September 19th Meeting of the Universal Health Plan Governance Board

Universal Health Plan
Governance Board

Welcome Remarks – Chair Bellanca

- Tech Check
- Roll Call and Introductions
- Written Public Comment
- Agenda Review

Agenda

- Welcome, Roll Call, Agenda Review
- Approve Minutes
- Public Comment (if needed)
- Executive Director’s Report
- Vice-chair Roles and Responsibilities
- Review Committee Deliverables and Appoint Committee Members
- Break
- Cost Growth Target Presentation
- Status Report Due to Legislature – Outline Review
- Board Outreach: Meeting Take-aways and Outreach
- Public Comment
- Adjourn

Approve August 15, Meeting Minutes

- Chair Bellanca

Public Comment

Executive Director’s Report

- Director Cowling

Vice-chair Roles and Responsibilities

- Vice-chair Warren George

Vice-Chair Roles and Responsibilities

Term: Vice-Chair will serve in the position for the remaining duration of the member's current term of office.

Responsibilities:

- Preside over any board meeting at which the chairperson is not present, or when the chairperson asks the vice-chair to preside
- Step in if there is a vacancy in the chairperson
- Joint responsibilities with the chairperson including working with the executive director and board staff to develop board agendas and ensuring compliance with the board's policies and procedures
- Provide leadership for the board, jointly with the chairperson
- Encouraging full participation by board members
- Work with the chairperson and the executive director and other board staff in preparing status reports to the legislature

Review Committee Deliverables and Appoint Committee Members

- Chair Bellanca

Communications and Community Engagement Committee

Communications Objective:
To develop plain language materials, and materials in additional languages to communicate the progress and final Universal Health Plan. Develop messages, talking points, and one-pagers in support of the transition to a Universal Health Plan.

Board Members:
Michelle Glass, Co-chair
Amy Fellows, Co-chair
Warren George, member

Timeline:
September 2024 – March 2026

Meeting Schedule:
- September 26 – Committee Orientation
- October 23rd, 12-3 p.m.
- November 20, 12-3 p.m.
- December 11, 12-3 p.m.
- Beginning January 2024, meetings will be held on the fourth Wednesday of every month from 12-3 p.m.

Deliverables:

Communications:
- Develop a communications plan, including messaging strategy, that includes materials developed at major benchmarks of the project available for outreach and community engagement
- A minimum of 10 presentations of the comprehensive plan to finance and administer a Universal Health Plan open to communities throughout Oregon to hear the final work prior to submission to the legislature
- Create a dissemination plan to the final report to ensure full public knowledge

Communications and Community Engagement Committee

Community Engagement Objective:

To listen and engage with interested parties and communities throughout Oregon before, during and after the proposal development process. Specifically listen to large and small employers, health care providers at all levels, community-based organizations, federally recognized Tribes in Oregon, and existing boards, commissions, and councils with health care and health insurance. Engage with regional organizations to identify strategies to reduce the complexities and administrative burdens on participants in the health care workforce and to otherwise address workforce challenges.

Board Members:

Michelle Glass, Co-chair
Amy Fellows, Co-chair
Warren George, member

Timeline:

September 2024 – March 2026

Meeting Schedule:

- September 26 – Committee Orientation
- October 23rd, 12-3 p.m.
- November 20, 12-3 p.m.
- December 11, 12-3 p.m.
- Beginning January 2024, meetings will be held on the fourth Wednesday of every month from 12-3 p.m.

Deliverables:

Community Engagement

- Use existing mechanisms to get feedback and identify gaps
- Community engagement outreach plans for business, health care industry and health care consumers throughout Oregon
- At a minimum, present workstream recommendations to relevant community partners following each workstream to get feedback on recommendations prior to board review

PROPOSED MOTION

Appoint the following applicants to the Communications and Community Engagement Committee:

Grace Hocog
Mickie Derting
Juan Pablo Villalobos Garcia
Collin Stackhouse
Max Brown
Jensina Hawkins
Jay Brown
John Buzzard
Craig Newton
Juana Yesenia Hernandez-Solis
Katie Koenig
Josilyn Ogden

Finance and Revenue Committee

Objective:
Design a unified financing structure for the Universal Health Plan, including creating a Universal Health Plan Trust Fund in the State Treasury with sufficient reserves. Study and address the impacts of the Universal Health Plan with respect to specific types of employers and households and consider funding mechanisms within context of prospective of Employee Retirement Income Security Act (ERISA) challenges.

Board Members:
Warren George, Chair
Cherryl Ramirez, member

Timeline:
September 2024 – August 2025

Meeting Schedule:
- September 26 – Committee Orientation
- Beginning in October, meetings will be held on the third Tuesday of every month from 9 a.m. – 12 p.m.

Deliverables:
- Unified financing strategy for the Universal Health Plan that may include an income tax, a payroll tax, or other options that take into consideration ERISA and has support from large and small employers
- Analysis of the impact of Universal Health Plan on Oregon's economy

PROPOSED MOTION

Appoint the following applicants to the Finance and Revenue Committee:

Samantha DuPont
John Santa
Richard Gibson
Charlie Swanson
Bethany Stairs
Jeff Gudman
Chris Hogan

Plan Design and Expenditure Committee

Objective:
Review any needed changes from the Joint Task Force recommendations to benefits, eligibility, and provider reimbursement plan design to stay within cost estimates and revenue projections determined by the Finance and Revenue Committee.

Board Members:
Debra Diaz, Chair
Helen Bellanca, member
Cherryl Ramirez, member
Chunhuei Chi, member

Timeline:
September 2024 – November 2025

Meeting Schedule:
- September 26 – Committee Orientation
- Beginning in November, meetings will be held on the first Thursday of every month from 1-4 p.m.

Deliverables:
- Final recommendations on Universal Health Plan benefits, eligibility, provider reimbursements, workforce cost containment strategies
- Financial modeling and actuarial analysis of various plan options that include expenditures and savings

PROPOSED MOTION

Appoint the following applicants to the Plan Design and Expenditure Committee:

Rosemarie Hemmings
Angela Michalek
Antonio Germann
Betsey Boyd-Flynn
Brian Frank
Christine Zinter
Eve Gray
Gabriel Andeen
Tashrique Rahman
Jim McGee
Jamie Osborn
Julianna Horner
Max Kaiser
Melissa Brewster
Mike Durbin
Peter Addy
Peter Merritt
Robert Fisette

Operations Committee

Objective:
Design the Universal Health Plan administrative structure based on recommendations from the Plan Design and Expenditures committee and approved by the board. Identify the statutory authority and information technology infrastructure needed for plan operations and identify potential interim strategies and/or legislation needed to transition to the Universal Health Plan. Engage with the Governor's Office, the Oregon Health Authority and federal authorities to ascertain and describe the necessary waivers. Identify strategy for obtaining necessary federal waivers.

Board Members:
Bruce Goldberg, Chair
Judy Richardson, member
Warren George, member

Timeline:
2024 – December 2025

Meeting Schedule:
- December 12, 1-4 p.m.
- Beginning in January, meetings will be held on the fourth Thursday of every month from 1-4 p.m.

Deliverables:
- Recommendations on administrative structure
- Recommendations on statutory authority and information technology needs for plan operations
- Plan to create a Trust Fund in the State Treasury and how to route revenue to the fund
- Determine start-up costs and source of funding
- Plan to create an independent public corporation to run the Universal Health Plan
- Identify federal waivers needed to implement the plan
- Create federal waiver guidance document on necessary steps to engage CMS on federal waivers

PROPOSED MOTION

Appoint the following applicants to the Operations Committee.

Ann Lovejoy
Douglas Flow
Laura Byerly
Paul Stanphill
Rosalind Lindsay
Michael Horey
Doris Kirangu
Sara Fouche
Paula Weldon
Lauri Hoagland

