

## ***Letter from the Administrator of Private Health Partnerships***

Since its inception in 1987, the Office of Private Health Partnerships (OPHP) has created programs that help reduce the number of uninsured Oregonians. Beginning in July of 2009, OPHP began transitioning into the Oregon Health Authority as detailed in HB 2009 that was passed in the 2009 Legislative Session. OPHP's mission in support of the Oregon Health Authority's Triple Aim is:

*Building partnerships with employers, insurers, consumer, producers and the public sector to maximize resources, share costs and provide access to quality healthcare for all Oregonians.*

OPHP currently administers five programs that work together to break down access barriers, assist with healthcare costs, and educate program members, the general public and the health industry. These five OPHP programs are closely connected, working across program lines to share talent, technologies, and other resources to accomplish the shared mission of the organization. They are as follows:

***Family Health Insurance Assistance Program (FHIAP)*** helps uninsured, income-eligible Oregonians afford private health insurance. The program pays a portion (via subsidy) of the member's monthly health insurance premium. A member's subsidy level decreases as their annual income increases.

***Healthy KidsConnect (HKC)*** is the private market insurance component or "mini-exchange" portion of the state's Healthy Kids program. HKC provides choices for families that earn too much to qualify for the Oregon Health Plan, but can't afford to pay the full cost of private health insurance premiums on their own.

***Oregon Medical Insurance Pool (OMIP) and Federal Medical Insurance Pool (FMIP)*** offer guaranteed issue health insurance coverage for individuals who are unable to obtain medical insurance because of

health conditions, regardless of income level. OMIP also provides a way to continue insurance coverage for those who exhaust COBRA benefits and have no other options.

*Information, Education and Outreach (IEO)* programs establish and maintain relationships with private and public sector partners, training insurance producers, industry professionals, civic groups and employers, and educating consumers and stakeholders on the healthcare delivery system and state program options.

### **OPHP's Target Populations**

Over 75 percent of the uninsured in Oregon are between 0 and 300 percent of the federal poverty level. Of these, more than 65 percent had incomes of greater than 100 percent of the federal poverty level, and many of these are not eligible for Medicaid funded programs. For some people, health insurance is not available in the commercial market due to pre-existing and/or chronic conditions, regardless of their income level. Combined, these two groups account for more than 80 percent of Oregon's uninsured, or about 500,000 people, and they are the primary populations served by the Private Health Partnerships programs.

As a group, the population served by the Private Health Partnerships programs is differentiated from those on the Oregon Health Plan and other assistance programs. More of the members enrolled in the OPHP programs are employed, with over 25 percent of the population having access to employer-sponsored insurance. Additionally, all of the participants in the OPHP programs are required to contribute on a range from 5 to 100 percent towards the cost of their own health insurance premiums, in addition to copays, deductibles, and other costs.

### **The Need to Address Uninsurance in Oregon**

According to the Office for Oregon Health Policy and Research, approximately 15.1 percent of the nation lacked health insurance in 2008. Oregon's rate of uninsurance is 16.5 percent, which ranks it 34<sup>th</sup> in the nation and equates to approximately 600,000 people without health insurance in Oregon.

The costs of uninsurance are high, and they impact all Oregonians. The insured are impacted by costs in the form of higher premiums. Insurance companies see higher costs shifted to them by the provider community from uncompensated care, often delivered through the emergency care system. As the rate of the uninsured increases, the costs shift to a smaller population of insured individuals and companies in the health care system.

### **Building on the Foundation of Private/Public Partnerships**

Addressing the issue of uninsurance requires significant resources. OPHP addresses the need by developing programs that bring together the resources of insurers, employers, consumers, and the public sector to reduce the rates of uninsurance in Oregon. Through these partnerships, the programs of the OPHP address the primary drivers of uninsurance, which are cost, availability, and a lack of information about the healthcare system.

According to the Office of for Oregon Health Policy and Research, approximately 85 percent of people with health coverage receive it through the private health insurance market. The remaining 15 percent of the insured population receive their health insurance through a public plan like a Medicaid managed care plan or Medicare coverage. Of those who receive state assistance, only about 4 percent receive it through Oregon's private insurance market.

In states like Massachusetts, where an insurance exchange exists, a higher rate of public assistance comes through the private insurance market. Uninsurance rates are kept low by utilizing the existing private health insurance marketplace, via the exchange. By leveraging the resources of multiple participants, including the consumer, the cost of lowering insurance rates does not overwhelm public resources. Although smaller in size and scope, the programs of OPHP operate on these same principles as they work to address Oregon's high rate of uninsurance.

### ***Support Oregon Health Authority's Triple Aim***

OPHP's programs support OHA's goals by reducing the number of uninsured Oregonians while maintaining consumer plan and provider choice, as well as providing subsidies to its members. This directly affects lifelong health, and the quality, reliability and availability of care, and the cost of care for both the insured and the uninsured populations.

### ***Provide Healthcare Access through Health Insurance Coverage***

Through subsidy assistance and through cost sharing, OPHP programs help make health insurance more affordable for its members.

### ***Provide Healthcare Information and Choice***

OPHP provides information and training about health benefit plans and the premiums charges for those plans, and serves as a central source for information about resources for health care and health insurance.

Choice is an important component of the OPHP programs. Members enrolled in OPHP programs have a choice of a health plan and health provider that will best suit their needs. Minimum benefit standards are set to ensure that OPHP program enrollees have quality health insurance coverage.

### ***Partner to Share Resources and Costs***

All participants, including insurers, employers, consumers, and the public sector have resources to help to reduce the number of uninsured Oregonians, and provide improved care. OPHP's programs are designed to leverage these resources.

### ***Partner to Develop and Implement***

OPHP has demonstrated the ability to develop public-private partnerships in response to the changes required in state and federal healthcare reform. These program implementations and expansions include.

- 1990 – OMIP program, with third party administrator.
- 1997 – FHIAP program mini health insurance exchange.
- 1998 – OMIP portability coverage expansion
- 2004 – OMIP Health Coverage Tax Credit program expansion.
- 2010 – Healthy KidsConnect program.
- 2010 –Federal High Risk Pool (FMIP) program.

***Create a Path to Health Security and Independence***

By reducing cost, improving access, and sharing health information, OPHP programs help to increase each member's health security. Through sliding scale subsidy programs where a member's subsidy decreases as their income increases, OPHP programs encourage each member's health independence.

***Optimize Operational Flexibility***

OPHP relies on strong partnerships and the flexible management of program resources to develop, implement, and manage programs. The two new programs in 2010, Healthy KidsConnect, and the Federal High Risk Pool (FMIP), were built using these elements.

As OPHP transitions into OHA, it will continue to work across programs and agencies to create consumer-centered processes and programs to bring more Oregonians under the healthcare umbrella. OPHP remains committed to maintaining its long-standing private sector partnerships, while establishing new ones to develop and implement cost-effective programs that meet the requirements of federal healthcare reform.

Tom Jovick

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