May 16th Meeting of the Universal Health Plan Governance Board



Universal Health Plan
Governance Board

May 16th Agenda

- Welcome Remarks
- Approve Meeting Minutes April 16th, 2024
- Executive Director's Report
- Recruitment for Executive Director's Evaluation Committee
- UHPGB Policies and Procedures
- Oregon's Health Care Coverage Efforts
- Joint Task Force on Universal Health Care Recommendations
- Break
- Ethical Framework for Universal Health Care
- Values and Principles
- UHP Workplan Development Update
- Public Comment

Welcome Remarks – Chair Bellanca

- Tech Check
- Introductions
- Agenda Review
- Adoption of 4.16.24 Minutes

Executive Director's Report

- Executive Director Cowling

Recruitment for Executive Director Evaluation Committee

- Chair Bellanca

Resolution II – Oversight & Evaluation

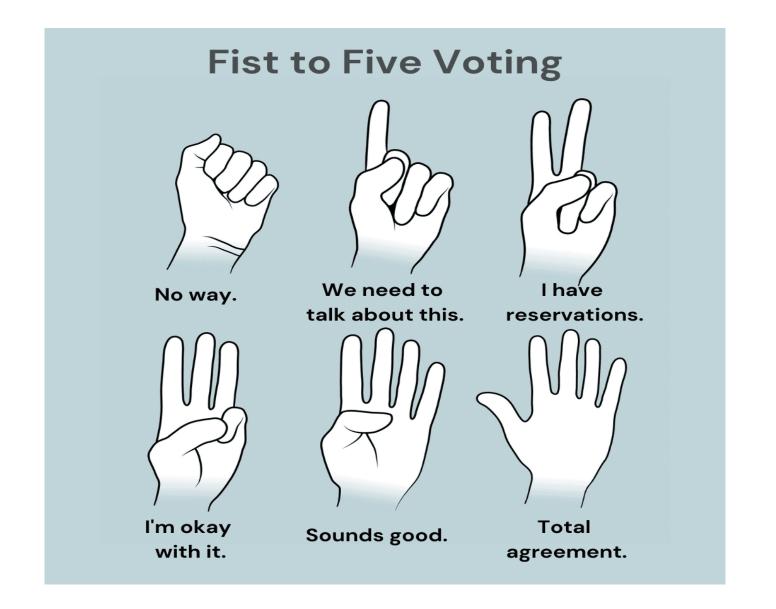
Whereas the Executive Director serves at the pleasure of The Board,

And whereas The Board has a desire to promote a collaborative relationship with its Executive Director, and promote a clear working environment for its Executive Director., The Board shall appoint from its members, an Evaluation Subcommittee of no less than three members whose duties shall consist of:

- 1. No less than 90 days after passage of this resolution shall draft an Outline of Expectations for the Executive Director consisting of short sentence and compatible with state law, to be approved by the entire board in regular session.
- 2. Shall meet no less frequently than annually for the purposes of preparing an Evaluation of Performance of the Executive Director in respect of the Outline of Expectation, and for the purpose of meeting with the Executive Director to convey and discuss the Evaluation of Performance to the Executive Director.

UHPGB Policies and Procedures

- Director Cowling



Health Coverage in Oregon Overview

Universal Health Plan Governance Board
Devlin Prince, Senior Policy Analyst
Laurel Swerdlow, Health Coverage Lead
Oregon Health Authority – Office of Health Policy
May 16, 2024



Agenda

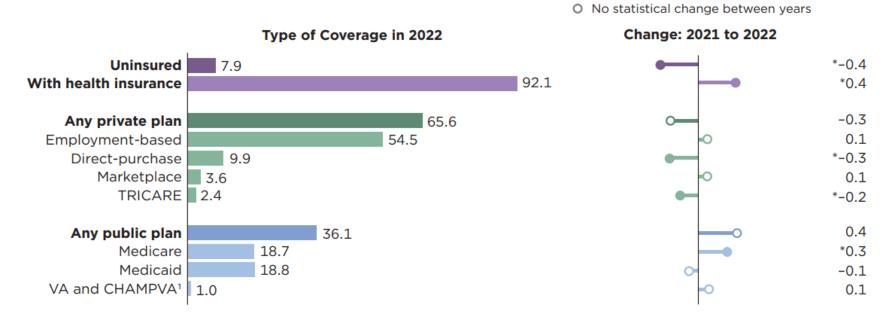
- 1. Oregon Breakdown of Coverage
- 2. Uninsured Population
- 3. Health Care Costs/Affordability
- 4. Current OHA Projects/Programs
 - 1115 Waiver, Healthier Oregon, OHP Bridge, Cost Growth Target



Coverage in the United States

Figure 1.

Percentage of People by Type of Health Insurance Coverage and Change From 2021 to 2022 (Population as of March of the following year)



^{*} Denotes a statistically significant change between 2021 and 2022 at the 90 percent confidence level.

Note: The estimates by type of coverage are not mutually exclusive; people can be covered by more than one type of health insurance during the year. Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar23.pdf>.

Source: U.S. Census Bureau, Current Population Survey, 2022 and 2023 Annual Social and Economic Supplements (CPS ASEC).

