

May 3, 2023

Joint Committee on Ways and Means

RE: SB 5506 and funding health care programs in Oregon's 2023-25 biennium budget

Dear Ways & Means Chairs and Committee Members,

We, the undersigned organizations, want to express support for the provisions of the 2023-2025 biennium budget relating to the funding of Oregon's health care programs. Oregon is at a critical point for health care access and coverage as the federal policy options we have leveraged to provide Oregonians with consistent coverage during the COVID-19 pandemic expire. A desire to preserve those recent, historic coverage gains for Oregonians led the legislature to take action, authorizing the development of the Basic Health Plan, which will provide insurance for people with incomes just above the Medicaid eligibility threshold. We write to urge you to prioritize funding for the Oregon Health Authority (OHA) that allows for: temporary Oregon Health Plan (OHP) eligibility as a bridge to the Basic Health Plan, the continued development and full implementation of Oregon's Basic Health Plan, known as the Bridge Plan, and the transition to a state-based marketplace in the 2023-25 budget.

As the federal public health emergency (PHE) unwinding is ongoing, Oregon began conducting eligibility redeterminations for all people covered under OHP on April 1, 2023. It's estimated that more than 300,000 Oregonians will lose OHP coverage during this process. The Oregon legislature created a plan to preserve historic coverage gains through the passage of HB 4035, outlining a strategy for Oregon to complete redeterminations and establish a Basic Health Plan. This Basic Health Plan will bring peace of mind to Oregonians by creating a new source of coverage for Oregonians between 138-200% of the federal poverty level (FPL) – those most likely to churn between or off of coverage. More than 65,000 people are expected to move off of OHP coverage, onto temporary OHP eligibility, then onto this plan; providing a smooth transition from Medicaid to a plan with similar benefits, networks, and costs for enrollees, while lowering administrative burden for the state and advancing OHA's goal to eliminate health equities by 2030.

Full implementation of this plan requires more than just ensuring eligible Oregonians have temporary coverage during redeterminations; the legislature must also provide funding to create the Basic Health Plan. While the plan relies largely on federal funding, the legislature must also provide funding to cover the state's share of the program cost in order for full implementation to happen by 2024. Failure to fund any element of this plan would severely reduce the effectiveness of Oregon's unwinding strategy as a whole, which will disrupt the continuity of care and coverage for the more than 110,000 Oregonians who will be eligible for the plan once it is fully implemented.

The governor's proposed budget included necessary planning funds for the creation of a state-based marketplace (SBM). We have long supported Oregon's transition to a state-based marketplace, as it would provide better infrastructure for future redeterminations and is critical

to smooth transitions between Medicaid and private plans for consumers. Furthermore, a SBM would allow Oregon to know more about the needs of Oregonian families and small businesses accessing coverage, allowing policymakers to address people's needs more quickly and accurately, while providing necessary flexibility for the development of additional cost-saving strategies. These savings can be repurposed to reduce people's health care costs, through reinvesting in programs like the Basic Health Plan or other affordable health care coverage solutions.

The Oregon legislature must fully fund these efforts to lower health care costs, maximize federal funding to the state, and ensure coverage for Oregonians as pandemic-related support expires. Oregon has a unique opportunity to provide care, expand access, and lower health care costs through a successful redetermination process, the creation of the Basic Health Plan, and transition to a state-based marketplace. We urge the Joint Committee on Ways and Means to prioritize funding for OHA's work on these projects, which is imperative to ensure no Oregonians fall through the cracks or lose access to the care they need.

Should you have any questions, please don't hesitate to contact Maribeth Guarino at mguarino@ospirg.org or Kelsey Wulfkuhle at kwulfkuhle@usofcare.org.

Sincerely,

Oregon State Public Interest Research Group (OSPIRG)
Oregon Nurses Association
Oregon Association for Family Physicians
Oregon Primary Care Association
Project Access NOW
CareOregon
United States of Care
Main Street Alliance
Cascade Aids Project
Health Care Voices
Committee to Protect Health Care
National Multiple Sclerosis Society
American Diabetes Association
Leukemia & Lymphoma Society
Doctors for America