

The Essential Benefit Package

Recommendations of the
Oregon Health Fund Board's
Benefits Committee

June 25, 2008

Committee Membership

- **Gary Allen, DMD**
- **Lisa Dodson, MD**
- **Tom Eversole**
- **Leda Garside, RN, BSN**
- **Betty Johnson**
- **Bob Joondeph**
- **Susan King, RN, Chair**
- **Jim Lussier**
- **Susan Pozdena**
- **Somnath Saha, MD, Vice-Chair**
- **Nina Stratton, Vice-Chair**
- **Kathryn Weit**
- **Hugh Sowers, Jr.**
- **Kevin C. Wilson, ND**
- **Staff: Darren Coffman (Lead); Ariel Smits MD MPH, Brandon Repp; Nathan Hierlmaier; Dorothy Allen**



Features of the Essential Benefit Package

- Based on the Prioritized List of Health Services
- Promotes use of the integrated health home
- Incentivizes use of preventive care and chronic disease management
- Cost sharing can be modified to make it more affordable to individual or state

Guiding Principles

- I. Is the set of essential health services established by this committee:**
 - + a. essential to the public health of Oregonians?
 - ✓ b. based upon a proven benefit model?
 - + c. reflective of the values of Oregonians?
 - + d. easy to adjust in response to new information on cost and effectiveness?
 - + e. affordable (to the individual, employer, and state) and economically sustainable?
 - + f. developed in a transparent manner?

Guiding Principles (cont'd)

II. Does the set of essential health services place emphasis on the following services identified in SB 329?

- + a. Preventive care
- + b. Chronic disease management
- + c. Primary care medical homes
- + d. Dignified end-of-life care
- + e. Patient-centered care
- + f. Provision of care in the least restrictive environment

Guiding Principles (cont'd)

III. Does the set of essential health services help promote:

- + a. wellness?
- + b. patient engagement (including education towards self-management)?
- + c. coordination and integration of care?
- + d. population health?
- + e. cost-effective care?
- + f. cost-control/reductions in over-utilization?
- + g. access to timely and appropriate diagnosis and treatment?

Guiding Principles (cont'd)

IV. Have the following issues been addressed by this committee?

- + a. Use of evidence-based medicine
- + b. Efficacy of treatments
- ✓ c. Reduction of health disparities
- + d. Personal responsibility
- ✓ e. Impact on vulnerable populations (including but not limited to pregnant women, infants and small children)
- + f. Incentives to encourage appropriate use of effective services
- ✓ g. Acute and tertiary care needs of the population



The Essential Benefit Plan

- High deductible (adjustable for income)
- Significant copays for many services
 - Cost sharing tiers based on the Prioritized List
- Cap on out-of-pocket maximum (adjustable for income)
- Current Medicaid population would see no reductions in current benefits and have cost sharing no higher than current levels

Services Not Subject to Deductible Out-Of-Pocket Max Applies

	Integrated Health Home	Specialist, Other OP	Inpatient
Value-Based Services	0-5% depending on service		
Basic Diagnostics	0%	5%	N/A
Comfort Care	0%	5%	20%
Prescription Drugs	Generics - \$5 copay, Preferred - \$25 copay Other Brand – 50% & OOP max doesn't apply Use of evidence-based formulary		



Value-Based Services

- Seen primarily in the integrated health home
- Shown to prevent illness progression and/or disease complications
- Avoids preventable hospitalizations or ED visits
- Patient incentives to follow treatment recommendations



Value-Based Services (cont'd)

Examples

- Evidence-based preventive care
- Chronic disease management
 - regular provider visits
 - selected medications
 - self-treatment education
 - care coordination
- Prenatal care
- Preventive dental exams & cleanings

Services Subject to Deductible Out-Of-Pocket Max Applies

	Integrated Health Home	Specialist, Other OP	Inpatient
Tier I (1-113)	20%	25%	30%
Tier II (114-311)	30%	35%	40%
Tier III (312-503)	40%	45%	50%
Tier IV (504-680) & Excluded Services	No coverage (costs do not apply towards deductible or OOP max)		
Discretionary Services	40%	45%	50%
	\$2000 limit separate from OOP max applies		
Ambulance	\$100 copay, waived if admitted/meet criteria		
Emergency Dept.	\$100 copay (can be waived), then 50%		
Other Diagnostics	5-50% depending on test, subject to guidelines		
Ancillary Services	Commensurate with tier of condition treated		

Examples of Conditions in Tiers

Tier I Conditions

- Life-threatening newborn conditions
- Life-threatening chronic diseases
- Imminently life-threatening conditions
 - Trauma
 - Acute illness
- Public health concerns

Tier II Conditions

- Cancers with effective treatments
- Chronic diseases with less impact on health
- Potentially life-threatening conditions
 - Trauma
 - Acute illness

Examples of Conditions in Tiers

Tier III Conditions

- Cancers with less effective treatments
- Non-life-threatening chronic diseases
- Other non-life-threatening conditions
 - Trauma
 - Acute illness

Tier IV Conditions

- Conditions with no effective treatment or no treatment necessary
- Self-limited conditions
- Conditions with limited effects on health

Non-covered services: cosmetic procedures, infertility, etc.

Discretionary Services

- Non-emergent health care
- Doesn't substantially avert downstream costs/adverse consequences of condition
- Subject to annual maximum and other possible limitations
 - Restorative dental care
 - Eyeglasses
 - Certain dermatologic conditions

Issues of Note

- Emergency Department copayments/ coinsurance
- Well person visits
- Lifetime maximum
- Prescription drug cost sharing
- Mandated services
- Ancillary services

Questions?