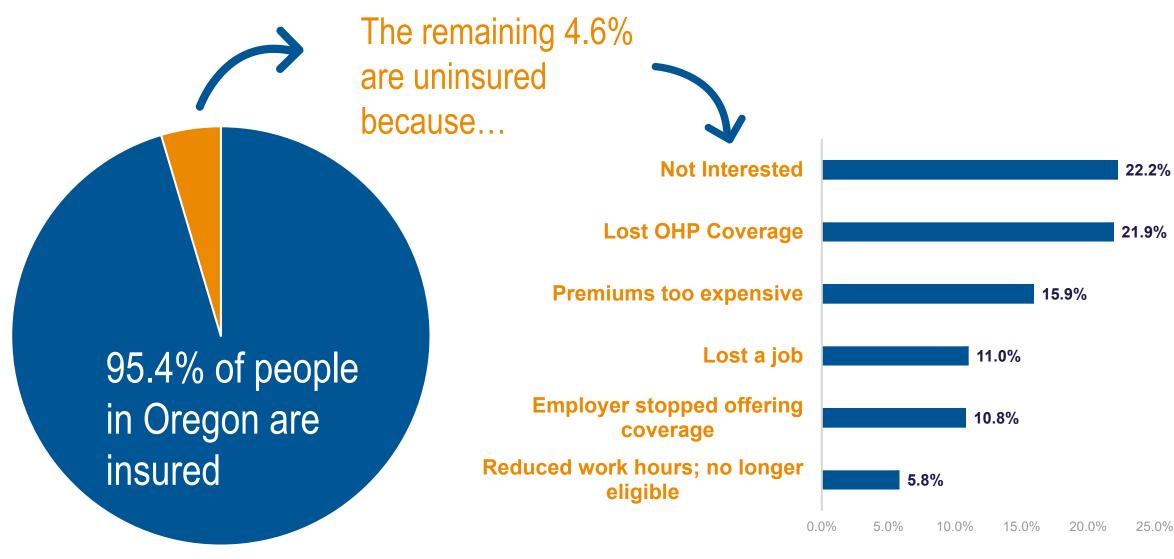
¹ Includes CHAMPVA (Civilian Health Medical Program of the Department of Veterans Affairs), as well as care provided by the Department of Veterans Affairs (VA) and the military.



Coverage in Oregon

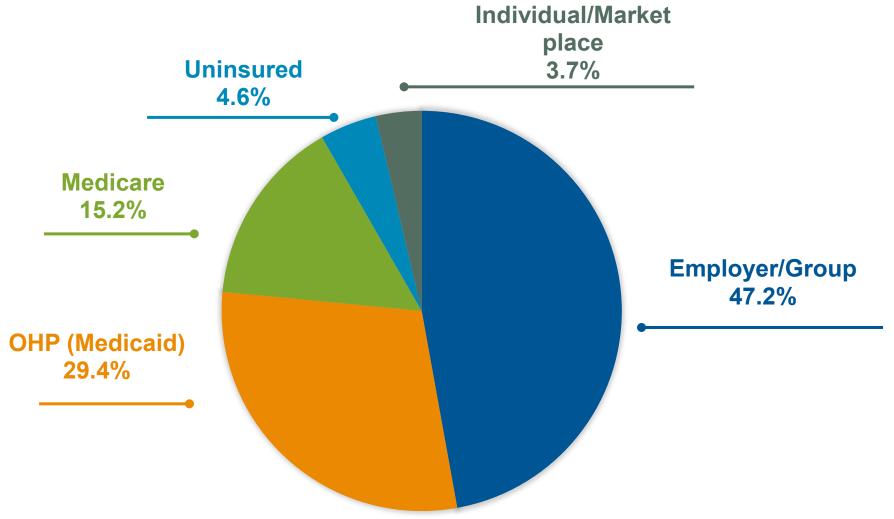


2021 Insured & Uninsured





Insured - 2021 Oregon Health Insurance Survey





Oregon Health Plan (OHP) April 2024 Estimates

Medicaid

Healthier Oregon OHP Bridge



1,304,799

85,241

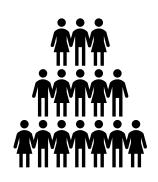
33,663*

*Total currently enrolled on the Temporary Medicaid Expansion. OHP Bridge will launch in July 2024 and is anticipated to cover about 100,000 people by 2027.



