

Oregon Health Policy Board
500 Summer Street NE
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and

Oregon Health Insurance Exchange Board of Directors
3414 Cherry Avenue NE, Suite 190
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Testimony to be presented to the joint meeting of
the Oregon Health Policy Board
and
the Oregon Health Insurance Exchange Board
on
August 14, 2012

This testimony is submitted for your consideration by the Community Leadership Council of We Can Do Better (formerly the Archimedes Movement.)

This Essential Health Benefits Work Group is to be commended for its honest efforts to complete a very challenging and narrowly defined assignment. Unfortunately, because of the inflexible constraints and process placed upon them, their recommendations do not fully meet the needs of Oregon looking forward beyond 2014, leaving us concerned by the final recommendations of the Workgroup being submitted to the Oregon Health Policy Board and the Board of Directors of the Health Insurance Exchange.

When Governor Kitzhaber first presented his vision of a reformed health care system for Oregon some years ago, he talked about a "floor," but defined it as a set of essential health services that would be sufficient to promote and maintain health, would be affordable to Oregonians, and would be available to everyone.

This floor would not provide everything to everybody, but would be a *reasoned and affordable* package that (then former) Governor Kitzhaber stated would result in "a system that we can afford, that includes everyone, and which produces health." We acknowledged that people who could afford to do so could purchase additional benefits not on the essential list, and that they should be able to do so, but not at government expense. This is in line with the concept behind the original prioritized list developed by the Oregon Health Plan.

Governor Kitzhaber's vision still aligns with the vision of We Can Do Better and many Oregonians.

Oregon was on track to make that vision a reality with the work of the Health Fund Board and its Benefits Committee, and later the Health Policy Board. However, the federal government has veered away from the Oregon vision by mandating that our essential benefits shall be defined by picking from a list of currently available commercial health insurance policies. This is an unfortunate detour which is inconsistent with much of the innovative work on healthcare reform that Oregonians have been tirelessly working toward over the last decade.

In Oregon, we were on track to develop a list of essential benefits which, from the start, is in line with the goals of the Triple Aim: to improve population health at a cost we can afford and control, and to improve patient experience. Unfortunately, the options that were provided to the EHB WG perpetuates the current paradigm that benefits must be defined the way that commercial insurers define (and price) them today. With such widely different objectives (benefits designed to improve health vs. benefits designed to define/sell insurance policies), there is little wonder that the Essential Health Benefits Workgroup was unable to produce the list Oregon needs.

If we use this construct to define the list of essential benefits - the floor or benchmark that all plans sold in the state must meet or exceed - we believe we will be faced with health plans that still cover services where there is little or no evidence to support their use, and therefore still increase costs, rather than building on the work Oregon has done around Value Based Plans, as an example. We want the "floor" to be something that is affordable, and contains all of the benefits reasonably needed to produce positive health outcomes. An essential benefits list is a critical component of healthcare reform, but to move us forward toward real change, that list must be designed to promote health, not for some other reason.

It seems obvious that the answer to our dilemma lies in seeking relief from the restrictive federal requirements governing how we select our benchmark plan - Oregon's floor. We in Oregon are in an unprecedented position to do this. We have just received a waiver with substantial monetary support to reform our Medicaid program. The federal government obviously recognizes that without substantive, transformative change, the Affordable Care Act will not really be affordable. Because of this reality, the need for projects that will explore true change, to offer alternative models of how health services can be designed and delivered is urgent and pressing. Surely we can make a compelling case for waiving the rules which dictate how we select our essential benefits, so that we can continue to explore, innovate and transform our health care system.

We urge you to consider seeking a waiver from the federal government which would allow Oregon to follow our own procedure for developing Oregon's essential health benefits.

We CAN and MUST do better!

Sincerely,

Community Leadership Council
We Can Do Better