

Oregon Health Research & Evaluation Collaborative

Initial Evaluation Results Of the Impact of Oregon Health Plan Copay and Premium Changes



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- **Emergency Dept. Impact study:**
 - Robert Lowe MD, MPH - OHSU
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- **OHP Enrollees/Disenrollees Study:**
 - Matt Carlson, Ph.D – Portland State University
 - Bill Wright, Ph.D – Centers for Outcomes Research and Education/Providence Health System

Background- OHP 2 and Budget Cuts

In February 2003, the benefits for Oregon Health Plan recipients were split:

- OHP Plus - categorically eligible population (TANF, Disabled)
- OHP Standard - "expansion" population (Adults/Couples < 100% of FPL)

Additional changes for OHP Standard members:

- Increased premiums - \$6-\$20 per month based on income.
- Expanded co-pays - office visits, labs, ED, prescriptions, hospitalization.
- Non-payment of premium results in 6 month "lock-out" from OHP.
- Eliminated coverage for dental, vision, outpatient mental health, substance abuse, durable medical equipment.

Why the premium and copay policy changes?

- Increase revenue/decrease state costs to afford to expand coverage in the OHP2 waiver request (Originally aimed for 185% FPL, but held at 100% Federal Poverty Level)
- Encourage maintenance of coverage even when clients weren't ill
- To make OHP Standard more like commercial as a transition step for enrollees

So what happened?

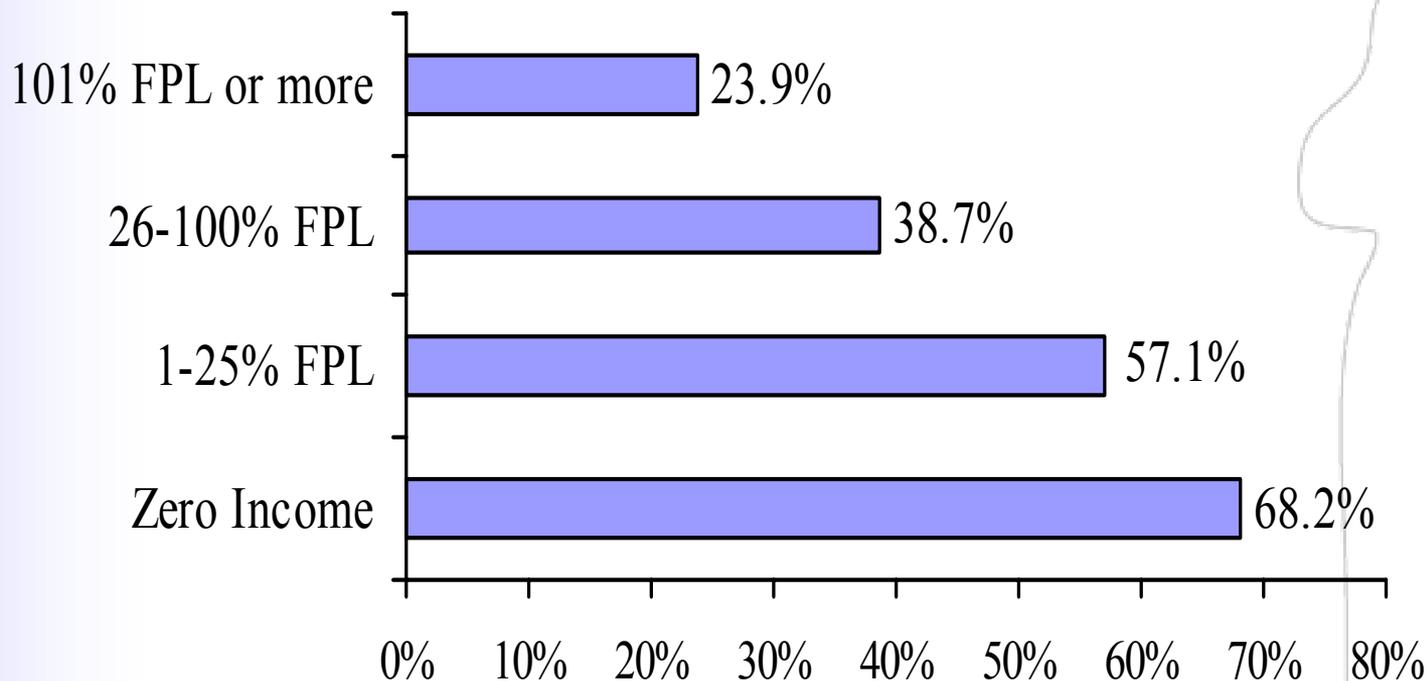
- Impacts on Access
- Impacts on Enrollment
- Impacts on Utilization

Impacts on Access

- Higher unmet need for health care in those who have lost coverage
 - 60% report unmet need
 - 80% report unmet mental health need
- Persons with chronic illness who lost coverage were more likely to report unmet need
- Worry about cost was the primary reason for unmet health care needs

Cost sharing disproportionately affected the lowest income group...