Break

We will reconvene at 10:30 am

There is a “grab ‘n go” café located on the basement level

OREGON HEALTH AUTHORITY

Oregon's Sustainable Health Care Cost Growth Target

Universal Health Plan Governance Board Meeting
September 19, 2024

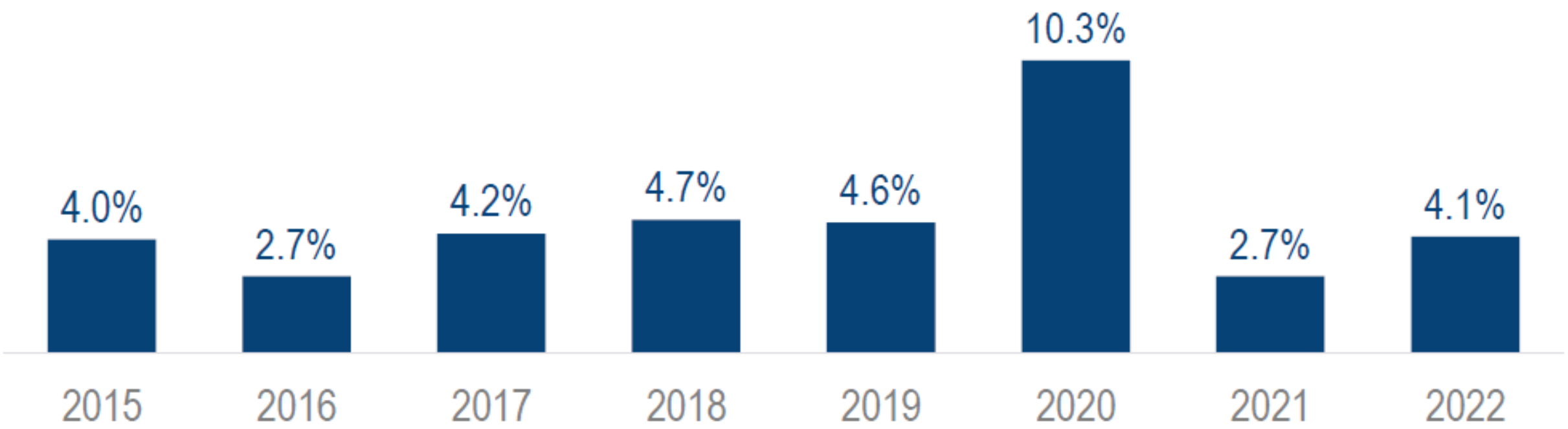
Agenda

Oregon's Health Care Cost Growth Target Program

- What it is
- Who it applies to
- How it works
- How are we doing

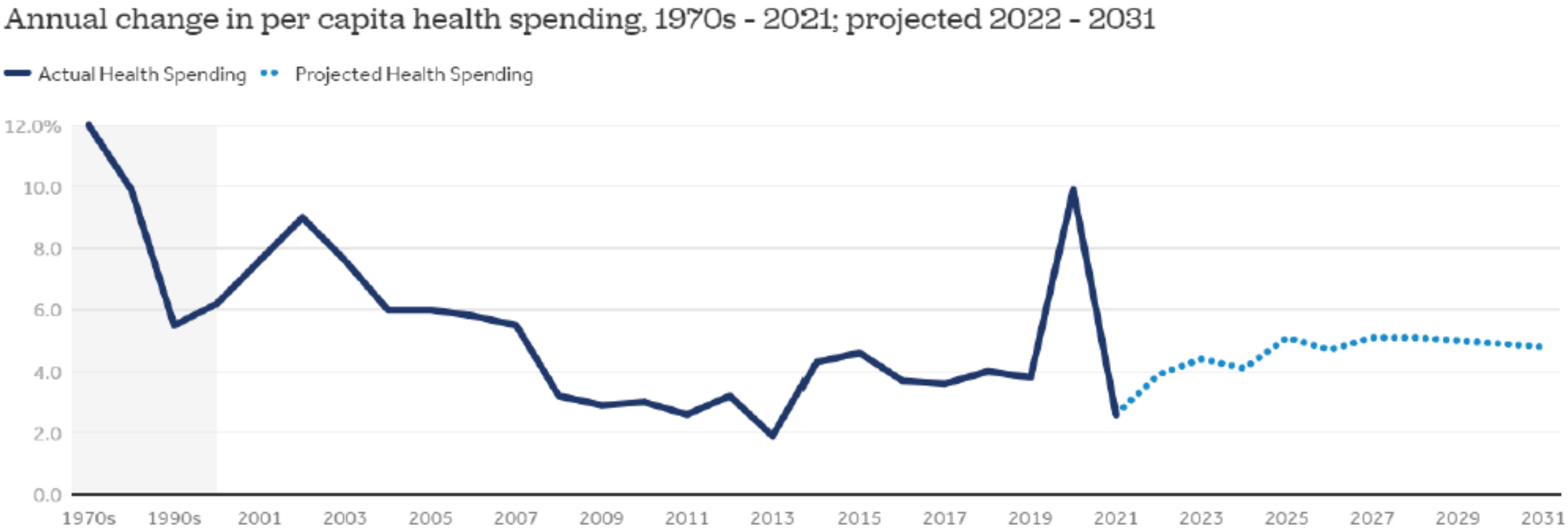
Health care costs are growing

Annual increase in national health care spending,
reported as the percent increase from the previous year



Source: CMS National Health Expenditures

Nationally, cost growth is projected at ~4.8% per year

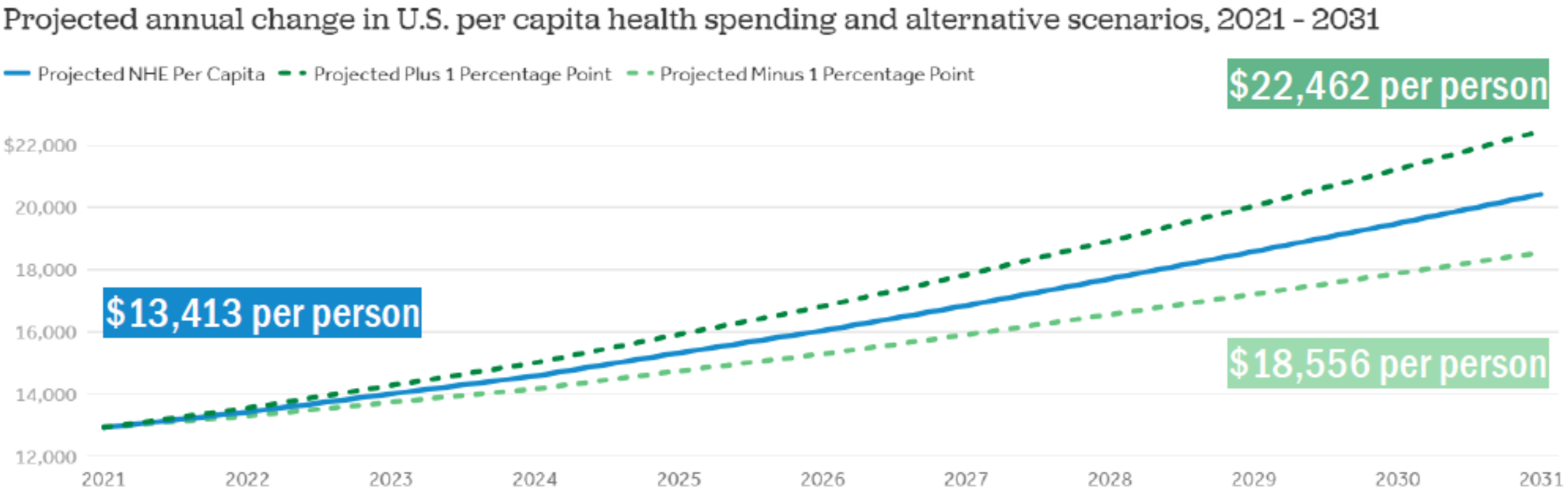


Note: Grey region represents average growth within decade.

Source: KFF analysis of National Health Expenditure (NHE) data • Get the data • PNG

Peterson-KFF
Health System Tracker

Small differences in spending growth add up



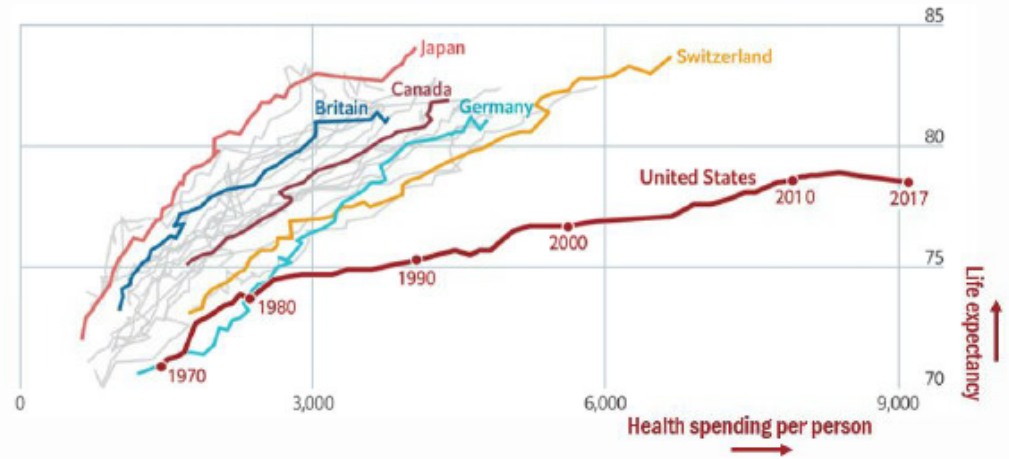
Note: NHE stands for national health expenditures.

Source: KFF analysis of National Health Expenditure (NHE) data • Get the data • PNG

Peterson-KFF
Health System Tracker

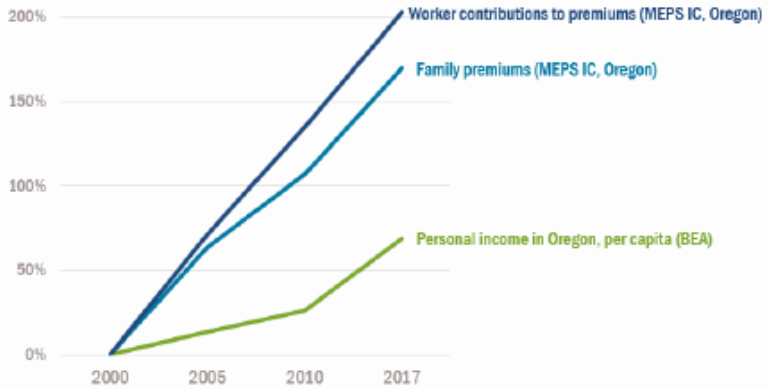
U.S. health care costs twice the average of others countries

But life expectancy is lower



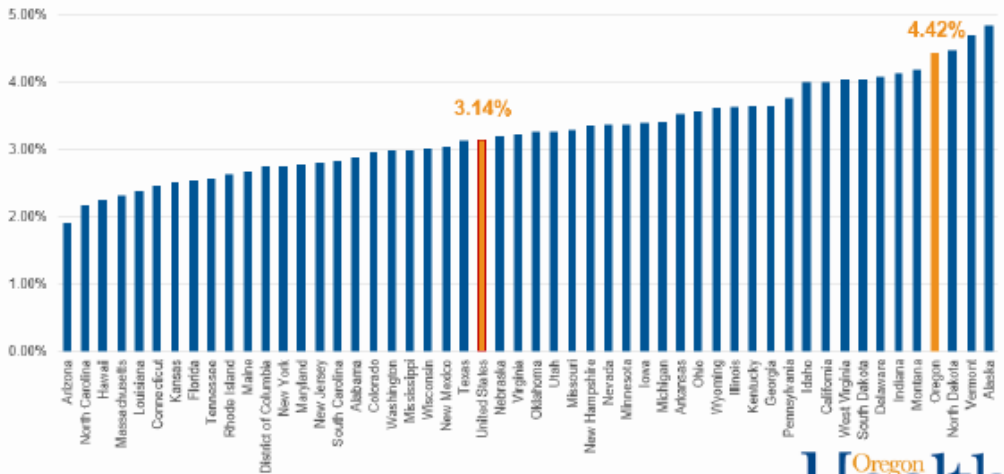
Private sector cost growth is unsustainable

Since 2000, **Oregon employer-sponsored insurance premiums** have grown three times faster than **personal income.**



