Monthly Report to
Oregon Health Policy Board
February 5, 2010

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I. PROGRAM AND KEY ISSUE UPDATES

Healthy Kids Plan Enrollment

- Through December, we've enrolled 30,755 more kids.

- KidConnect, low cost private insurance option for moderate income families, began accepting applications January 1 and families are now enrolling in coverage.

  - This means we're now offering subsidized coverage to families up to 300% of federal poverty.

  - $66,000 for family of four, about same as median family income in Portland.

- Now starting our paid media campaign, beginning with transportation ads up and down the state, from MAX train in Portland to buses in Roseburg. Also have billboards and some radio ads going up later this month.

- Awarded grants to 14 community based organizations around the state. Will award a second round of grants this Friday (February 5).

- Have 118 organizations signed up to be application assisters.

- Have begun reaching out to school athletic directors and coaches to solicit their help in spreading the word about Healthy Kids to parents of student athletes.

- Thanks to a federal grant (HRSA), we are in process of hiring a School Campaign Coordinator, Communities of Color Outreach Coordinator, and two more outreach trainers in order to keep up with high demand for training on helping families fill out an application.

- Oregon's outreach efforts are receiving national attention. CMS is highlighting our work in a report they're releasing on the one year anniversary of SCHIP reauthorization.

OHP Standard Enrollment

A little over 25,000 adults are currently enrolled in OHP Standard. The biennial goal is to have an enrollment of 60,000 people in the Standard program by June 30, 2011. Now that we have necessary federal approvals, enrollment numbers will rise rapidly in the coming months.

In that regard, we are launching an aggressive statewide media campaign to encourage and assist more uninsured adults in Oregon to get on the waiting list for OHP Standard. We are utilizing the help of community partner organizations throughout the state and a grant from the federal Health Services and Resources Administration.

As of Friday, January 29, there were about 57,600 names on the reservation list. About 19,331 are “opt-ins” from the 2008 list, and about 38,300 are from new sign-ups.

There have been three random drawings of names in November, January and on February 1 of 2,000 individuals each. Future drawings will include many more individuals.

Transition to/Formation of OHA

Transition of DHS programs (Medicaid/Oregon Health Plan, Addictions and Mental Health, Public Health) and those outside DHS (PEBB, OEBB, high risk insurance pool, Office of Private Health Partnerships) into the Oregon Health Authority continues on schedule. Phase 1 -- high level business process mapping was completed. Phase 2, which will entail revision and redesign of organizational business functions, has begun and will be completed by June. This will include detailed plans for location and function of key business services (human resources, financial services, budget, etc.) and cost allocation methodologies. A committee of external stakeholders and business partners is meeting monthly to provide input. At the same time, we are beginning work at defining the organizational structure of what will be the new Oregon Health Authority.

Legislative Session: Began Monday, February 1

Given the short session, substantive health related legislation is unlikely. We are actively working on only one issue -- a bill that will provide the state the flexibility to administer any high risk insurance pool funds made available by federal reform. Although at this point in time, no one can predict the outcome of federal health reform legislation, however there may be some opportunities for states to extend coverage to individuals through high risk pools. Given the part time nature of Oregon's legislature, should those funds be available to states before the next legislative session, we would need the legislative authority to administer the funds, hence the bill.

Key Personnel

We have hired Bobby Green (former Lane County Commissioner, bio attached) as Director of Local Government Affairs, to work as single point of contact with county government (major partners in the provision of both public health, addictions and mental health services) and to assist Barney Speight in working with county and local government on coordinating health care purchasing.

II. BUDGET

See attached report which shows actual expenditures compared to budget and a table at the bottom that reminds you of the total budget figure. These are for Oregon Health Authority programs.

Due to increased demand for services amongst almost all program lines, the total Department of Human Services (DHS plus OHA) expenditures are currently tracking at $33 million (less than 1%) over budget.

We are working on a variety of fronts to further reduce our administrative costs. However, since 85% of expenditures are in direct payments to providers and client benefits (e.g. food stamps) to fully make up the shortfall would entail either limiting eligibility for programs, reducing payments to service providers or reducing client benefits. These would require legislative approval.

Finally as a reminder, the OHA budget figures are only for program expenditures. Certain administrative services (human resources, contracting, rent, budget and finance, etc.) are shared between DHS program areas and accounted for separately. As we move to separate budgets for DHS and OHA these will accounted for each agency.

III. HEALTH CARE PERFORMANCE

See attached.

Note: Our primary challenge in bringing together all state sponsored health care programs has been that each collects and utilizes data in a variety of formats , definitions, and reporting time frames. A major task ahead in the next six months is creating a common set of data and reporting standards.

BOBBY GREEN

Former Lane County Commissioner Bobby Green's rich and diverse background in public service at the local government level and the private sector bring an unparalleled knowledge and credibility to his advocacy for community based services.

