



MEMORANDUM

DATE: February 1st, 2016
FROM: Medicaid Advisory Committee
RE: Basic Health Plan (BHP)

For almost three decades, Oregon's Medicaid Advisory Committee (MAC), a federally-mandated body,¹ has participated in policy development, advising, and assessment of Oregon's administration of its Medicaid program, the Oregon Health Plan (OHP). In 2013, OHA tasked the committee with developing recommendations to reduce and mitigate Medicaid "churn" and its effects in Oregon. For seven months, the committee reviewed a range of churn mitigation options that included the Basic Health Plan (BHP), a Medicaid Bridge Plan, and a Wraparound program. In August 2014, the Committee presented its [churn report](#) to the Oregon Health Policy Board. The report offered a comprehensive set of policy strategies to reduce and mitigate future churn in the new ACA coverage environment.

With respect to the BHP, in 2014, the committee concluded that any recommendation regarding the program from the standpoint of churn should wait until after the feasibility study required by House Bill 4109 was complete (pg. 16). The committee, however, did highlight several issues for future discussions around the BHP that included: determining reasonable provider reimbursement rates, scope of benefit coverage (OHP vs. QHP), the feasibility of operating BHP through existing CCOs, consumer choice, and administrative complexity in establishing an entirely new program.

At the committee's January 2016 meeting, members reviewed the most recent BHP related initiatives that have emerged since August 2014, principally HB [4109 \(2014\)](#) and HB [2934 \(2015\)](#). Based on the most recent 2015 BHP proposal (HB 2934 [report](#)), the committee agreed to issue a **statement in support of the policy framework and program structure** proposal put forth by the HB 2934 Stakeholder Advisory Group. In general, the committee felt that the principles proposed in the 2015 BHP recommendations strongly align and overlap with the committee's own principles (see April 2015 [charter](#)). Furthermore, the committee agreed that the framework for the BHP as proposed by the stakeholder group in their report adequately addressed the issues identified by the committee in 2014.

The committee's rationale for supporting the 2015 BHP policy framework includes the following:

- Offers a positive step to potentially address the issue of churn among the ACA's new insurance affordability programs (IAPs);
- Holds promise for offering more affordable coverage for low income, working Oregonians;
- Provides a richer and more comprehensive level of benefits for adults, OHP Plus, compared to what's currently available on the Marketplace; and
- Further closes the coverage gap and reduces the number of uninsured in Oregon.

¹ In accordance with [42 CFR 431.12](#) and ORS [414.221-225](#).

The committee also identified several observations that warrant additional discussion about the BHP, again, based on the 2015 [proposal](#):

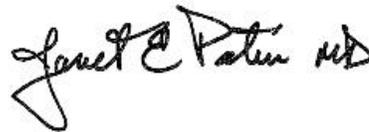
- Importance of including adult dental in any BHP benefit package;
- Need to assess whether and how a statewide increase in minimum wage (e.g. within the range of \$13-15 per hour) in Oregon would affect the number of individuals potentially eligible for a BHP between 138-200% of the FPL; and
- Whether commercial plans and provider networks would be likely to participate in the BHP if adopted, and how implementation would address areas where there was no commercial plan available.

The endorsement in this letter is exclusively the product of the committee and does not convey any policy recommendations from OHA. In closing, the committee is pleased with having an opportunity to review the recent BHP policy proposals in Oregon. We hope our written support and observations help inform ongoing discussions around the value of working to design and implement health coverage and affordability solutions for all Oregonians, particularly individuals and families that transition between Medicaid and the Marketplace.

Sincerely,



Karen Gaffney, MS
Co-Chair, Medicaid Advisory Committee



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