Among Those Who Lost Coverage, Percent Reporting Cost as the Main Reason



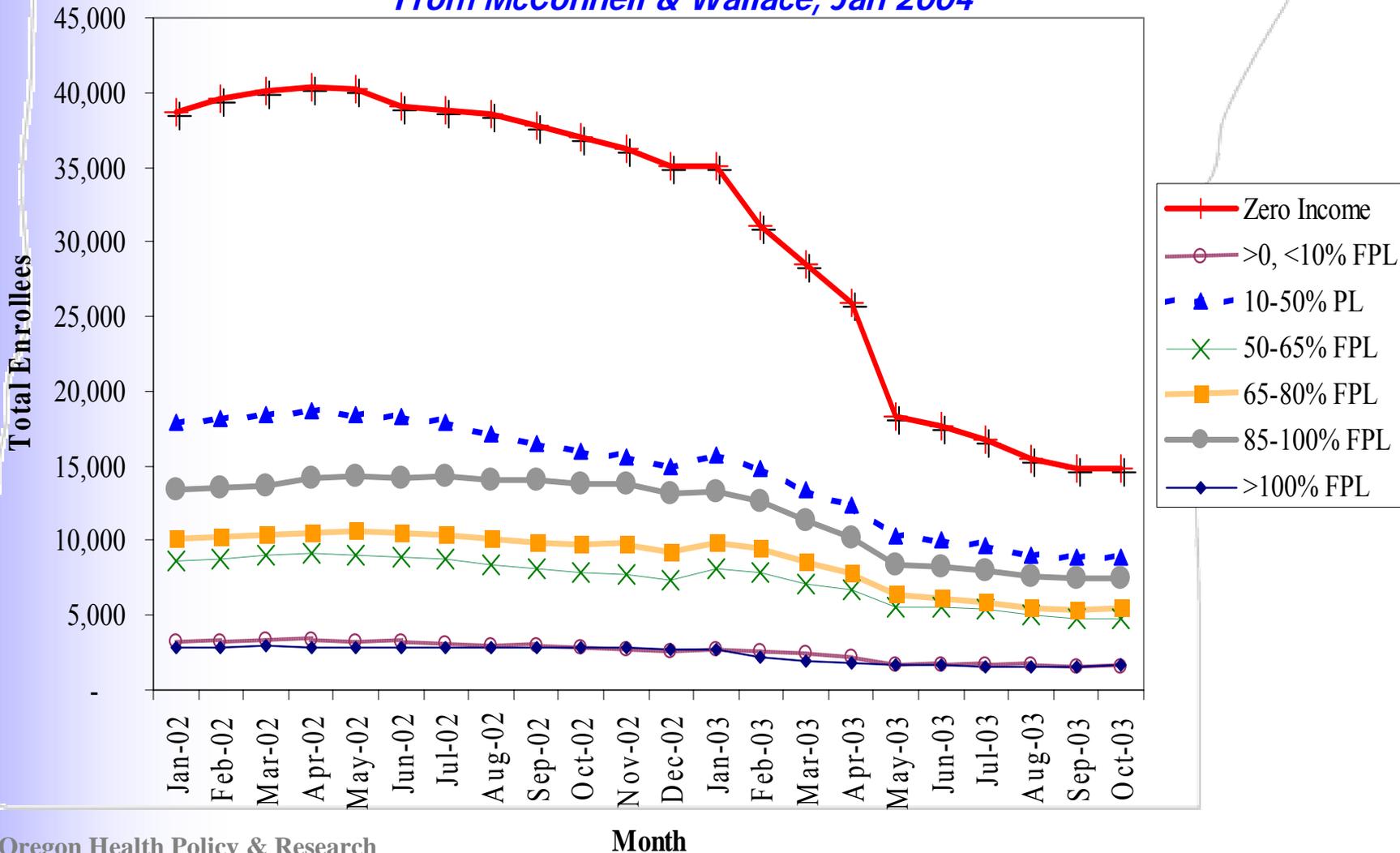
FPL = Federal Poverty Level
(From Carlson, Wright, et al 2004)

Impacts on Enrollment

- Enrollment in OHP Standard declined by ~45% after OHP2 implementation
- Low-income, single adults have been most susceptible to the premium administrative changes in OHP, with the zero income group most affected (58% decline)