Oregon Health Plan by the Numbers

Statewide, <u>33%</u> of Oregon's population



Approx 1.4 Million people are enrolled on OHP

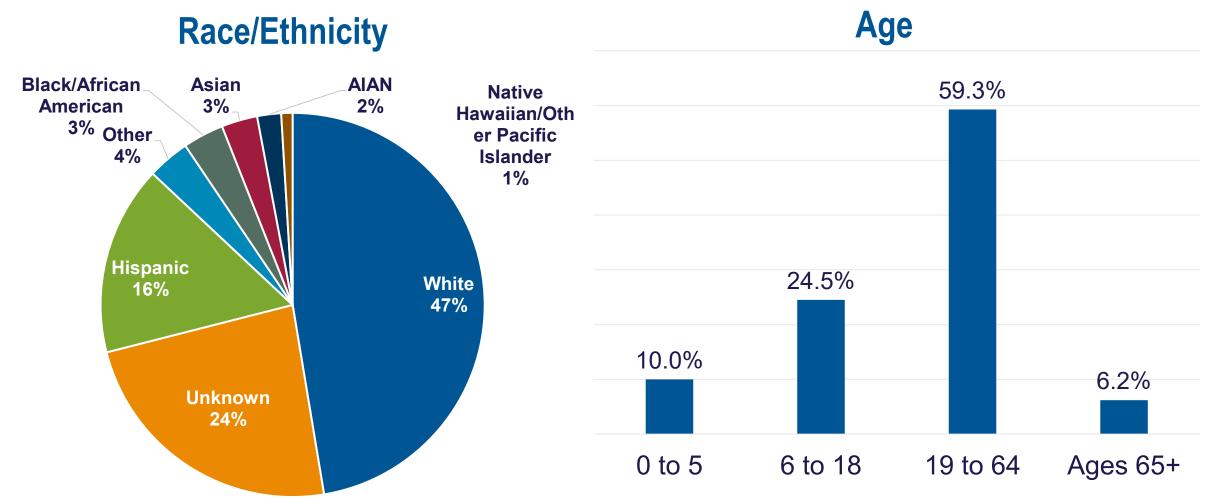
56% of Children (ages 0-17) in Oregon are enrolled in OHP

91.6% are in Coordinated Care Organizations

8.5% are Dual Eligible (Medicaid and Medicare)



Oregon Health Plan Demographics

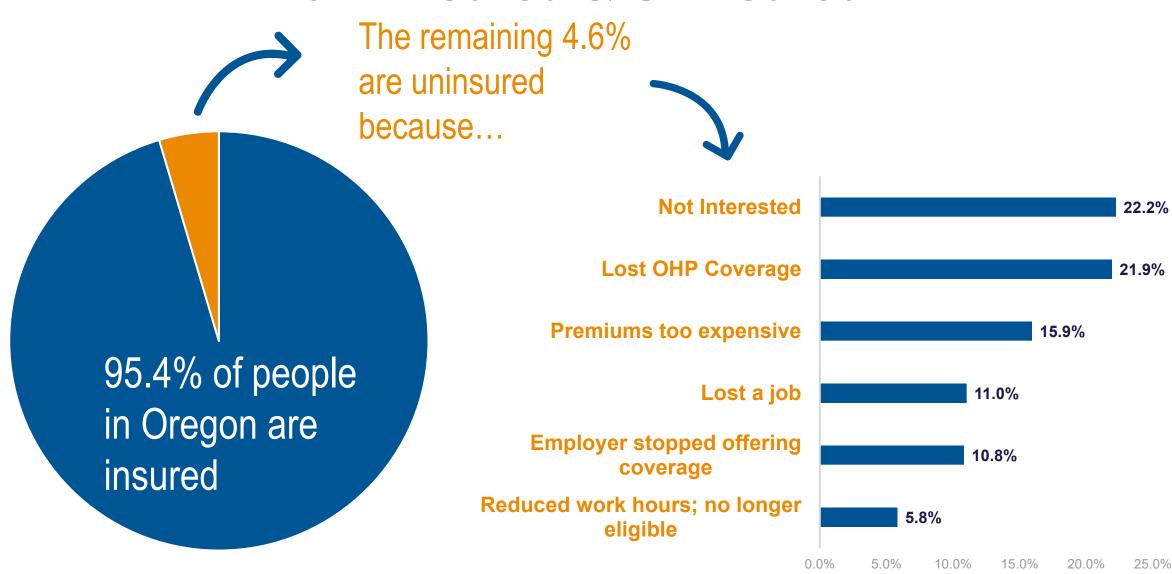


Oregon's Monthly Medicaid Enrollment Dashboard (2024). Interactive display accessed 05/01/2024]. Salem, OR: Oregon Health Authority. https://www.oregon.gov/oha/HPA/ANALYTICS/Pages/Medicaid-Data-Dashboards.aspx

Uninsured Population



2021 Insured & Uninsured

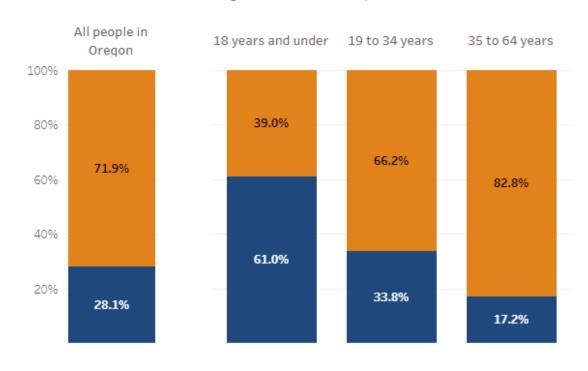




Uninsured – 2021 Oregon Health Insurance Survey

In 2021, most people in Oregon who did not have health insurance were eligible for help getting health insurance through the Marketplace or the Oregon Health Plan (70.4% statewide)

Percent eligible for Marketplace or OHP



Potentially eligible for financial assistance through Marketplace

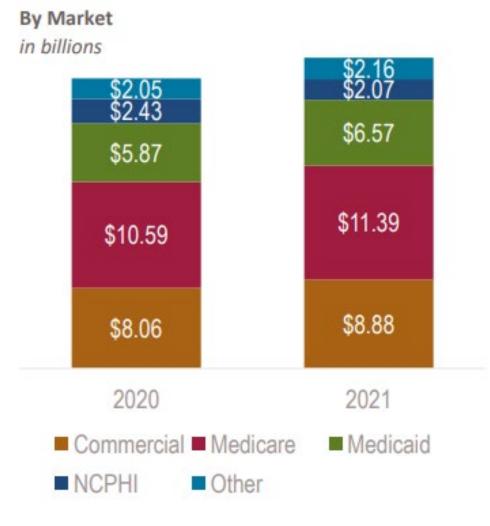
Eligible for OHP

Health Care Costs & Affordability



Oregon spends a lot of on health care.