Oregon healthcare spending grew at the 4th highest rate from 2009-2014

Average Annual Healthcare Spending Growth Rate
Per Capita (2009 - 2014)

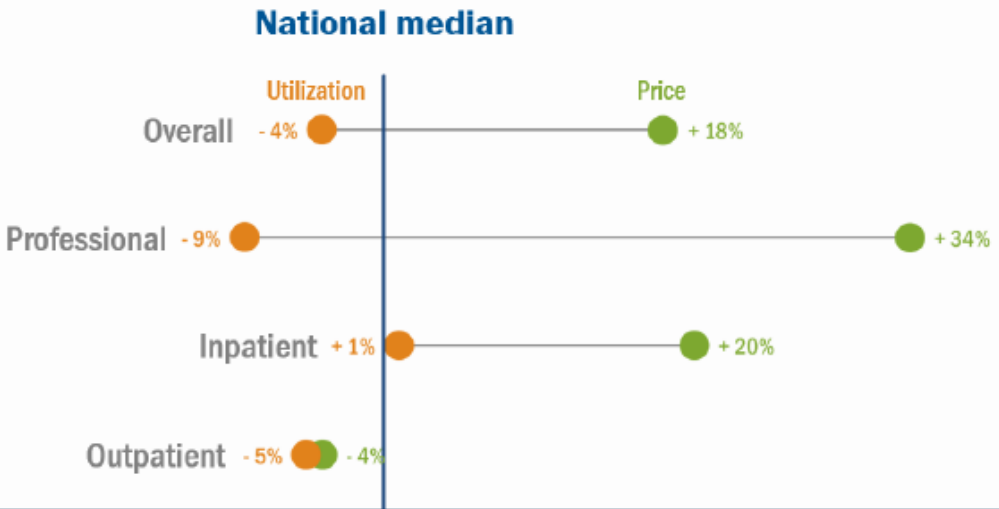


Sources: U.S. Census Bureau, and Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group.

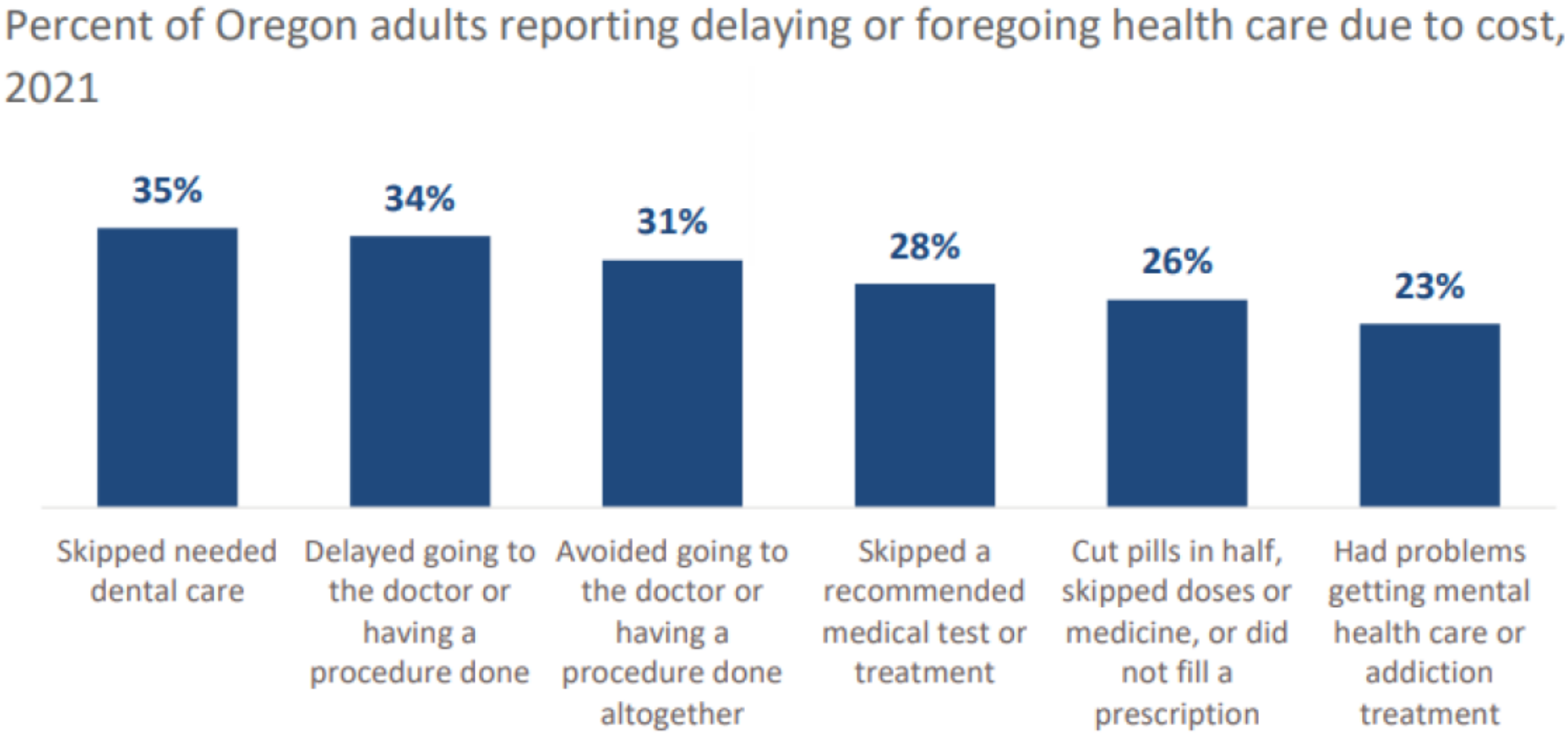
Oregon Health Authority

Overall prices in the Portland metro area are 18 percent above the national median.

These high prices are not offset by low utilization.



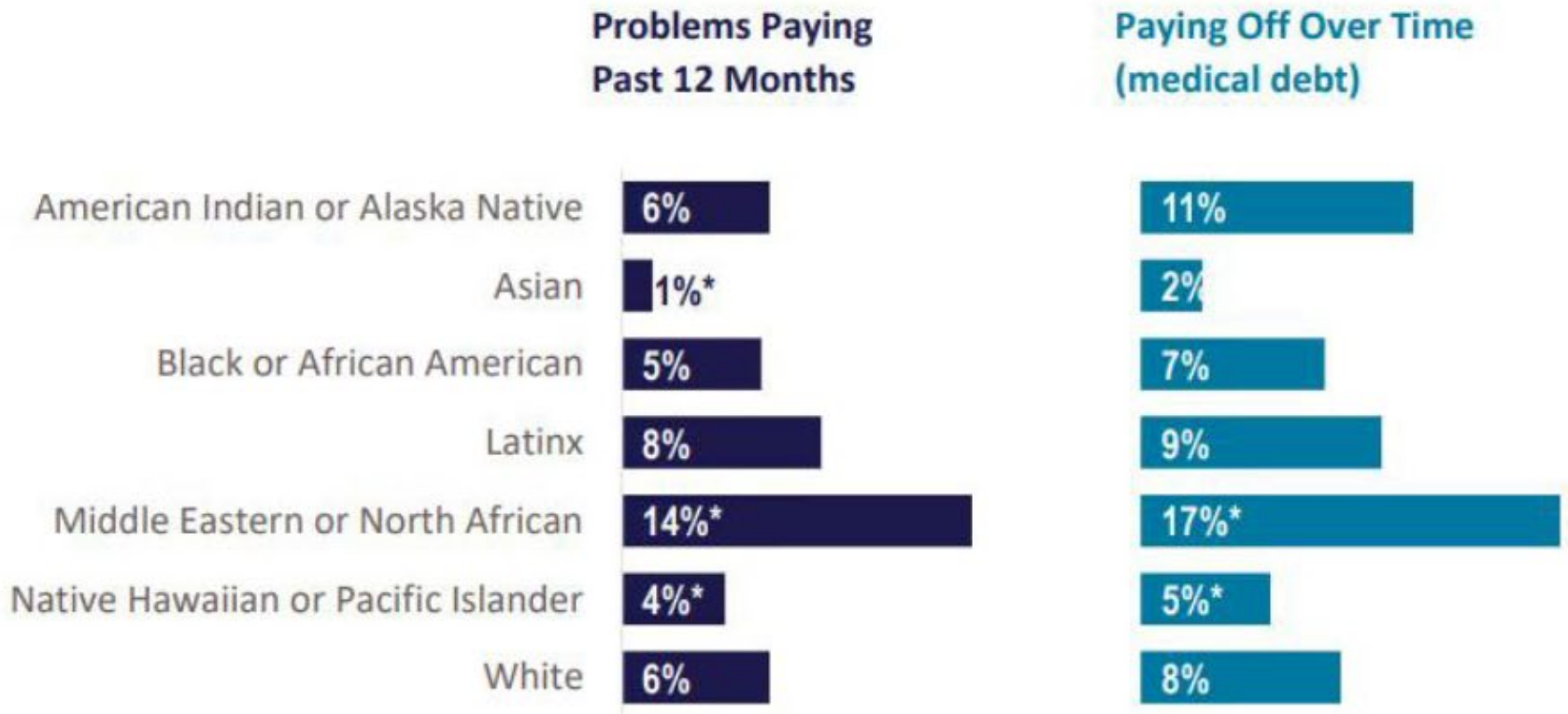
A third of Oregon adults reported delaying or foregoing care due to costs



Source: Altarum's Consumer Healthcare Experience Survey, 2021

High health care costs worsen health and wealth inequities.

