

Straw Comprehensive Plan: Access

Barney Speight
July 24, 2008

The Board's Vision

A Healthy Oregon:

**Quality, Affordable Health Care
for All Oregonians**

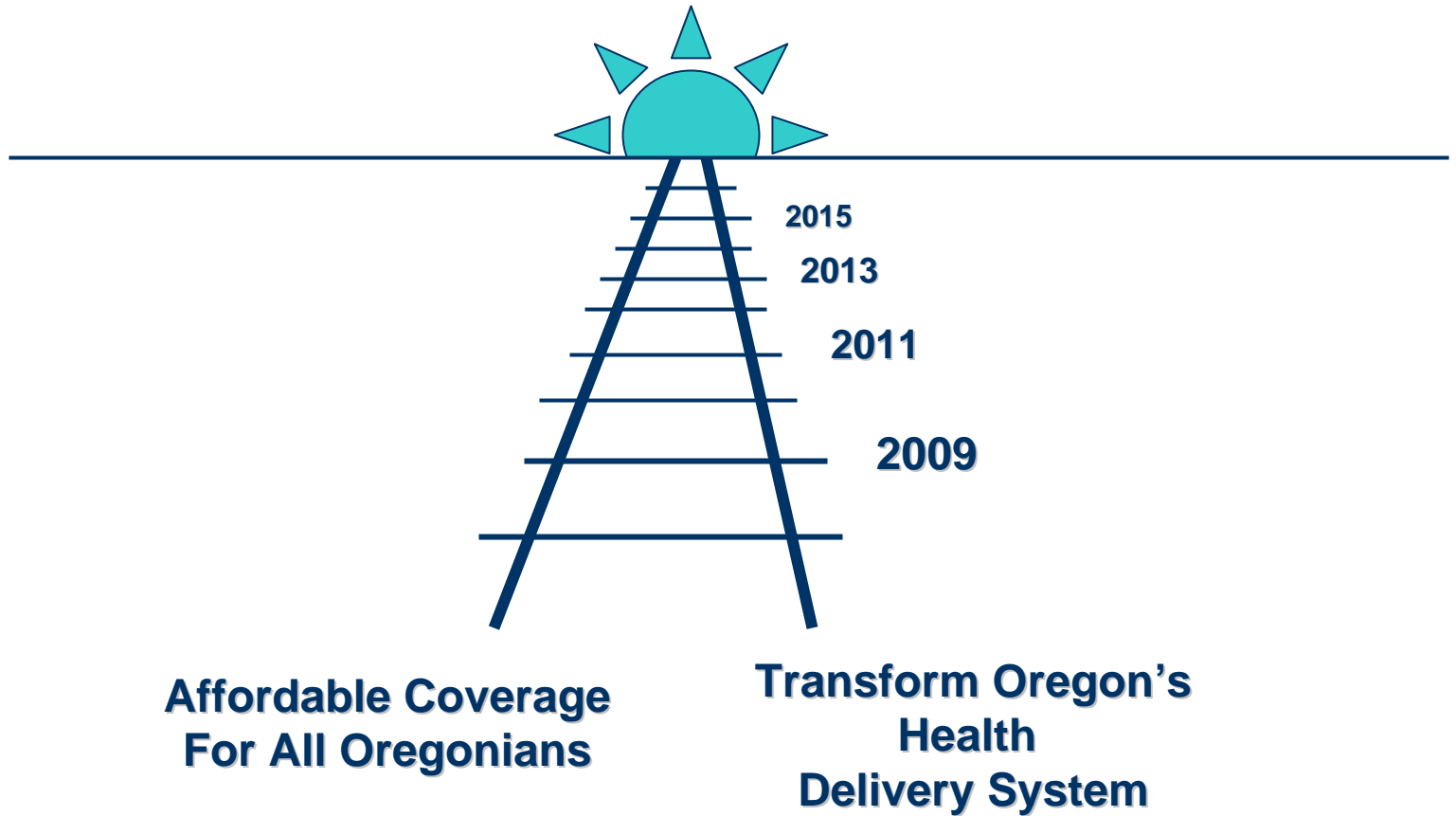
Our Goals

- **ACCESS – Get everyone in the tent**
- **SYSTEM TRANSFORMATION – Reform Oregon’s delivery & payment systems to improve quality and contain costs**

How Will We Know?

- When every Oregonian has access to health care coverage
- When the annual rate of increase in health care costs has been maintained at CPI + (1% to 2%) for 5 consecutive years
- When Oregon meets or exceeds every major national health care quality benchmark
- When Oregon leads the nation in key population health benchmarks...across all demographic groups

Parallel Tracks To the Future



The Simultaneous Equation

We must at the same time:

- Increase access to health care as quickly as possible to all Oregonians
 - Increase insurance coverage (public & private) &/or
 - Invest in community health facilities
- Drive higher quality and lower costs throughout health care, to achieve a sustainable program and a healthy population.

