Oregon Health Authority

A Healthy Oregon
Real health reform started in Oregon several years ago and has continued moving forward. In 2009, the Legislature created the Oregon Health Authority and Oregon Health Policy Board. The clear direction for both is to innovate, improve, and rework the state health care system for three goals:

- Improve the lifelong health of all Oregonians.
- Increase the quality, reliability and availability of care for all Oregonians.
- Lower or contain the cost of care so it is affordable to everyone.

Passage of the federal health reform legislation has accelerated our state's ability to meet these goals. Approximately 95 percent of our population will have health care coverage when all the elements of the federal reforms are in place.

Next steps
Health care costs are straining the budgets of the state, private businesses and Oregon families. Lowering or containing these costs and improving the quality of care will be the next steps.

Our path remains clear and we know how to get there.
2009 - 2011
Oregon Health Authority
Legislatively approved projected budget

Total budget $10.96 billion

OHA funding sources
The Oregon Health Authority (OHA) budget is heavily federally funded, primarily due to the Medicaid funding for the Oregon Health Plan, Community Mental Health, and Healthy Kids programs. The OHA budget also has other funds such as provider taxes that help fund the OHP Standard and Healthy Kids programs. OEBB and PEBB also receive a large amount of funding from health care premium payments by state agencies and state education, which is included in Other Funds. Most of the General Fund and provider tax funding received by OHA is used as match funding to leverage the Medicaid federal funds.

Medical inflation has grown nearly 8 percent every year for the last five years, more than double the rate of general inflation.

Looking to the future
For the 2009-2011 budget, services provided through the Oregon Health Authority received $521.6 million in federal stimulus funds (American Recovery and Reinvestment Act) that filled the gap between the cost of unprecedented demand for services and the available level of funding for 2009-11.
In 2011-2013, OHA will face a larger budget gap caused by the combined effect of the discontinuation of the ARRA federal funds and the funding needed to continue to meet unprecedented demand and increasing costs for services. However, the current service level does not meet the full need for Oregon's human service programs, which makes the unfunded gap even larger.

Health care premium costs for families in Oregon have increased 125 percent over the last 10 years.

Reducing the rate of growth in health care spending by even 1 percent a year will save approximately $21 billion in Oregon over the next 10 years.

Health care costs are 22 percent of the Oregon state budget in 2009-2011.

Seven out of 10 deaths among Americans each year are from chronic diseases that can be modified or prevented by lifestyle choices.
Improve the lifelong health of all Oregonians

People should have access to the information and tools they need to help them prevent chronic diseases, avoid obesity and make healthy choices. We must continue working on tobacco cessation and expanding the immunization program. And we must address environmental health as a key factor in the wellness of our communities.

Health

Health is about more than health care. Lifelong health means putting more emphasis on solving the root causes of ill health. It means improving the quality of our care for everyone from birth to death. It means including mental health and addictions treatment in health care. It means reducing barriers to care and addressing the racial, ethnic and geographic disparities in health.

Addictions and mental health

Mental illness and substance addiction affect health, lives and families. The fallout from lack of treatment and prevention affects everyone in Oregon. More than 260,000 Oregonians suffer with drug or alcohol addiction. Seven percent of all Oregonians live with mental illness while less than 50 percent of them receive the help they need. People with mental illness die 25 years earlier than the average. While there have been gains over the past few years in our understanding of the importance of prevention and treatment, we have a long way to go. Local treatment in safe settings will help keep people healthy.

Public health and prevention

The Oregon Health Authority will bring public health into the conversation in a new way and more closely connect it to health care outcomes.

Increase the quality and availability of care

For decades our health care system has been focused on quantity, not quality. Today it can be easier for a patient to get an expensive but unnecessary test than an extra five minutes of face time with a doctor or nurse. This has to change.

The Health Authority and Board are working on plans to stimulate and implement important innovations in how health care is delivered. Plans include making sure every corner of Oregon—rural and urban—has a well trained health care work force; helping clinics set up electronic health records; supporting new ways of doing business so doctors and health care providers are paid for quality instead of quantity; and providing tools for patient-centered care.

Lower or contain the cost of health care for everyone

There is no single answer, which is why the Oregon Health Authority and Oregon Health Policy Board are addressing the issue on several fronts.

We must change the way we pay for and deliver health care. That means everything from reducing administrative costs to making our health care system simpler for everyone. It also means coordinating the purchasing of health care and creating common high standards for quality, contracting and payment with providers. Using our purchasing power will not only get the best value for the public dollar but will lower costs for everyone who buys health care in Oregon.
Oregon Health Reform Today

- **Healthy Kids.** Expanding health care coverage to all Oregon children.
- **Oregon Health Plan.** Adding approximately 35,000 low-income adults.
- **Insurance industry oversight.** Requiring health insurance companies to report administrative costs, executive salaries and other information.
- **Physician Orders for Life Sustaining Treatment (POLST).** Giving Oregonians a way to register health care decisions in a central database accessible to all health care providers.
- **Health insurance exchange.** Developing plans to be presented to the 2011 Oregon Legislature.
- **Public health purchasing.** Creating plans to save public dollars and set quality standards statewide by pooling resources.
- Also: **Electronic health records; Patient-centered care; Quality care standards; Health care work force development; Medical liability; Focus on prevention and wellness to reduce chronic disease.**

**OHA mission:** Helping people and communities achieve optimum physical, mental and social well-being through partnership, prevention and access to quality, affordable health care.

**Get involved!**

The Oregon Health Policy Board holds monthly meetings with live Webcasts with opportunities for public comment.

Oregon Health Authority: [www.oregon.gov/OHA](http://www.oregon.gov/OHA) or Oregon Health Policy Board: [www.oregon.gov/OHA/OHPB](http://www.oregon.gov/OHA/OHPB)