People in Oregon reporting they were unable to pay medical bills, by race/ethnicity



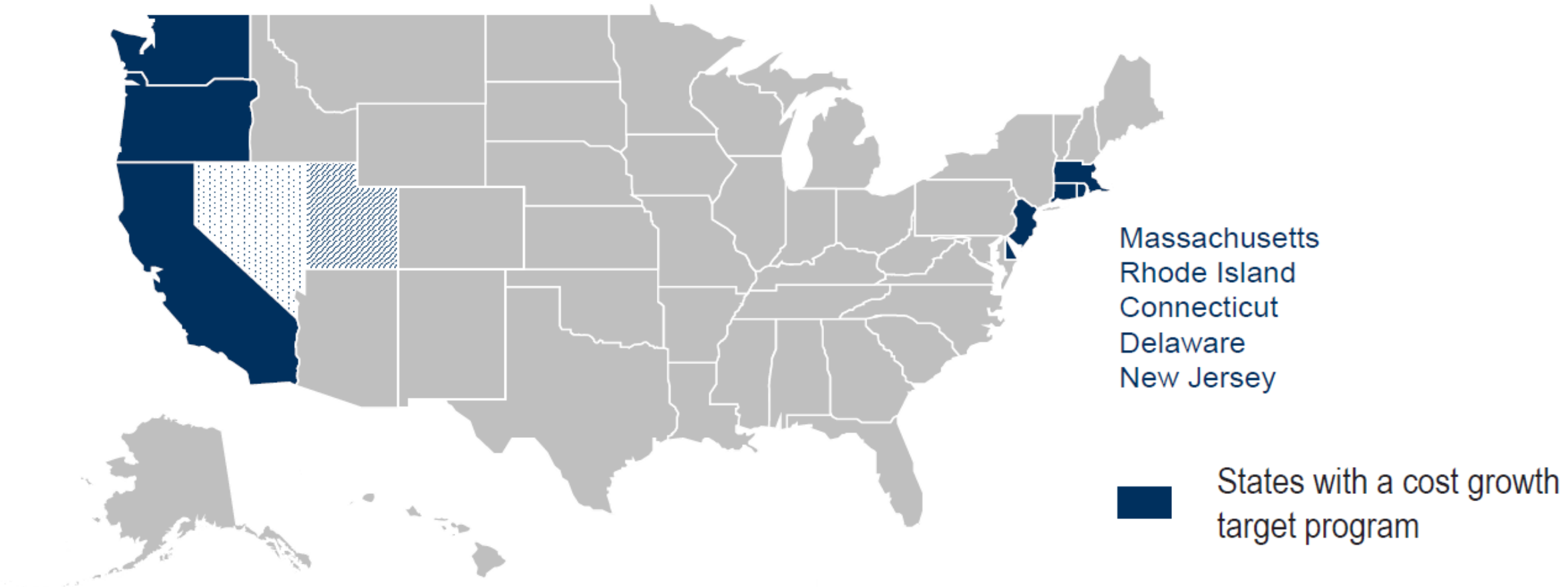
*Estimates have small sample sizes and are statistically unreliable; interpret with caution.

Source: Oregon Health Insurance Survey, 2021

Containing growing health care costs is an Oregon priority

- **2017:** SB 419 Legislative Task Force considered a hospital rate-setting model; recommended cost growth target program.
- **2019**: SB 889 established Cost Growth Target program and Implementation Committee

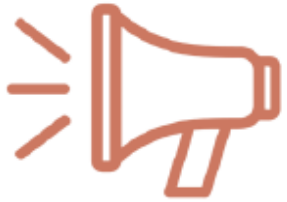
Nine states are using a cost growth target approach to address health care affordability



What is Oregon's Cost Growth Target?

Oregon's cost growth target says that total health care spending should not grow more than 3.4% each year.

A statewide health care cost growth target ensures a more sustainable rate of cost growth



Transparency

Sustainable Target

Total Cost of Care Approach

A Common Goal

Annual Cycle

Measure

Measure performance relative to the cost growth target

Analyze

Analyze spending to understand cost trends and cost growth drivers

Report

Publish performance against the target and analysis of cost growth drivers

Identify

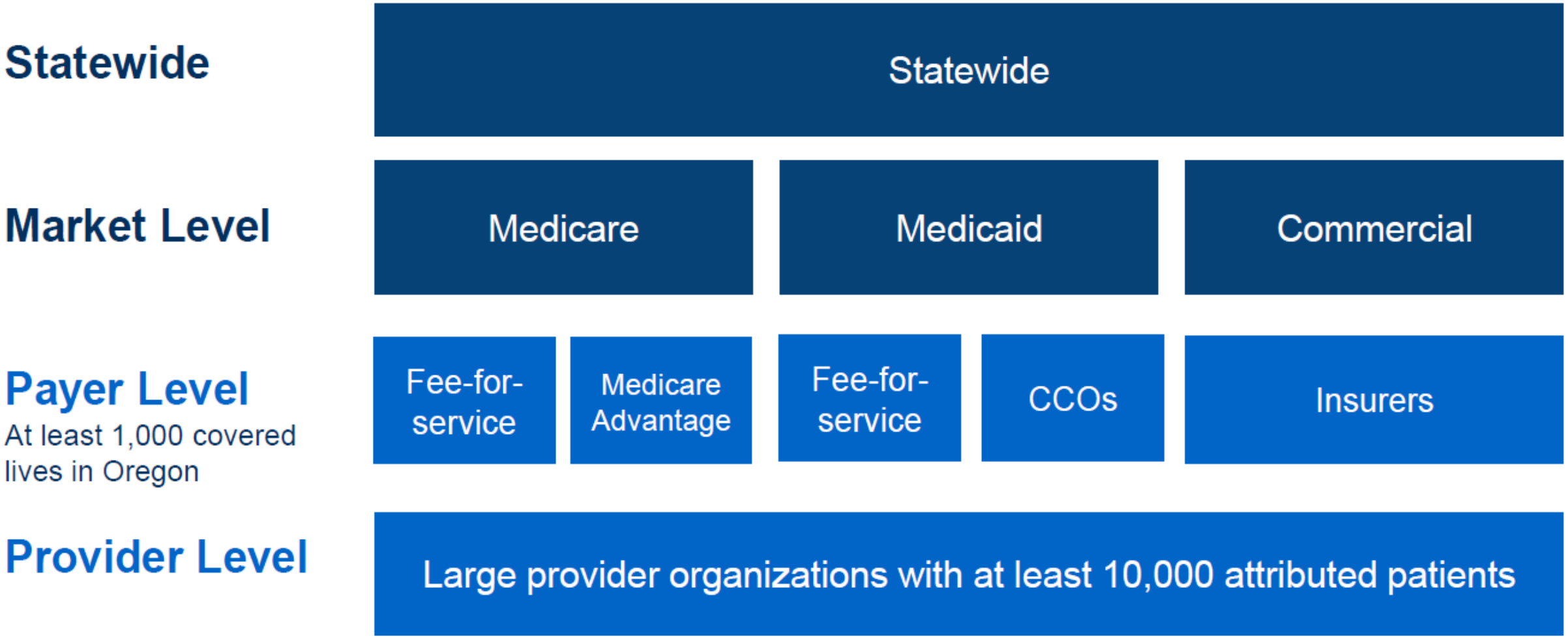
Identify opportunities and strategies to slow cost growth

Implement

Implement strategies to slow cost growth

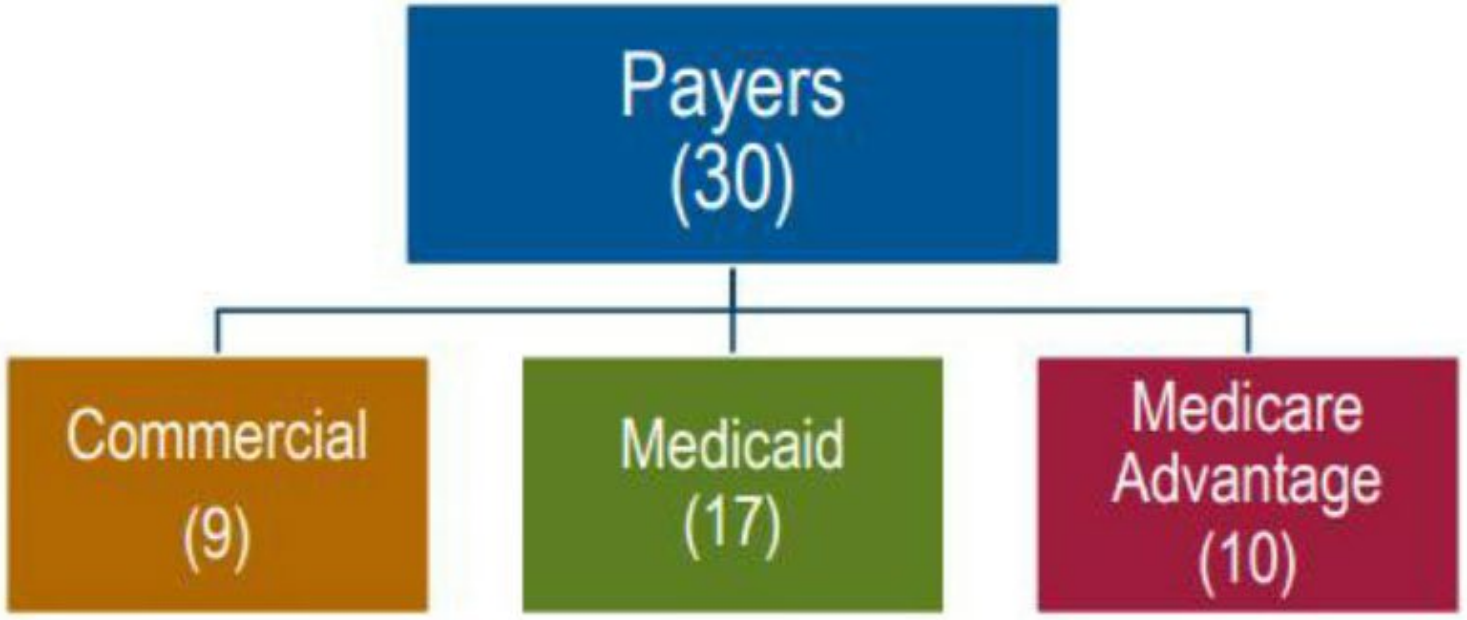
Who does the Cost Growth Target apply to?