- In 2021, total health care spending in Oregon totaled \$31.07 billion.
- Between 2020-2021, Total Health Care Expenditures increased 3.5%.
- By market:
 - The commercial market grew 12.1%
 - Medicare grew 6.5%
 - Medicaid spending (per person) decreased –2.1% (due to increased enrollment).

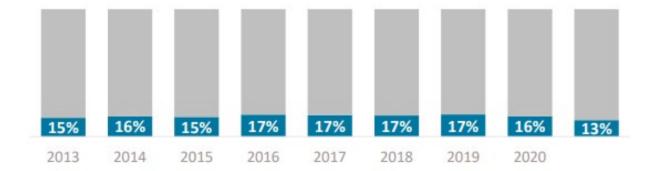




Employers and employees pay for premiums.

Employee Share (%) of Single Plan Commercial Health

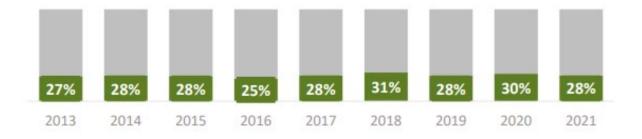
Insurance Premiums in Oregon, 2013-2021



In 2021, employees paid 13% of the commercial health plan premium costs for a single plan

Employee Share (%) of Family Plan Commercial Health Insurance Premiums in Oregon, 2013-2021

In 2021, employees paid **28%** of the commercial health plan premium costs for a **family** plan

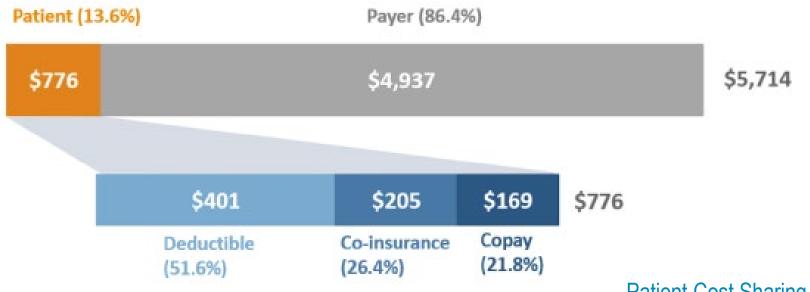


Impact of Health Care Costs on People in Oregon, 2021 (September 2023). Cost Growth Target: Oregon Health Authority. https://www.oregon.gov/oha/HPA/HP/Cost%20Growth%20Target%20documents/2021-lmpact-of-Health-Care-Costs-on-Oregonians FINAL.pdf



In addition to premiums, consumers pay for costsharing.

- In addition to premiums, consumers are responsible for cost-sharing, including deductibles, co-insurance and copays.
- In 2022, the average consumer in Oregon paid \$776 in cost-sharing, which accounted for 13.6% of their health care costs.

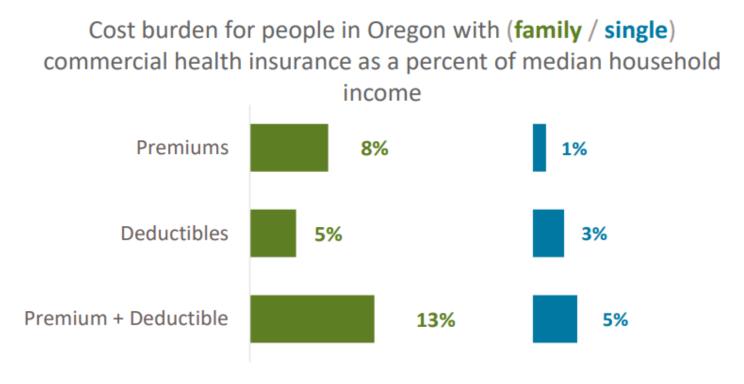


Patient Cost Sharing in Oregon:
State and Market-Level Trends, 2015-2022



Total cost burden - Commercial health insurance is expensive.

In 2021, the cost burden for people in Oregon with commercial family plans was 13%.



Where is the money going?

