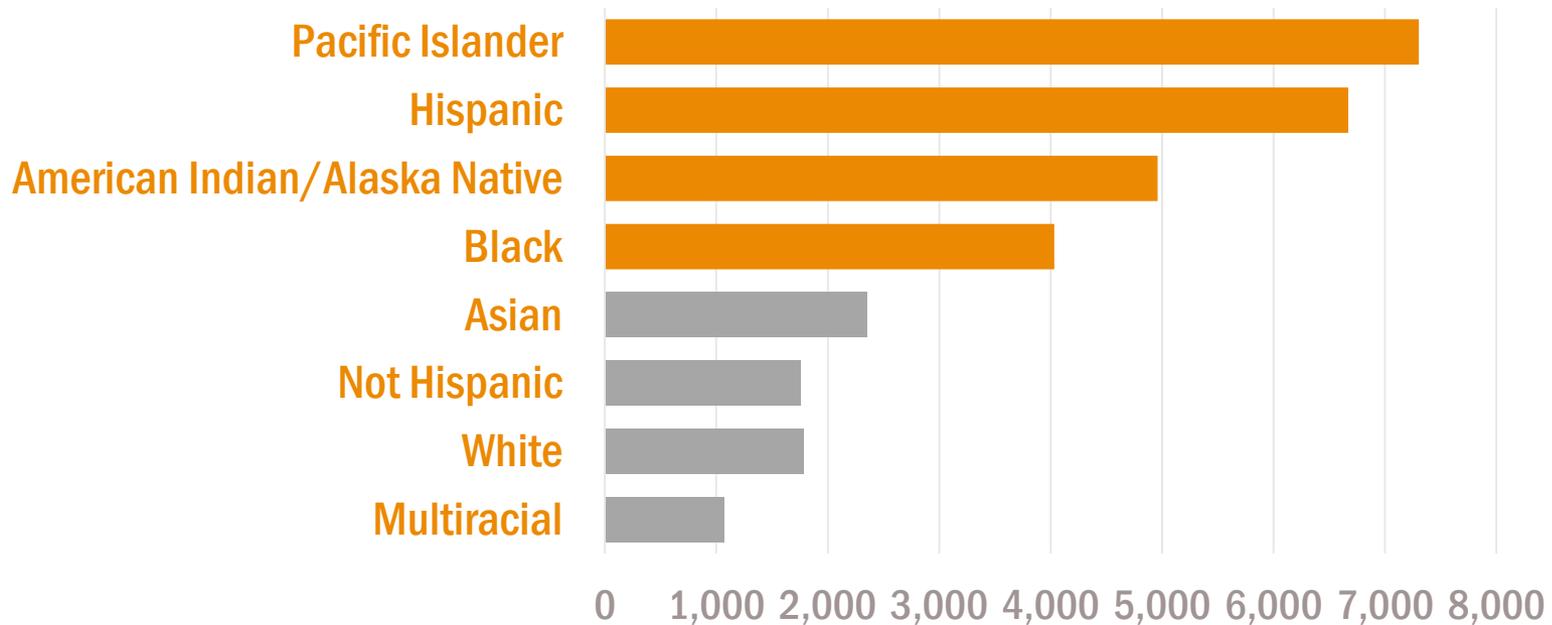
- Injury
- Cancer
- Heart Disease
- Perinatal Conditions
- Diabetes
- Chronic Lower Respiratory Disease
- Liver Disease and Cirrhosis

Source: Oregon Death Certificate data

Communities of color bear the burden

Oregon COVID-19 cases

per 100,000



Source: OHA COVID-19 Weekly Report, January 21, 2021

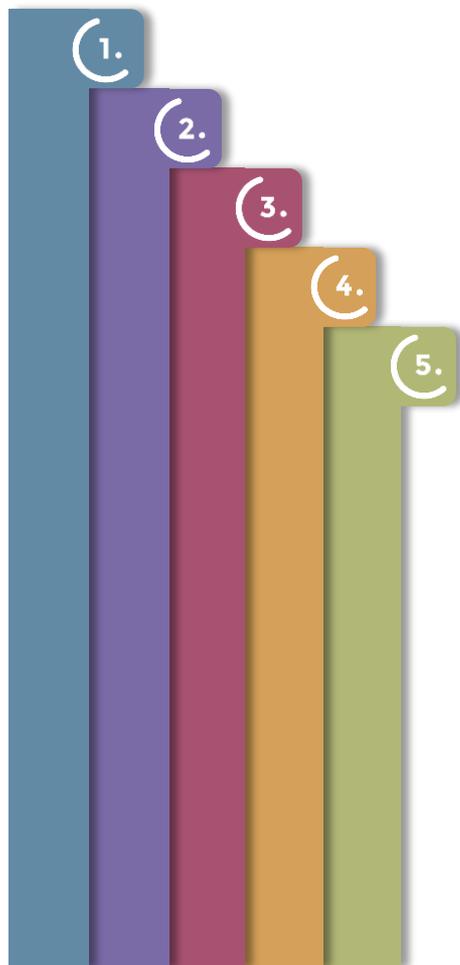
Why Transform the Health System?

What HPA Does

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Proposed Budget



A health system that eliminates inequities

HPA's Vision

All people in Oregon experience the best care at the lowest cost.

What HPA does to get there:

- **Transparency:** Measure, analyze and publish data to inform the public and support policymakers on challenges and opportunities.
- **Align:** Align service delivery models and payment incentives across state health care programs to maximize efficiency.
- **Facilitate change:** Identify what's working and help spread those practices across health care markets.

Oregon is a national leader on innovation

Oregon Builds Consensus to Expand Cost Control Efforts

Milbank Memorial Fund

OHA HOSPITAL FINANCIAL REPORTS SHOW DROP IN REVENUE DURING COVID-19

State of Reform

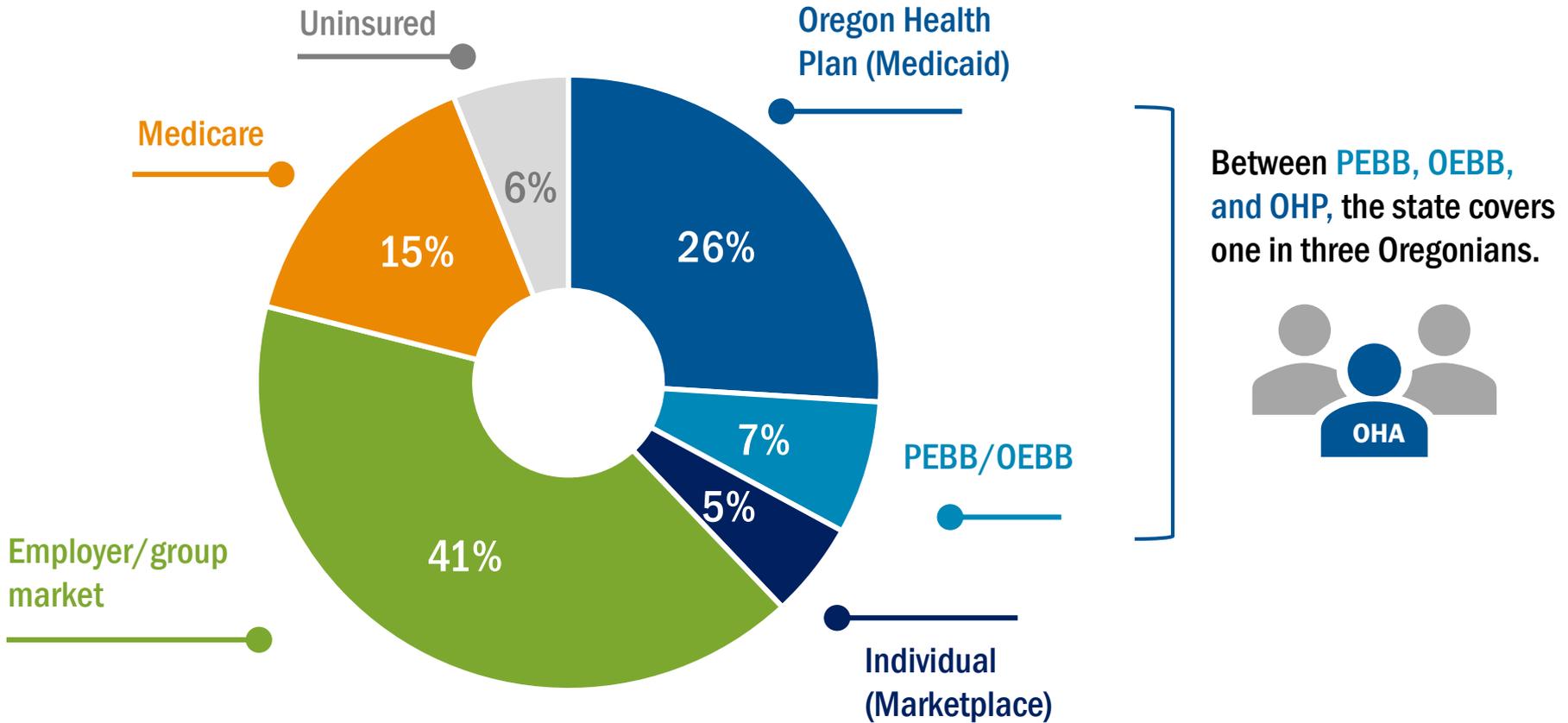
OREGON'S HIGH-RISK, HIGH-REWARD GAMBLE ON MEDICAID EXPANSION

Health Affairs

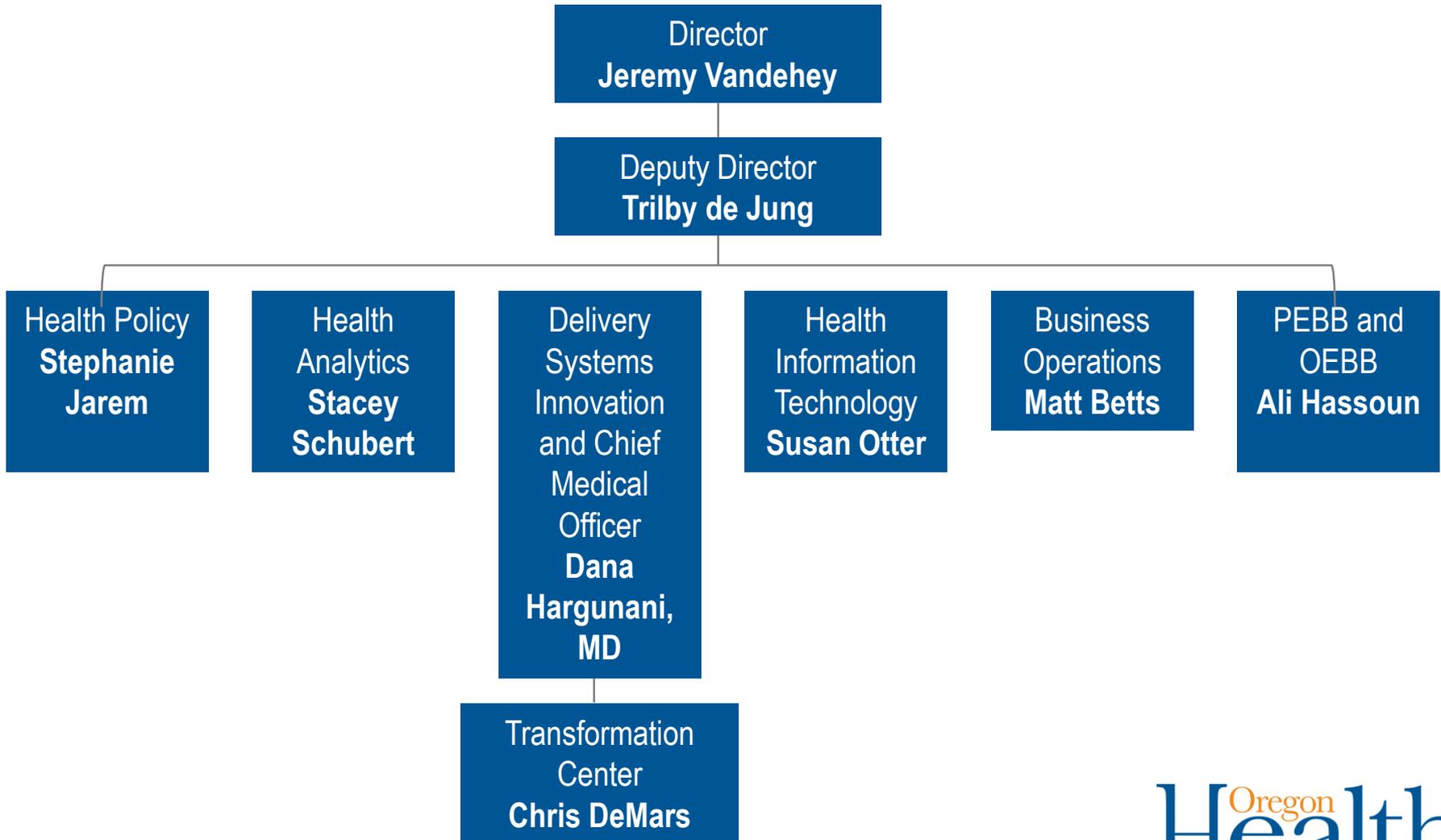
REPORT: OREGON'S HEALTH CARE TRANSFORMATION IS WORKING

Bend Bulletin

HPA leverages state programs to transform the health system



HPA Organization



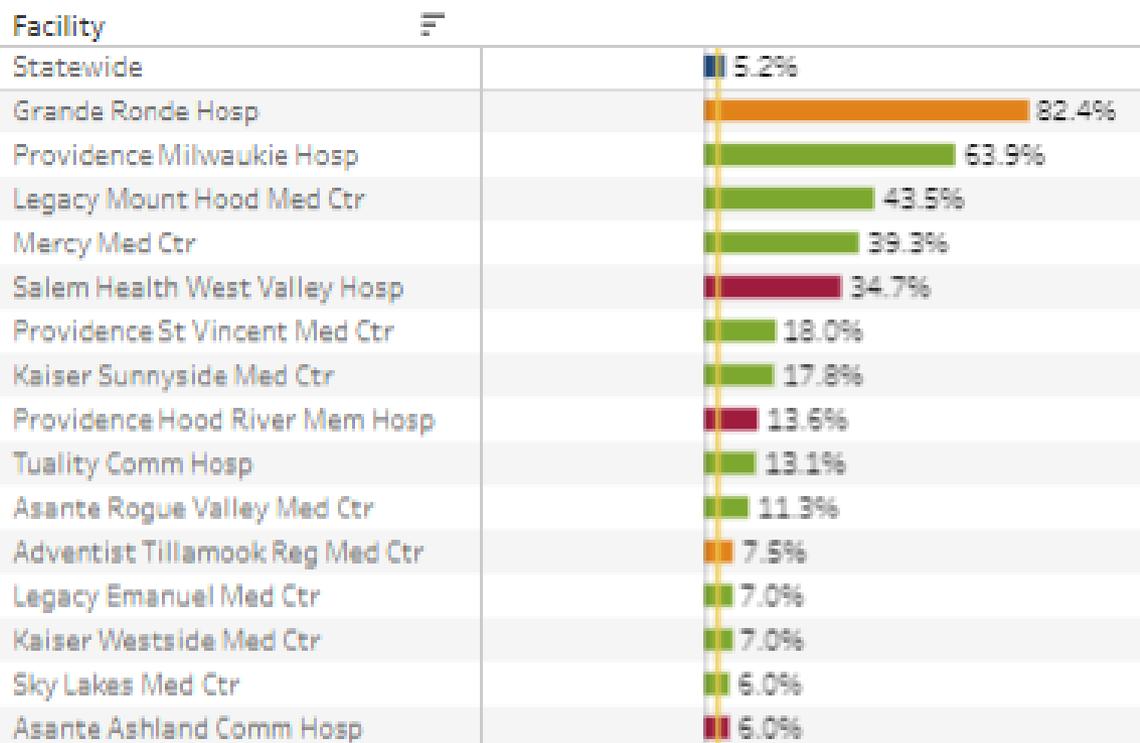
We use data and analytics to understand successes and challenges in the system

- Inpatient procedures
- Outpatient radiation & chemotherapy
- Outpatient surgical procedures
- Pregnancy related procedures
- Procedure descriptions

Bone study

Change in median payment between 2017 to 2018

The color of the bar indicates hospital type



Filter by...