Oregon's Cost Growth Target applies at four levels



30 payers are currently included in CGT reporting

Number of payers meeting the reporting threshold for 2021-2022, by market



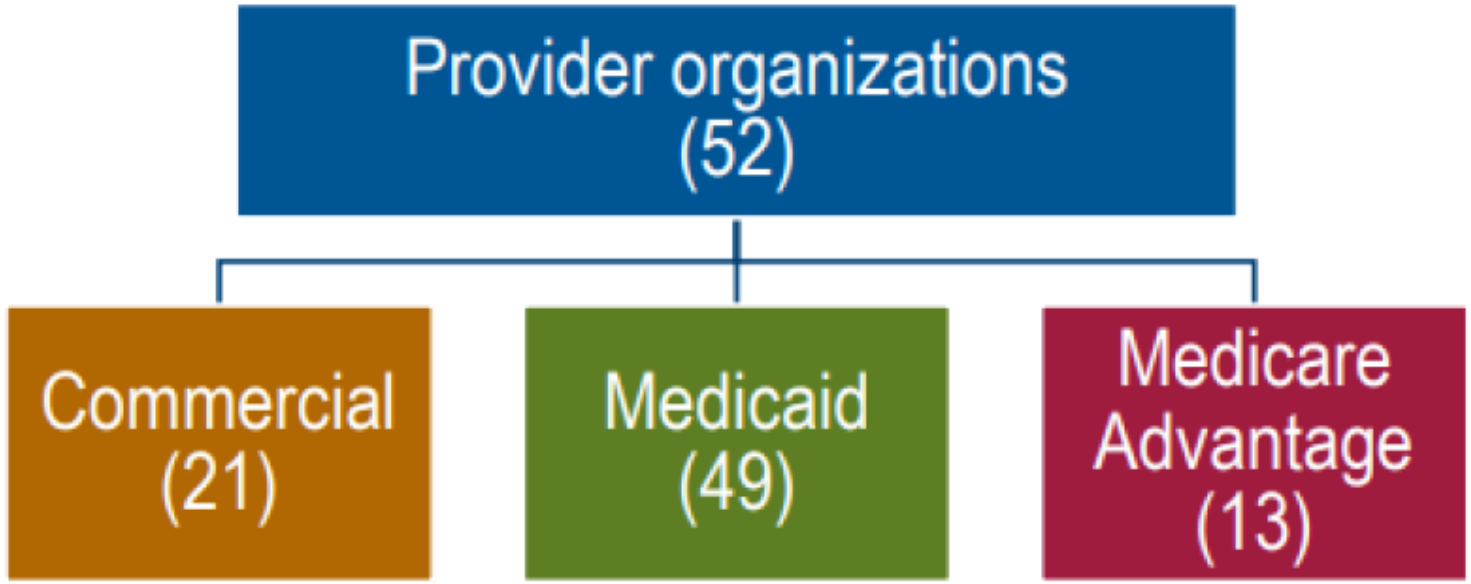
* UHC Company includes all UHC Medicare entities due to novated contracts during the measurement period

Data Submission:
Payers with at least 1,000 members in Oregon

Public Reporting:
Payers with at least 5,000 lives in a market

52 provider organizations are currently included in CGT reporting

Number of provider organizations meeting the threshold for 2021-2022, by market

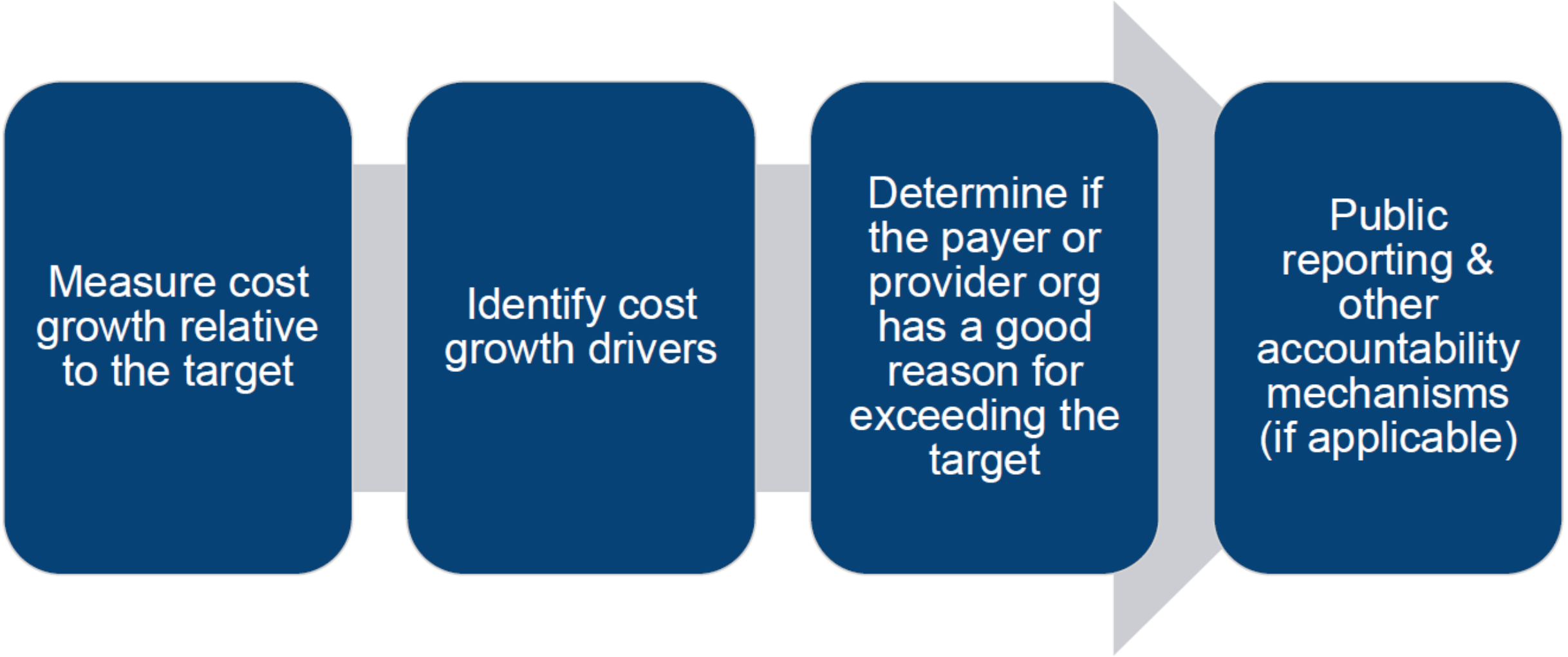


Provider Org Inclusion:

- Must include primary care providers
- Must have at least 10,000 attributed patients across all markets, or at least 5,000 attributed patients in any one market

How it works

OHA measures cost growth relative to the target each year and identifies cost growth drivers



Cost Growth Target Accountability

1. **Transparency**
   public reporting and public hearings

2. **Performance Improvement Plans (PIPs)** for payers and provider organizations who exceed the cost growth target with statistical certainty and without good reason

3. **Financial Penalties**
   for payers and provider organizations who exceed the cost growth target with statistical certainty and without good reason in any 3 of 5 years

- Only payers and provider organizations that exceed the cost growth target **with statistical certainty** may be held accountable.
- Only payers and provider organizations that exceed the cost growth target **without a good reason** may be held accountable.

- Changes in federal or state law
- Changes in mandated benefits
- New pharmaceuticals or treatments
- Changes in taxes (or other admin)
- “Acts of God”
- Investments to improve health/ health equity
- Macro-economic factors
- Frontline workforce costs (as per HB 2045)

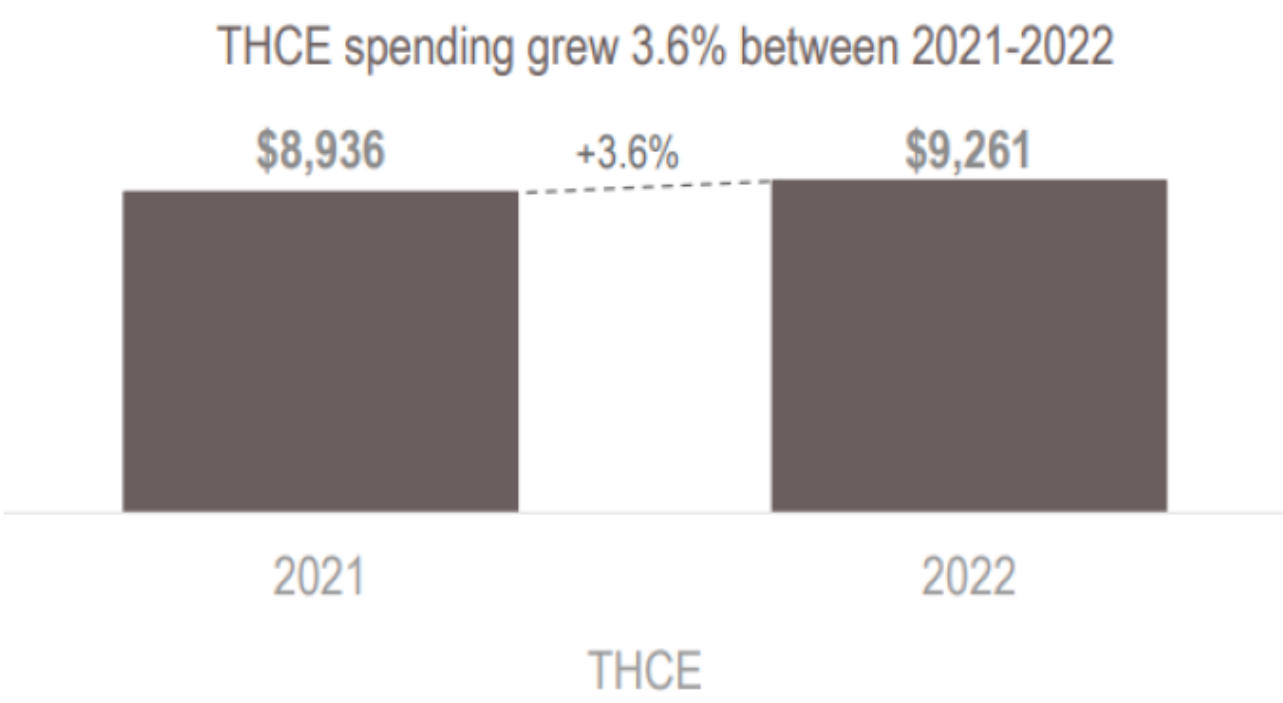
Acceptable reasons for cost growth

The Cost Growth Target Program is designed to ramp up slowly, allowing time for change