Bobby Green comes to the Oregon Health Authority after more than a decade as a Lane County Commissioner. Mr. Green has also served as a Eugene City Councilor, a member of the City of Eugene Human Rights Commission, a member of the Lane County Convention and Visitors Association board and a member of the National Black Caucus of Local Elected Officials Association. During his tenure as a Lane County Commissioner, Mr. Green was active with the Association of Oregon Counties (AOC) where he served as President, member of the Executive Committee, Legislative Committee and chair of the Human Services Committee. Governor Kulongoski appointed Mr. Green to co-chair the Task Force on Federal Forest Payments and County Services and he was co-chair of a joint task force on Court Facilities with the Oregon Chief Justice and President of the Oregon State Bar.

Prior to becoming a county commissioner, Bobby worked in the private sector as a Real Estate and consumer mortgage lender and sales manager. A graduate of the University of Oregon, Mr. Green is also noted for his years as a member of the Duck football team.

Bobby has served as chair of the Eugene-Springfield NAACP, chair of Community Response, board member of the Boys and Girls Club, and Bethel Temple Faith Ministries.

Oregon Health Authority
July 2009 - December 2009 Actual Expenditures vs LAB Spending Plan
(Millions)

Program	$ Variance General Fund	% Var GF	$ Variance Other & Federal Funds	% Var OF & FF	$ Variance Total Funds	% Var TF
Addictions & Mental Health Division	(6.4)	-4.4%	(4.1)	-6.5%	(10.5)	-5.0%
Division of Medical Assistance Programs	(5.2)	-2.1%	(15.6)	-1.6%	(20.8)	-1.7%
Public Health Division	(0.9)	-9.3%	(2.3)	-2.3%	(3.3)	-3.0%
Oregon Medical Insurance Pool	-		(7.2)	-7.9%	(7.2)	-7.9%
Public Employee's Benefit Board	-		(0.3)	-0.8%	(0.3)	-0.8%
Oregon Educators Benefits Board	-		(0.2)	-0.1%	(0.2)	-0.1%
Office of Private Health Partnerships	0.3	8.5%	(1.0)	-11.0%	(0.7)	-5.1%
Total	**(12.2)**	**-3.0%**	**(30.7)**	**-1.9%**	**(42.9)**	**-2.1%**

Oregon Health Authority
Total 2009-11 Legislately Adopted Budget
(Millions)

Program	General Fund	Other & Federal Funds	Total Funds
Addictions & Mental Health Division	624.3	312.5	936.8
Division of Medical Assistance Programs	943.1	5,193.4	6,136.5
Public Health Division	49.0	459.9	508.9
Oregon Medical Insurance Pool	-	409.0	409.0
Public Employee's Benefit Board	-	1,151.3	1,151.3
Oregon Educators Benefits Board	-	1,344.8	1,344.8
Office of Private Health Partnerships	21.3	123.0	144.3
Total	1,637.6	8,994.0	10,631.6

Enrollment

Qtrly Avg OHA Clients/Members

	2008, 3rd qtr	2008, 4th qtr	2009, 1st qtr	2009, 2nd qtr	2009, 3rd qtr	2009, 4th qtr
Oregon Health Plan	422,886	434,265	448,610	461,055	471,498	489,928
PEBB Members	97,885	98,381	101,224	101,548	102,071	102,510
OEBB Members	153,124	153,310	153,953	153,543	151,691	na
OMIP Members	15,088	15,325	14,850	14,762	14,586	14,674
FHIAP Members			7,534	6,927	6,353	6,416
Total	688,982	701,281	726,171	737,835	746,199	613,528

PMPM Costs

Average Per Member Per Month Costs

	2009, 1st qtr	2009, 2nd qtr	2009, 3rd qtr
OHP (w/ FFS long term care included)	$497	$498	$495
OHP (w/o FFS long term care)	$361	$364	$359
PEBB	$336	$376	$367
OEBB	$310	$340	$337
OMIP	$829	$875	$969

*These numbers are not directly comparable because of differences in methodologies applied across programs.

Medical Costs by Category of Service

	OMIP		Oregon Health Plan **	
	Pd Claims 3rd qtr. 2009	Percent of Total	Total Costs 4th Quarter 2008	Percent of Total
Inpatient Hospital	$ 10,557,838	25%	$76,763,069	21%
Outpatient Hospital	$ 7,439,975	18%	$51,645,687	14%
Professional Services	$ 8,246,559	19%	$65,132,665	18%
Primary Care*	$ 1,986,707	5%	na	na
Rx	$ 9,278,893	22%	$66,093,034	18%
Diagnostic Lab & X-ray	$ 2,985,139	7%	$26,978,128	8%
Durable Medical	$ 188,202	0%	$13,489,717	4%
Other Medical	$ 1,705,469	4%	$58,889,588	16%
Total	$ 42,388,782	100%	$358,991,889	100%

*Primary Care has been broken out from Professional Services using CPT codes and ICD-9 codes listed in HEDIS 2010 Specifications

**Includes both FFS and MCO services (excluding dental)