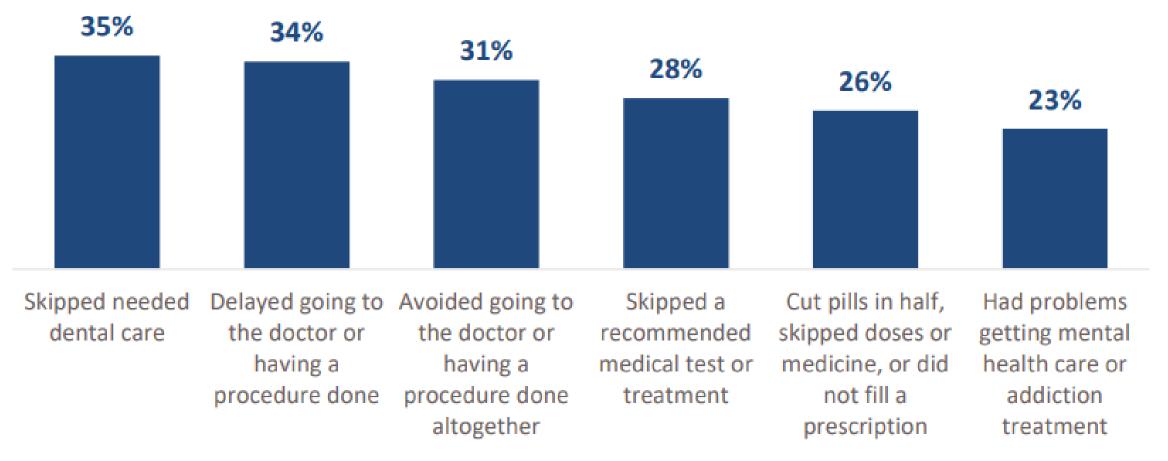
In 2021, almost 40% of health care spending in Oregon was for hospital services.



Long-Term Care, 3%



Percent of Oregon adults reporting delaying or foregoing health care due to cost, 2021



Altarum's consumer experience of health care survey, June 2021

Current OHA Projects & Programs



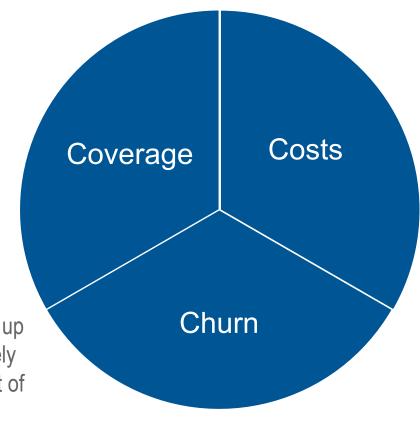
Projects focused on expanding coverage, controlling costs, and decreasing churn

Healthier Oregon Program

 July 2023 – Full OHP benefits regardless of immigration status

OHP Bridge

 July 2024 – For people (income up to 200% FPL) who are more likely to be uninsured or fall in and out of health coverage due to income changes.



Cost Growth Target Program

Created in 2019 – Set a Sustainable
 Health Care Cost Growth Target (3.4%) so
 that health care costs do not outpace
 wages or the state's economy.

2022-2027 Medicaid 1115 Demonstration Waiver

- July 2023 Continuous Eligibility for children 6 and under; two-year renewal cycle for ages 6+
- 2024-2025 Health Related Social Needs (HRSN) benefits related to climate, nutrition, and Housing

Thank You



Joint Task Force on Universal Health Care

Presentation to:
Universal Health Plan Governance Board

Bruce Goldberg, MD May 16, 2024



- Established by Oregon SB 770 (2019)
- 20 members: 4 legislators, 13 Governor appointed members, two executive branch and one local government

CONTEXT

- Our current health care system is financially unsustainable, harmfully complex and socially unjust.
- Health care in Oregon is inequitably delivered and paid for.

 Too many Oregonians because of their race, age, income, geography or insurance endure vastly different health care access, varied health care quality and wide-ranging health outcomes.

Public Engagement

- Consumer Advisory Committee
- Seven roundtables with underserved communities
- Six regional community listening sessions (incl. Spanish)
- Forums with
 - Health care professionals
 - Hospitals and health systems
 - Large employers
 - Small employers
 - Unions

Universal Health Plan Summary

- All Oregonians are covered
- Robust universal benefit for all
- Eliminates deductibles, co-pays, co-insurance and any other out of pocket costs
- Same payment system for all providers eliminates current structurally inequitable system
- Providers bill one entity
- Oregonians can seek services from any provider in the state
- Cost is less than our current system

Key Elements

Universal Health Plan



Eligibility and Enrollment. All people who live in Oregon will qualify no matter their job, income, or immigration status.



Affordability. No payment at the point of care. No co-pays or deductibles. No more medical debt.



Covered Benefits. Based on the benefits available now through Oregon's Public Benefits Employee Board (PEBB). Includes dental. Enhanced behavioral health (to be determined)

Health Care Professionals

- Any licensed or authorized practitioner in Oregon who provides health care services that are covered by the Universal Health Plan is a "participating provider"
- Can see any participating provider
- Participating providers in the Universal Health Plan will not be allowed to give preferential treatment to private-pay patients, or to charge more for their care
- The Universal Health Plan will prioritize recruitment of a diverse and representative workforce with sufficient geographic and cultural distribution of providers

Provider Reimbursement

- Universal Health Plan will reimburse providers directly
- Methods and rates of reimbursement will be regionally based
- Capitated models and other alternative payment methodologies may be used to improve outcomes and value
- Opportunity for clinicians to work in collaboration with Universal Health Plan re: payment methodologies, utilization review and quality improvement programs.