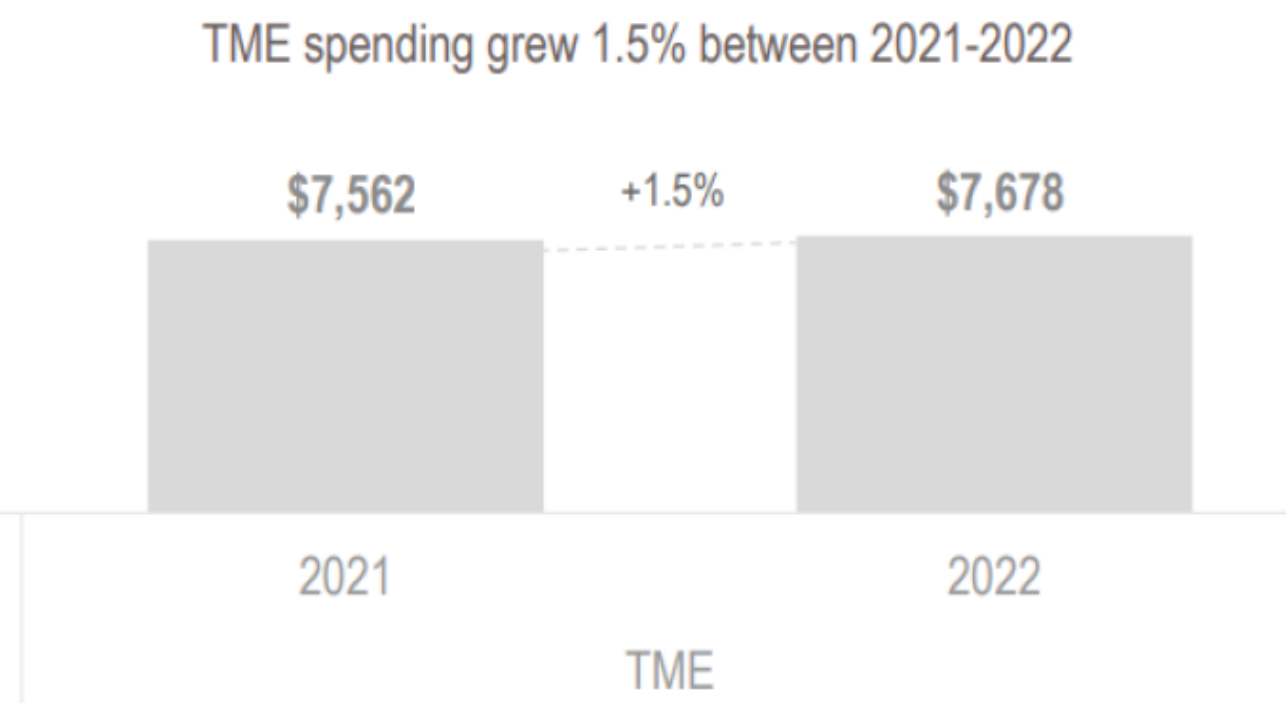
				We are here		
CGT Year	**0**	**1**	**2**	**3**	**4**	**5**
Cost growth between	2018 – 20	2020 – 21	2021 – 22	2022 – 23	2023 –24	2024 – 25
Data submitted in	2021	2022	2023	2024	2025	2026
Report published in	2022	2023	**2024**	2025	2026	2027
Are payers/providers publicly identified?	No	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Do PIPs apply?	No	No	No	**Yes**	**Yes**	**Yes**
Does $ penalty apply?	No	No	No	No	No	**Yes**

What does the cost growth target measure?

Total Health Care Expenditures

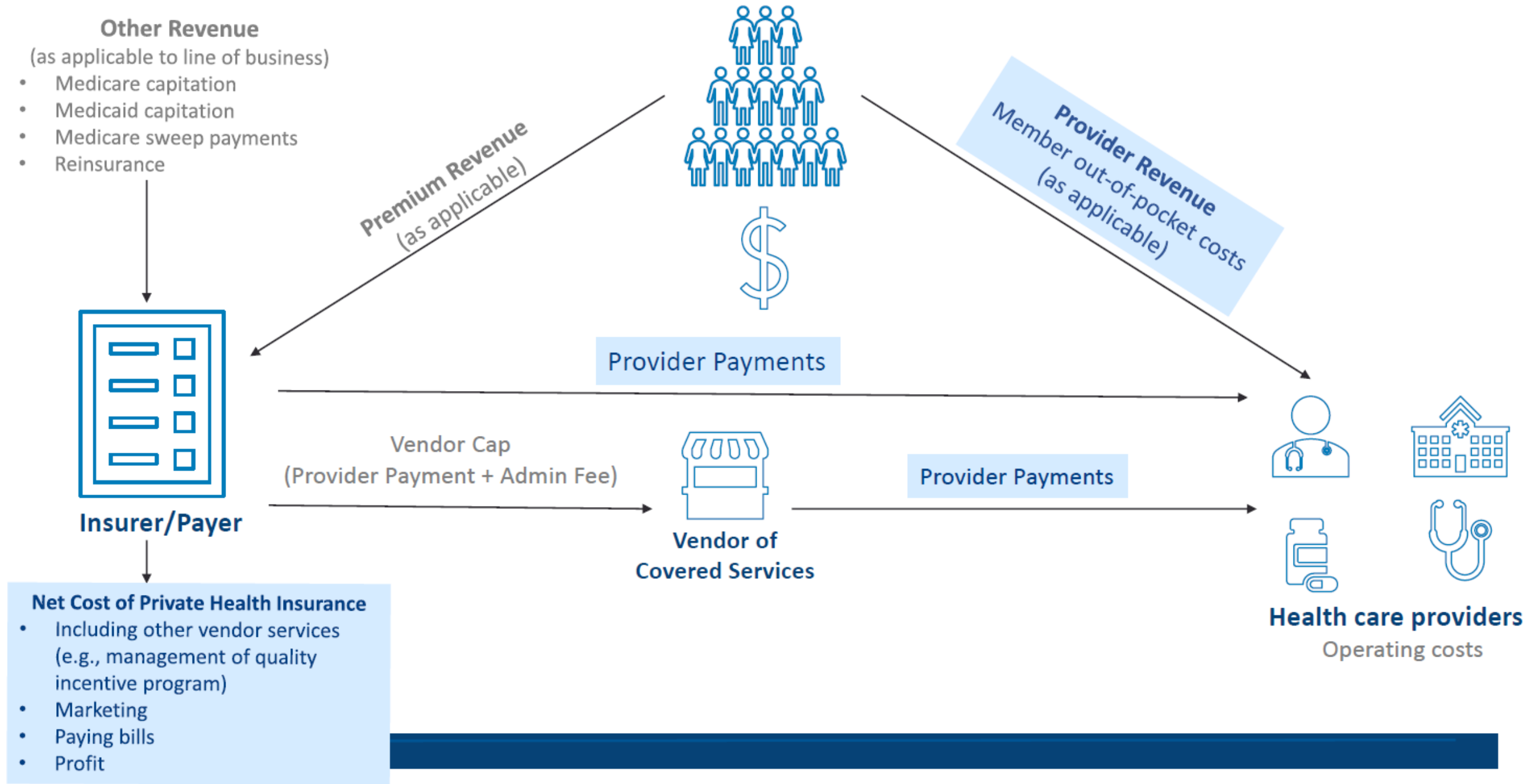


Total Medical Expenditures



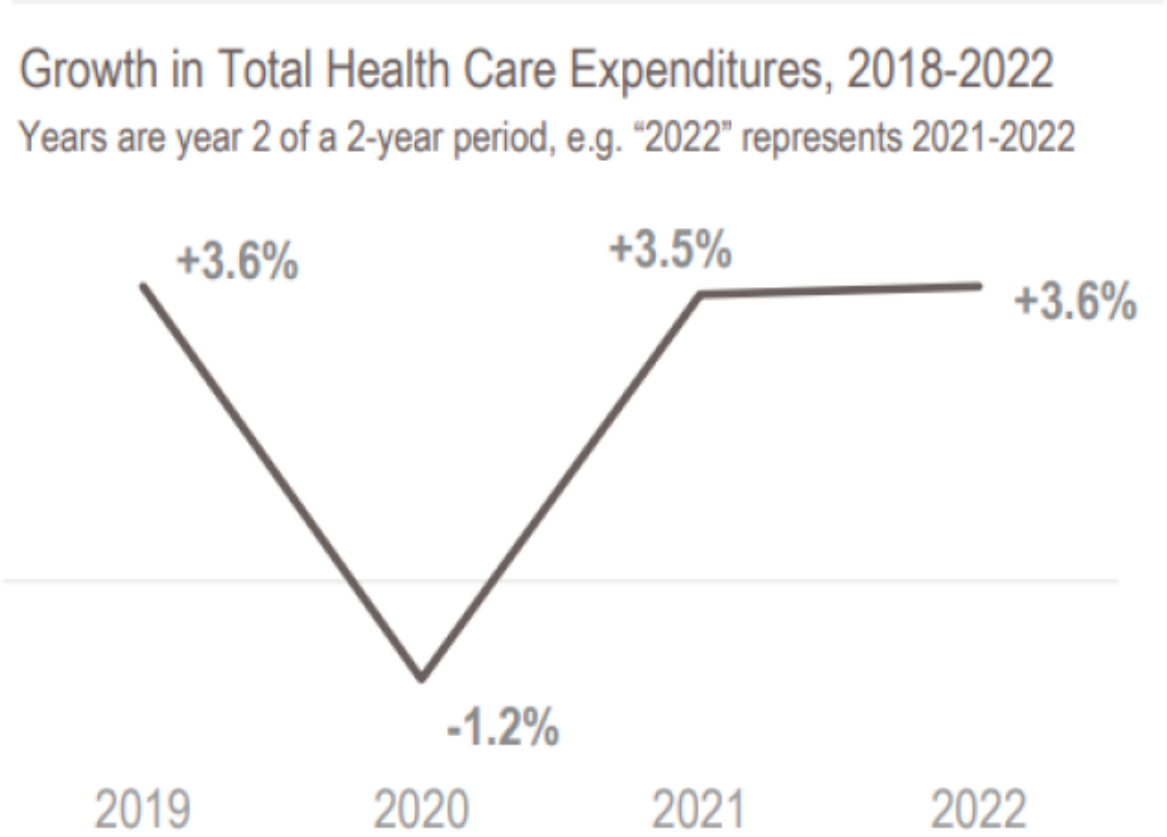
State and market level: claims, non-claims, net cost of private health insurance (admin), other