OHP Standard Enrollees by FPL

From McConnell & Wallace, Jan 2004

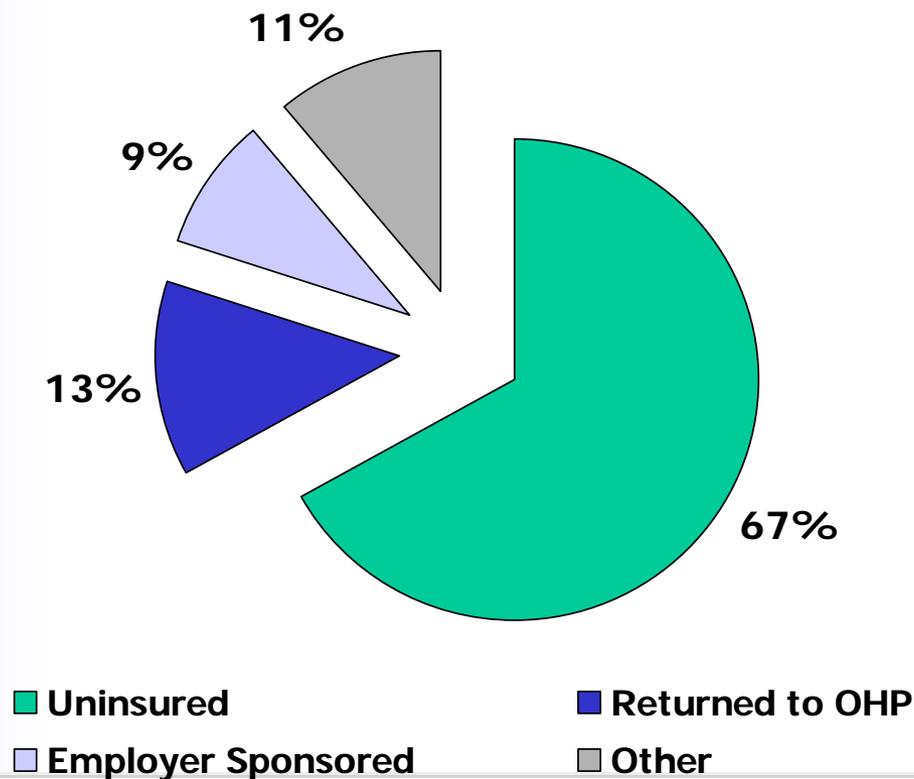


Impacts on Enrollment

- New enrollments among the zero income group dropped sharply and have not returned to pre-waiver levels
- Premium cost was the most common reported reason for loss of coverage
- Most (67%) who lose coverage remained uninsured
- 48% reported they would reapply if premiums were decreased by \$3 a month

Most OHP Standard clients who lost coverage did not find other health insurance.

Former OHP Standard: Current Insurance Status
(From Carlson, Wright et al 2004)



Impacts on Utilization

- Those who have lost coverage were nearly 3 times more likely to have no usual source of care
- Those who have lost coverage are more likely to skip filling a prescription due to cost - 57% vs. 48% for those remaining on OHP.

Impacts on Utilization

- Direct impacts on other parts of the health care safety net:
 - 4-5 times more likely to go to the Emergency Dept. for care
 - This is increased in the lowest income group, especially those with chronic diseases

Impacts on Utilization

- Change in type of coverage and type of visit at Oregon's major teaching hospital:
 - 17% ↑ in visits to the OHSU ED by uninsured patients
 - Loss of employer sponsored insurance and loss of OHP contributed equally
 - 20% decrease in visits by OHP-covered patients at OHSU ED
 - 37% ↑ in mental health-related visits in OHSU ED
 - 200% ↑ in chemical dependency-related visits at OHSU ED.

Current status of OHP Standard

Legislature Salvages OHP Standard

- Reinstating Mental Health/Chem. Dependency benefits by August 2004
- Hospital and Managed Care tax to fund OHP Standard

However:

Budget cuts and a Ballot measure defeat for a temporary tax result in:

- OHP Standard Enrollment frozen as of July 1, 2004
- Reducing OHP Standard to about 24,000 by June of 2005

Note: Copays Eliminated for OHP Standard in June 2004

Spry vs T. Thompson/HHS and Oregon Dept of Human Services lawsuit

- US District court ruling prohibits copays on OHP Standard effective June 19, 2004
- Premiums aren't considered cost-sharing and are allowed
- OHP Plus still has Medicaid nominal copays for some enrollees

So what does all this research suggest?

Consider elimination of premiums for the 0-10% FPL income group in OHP Standard

- This would maintain enrollment among the poorest of individuals.
- This group is extremely vulnerable with high incidence of chronic physical and mental health conditions.
- This would decrease the likelihood of this group seeking care in the more expensive Emergency Dept. setting.

We hope to learn more Planned OHREC research efforts

- More in-depth look at cost shifts within OHP with the loss of some benefits, i.e. spending more on hospital since outpatient mental health cut?
- Statewide look at Emergency Department use since the changes to OHP
- Repeat survey of those once enrolled in OHP Plus and OHP Standard in November 2004

For more information

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