Procedure type

Click on Procedure descriptions above to learn what these mean

- Bone study
- Cardiovascular: ECG
- Cardiovascular: ECG stress test
- Cardiovascular: Echo
- Cardiovascular: MCT
- CT w contrast: Abdomen GI
- CT w contrast: Chest
- CT w contrast: Head and neck
- CT: Abdomen GI
- CT: Chest

Hospital type

- Statewide
- DRG
- Type A
- Type B

We use data and analytics to understand successes and challenges in the system

Select an occupation:

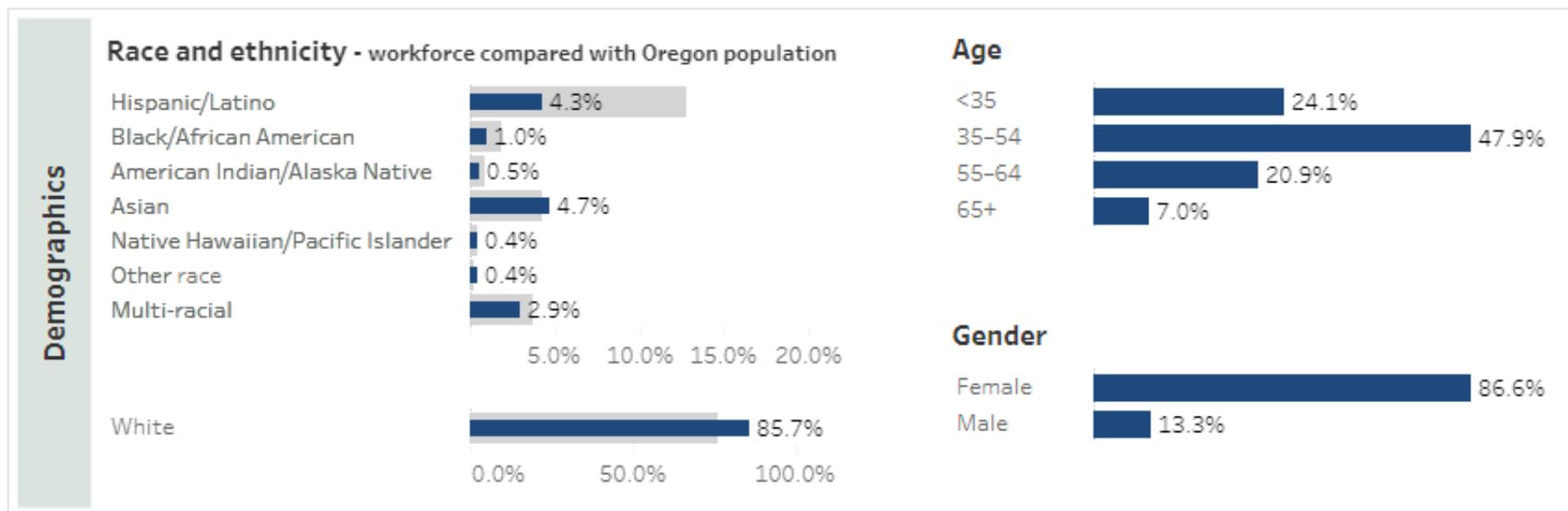
Registered nurses

Select a year:

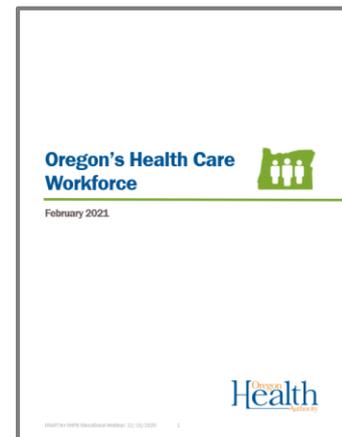
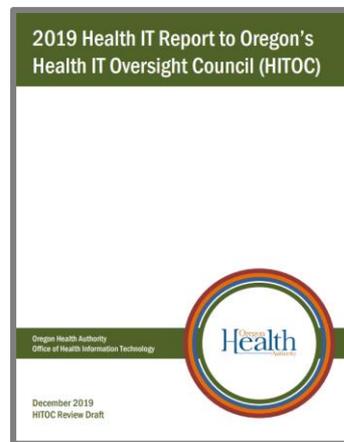
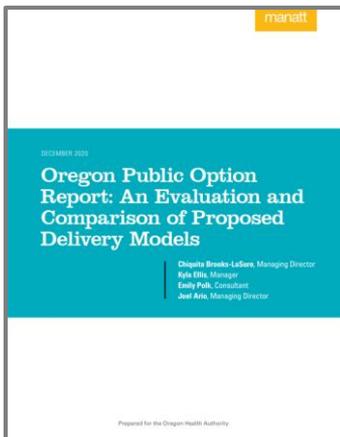
2020

Registered nurses practicing in Oregon in 2020

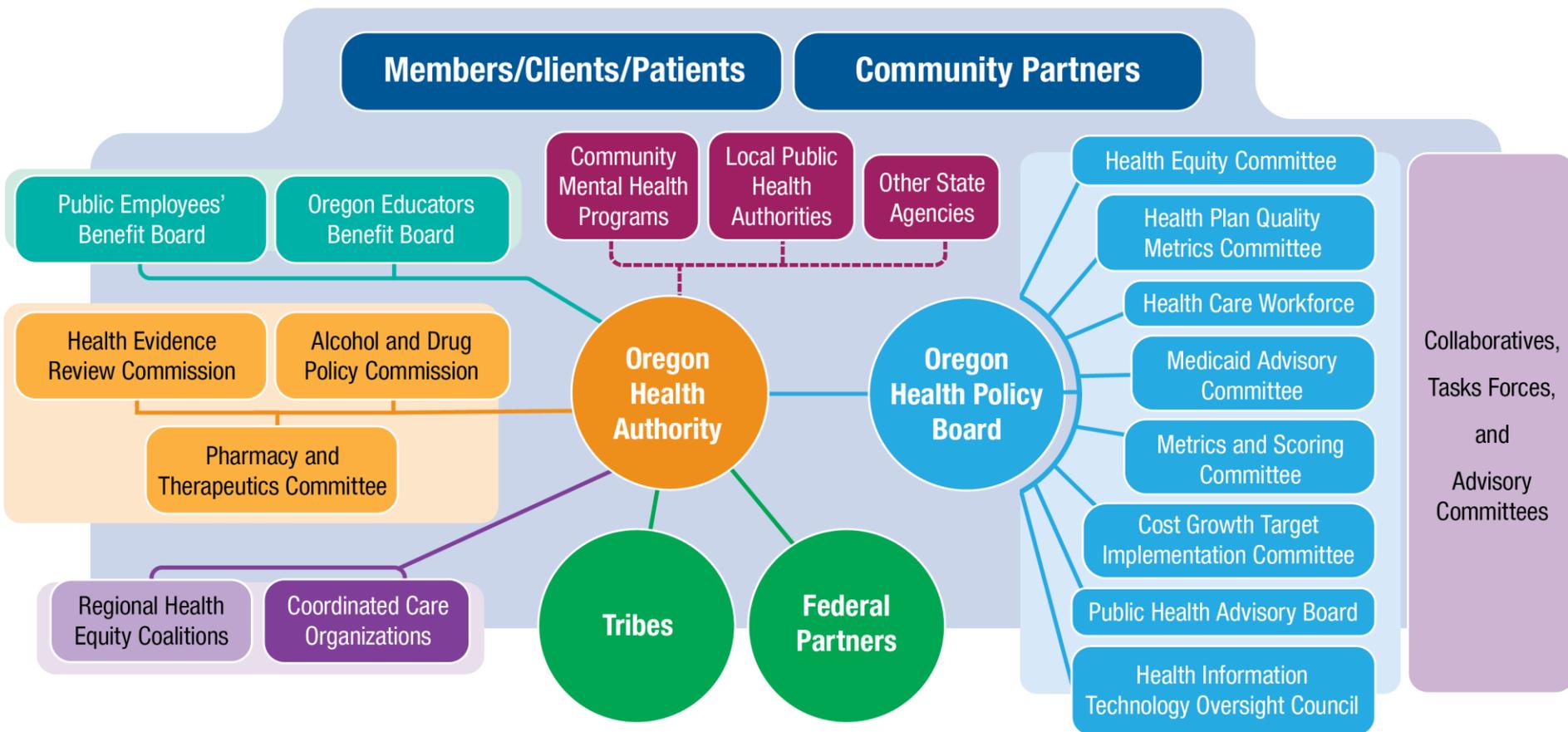
Hover over charts for more details.



We provide regular reports on legislative priorities to support policymakers



We work with community & stakeholders



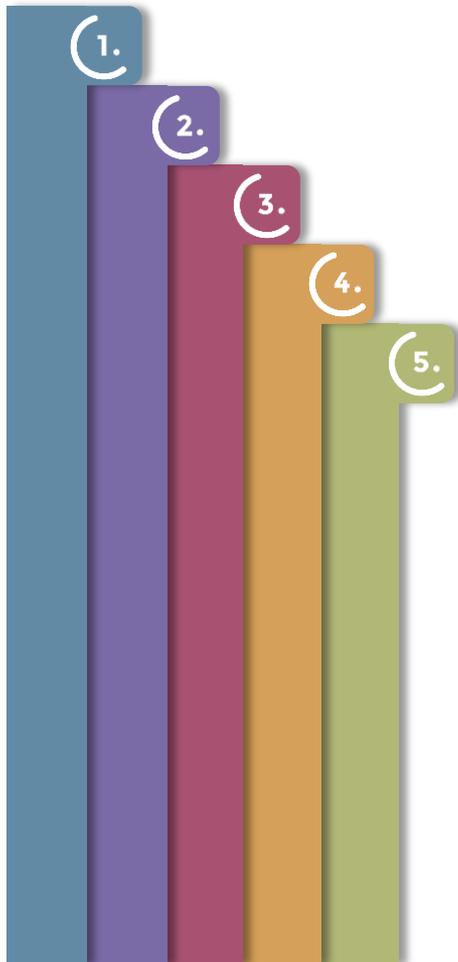
Why Transform?

What HPA Does

Strategies and Successes

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HPA's strategies for transforming the health system in pursuit of health equity