Governance

Governance

- The Universal Health Plan will be administered by a state single payer entity and governed by a non-profit public corporation subject to public records and public meetings laws
- Board members will be appointed by the Governor and confirmed by the Legislative Assembly
- Regional entities within the Universal Health Plan, will advise the Plan on how to respond to unique needs of diverse communities across Oregon
- Government-to-Government relationship with tribes

Private Insurance

Private insurance will have a limited role in the new system

 Insurers will be able to offer complementary insurance for benefits not offered by the Universal Health Plan (e.g., certain prescription drugs, services with coverage limits, LTC)

 Insurance companies will be prohibited in offering substitutive and supplementary insurance—to the extent permitted by law

 The Universal Health Plan may contract with third parties, including private carriers, for benefit administration

Equity

- Universal Health Plan removes obstacles to equitable care
 - Everyone covered, same benefit, no cost sharing, provider payments no longer vary by payor.
- Universal Health Plan removes structural inequities in our current payment system
 - No longer are providers paid more to see well insured and less to see low income and elderly
- Contributions based on ability to pay
- Plan works to address issues that affect health outcomes, including housing, education, nutrition, violence, and racism (SDOH)

41

Expertise on finances and design



Actuarial Model CBIZ Optumas



Revenue Estimates

Legislative Revenue Office



ERISA & Financial Analysis Professors Fuse Brown & McCuskey, Dr. Hsiao, Dr. Liu

ERISA

- Payroll tax is levied on all employers is progressive, based on employee wages and is unrelated to the employer's benefits plans and is not contingent on them.
- Employers still have option to offer a self funded plan, complementary coverage or no coverage
- Restriction on coverage duplication by state regulated health insurers
- Regulation of participating provider reimbursement



Costs

- Prepared by CBIZ Optumas according to key design parameters provided by the task force.
- Optumas collected health care expenditure data from 2019 and projected it forward to 2026
 - Estimates for current system as is
 - Estimates for a single payer system as designed