2009 Action Agenda

- **ACCESS:**

- Expand the Oregon Health Plan
 - Enroll 200,000 (+/-) kids and adults
 - Improve OHP Standard benefit package
 - Fund with provider taxes + federal matching funds

- **SYSTEM TRANSFORMATION:**

- Adopt & implement a package of public policies that start a process of transformative change in Oregon's health care finance & delivery systems



ACCESS

Coverage Expansions, 2009 - 2011

- Coverage for Oregon Kids
 - 0-185% FPL (within current waiver)
 - 185-200% FPL (new waiver needed)
 - 200-300% FPL (new waiver + premium sharing)
 - > 300% FPL (no state contributions, no waivers)
 - Outreach + School-Based Health Centers
- OHP Standard
 - Current enrollees
 - Expand to ~100,000 new enrollees

Coverage for Oregon Kids

\$ in millions	2009-2011			2011-2013		
	New Enrollment	State Funds	Total Funds	New Enrollment	State Funds	Total Funds
0-185	39,113	\$ 68	\$ 134	39,411	\$ 85	\$ 168
185-200	18,834	23	60	18,978	26	69
200-250	5,255	5	14	5,294	10	27
250-300	5,255	11	11	5,294	22	22
>300	8,438	0	0	8,500	0	0
Subtotal	76,895	\$ 107	\$ 219	77,477	\$ 143	\$ 286
Administration		10	20		8	16
Outreach/SBHC		7	7		7	7
Total		\$ 124	\$ 246		\$ 158	\$ 309
½ New Revenue		\$ 62			\$ 79	

(12-18 month uptakes to Jan 2011)

Oregon Health Plan (OHP) Standard

\$ in millions	2009-2011			2011-2013		
	New Enrollment	State Funds	Total Funds	New Enrollment	State Funds	Total Funds
Current Program (24,000)		\$ 40	\$ 114		\$ 130	\$ 325
New Enrollment (100,000 target)	90,000	314	844	10,000	541	1,354
Total	90,000	\$ 354	\$ 958	10,000	\$ 671	\$ 1,679

Summary of State Expenditures

\$ in millions	State Funds, 09-11	State Funds, 11-13
Coverage for Kids	\$ 62	\$ 79
OHP Standard	\$ 354	\$ 671
Subtotal	\$ 416	\$ 750
Improved Benefits	\$ 50	\$ 77
Increase Provider Rates	up to \$ 100	up to \$ 100
System Transformation (including public health)	up to \$50	up to \$50
Total	\$ 616	\$ 977

Summary of State & Federal Expenditures

\$ in millions	State Funds '09 – '11	Federal Funds	State Funds '11 – '13	Federal Funds
Coverage for Kids	\$ 62	\$ 120	\$ 79	150
OHP Standard	\$ 354	\$ 604	\$ 671	1,008
Subtotal	\$ 416	\$ 724	\$ 750	1,158
Improved Benefits	\$ 50	\$ 75	\$ 77	116
Inc. Provider Rates	up to \$ 100	\$ 250	up to \$ 100	250
System Transformation (including public health)	up to \$ 50	0	up to \$ 50	0
Total	\$ 616	\$ 1,049	\$ 977	1,524

Revenue Option: Provider Taxes

- Current Revenue Sources for OHP Standard
 - Managed Care Organization (MCO) Tax
 - Ends due to change in federal regulation
 - Hospital Tax
 - Ends due to statutory sunset
- Alternative Revenue Approaches
 - Health Insurance Premium Tax
 - Hospital Tax
 - Tobacco Tax

Current Provider Taxes

Medicaid Managed Care Organization (MCO) Tax	
Current Tax Rate	5.50%
Current Revenue Collected	\$ 133
Current Federal Funds Match	212
Total Revenue	\$ 345
Enhanced reimbursement to MCOs	\$ 133
Hospital Tax	
Current Tax Rate	0.63%
Current Revenue Collected	\$ 82
Current Federal Funds Match	\$ 131
Total Revenue	\$ 213
Enhanced reimbursement to hospitals	\$ 82
\$ in millions	

Alternative Provider Tax Estimates

Hospital Tax								
(DRG hospitals + ASC: GPR less Medicare & Medicaid revenues) \$ in millions								
	2009-2011 (21 months)				2011-2013 (24 months)			
	1%	2%	3%	5.5%	1%	2%	3%	5.5%
Subtotal	\$ 124.5	\$ 248.0	\$ 372.5	\$ 682.3	\$ 141.5	\$ 283.0	\$ 424.5	\$ 778.3
Health Insurance Premium Tax								
(Commercial, Medicaid, TPAs) \$ in millions								
	2009-2011 (21 months)				2011-2013 (24 months)			
	1%	2%	3%	5.5%	1%	2%	3%	5.5%
Subtotal	\$ 133	\$ 265	\$ 398	\$ 731	\$ 152	\$ 303	\$ 455	\$ 835
Total	\$ 257.5	\$ 513.0	\$ 770.5	\$ 1,413.3	\$ 293.5	\$ 586.0	\$ 879.5	\$ 1,613.3

DRG = Large Hospitals ASC = Ambulatory Surgery Centers TPA = Third Party Administrator

7_22 Draft

Tobacco Tax Estimates

\$ in millions	2009-2011	2011-2013
10¢ increase	\$ 26.0	\$ 31.5
20¢ increase	\$ 50.4	\$ 61.1
30¢ increase	\$ 73.0	\$ 88.5
60¢ increase	\$ 120.4	\$ 147.2

Assumes 11/1/09 start date Dept of Revenue, July 2006