Improving health outcomes



Improving care quality



Achieving health equity



Building a sustainable system



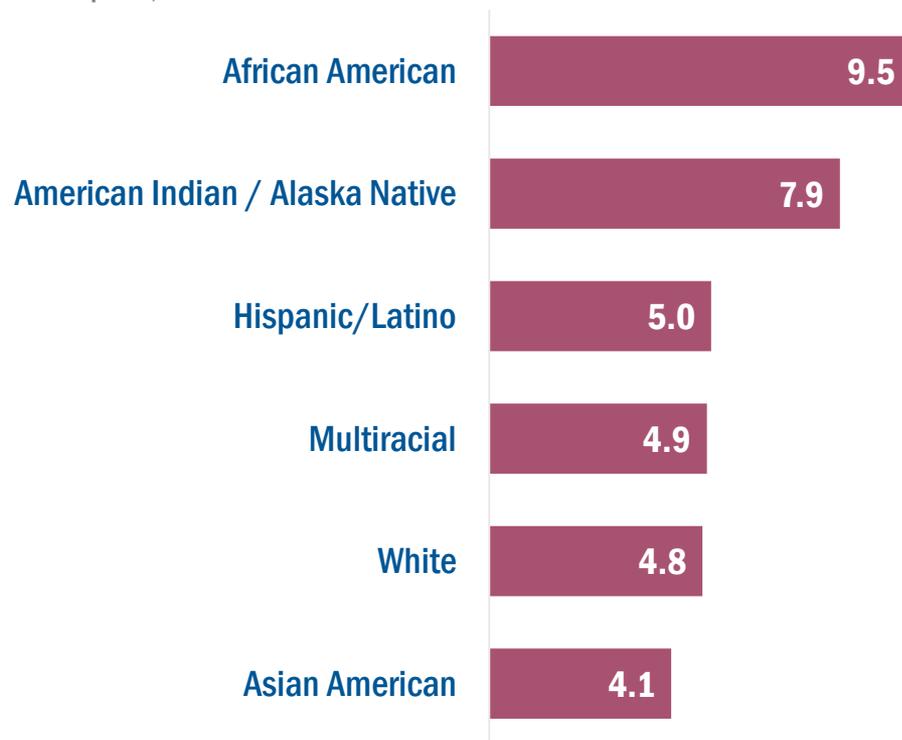
Improving coverage & access



Inequities v. Disparities

Infant death rates in Oregon

Rates per 1,000 live births



Source: Oregon Linked Birth/Death Certificate Data, 2013-2017

Note: All race groups exclude Hispanic/Latino

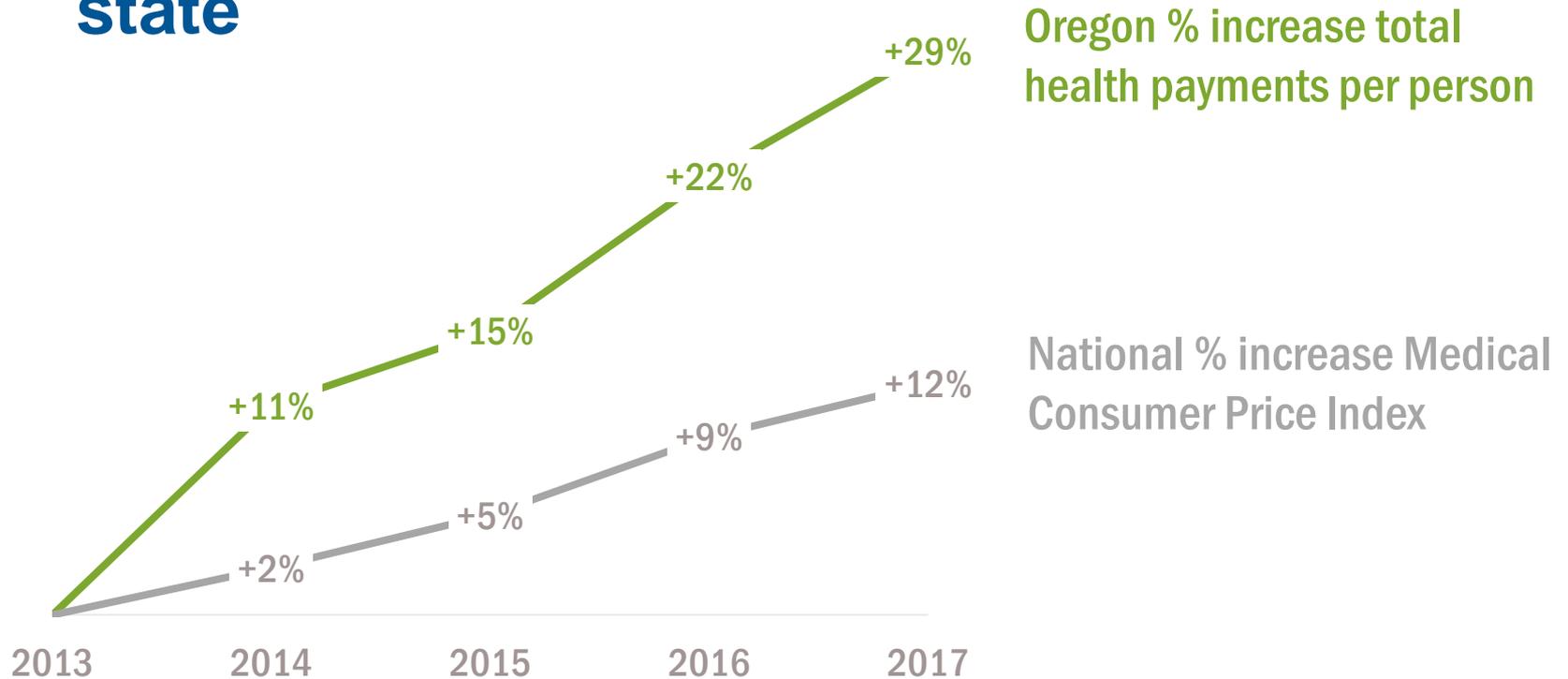


Building a sustainable system



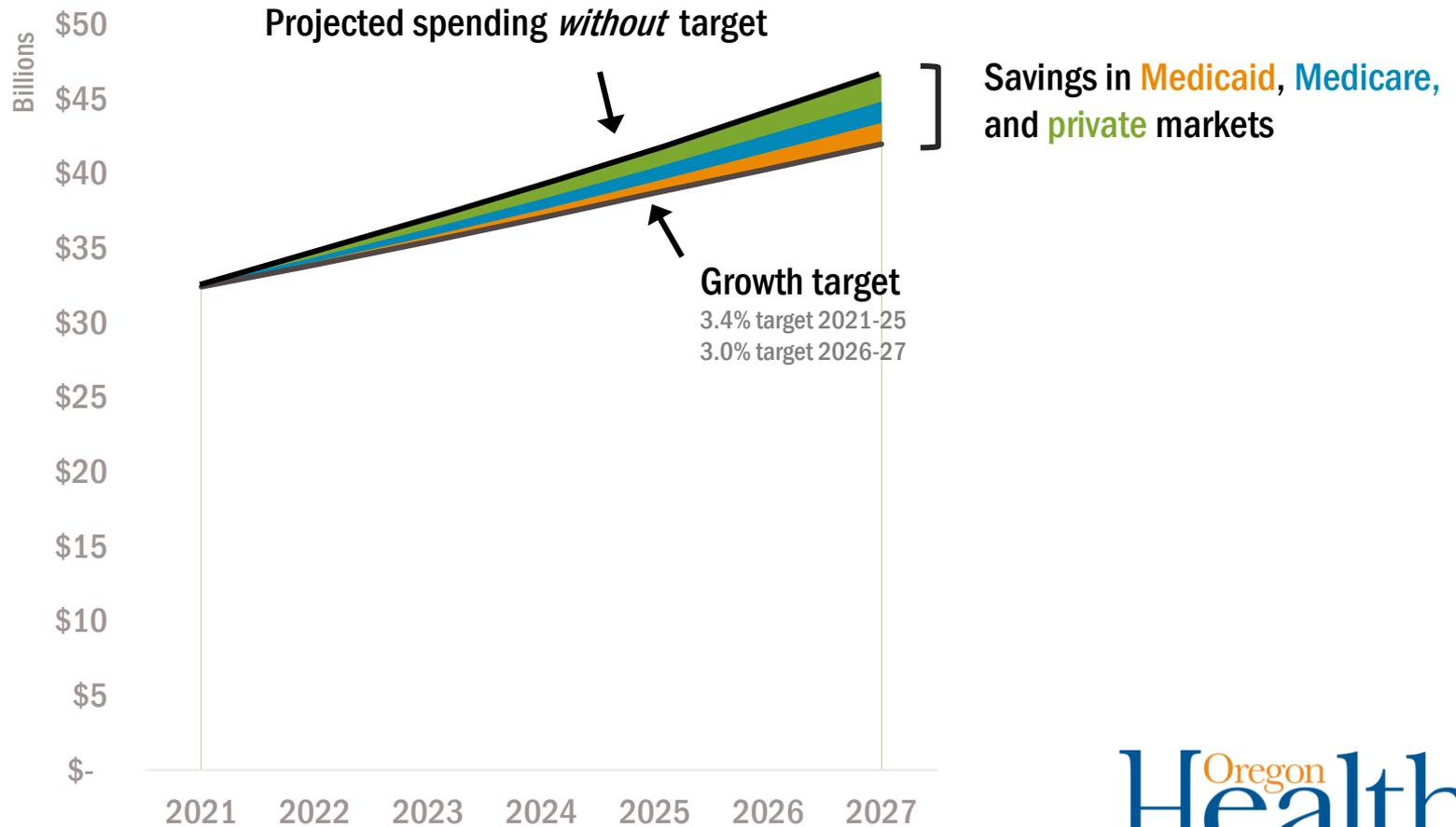
Building a Sustainable System:

Health care costs are growing too quickly for family budgets, businesses, and our state





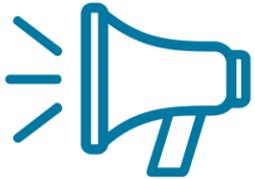
Building a Sustainable System: Oregon's Health Care Cost Growth Target will save \$16 billion over the next 6 years





Building a Sustainable System

A statewide health care cost growth target provides...



Transparency

Sustainable
Target

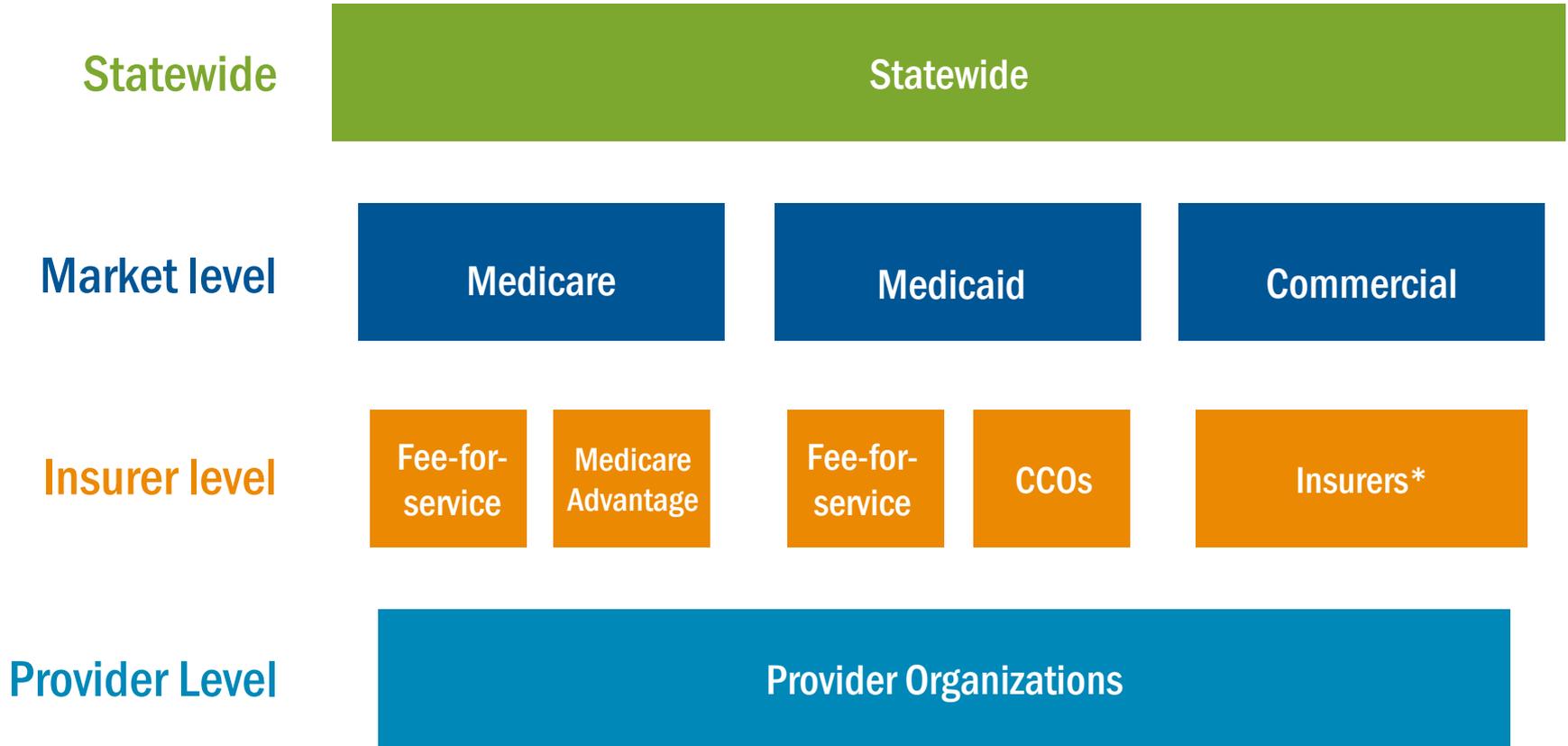
Total Cost of Care
Approach

A Common
Goal



Building a Sustainable System

The Cost Growth Target applies at 4 levels:

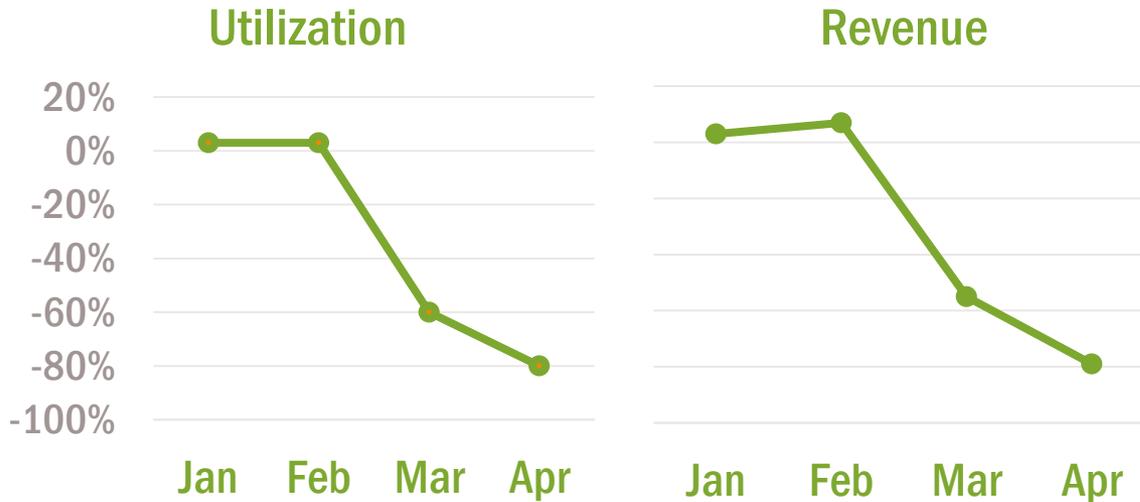




Building a Sustainable System

Changing how we pay for health care

Current “**fee-for-service**” model pays providers based on quantity of services, which causes **volatility** in the health system and **promotes inefficiency**.



Source: Healthcare Professionals and the Impact of COVID-19: A comparative study of revenue and utilization. FAIR Health. June 2020.



Building a Sustainable System

Changing how we pay for health care

Value-Based Payments (VBP) link provider payments to **improved quality and performance** instead of to the volume of services.

