

Development of a Basic Benefit Plan

- At the direction of Governor Kitzhaber, the Health Services Commission (HSC) is working to define a basic benefit package that will be used to expand access to health care to Oregonians with household incomes up to 250% of the federal poverty level (FPL).
- The benefit package currently offered under the Oregon Health Plan (OHP) will continue to be made available to the most vulnerable populations -- the aged, blind, disabled, those receiving cash assistance, and children.
- The basic benefit package will be actuarially equivalent to the benefit package mandated under Medicaid and will likely incorporate individual stop-loss protection.
- Benefits beyond the basic package may be identified as being necessary for additional populations with special needs (e.g. pregnant women, OHP new eligibles with household incomes < 50% FPL).
- The draft framework for a basic benefit package agreed upon by the HSC has the following characteristics (see back of page for details):
 - ~ Based upon the benefit matrix developed by the Oregon Health Council's Task Force on Basic Benefit Plans.
 - ~ Uses coinsurance as the primary method of cost-sharing.
 - ~ No individual contribution is required for maternity care or preventive care services.
 - ~ Treatments for self-limited conditions (e.g. most viral illnesses), infertility services, and treatments with no proven effectiveness (i.e. futile care) will continue to be excluded from coverage.
 - ~ The level of coinsurance required of those contributing to the cost of their care varies depending on whether they are being treated for a fatal or a nonfatal condition.
 - ~ Single levels of contribution required for prescription drugs, ancillary services (e.g. durable medical equipment (DME)), and enabling services (e.g. non-emergent transportation).
- Additional mechanisms will be explored in order to reduce the cost of the basic benefit package down to the necessary level:
 - ~ Increased cost-sharing or limitations on certain services (e.g. diagnostic services, vision services, dental services, durable medical equipment, medical supplies, non-emergent transportation).
 - ~ Copays for emergency room services when not admitted.
 - ~ Triple-tiered copays for prescription drugs (i.e. stepped copays for generic, preferred, and higher-cost/less-effective drugs).
 - ~ Premium sharing on a sliding-scale basis according to income level.
 - ~ Additional gradations in coinsurance according to income level.
- Additional waivers of Medicaid laws will need to be secured before implementation can begin, which will be no sooner than the 2003–2005 biennium.