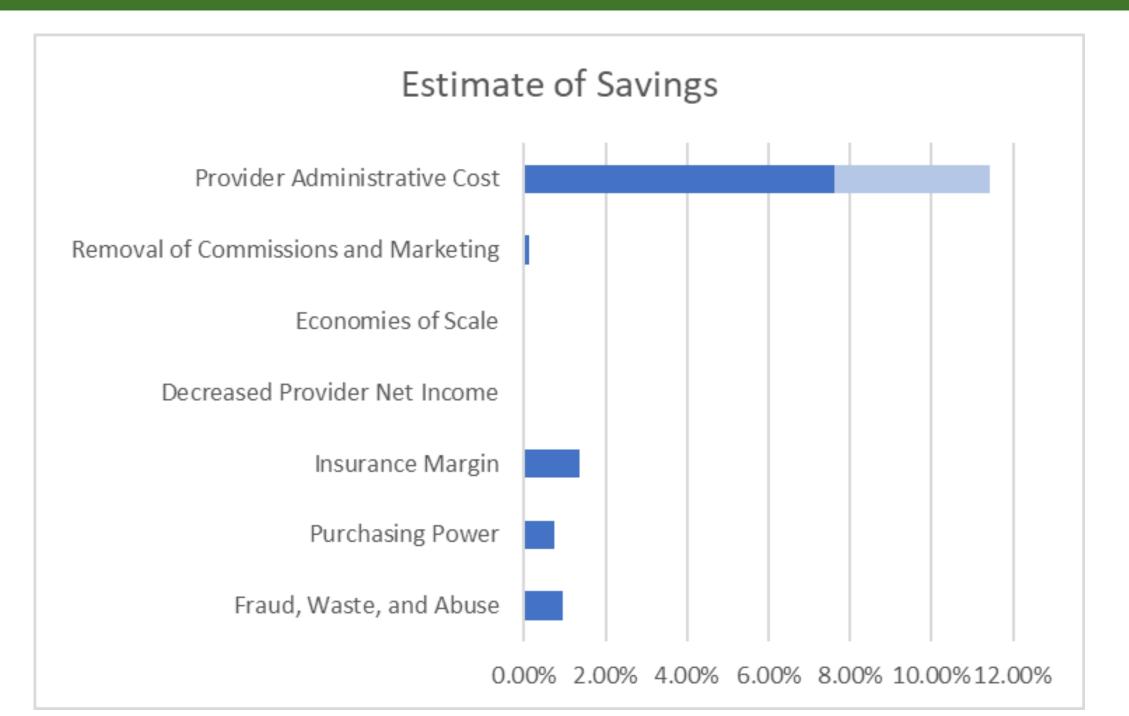


Costs

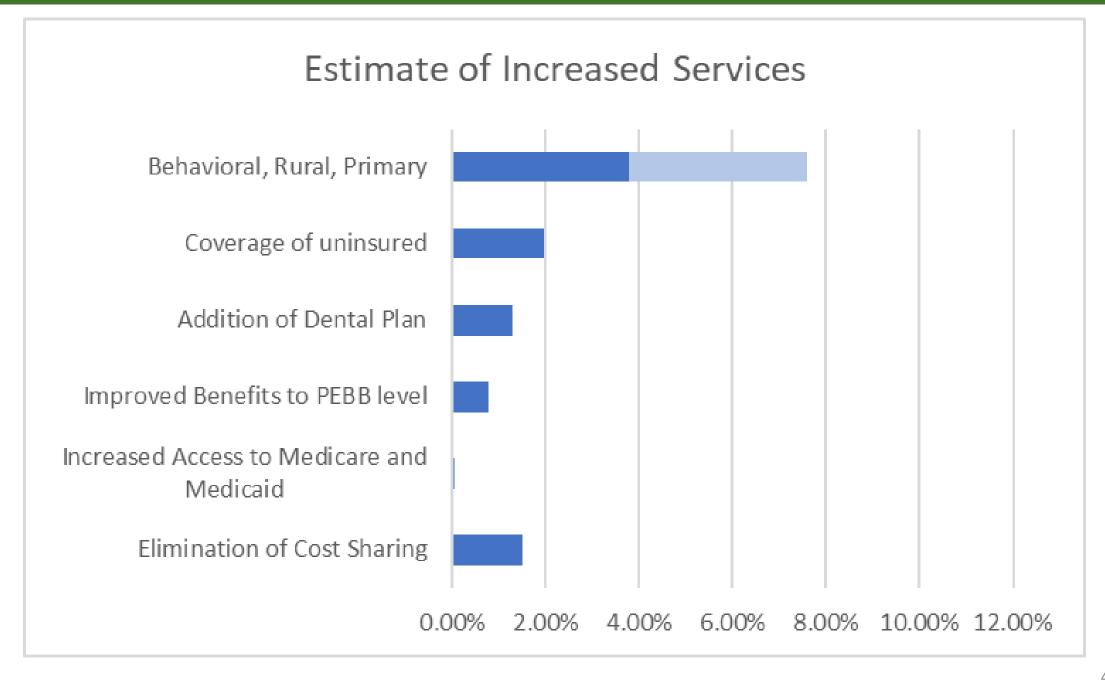
Estimates Program Costs in 2026 (Implementation Year)

	Total Cost (2026 \$)*
Current System	\$55.60 (Billion)
Universal Health Plan	\$54.63 (Billion)
Projected Savings (Year 1)	\$980 (Million)



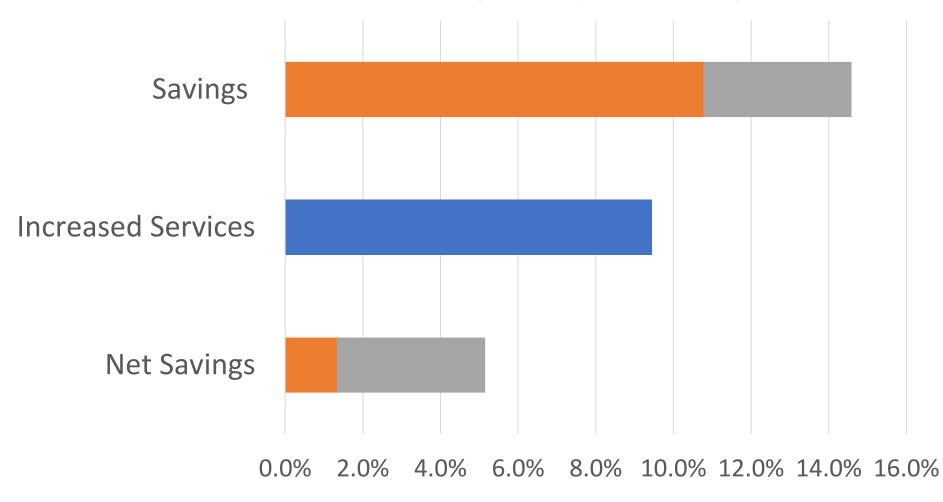








Estimates of Single Payer Savings





Costs

Administering the Plan

- Costs to administer the Universal Health Plan were calculated at 6% by our actuary consultants.
- Some task force members think it will be possible to administer the plan for less.



Waivers

Waivers

- Will require federal waivers or congressional enabling legislation to use federal funds.
- Oregon may be able to proceed with 1115 and 1332 waivers and CMS innovation grants.
- Task force supports congressional "super waiver" legislation.



Revenue

 The Task Force considered a payroll and personal income tax funding combination

 The Task Force did not recommend or approve specific tax strategies

 Additional work is needed to determine how best to design a fair and equitable funding mechanism

Revenue

- The Task Force considered scenarios in which all employers pay a payroll tax on employee wages. Example rates: 7-10%. In the aggregate, employers will contribute ~11% less toward the cost of health care than in the current multi-payer system
- The Task Force also considered, in addition to the payroll tax, a **health** care income tax on income above 200% FPL. Example rates: 0-8%. In the aggregate, households will contribute ~13% less toward the cost of health care than in the current multi-payer system
- The Task Force made no formal recommendation. More study is needed.



Some Basic Take-aways of the Task Force

Advantages of a single payer system are real and address the problems.

- Financially unsustainable
- Harmful Complexity
- Socially unjust

Savings are from simplification, not reductions in provider payments.



Some Basic Take-aways of the Task Force

Federal approvals are critical

- Still need a revenue plan
 - Taxation is hard to agree on



Overcoming anxiety about big changes:

• Given the enormity of the change (involving over \$50 billion in spending and the health of 4.2 million people), the governing board needs to be consider designing a transition plan that builds confidence and reduces risk.