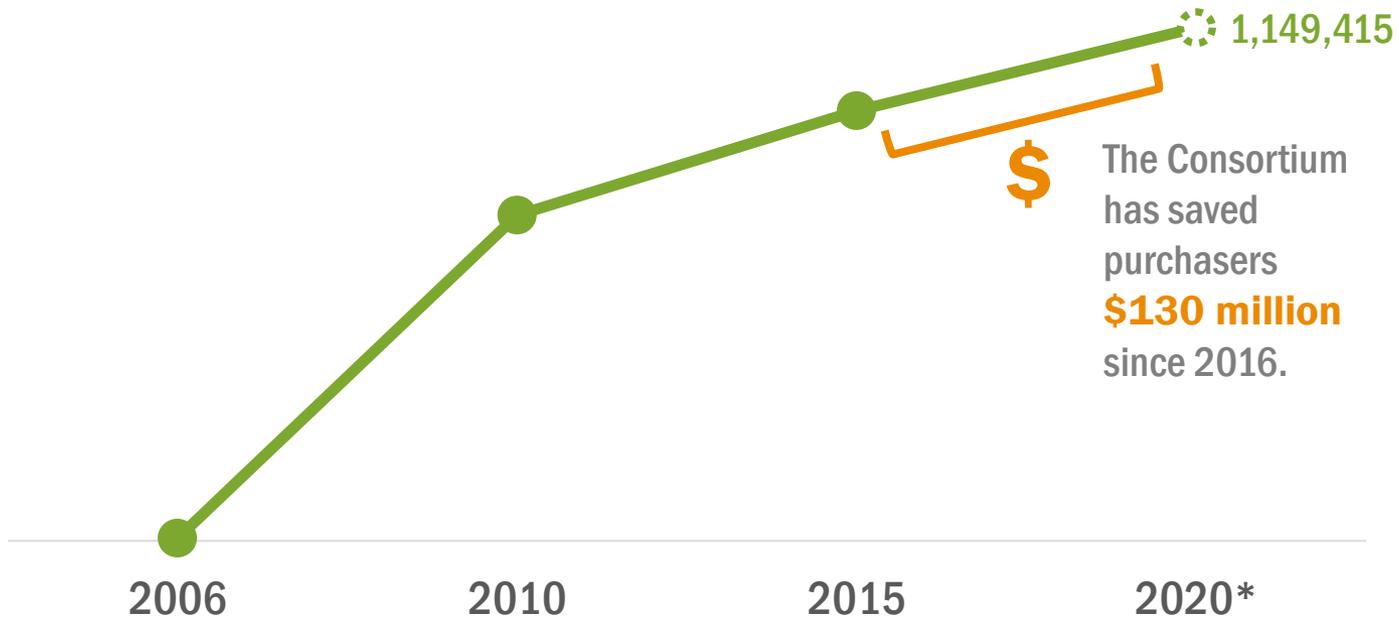




Building a Sustainable System

Leveraging our purchasing power has reduced the price of prescription drugs

Northwest Prescription Drug Purchasing Consortium enrollment

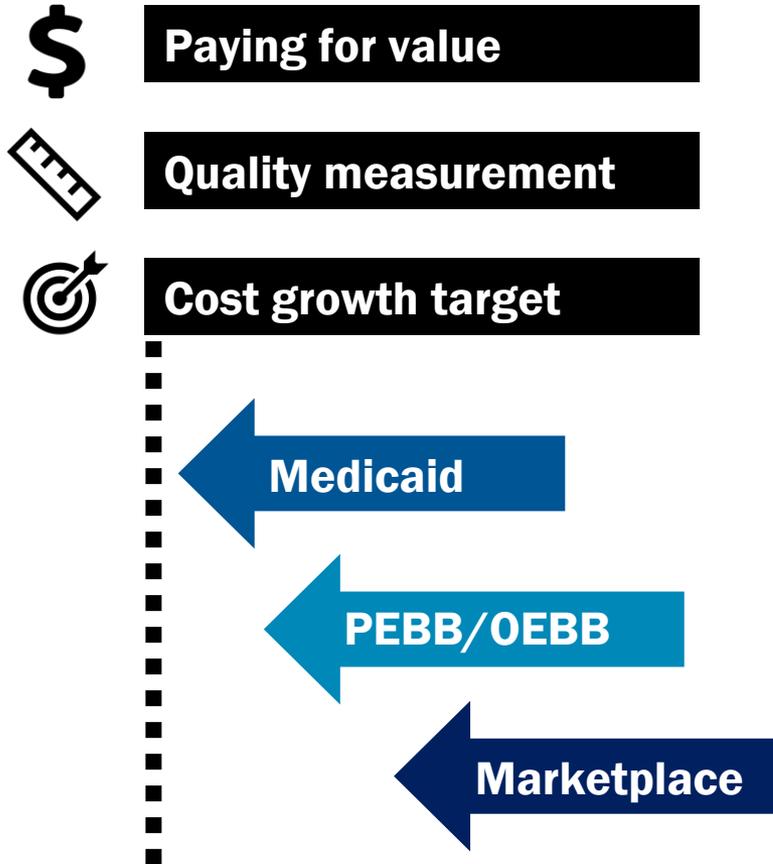


*2020 data are through October

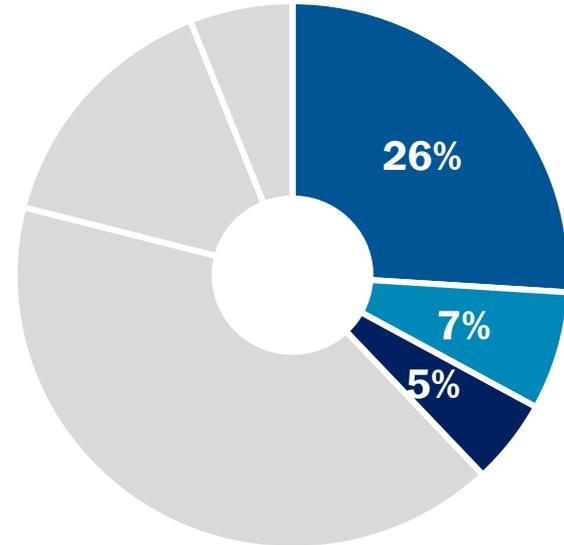


Building a Sustainable System

Aligning toward a common goal



Leveraging coverage





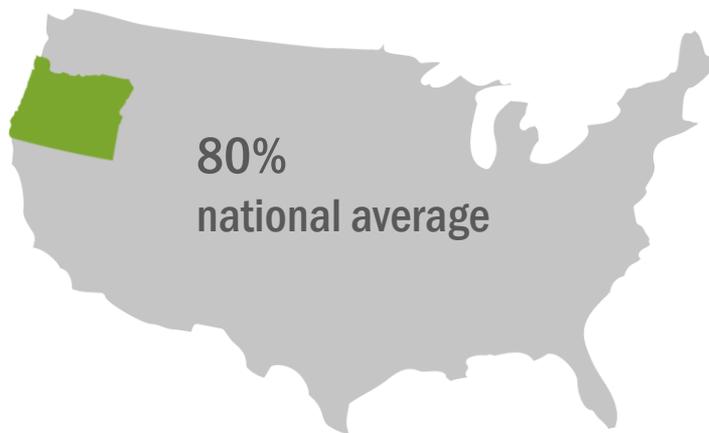
Improving health outcomes



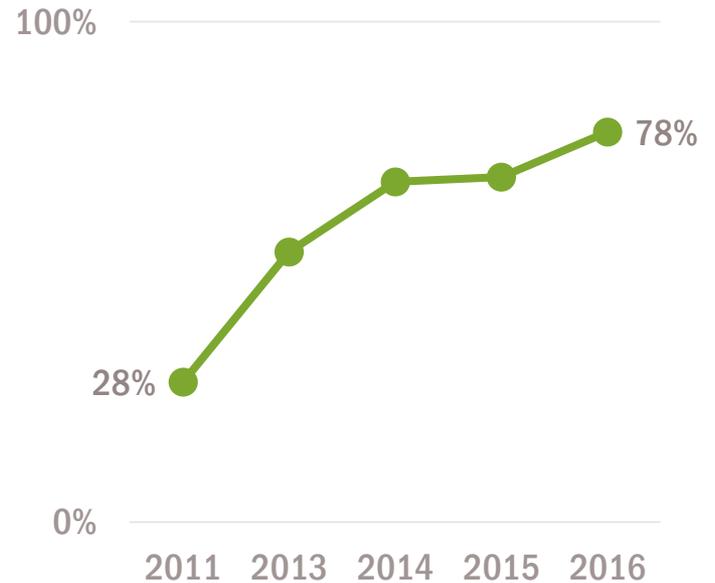
Improving health outcomes

Electronic Health Records help improve quality and coordination of care

90% of Oregon office-based physicians have adopted certified EHRs.



EHR adoption among CCO providers



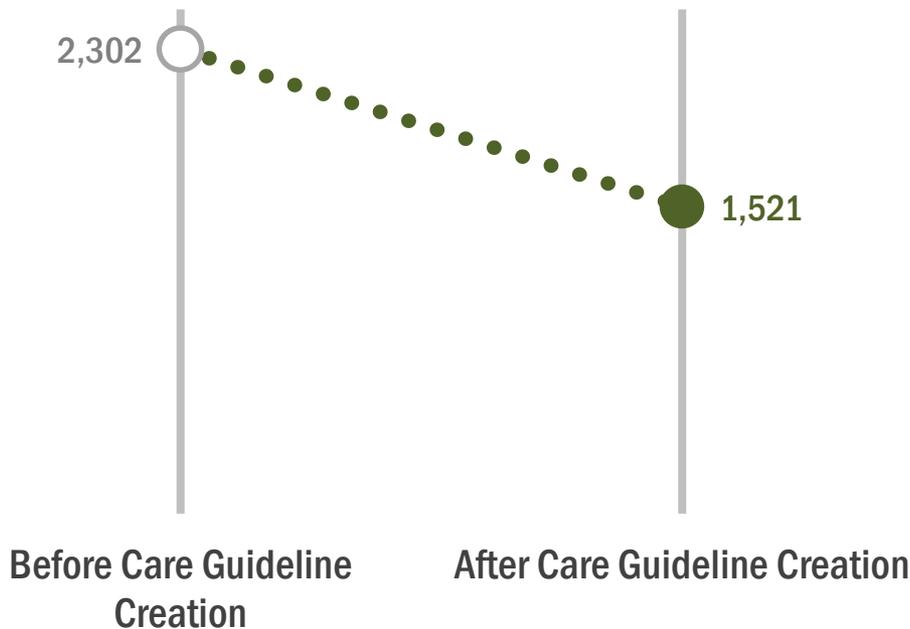
Source: National Electronic Health Records Survey, National Center for Health Statistics, 2017



Improving health outcomes

Connecting providers and CCOs through technology helps ensure patients don't fall through the cracks

ED visits by high utilizers decreased 34% in the 90 days following the initial creation of a care guideline.

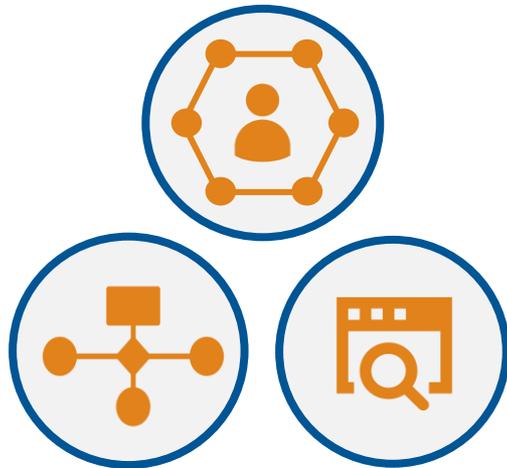




Improving health outcomes

Connecting health and social services through Community Information Exchange

CIEs have been critical during the COVID-19 pandemic to support Oregonians during isolation and quarantine.



- ✓ *“Closed loop” referrals*
- ✓ *Social needs screening*
- ✓ *Shared resource directory*
- ✓ *Analysis and reporting*
- ✓ *Consent*



Improving health outcomes

Maximizing investments in communities

- ✓ **Leveraging federal dollars** to support Oregon's most underserved families through the Integrated Care for Kids grant
- ✓ **Maximizing investments by *hospitals*** through HB 3076
- ✓ **Maximizing investments by *CCOs*** through Health-Related Services



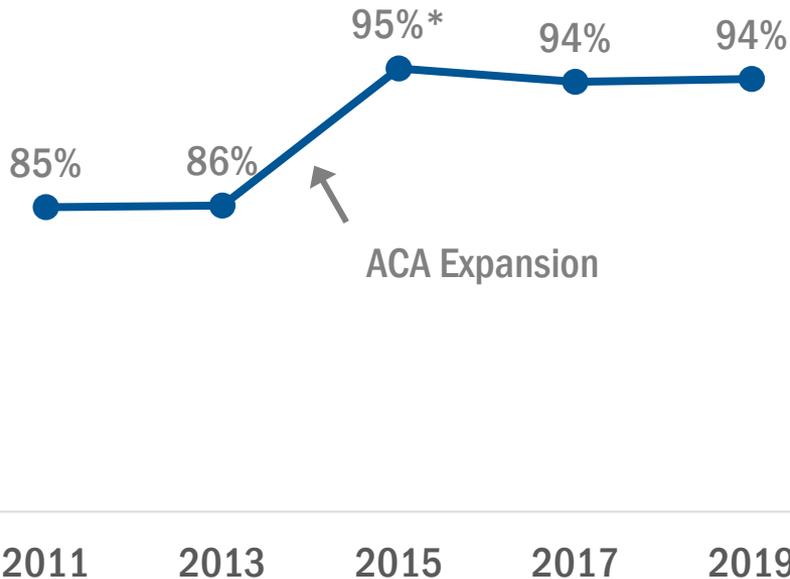


Improving coverage & access



Improving coverage and access **Insurance matters**

94% of Oregonians are insured.



Yet 1 in 5 Oregonians of Native Hawaiian or Pacific Islander background had trouble paying medical bills in 2019.

Source: Oregon Health Insurance Survey, 2019

Notes: *Statistically significant difference from the previous year at 90% confidence level.



Improving coverage and access **Terminology**

Medicaid Buy-in

Those currently ineligible for OHP because of income can **pay a monthly premium and enroll into CCOs**

Public Option

A new, hopefully lower-priced, health plan/coverage **option in the commercial market for those over-income for OHP**

Cover All People Pilot

State-based option for those who are **ineligible for OHP or marketplace coverage for reasons other than income**, such as immigration.

Universal Access

Any combination of coverage options that together achieve affordable health coverage for all people in Oregon

Single-payer

System in which **state-sponsored health insurance plan(s)** are the sole or primary source of coverage for all people in Oregon



Improving coverage and access

Cover All People

- Ultimate goal is to build on ACA and **expand affordable coverage** to those who were left out
- Governor’s Recommended Budget 2021-2023 includes a \$10m investment to fund a **pilot** program to provide coverage to a subset of those who are ineligible for OHP
- Modeled after the successful Cover All Kids Program (now known as “OHP Covers Me!”)

!OHP ES PARA MÍ!





Improving coverage and access **Investing in the workforce**



Oregon's *Health Care Provider Incentive Program*

has helped more than

900 current and future clinicians.

The program has a strong focus on increasing diversity:
Of 140 loan repayment awardees in 2018

37%
possessed secondary language skills and

27%
represented a minority race or ethnicity.

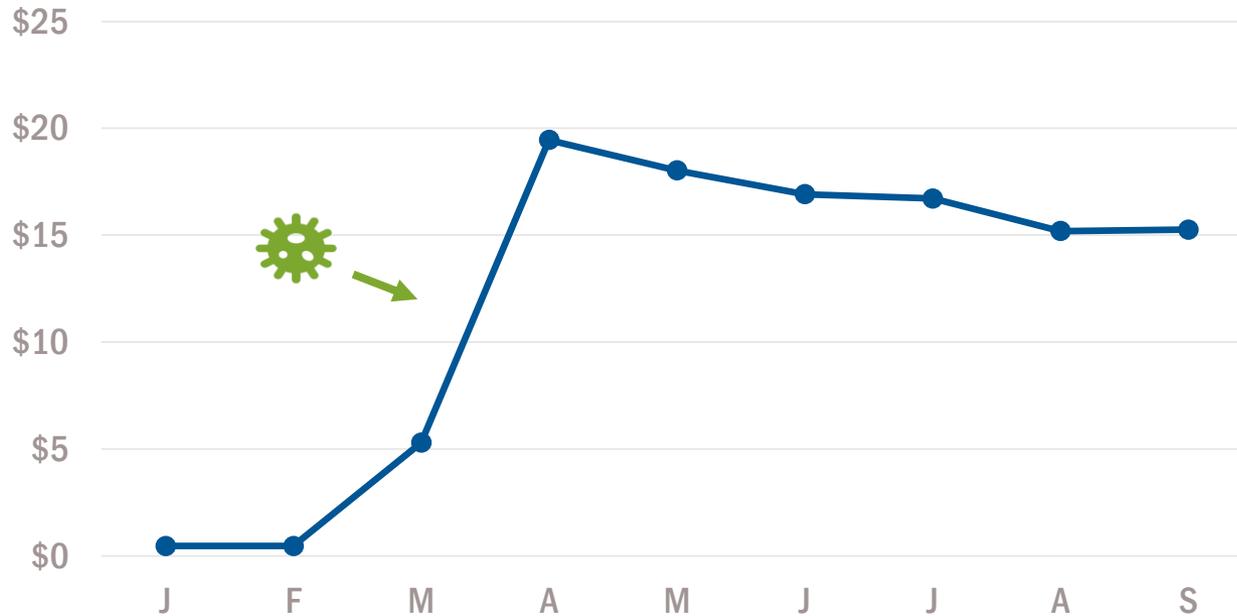


Improving coverage and access

Easier access through telehealth

Telehealth use increased dramatically when the COVID-19 pandemic began and remains high.

Based on allowed (billed) amounts
\$ millions





Improving care quality



Improving care quality

Creating innovating quality metrics to improve care

Paying for performance helps improve quality (CCO Quality Incentive Program)

Health assessments for foster children



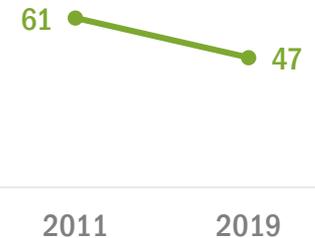
Dental sealants



Depression screening



ED utilization



And we're leveraging that knowledge to **push the system forward on health equity** through the development of a new, community-based metric:

Meaningful Language Access to Culturally-Responsive Health Care Services



Improving care quality

Engaging the delivery system to transform care

579
supportive
activities

15,000
participants

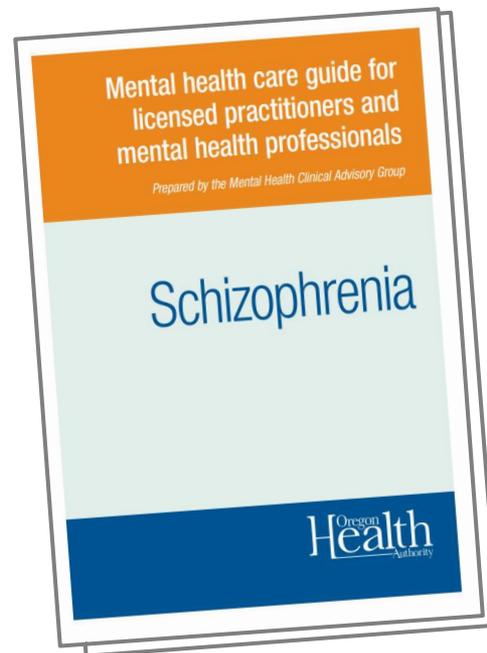
- Multi-partner learning events, trainings & webinars
- One-on-one supports



Improving care quality

Using clinical evidence to promote better care and value

The Health Evidence Review Commission reviews clinical evidence to inform benefit-related decisions for the Oregon Health Plan and beyond.