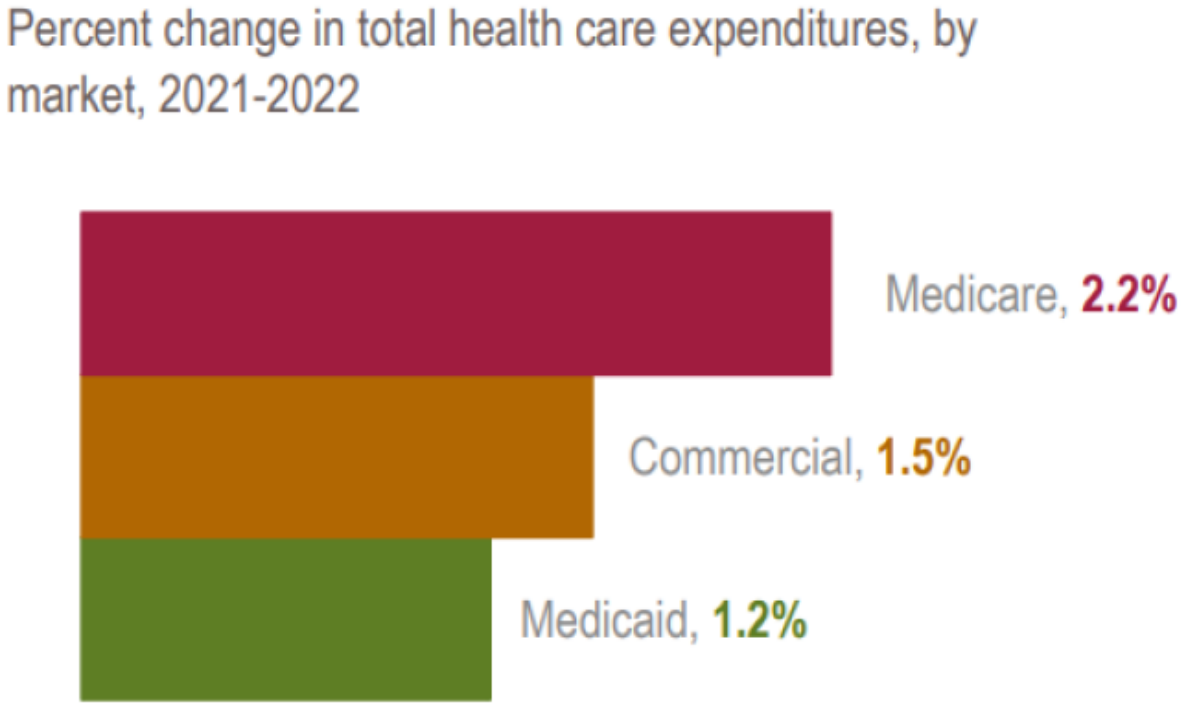
What does the cost growth target measure?



How are we doing

Total Health Care Expenditures grew 3.6% in 2022, but with different experiences by market

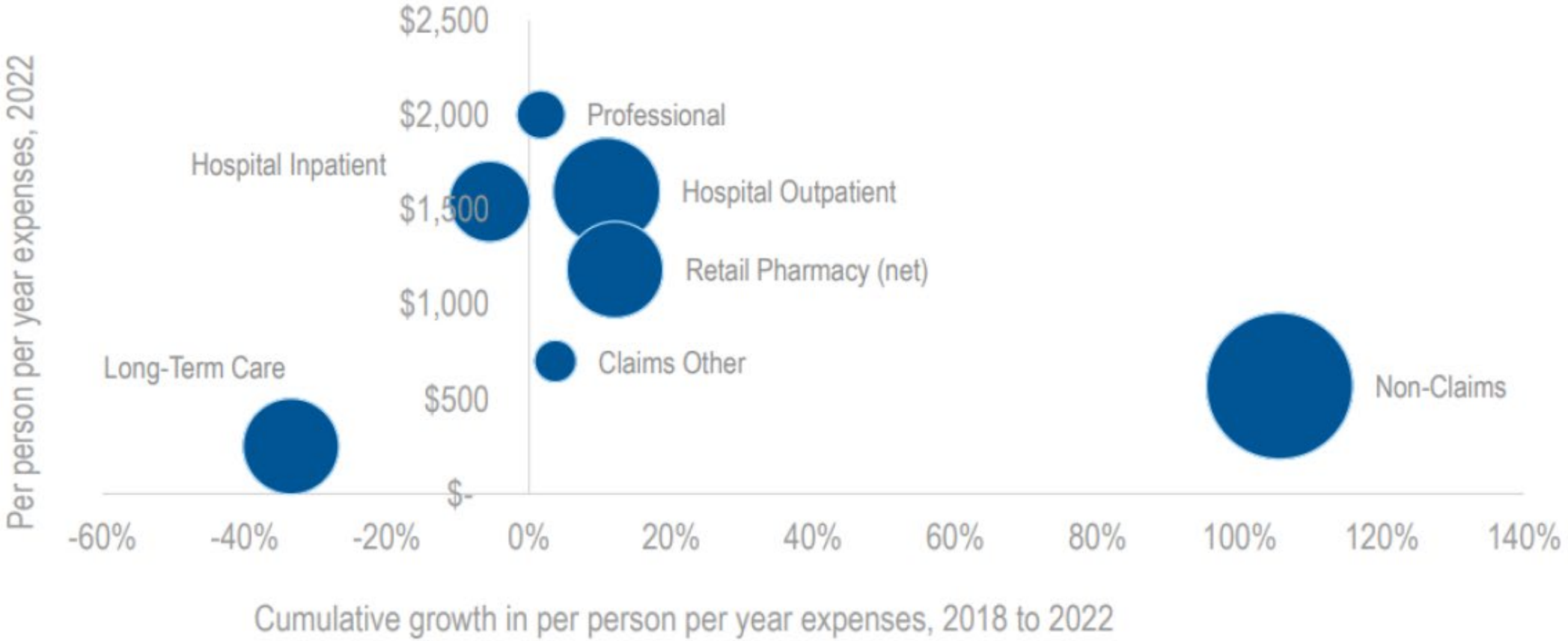




https://www.oregon.gov/oha/HPA/HP/Cost%20Growth%20Target%20documents/2024-Oregon-Cost-Growth-Target-Annual-Report.pdf

Since 2018, statewide cost growth has been driven by hospital outpatient and retail pharmacy spending.

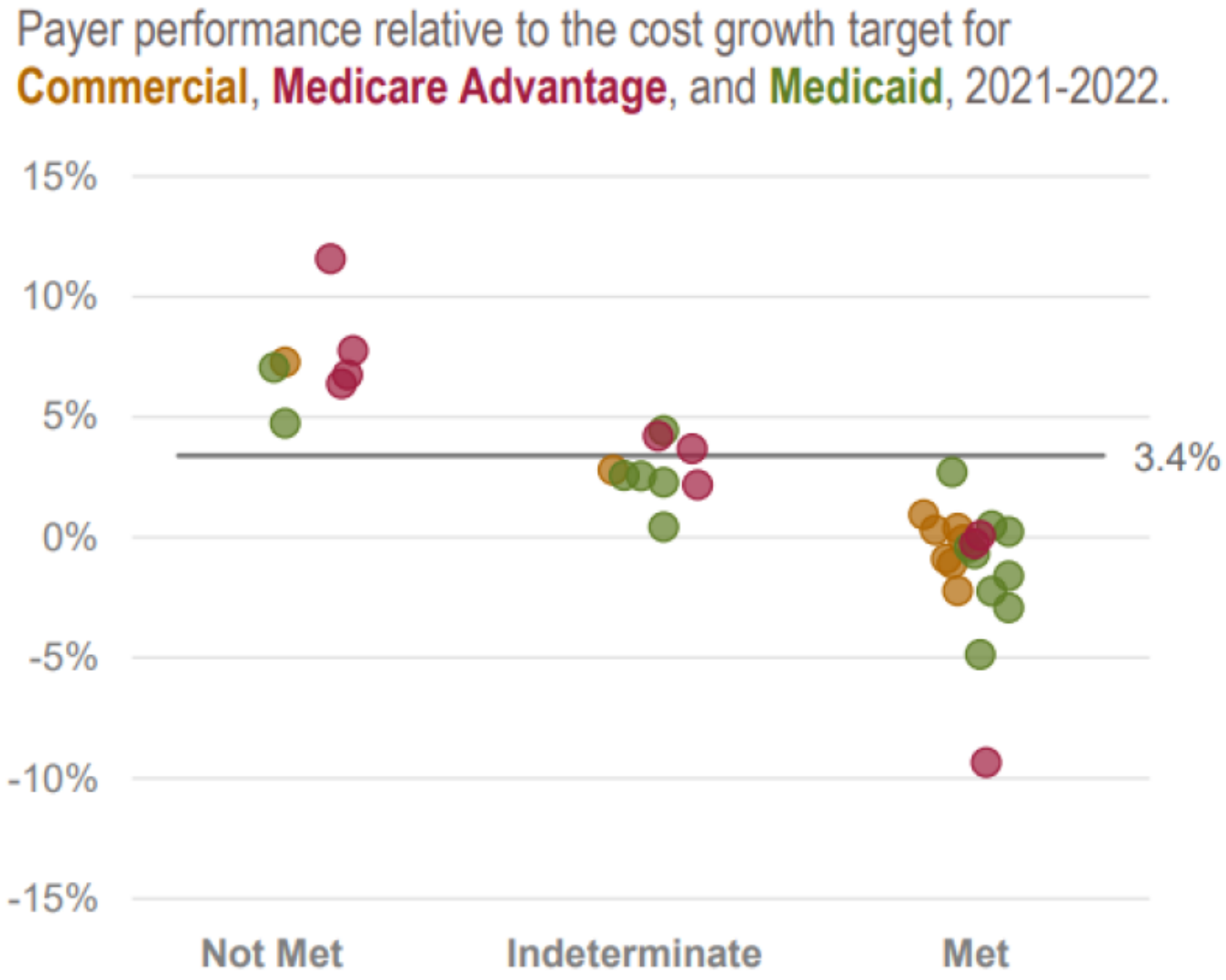
Total Medical Expenses – Cumulative growth in spending per person per year from 2018-2022 and spending in 2022 with absolute dollar change (bubble size) from 2018-2022, by service category, Statewide*



Overall cost growth for payers in 2022 was 1.9%

- Commercial payers: **1.6%**
- Medicare Advantage: **4.9%**
- Medicaid: **1.3%**

Of the 30 payers, 19 met the cost growth target for at least one market.

