Straw Comprehensive Plan: Access

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The Board's Vision

A Healthy Oregon:

Quality, Affordable Health Care for All Oregonians

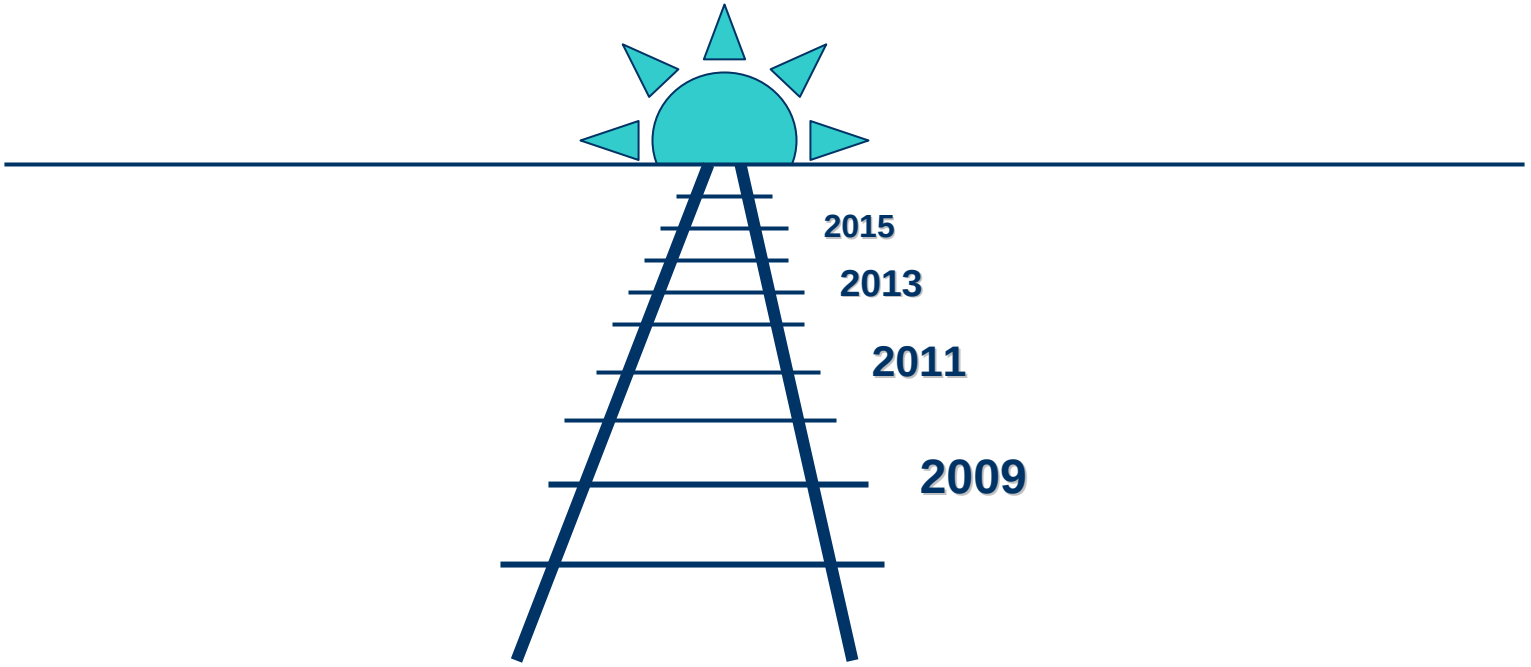
Our Goals

- **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



Affordable Coverage For All Oregonians

Transform Oregon's Health Delivery System

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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)						

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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**

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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**

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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

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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

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		