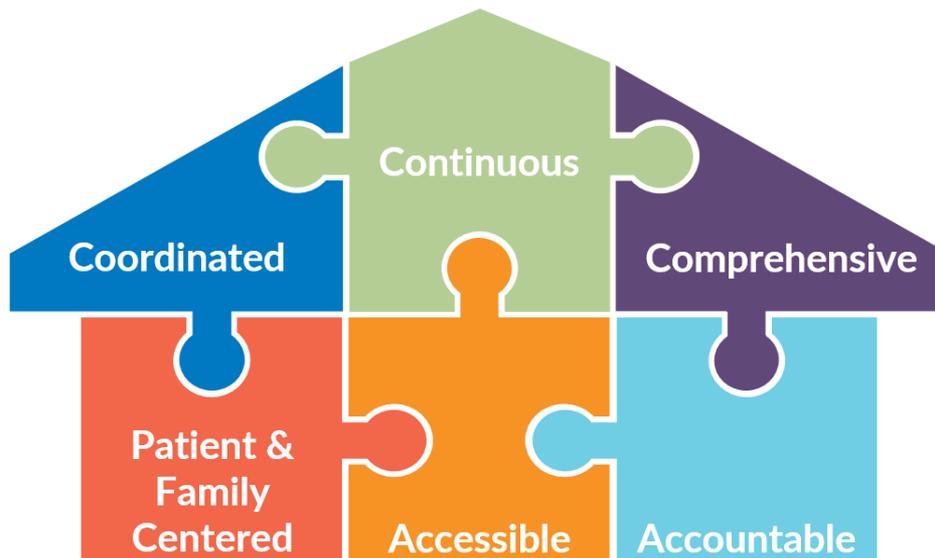




Improving care quality

Improving care and reducing costs through Patient-Centered Primary Care Homes

- 85% reported improved care
- 82% reported improved population health management
- \$240 million in savings (2012-2014)



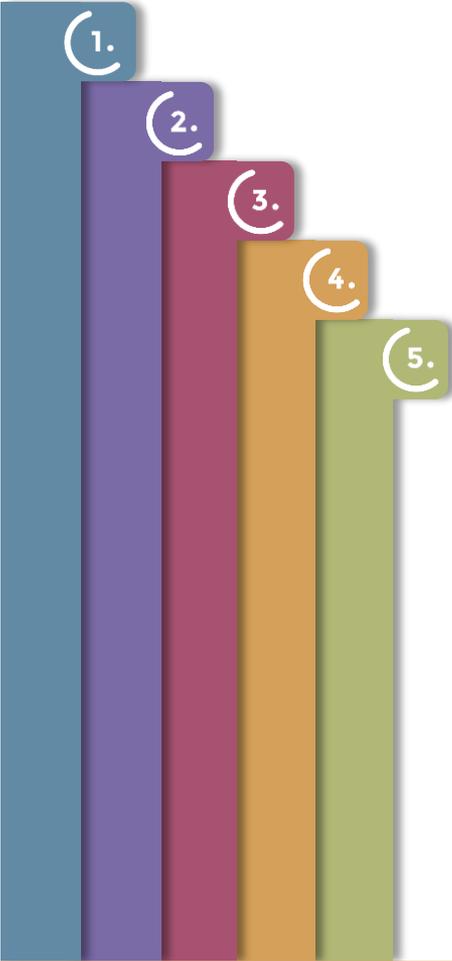
Why Transform the Health System?

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Proposed Budget



Challenge #1

The pandemic has shown how critical it is to have insurance and access to health care

Uninsured Oregonians are **2x** more likely to report **delaying care because of cost** or being **unable to pay medical bills**.

Support lines established during the pandemic receive ~1,000 calls per month. The top 3 reasons for calls are loneliness and isolation, general mental distress, and physical health concerns.

Covering all Oregon residents is within reach.

We are leading efforts to make that vision a reality:

- ✓ Supporting Governor's pilot program to help Cover All People
- ✓ Developing a state health care buy-in option, coverage stabilization (POP 427)
- ✓ Building and expanding Oregon's behavioral health workforce for underserved communities (POP 409, HB 2083)

Challenge #2

The current system is unaffordable and financially unsustainable

Health care costs are growing out of control. Paying for volume instead of quality is bad for everyone.

If costs continue to grow unchecked, our equity goals and family budgets are under threat.

Oregon can rein in cost growth and achieve equity. We are:

- ✓ Establishing accountability for insurers and providers to meet the health care cost growth target in Oregon
(HB 2081)
- ✓ Advancing value-based payments to move away from a volume-based system to one that pays for quality and contains costs.
(POP 429, HB 2082)
- ✓ Seeking to review health care mergers and acquisitions to ensure transparency and community input - and a focus on equity concerns.
(HB 2079)

Challenge #3

There's more we can do to align across the health system

Changing the health care system isn't going to be easy.

By coordinating and leveraging purchasing power we can drive reforms that will save money and increase equity across Oregon's health systems.

We are:

- ✓ Moving the Marketplace to OHA, allowing for greater alignment in pursuit of the triple-aim and health equity.
(POP 437, SB 65)
- ✓ Leveraging the state's purchasing power to lower pharmaceutical costs and allow PEBB/OEBB to drive innovation.
(POP 436, HB 2080)
- ✓ Aligning purchasing power across PEBB/OEBB
(POP 425, HB 2083)

Challenge #4

Staff and stakeholder capacity during the COVID response

Like the rest of OHA, many **HPA staff** have been redirected to help with the **statewide emergency response**

- Since April we have had an average of **21** staff members per month involved with an average of 10 FTE per month **dedicated to the COVID response.**

We also have many **parents and caregivers** whose lives have been impacted by the pandemic:

- A total of 34 HPA staff members were approved to use COVID Family and Medical Leave Act (eFMLA) hours.
- From April 2020 through December 2020, staff used a total of **6,891 hours of leave time.** This is a monthly average equivalent to 4.41 FTE.

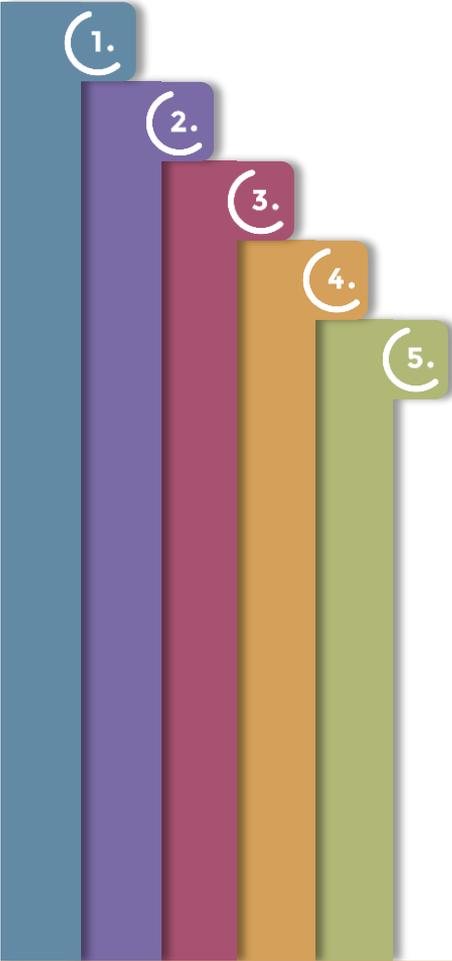
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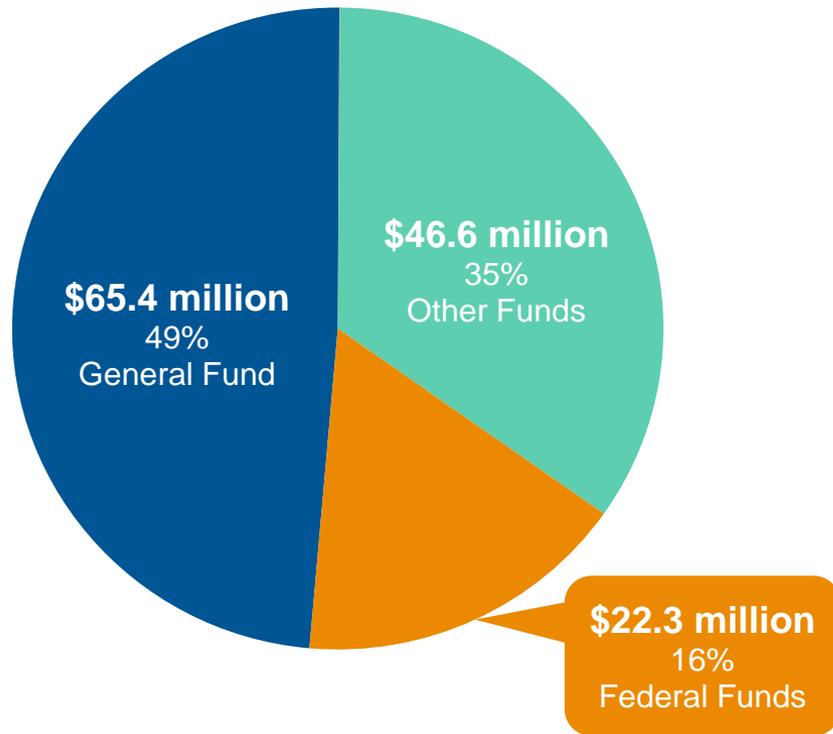
Challenges

Proposed Budget



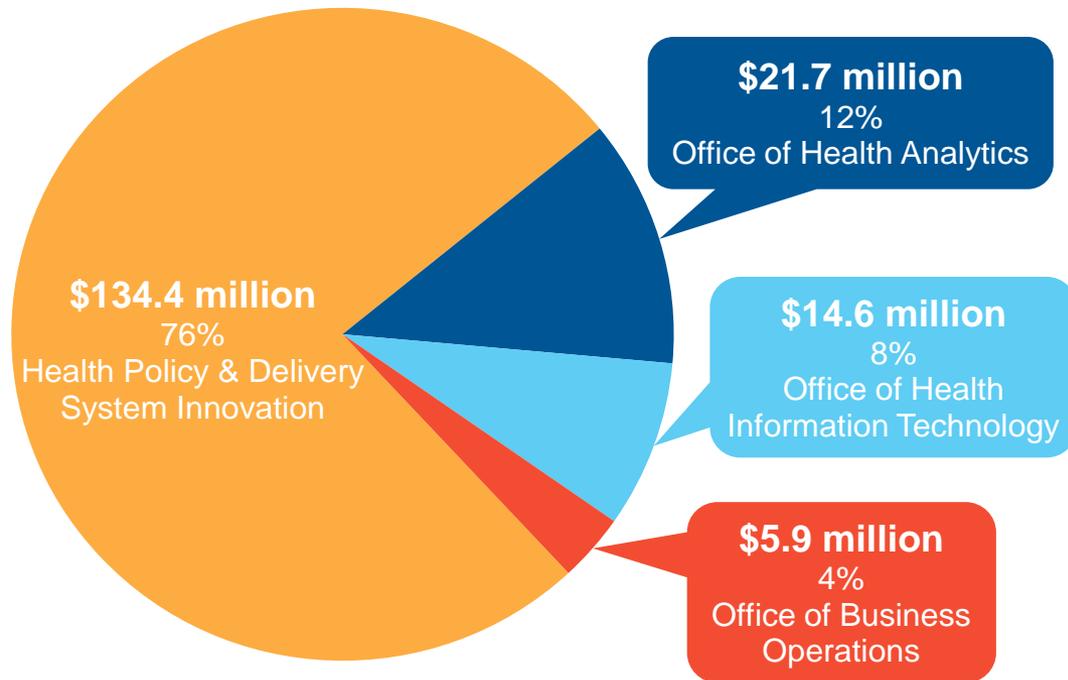
2021-23 Governor's Budget by Fund Type

\$176.7 million Total Funds



2021-23 Governor's Budget by Program

\$176.7 million Total Funds



POP 427: Study State Option/Coverage Stabilization

Enables OHA to refine the details of **health insurance reforms that would be intended to increase access to health insurance while reducing premiums paid by consumers** – potentially through a public option or a “Medicaid buy-in” plan as envisioned by SB 770 (2019).

- POP 427 helps us understand options to extend coverage to all families in Oregon
- **Covering all Oregon residents is within reach**

	General Fund	Total Funds	Positions
POP 427	\$200,000	\$200,000	-

POP 409: Increase access to and quality of Behavioral Health Services

Oregon’s Behavioral Health Advisory Council, convened by Executive Order in October 2019, recommended **funding for provider and student incentives to build Oregon’s health care workforce, including behavioral health providers, in underserved communities.**

- POP 409 increase investments in the behavioral health workforce
- **Covering all Oregon residents is within reach**

	General Fund	Total Funds	Positions
POP 409	\$22M	\$22M	1

POP 429: A Roadmap for Value-Based Payments

Leverage OHA's leadership role in establishing a statewide, value-based payment roadmap and requisite technical assistance infrastructure to support increased adoption and alignment of VBP across Oregon.

- POP 429 eases the transition to value-based care in Oregon
- **Oregon can lead the way on cost growth control and equity**

	General Fund	Total Funds	Positions
POP 429	\$946,781	\$1,552,100	1

POP 437: Strengthen purchasing power of the Marketplace

OHA and DCBS joint proposal to move responsibility for running the Marketplace to OHA. This will coordinate quality improvements and reduce costs in health care coverage across Medicaid, public employee plans and ACA plans sold through the Marketplace.

Significantly enhances OHA's ability to align new payment methodologies and expands on models for better coordinating patient care and health equity.

- **By coordinating and leveraging purchasing power we can drive reforms that will save money and increase equity across Oregon's health systems.**
- POP 437 brings better coordination, quality and costs across public and private markets

	General Fund	Total Funds	Positions
POP 437	\$2,616,499	\$18,893,136	-

POP 436: Lowering Pharmaceutical Costs

Clarifies medical assistance Preferred Drug List (PDL) enforcement after prior authorization “sunset” January 2018

Improves pharmacy cost and risk management in Medicaid

Establishes a new Office of Pharmaceutical Purchasing (OPP) in OHA. To support multi-agency and multi-state collaborative drug.

- **By coordinating and leveraging purchasing power** we can drive reforms that will save money and increase equity across Oregon’s health systems.
- POP 436 brings negotiating power to pharmaceutical purchases to save money in public programs

	General Fund	Total Funds	Positions
POP 436	\$939,262	\$840,864	4

Oregon Health Authority Public Employees' Benefit Board Oregon Educators Benefit Board

Presented to
Joint Ways & Means Subcommittee on Human Services
February 4, 2021

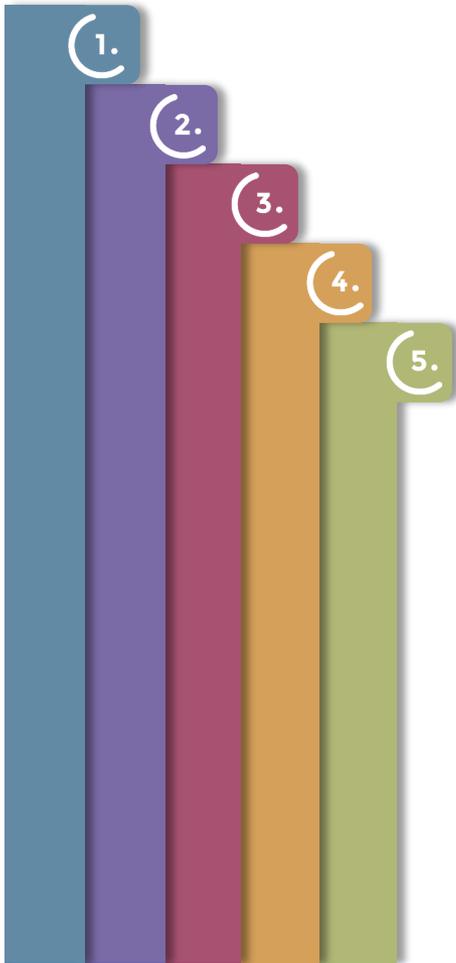
Geoff Brown, Chair, OEBC Board
Kimberly Hendricks, Chair, PEBB Board
Ali Hassoun, PEBB and OEBC Director



OREGON HEALTH AUTHORITY
Public Employees' Benefit Board
Oregon Educators Benefit Board

Why PEBB and OEBB

What PEBB and OEBB Do
Strategies and Successes
Challenges
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Value of PEBB and OEBC

Large Group Pooling

Bigger is better!