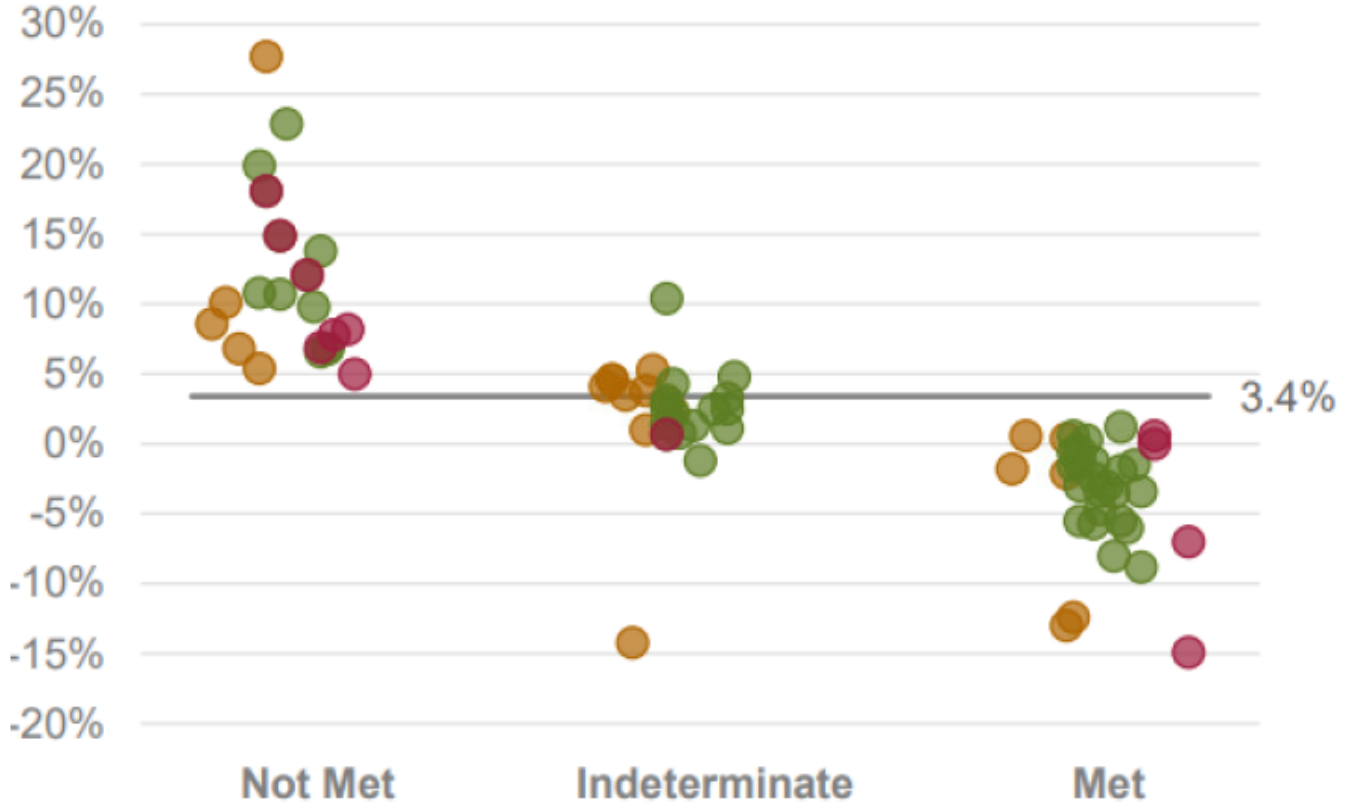


Overall cost growth for provider organizations in 2022 was 1.7%

- Commercial payers: **3.0%**
- Medicare Advantage: **4.4%**
- Medicaid: **0.9%**

Of the 52 provider organizations, 29 met the cost growth target for at least one market.

Distribution of provider organization performance in relation to the cost growth target for **Commercial**, **Medicare Advantage**, and **Medicaid** markets, 2021-2022.



Perspectives on Cost Growth Drivers, 2022

Payers

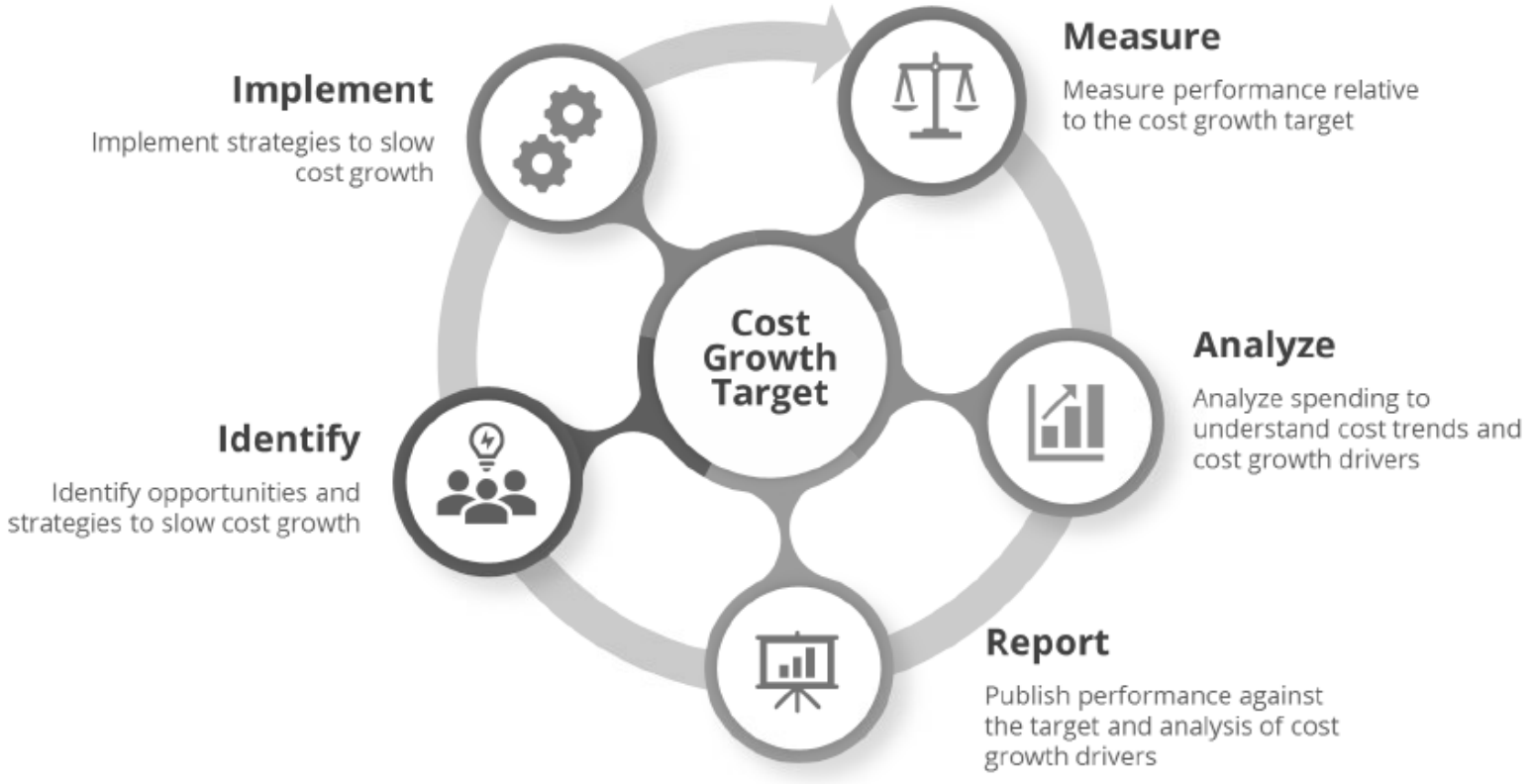
- Post covid utilization
- Retail pharmacy
- Catastrophic claims
- Behavioral health spending

Provider Organizations

- Increased utilization
- Expanded services
- Non-claims payments
- Behavioral health spending
- Hospital rate increases
- Pediatric “tripledemic”

Setting a cost growth target will not slow the rate of growth by itself.

A cost growth target is a catalyst for implementing cost growth mitigation strategies.



For more Information

- **Cost Growth Target Website**

  https://www.oregon.gov/oha/HPA/HP/Pages/Sustainable-Health-Care-Cost-Growth-Target.aspx

- **Cost Growth Target Reports**

  https://www.oregon.gov/oha/HPA/HP/Pages/cost-growth-target-reports.aspx

- **Contact Us:**

  HealthCare.CostTarget@oha.Oregon.gov

Status Report Due to Legislature – Outline Review

- Director Cowling

Board Outreach: Meeting Takeaways and Outreach

- Director Cowling

Public Comment

Adjourn

“Understanding disability and ableism is the work of every revolutionary, activist, and organizer of every human being. Disability is one of the most organic and human experiences on the planet. We are all aging, we are all living in polluted and toxic conditions, and the level of violence currently in the world should be enough for all of us to care more about disability and ableism.”

- Mia Mingus

Universal Health Plan
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