Thank you!

QUESTIONS?

- Final Report submitted to the Oregon legislature on September 30
- Report available at:

https://www.oregon.gov/oha/HPA/HP/Pages/Task-Force-Universal-Health-Care.aspx

Or search on Oregon Joint Task Force on Universal Health Care Final Report

Break

We will reconvene at 11:00 am

There is a "grab 'n go" café located on the basement level

Ethical Framework for Universal Health Care

- Chunhuei Chi

Values and Principles

- Chair Bellanca

Health care is a right in Oregon

Measure 111 amended Article I of the state constitution in 2022.

SECTION 47. (1) It is the obligation of the state to ensure that every resident of Oregon has access to cost-effective, clinically appropriate and affordable health care as a fundamental right.

(2) The obligation of the state described in subsection (1) of this section must be balanced against the public interest in funding public schools and other essential public services, and any remedy arising from an action brought against the state to enforce the provisions of this section may not interfere with the balance described in this subsection. [8]

Vales and Principles Articulated in SB 1089:

- SECTION 1. (1) The Universal Health Plan Governance Board is established in the Department of Consumer and Business Services, consisting of nine members appointed by the Governor who must:
- (b) Support the values and principles expressed in section 2 (3)(a) and (b) of this 2023 Act
- 2(3) In developing the comprehensive plan and the recommendations to the Legislative Assembly under subsection (4) of this section, the board shall:
- (a) Consider, at a minimum, the following values:
- (A) Health care, as a **fundamental element of a just society**, must be secured for all individuals on an equitable basis by public means, similar to public education, public safety and public infrastructure;
- (B) Race, color, national origin, age, disability, wealth, income, citizenship status, primary language, genetic conditions, previous or existing medical conditions, religion or sex, including sex stereotyping, gender identity, sexual orientation and pregnancy and pregnancy-related medical conditions **may not create barriers to health care nor result in disparities** in health outcomes due to the lack of access to care;
- (C) The components of the Universal Health Plan must **be accountable and fully transparent** to the public regarding information, decision-making and management through meaningful public participation; and
- (D) Funding for the Universal Health Plan is a **public trust** and any savings or excess revenue must be returned to the public trust;

Vales and Principles Articulated in SB 1089:

- (b) Consider, at a minimum, the following principles:
- (A) A participant in the Universal Health Plan may choose any individual provider who is licensed, certified or registered in this state or may choose any group practice;
- (B) The plan may **not discriminate against any individual health care provider** who is licensed, certified or registered in this state to provide services covered by the plan and who is acting within the provider's scope of practice;
- (C) A participant in the plan and the participant's health care provider shall determine, within the scope of services covered within each category of care and within the plan's parameters for standards of care and requirements for prior authorization, whether a service or good is **medically necessary** or medically appropriate for the participant; and
- (D) The plan shall cover health care services and goods from **birth to death**, based on **evidence informed decisions** as determined by the board;

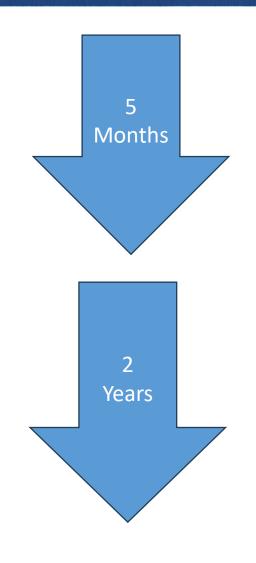
Discussion Questions to Consider:

- 1. Are there any missing principles the board would like to add?
- 2. Ethical Priority Setting for Universal Health Coverage: Challenges in Deciding Upon Fair Distribution of Health Services by Ole Norheim includes three principles: Should any or all of these be considered?
 - Promote health maximization
 - Fair distribution of resources
 - Protection against poverty
- 3. Should there be an additional principle addressing cost?
- 4. Should there be an additional principle addressing quality of care?
- 5. Should there be a principle around local administration of health care?
- 6. Others?

UHP Workplan Development Update

- Executive Director Cowling

Workplan Timeline Overview



April 2024 Launch

- Orientation & Background Info
- Joint Task Force Report Review / Discussion
- Identify Committees, Workgroups & Consultants needed
- Develop & Approve work plan Approved by July Meeting

September 2024

By Dec 1, 2024 First Report to Legislature By Dec 1, 2025 Second Report to Legislature September 15th 2026 Final Report Due

June -August Meeting Topics

- 1. Approve principles as recommended by the workgroup
- 2. Provide more background information on specific topics so that we as a board can make effective decisions, including
 - Health care financing, revenue, costs
 - Health Coverage in Oregon
 - Community engagement
 - Update from Other States on Universal Health Care efforts
 - Employee Retirement Income Security Act (ERISA) of 1974
 - Federal waivers
- 3. Discuss and approve work plan (or partial work plan)

Workgroup Needed -

- 1. Help develop the two and a half year workplan to recommend to the board at the July meeting.
- 2. Define the scope of work for a finance committee participants, charter, time, etc.

Public Comment

Adjourn

"No ray of sunshine is ever lost, but the green which it awakens into existence needs time to sprout, and it is not always granted for the sower to see the harvest. All work that is worth anything is done in faith."

- Albert Schweitzer