- Spreading fixed costs across more individuals
- Allows for greater rate stability over time
- Wields greater purchasing power
- Size can drive marketplace change!



Advancing Oregon's health system transformation goals

Between PEBB, OEBC, and OHP, the state covers one in three Oregonians.



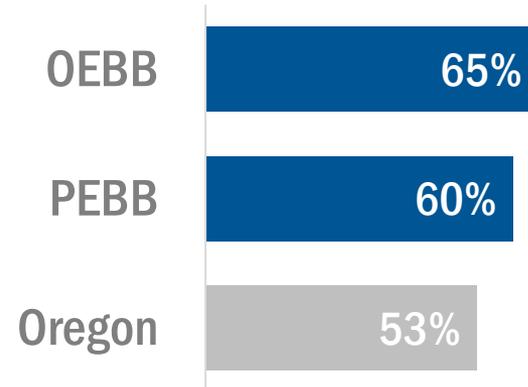
We leverage our market power to help advance Oregon's vision for the health system.

- 1 Better health**
- 2 Better care**
- 3 Lower costs**

Improving health for our members



PEBB & OEGB members are more likely than Oregonians overall to rate their health as “excellent or very good.”



Board Vision Statements



We seek optimal health for our members through a system-of-care that is patient-centered, focused on wellness, coordinated, efficient, effective, accessible and affordable.



OEGB will work collaboratively with participating entities, members, carriers and providers to offer value-added benefit plans that support improvement in members health status hold carriers and providers accountable for outcomes and provide affordable benefits and services.

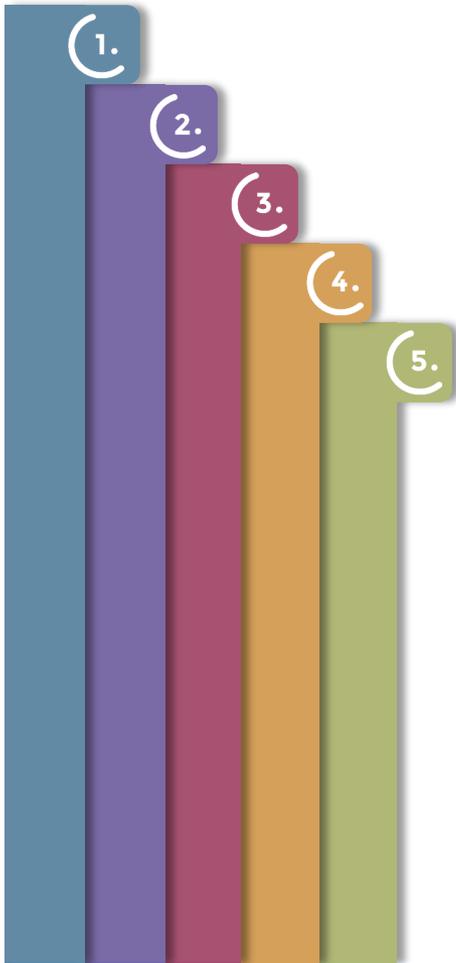
Why PEBB and OEBB

What PEBB and OEBB Do

Strategies and Successes

Challenges

Proposed Budget



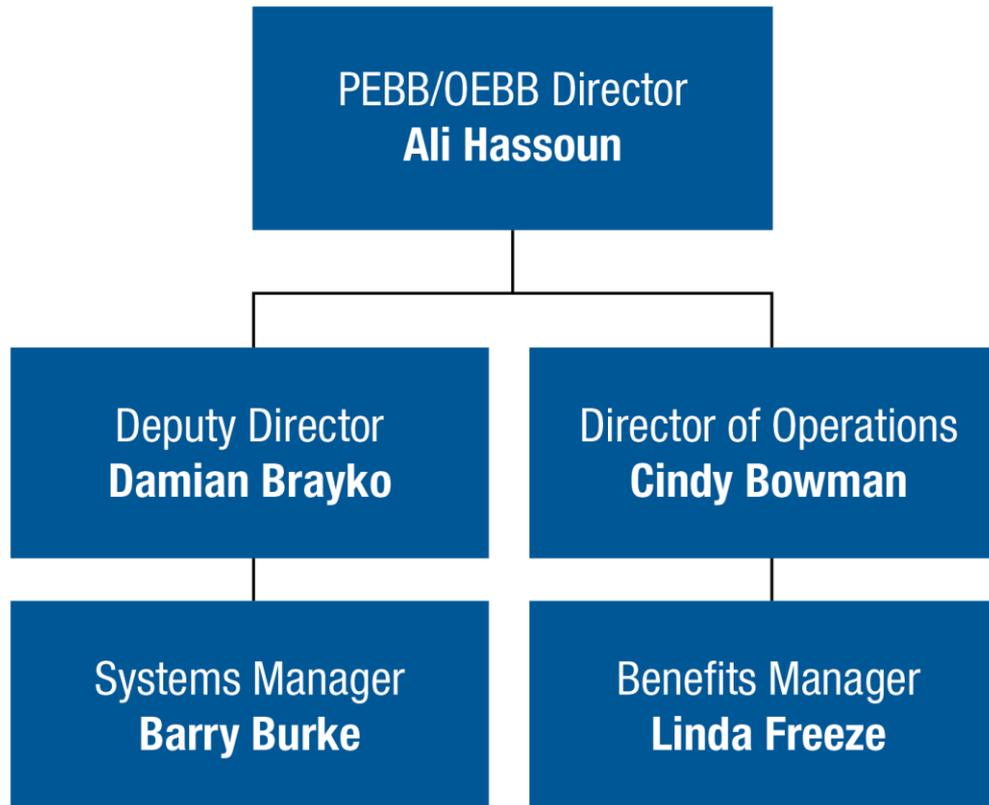
PEBB and OEGB Board members

PEBB Board members	OEGB Board members
Kimberly Hendricks, Board Chair	Geoffrey Brown, Board Chair
Shaun Parkman, Vice Board Chair	Robert Young, Vice Chair
Dana Hargunani, MD, MPH	Bonnie Salinas
Kim Harman	Cherie Maas-Anderson
Senator Betsy Johnson	Jonian 'JJ' Scofield
Siobhan Martin	Reed Scott-Schwalbach
Kate Nass	Robert 'Bob' Stewart
Mark Perlman, PHD	Susan Miller
Representative Andrea Salinas	Susan Rieke-Smith
Jeremy Vandehey, J.D.	Tom Syltebo, MD
	William 'Bill' Graupp

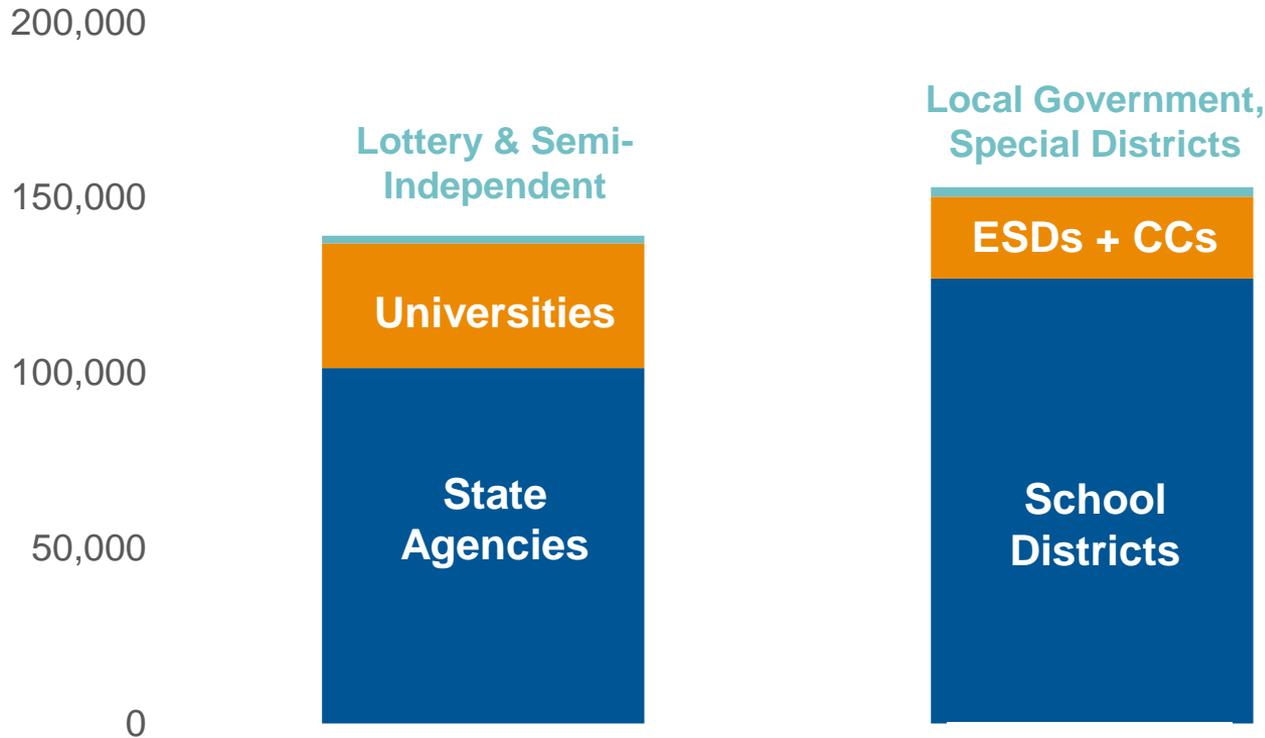
Centering Health Equity in 2021

- **The Process:** In 2020, the boards set out to explore strategies centering their policy work around health equity, aligning with the Oregon Health Policy Board
- **Education:** Board members attended retreats focused on learning about health disparities, health equity, and related concepts in order to define and address the issue of how they can eliminate inequities
- **Framework:** The focus is to create a framework for how the boards will pursue health equity, consider policies, and implement decisions
- **Goals:** For the boards to consider all policy and operational decisions through a health equity lens and to create and maintain a diverse board composition

PEBB and OEGB Organizational Chart



PEBB and OEGB Together Serve Nearly 300,000 Oregonians



2. What PEBB and OEGB do

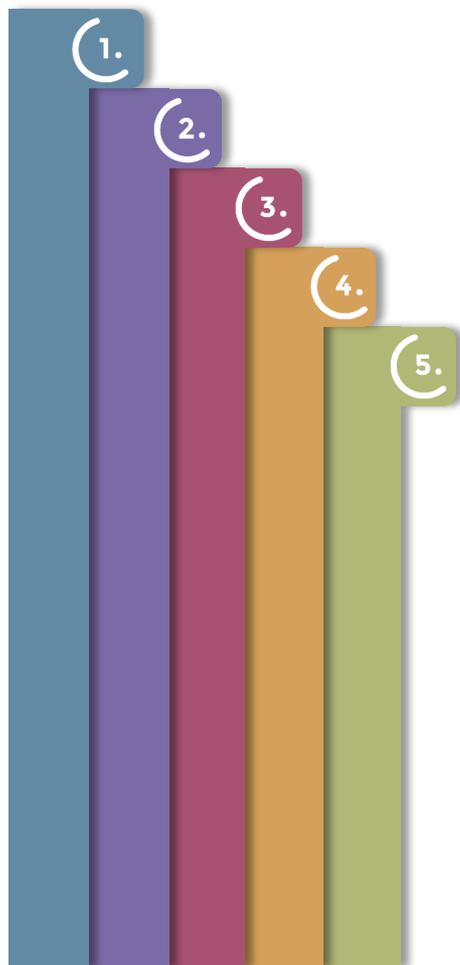
		
Plan Year	January 1 – December 31	October 1 – September 30
Employers	200+ state agencies, universities, state lottery, semi-independent agencies	240 school districts, community colleges, education service districts, counties
Member Enrollment	54,544 employees/subscribers, 139,473 total lives covered	63,003 employees/subscribers, 152,585 total lives covered
Employer Contribution	Agencies pay 95% or 99%, and universities pay 95% or 97%, depending on plan choice	Each employer determines contribution amount
Plan Offerings	IRS Section 125 Cafeteria Plan – all employers must offer all plans to all employees	Operates like an “Exchange of Plans” – each employer can choose to offer a subset of plans, or all plans, to employees

PEBB and OEBB Benefits

- Core Benefits
- Optional Benefits
- Wellness Initiatives



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Cost Containment Directives & Initiatives

SB 1067 (2017)

- Legislative Cost Containment Directives
 - 3.4% Cost Caps
 - Double Coverage Surcharge
 - 200% of Medicare Hospital Payment Cap

Joint PEBB/OEBB Innovation Workgroup

- Leveraging Joint data - Recommends approaches to the Boards for increasing quality of care, member experience and cost containment
- Areas examined have included deep analysis of program cost drivers, performance metrics, and value-based payments
- Long-term sustainability modeling

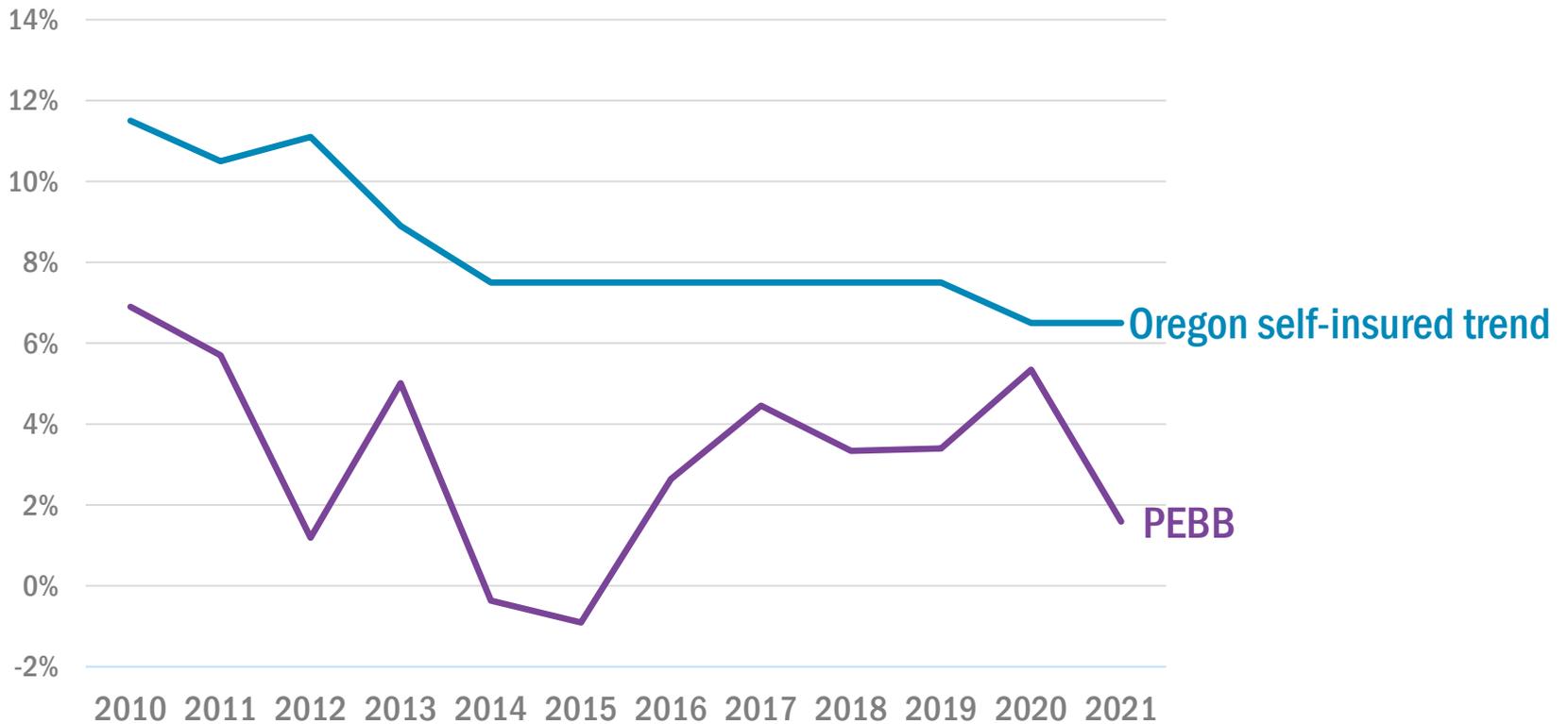


Accelerating VBP adoption across markets

	OEBB	PEBB	CCO
Infrastructure payments	✓	✓	✓
Pay for reporting	✓	✓	✓
Pay for performance	✓	✓	✓
Shared savings with upside risk	✓	✓	✓
Shared savings upside and downside risk	✓	✓	✓
Condition-specific population-based payment			✓
Comprehensive population-based payment	✓	✓	✓
Integrated finance and delivery system	✓	✓	✓

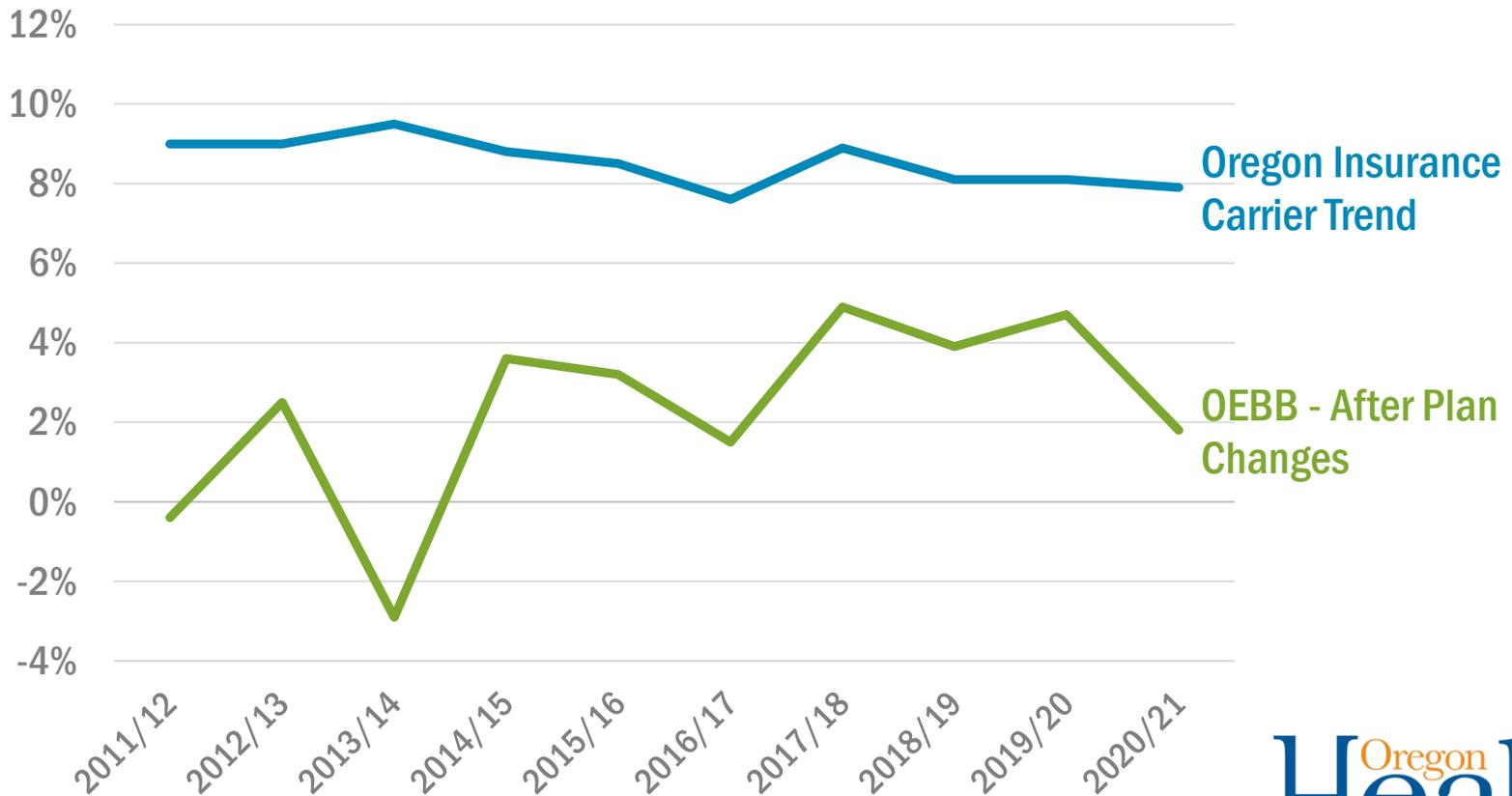


PEBB has remained well under 3.4% cost cap and commercial market self-insured trend





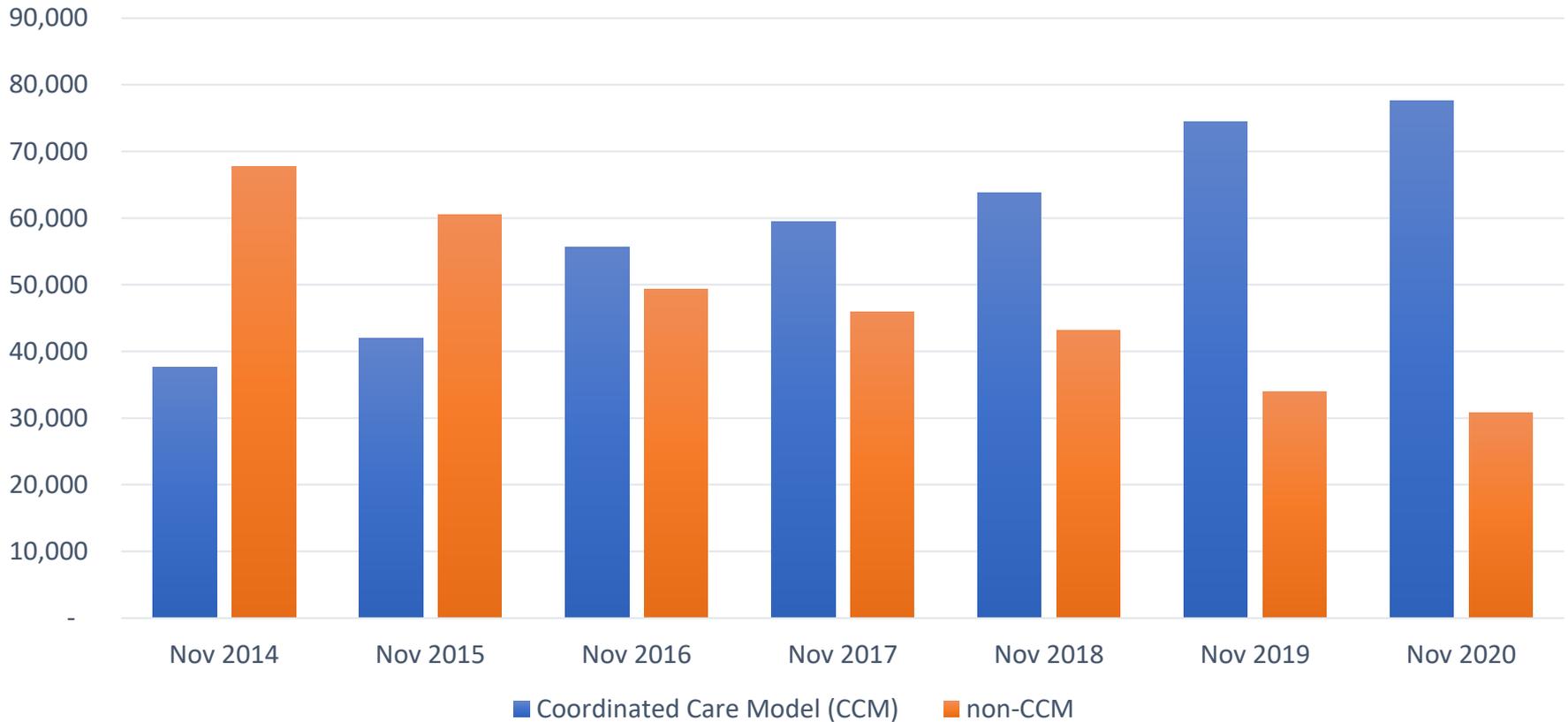
And **OEBB** has remained well under 3.4% cost cap and **commercial market trend**





Enhancing quality of care through the coordinated care model (CCM)

Combined PEBB and OEBB Subscriber Migration from Non-CCM to CCM Plans

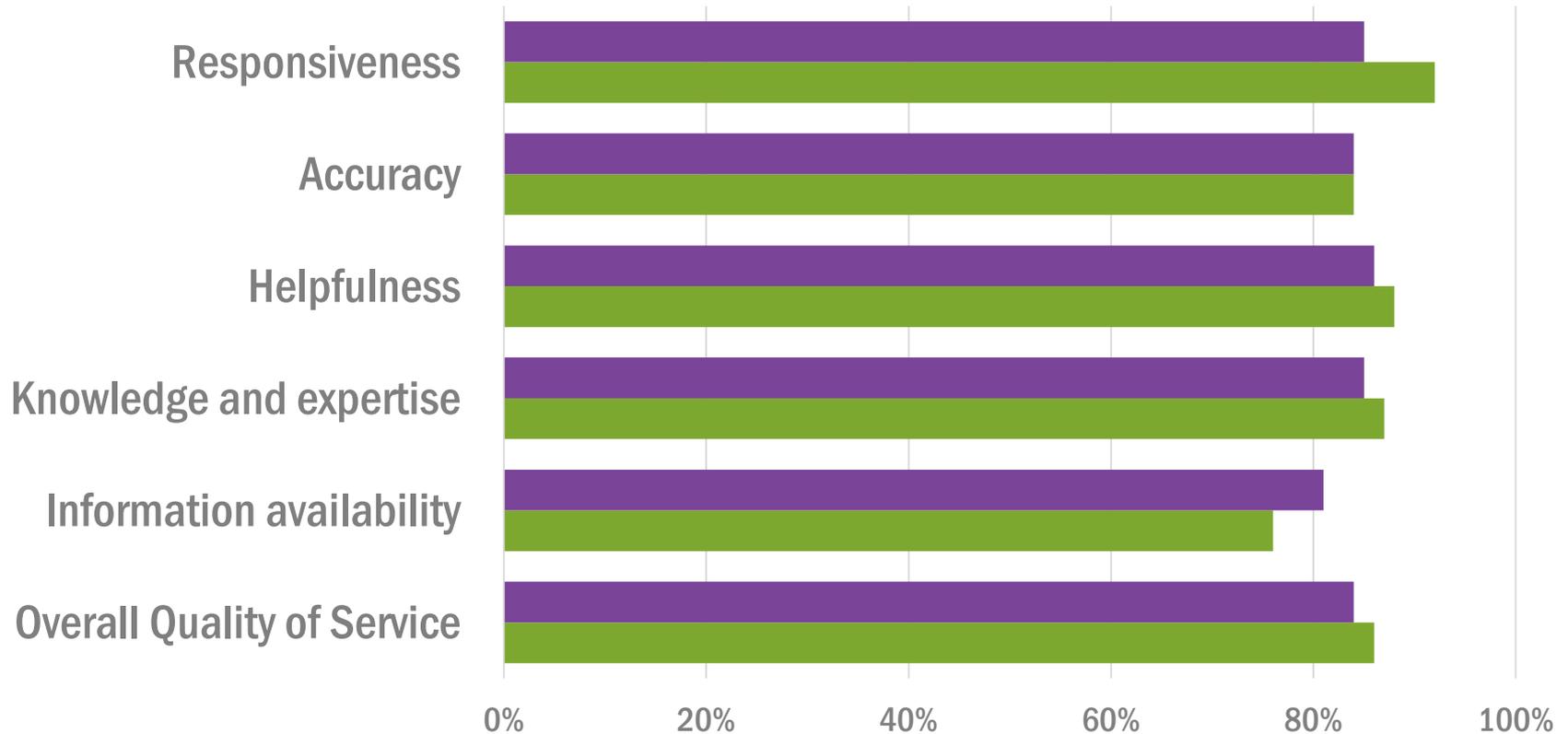




We prioritize service to our members

Percent of responses with a **good** or **excellent** rating.

■ PEBB ■ OEBC





Responding to COVID-19

In 2020, COVID-19 quickly changed health care delivery and utilization in ways unforeseen. **PEBB and OEBC took immediate action to respond to the crisis.**

Benefit changes included:

- ✓ Cost share waived for COVID testing and treatment
- ✓ Telehealth physical and behavioral health services covered in full for in-network services
- ✓ Carriers cover telehealth visits for out-of-network services with in-network copays and deductibles
- ✓ Carriers increased telehealth provider reimbursement to match in-person services and expanded their technology options



COVID-19 coping resources for employees and their families

Coping With Our "New Normal"

The COVID-19 (coronavirus) pandemic has disrupted daily life as we know it. You have access to programs, tools and resources through PEBB to help you take on these uncertain and changing times.

Below you will find resources they have provided to help YOU adapt as well.

Resources to support you:

Emotional Support +

Physical Support +

Mobile Apps +

Why Wear a Mask?

"Somethings were never meant to be seen at 1000fps in 4K. I'd include this subject as one of them."



YouTube personality

Gav, from SlowMo Guys, coughs, sneezes and talks in ultra backlit slow

Upcoming Events



WEBINARS

Resilience and Mental Flexibility

originally October 9, 2020

Register to watch the recording!



COVID-19 Impact on PEBB Members

31,000

Total number of tests administered within the self-funded plans (0.27 COVID tests per member)

3.0%

Positive test percentage of 3.0% is 1/3rd the national positive test rate

4.2%

4.2% of COVID-19 cases are admitted to the hospital, which is below the 8% projected based on PEBB's demographics

\$4.8 MM

Self-insured PEBB medical costs for COVID treatment through November is in line with current infection and admission rates

\$78 MM

Delayed or cancelled medical care has resulted in surplus of \$78 million for self-insured plans through October

2-3%

2021 net impact of COVID on PEBB's medical plan is projected to be 2-3% higher as delayed care returns in 2021;

This includes potential vaccine administration of 0.5%

COVID-19 Impact on OEBB Members



Tests Performed

38,892 tests have been performed for OEBB members: 26,465 for Moda members and 12,427 for Kaiser members



Cases

2,051 cases of confirmed COVID-19: 1,086 Moda members and 965 Kaiser members



Hospitalizations

56 OEBB members have been hospitalized: 35 Moda members and 21 Kaiser members



% of Cases Hospitalized

2.7% of confirmed cases have been hospitalized: 3.2% Moda cases and 2.2% Kaiser cases



Cost of Treatment (Moda)

COVID-19 treatment has been \$2.1M for Moda members



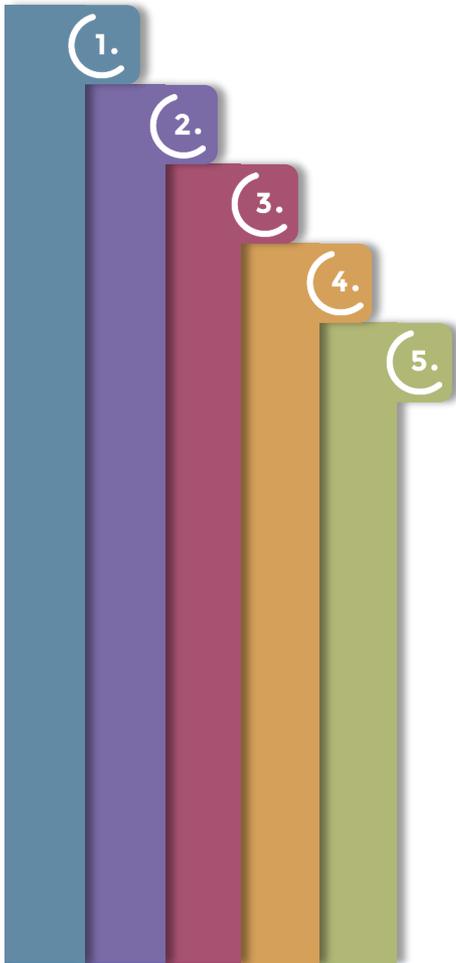
Distribution (Moda)

The top 5 counties of Moda members with confirmed COVID-19 cases are: Umatilla 106, Marion 105, Deschutes 89, Jackson 73, and Lane 66

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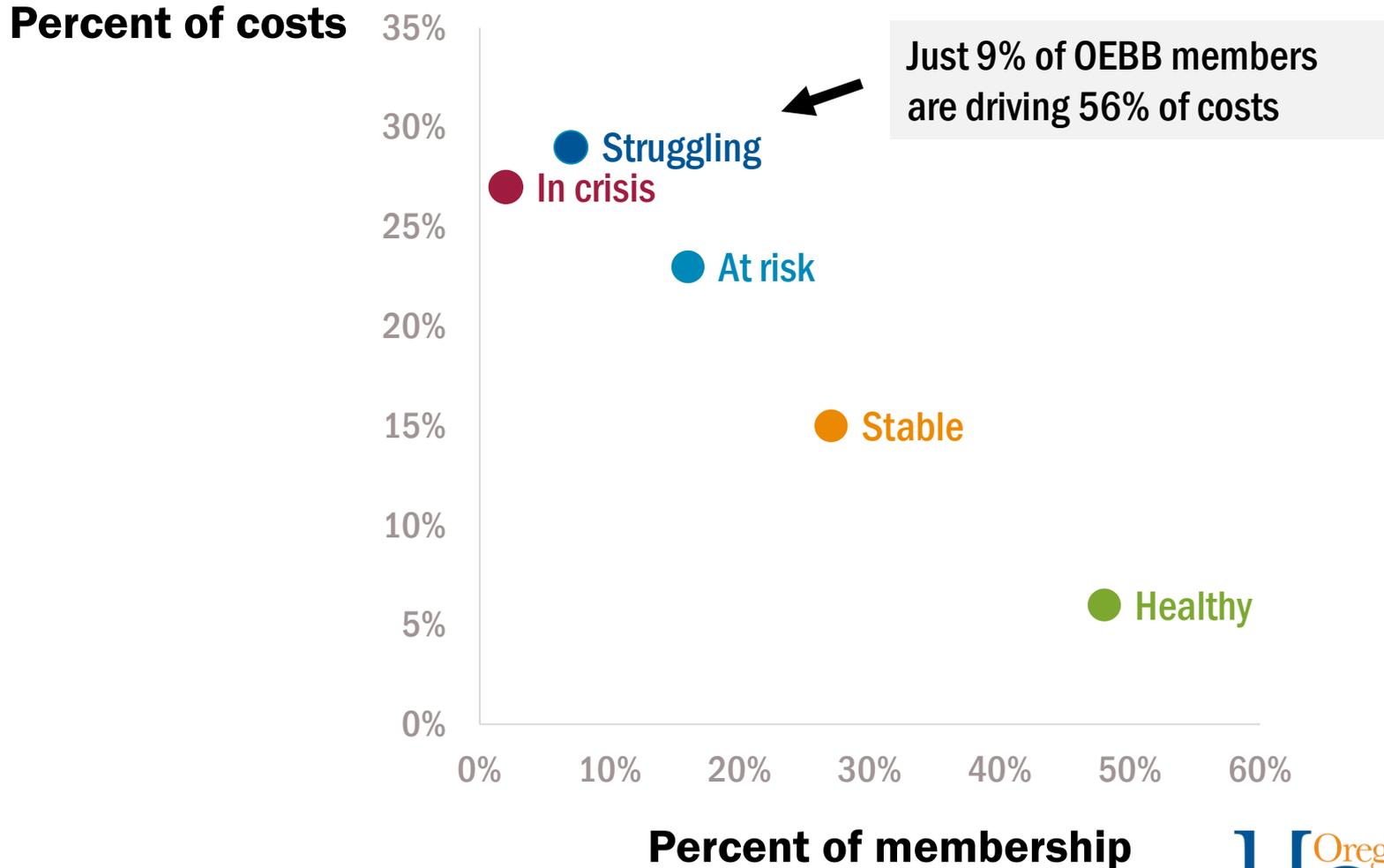


Challenge: Maintaining a sustainable budget growth under 3.4%

ORS 243.135 (8)

- (a) The board shall use payment methodologies in self-insured health benefit plans offered by the board that are designed to **limit the growth in per-member expenditures** for health services to no more than 3.4 percent per year.
- (b) The board shall adopt policies and practices designed to **limit the annual increase in premium amounts** paid for contracted health benefit plans to 3.4 percent.

Challenge: The cost of healthcare



OEBB is much healthier overall than PEBB

	PEBB	OEBB
Total Claims	\$922,162,316	\$758,865,782
Employees	51,339	65,126
Total Members	135,069	156,082
Monthly Claims Per Member	\$568.95	\$405.16
 Estimated Risk	9% <i>GREATER</i> than average	7% <i>LESS</i> than average

2020 Secretary of State Performance Audit

- 2019-20 Performance Audit conducted on PEBB and OEBC
- The audit concluded that PEBB and OEBC have kept the growth in premiums relatively low, charged less than allowed for administrative fees, and implemented multiple cost containment strategies, but PEBB and OEBC can still do more to manage costs and optimize benefits
- Findings included:
 - Improvement needed in contract management and communications to members
 - Recommend implementing an OEBC member advisory committee similar to PEBB's
 - Recommend PEBB adopt policies overseeing distributions out of their Reserve Fund

Short-term challenges and actions

- Advancing virtual health care in all benefit offerings
- Joint Consultant RFP in 2021
- Tentative plans for release of Medical RFP in 2022
- Continued advancement of Member Advocacy programs
- 2021 Audit of Rx benefits and cost analysis determining, “Are we getting the best deal we can?”

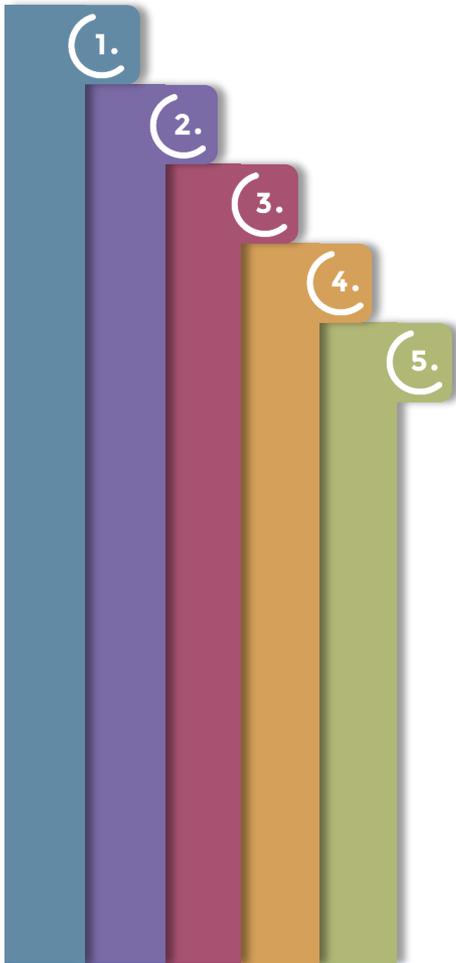


Long term challenge: Building a Sustainable System

VBP modeling for the future

- Finding the pathway to a more integrated high-performing health plan model
- Improved payment methods and incentives for health care providers
- Alliance with SB 889 Committee
- Framework:
 - Advocacy-based member experience
 - Medicare linked payment
 - Quality-based Provider reimbursement
 - Global Budget guaranteed

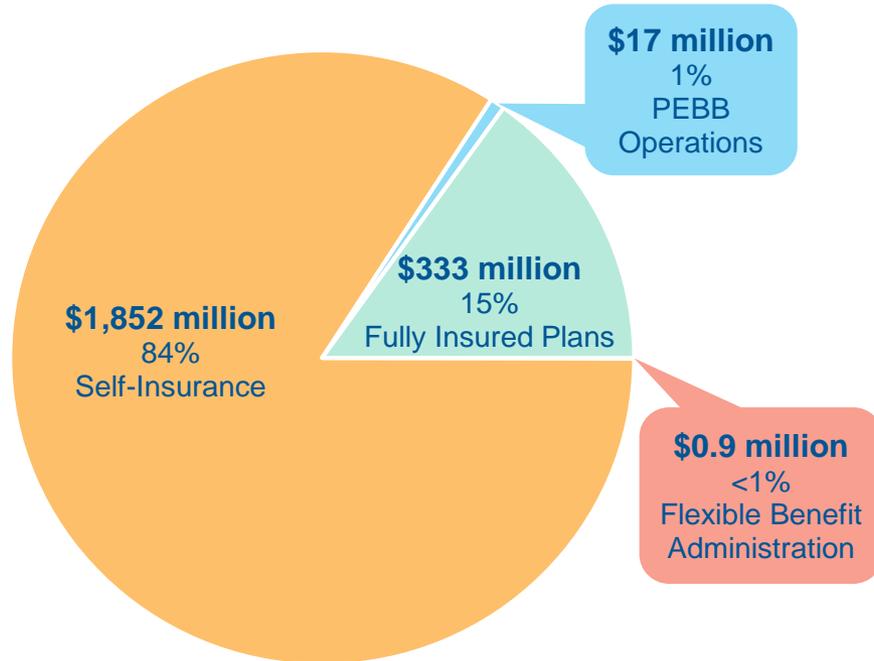
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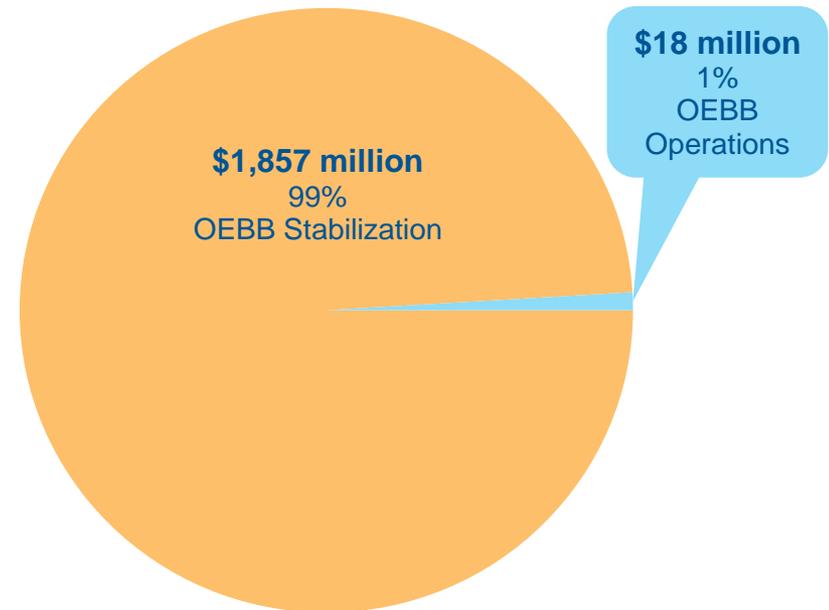
2021-2023 Governor's Budget

- By program

Public Employees' Benefit Board by Program
\$2,312 million Total Funds



Oregon Educators Benefit Board by Program
\$1,875 million Total Funds



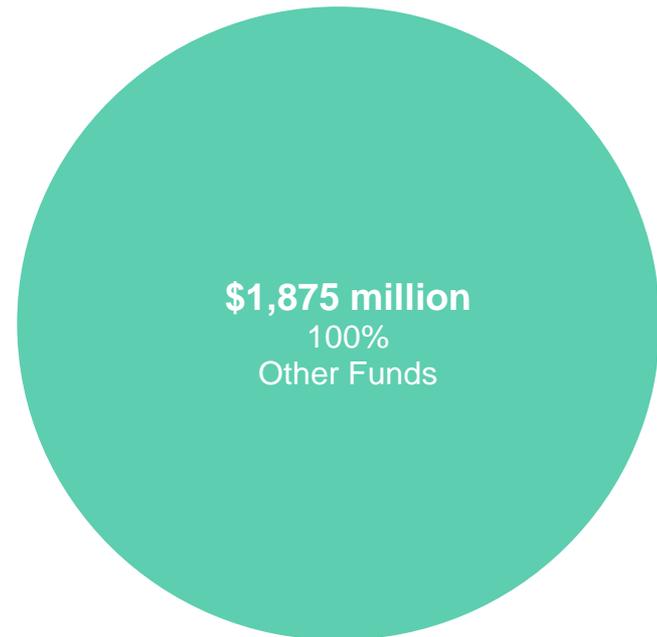
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POP 425: Aligning Purchasing Power Across PEBB/OEBB

- OHA proposes to expand the Public Employees Benefit (PEBB) and Oregon Educators Benefit Board (OEBB) enrollment footprint and procurement capability
- This will provide additional special procurement authority for joint purchasing initiatives by PEBB and OEBB to allow new models of care that improve value of health plans offered by the boards
- It would also add resources to offer affordable health plan options to local governments and enroll interested entities

	General Fund	Total Funds	Positions
POP 425	\$1.57 M	\$1.57 M	2.00

POP 426: PEBB/OEBB Benefits Management System Replacement Project

- Integrates the administration and support of the two systems, with improved user experience and customer care, into a single platform to meet the legislative direction provided under SB 1067 (2017)
- Current separate benefit management systems (BMS) used by OEBB and PEBB no longer support all current business needs
 - Both systems are at the end of their lifecycles and continue to be supported with obsolete technologies
- Addresses security vulnerabilities and provides greater functionality and capability to further automate and streamline essential business processes

	General Fund	Total Funds	Positions
POP 426	\$8.2 M	\$8.2 M	0.00

Thank You

Health
Oregon
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