

HB 2934: Basic Health Program Stakeholder Advisory Group

**November 5th, 2015
Oregon Health Authority**

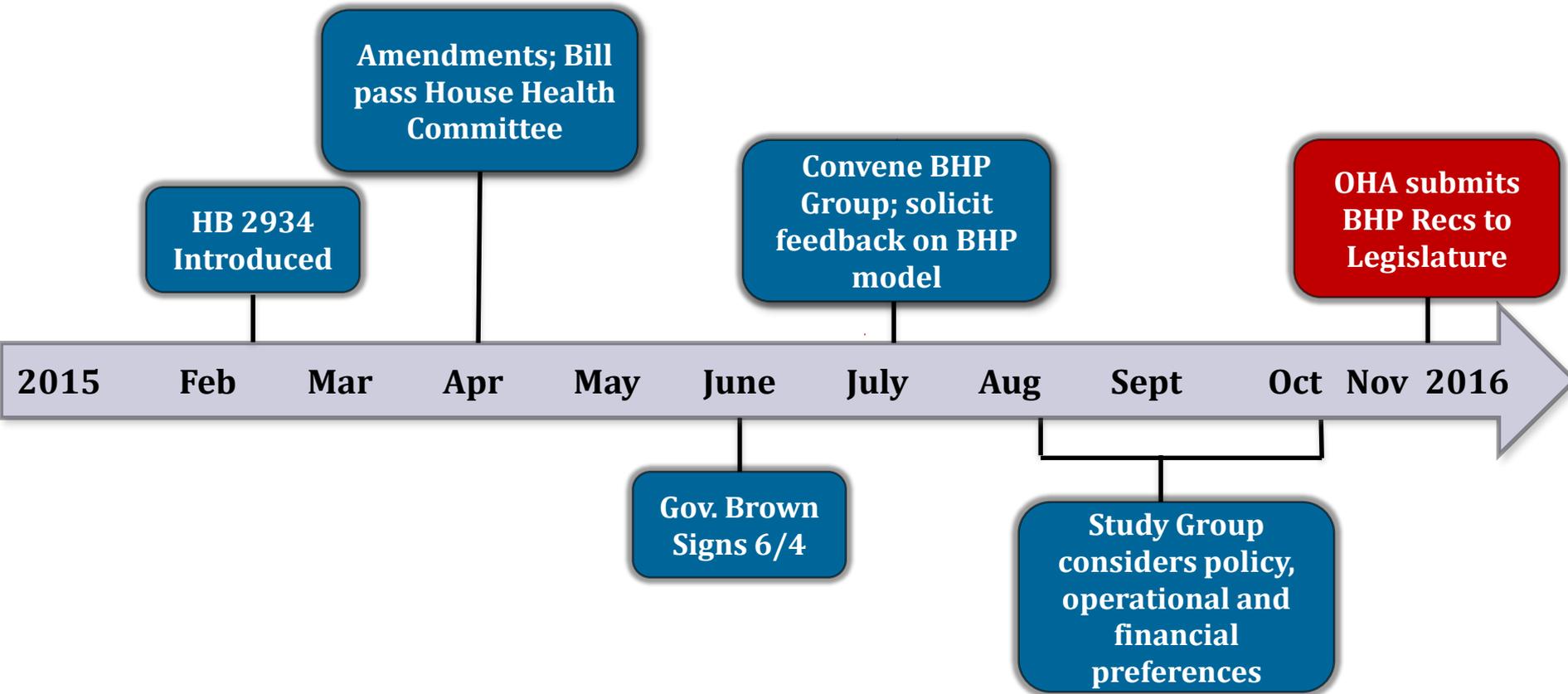
Session Overview

- Review requirements of HB 2934
- Finalize principles
- Finalize list of advantages/disadvantages
- Review and finalize program design framework
- Provide feedback on **draft** report

Requirements of HB 2934

- Requires OHA to convene a stakeholder group to provide recommendations to Legislative Assembly concerning the BHP.
- OHA must report recommendations to interim legislative committees no later than **Dec. 1, 2015**.
- Recommendations need to address “***the policy, operational, and financial***” preferences of the group in the “design and operation” of a BHP.
- Recommendations should further the goals of the Legislative Assembly of “***reducing the cost of health care and ensuring all residents***” of Oregon have equal access to health care.

Timeline: HB 2934 BHP Stakeholder Group



Revised Work plan/Timeline

Stakeholder group: six meetings

- **July 2nd** — initial convening of stakeholder group; outlined key findings from 2014 BHP study.
- **July 29th** — review federal guidance related to the BHP; consider consumer affordability, premium and cost-sharing options for BHP, and level of benefit coverage.
- **Aug. 13th** — review potential delivery systems, contracting and provider networks, and provider reimbursement.
- **September 16th** — review operational and financing considerations; identify initial design preferences
- **Oct 8th** — review straw models, draft recommendations
- **Nov. 5th** — review and finalize draft report

Scope of Recommendations: HB 2934

○ Program Design

Consumer Preferences

- Premiums and out-of-pocket costs ✓
- Level of benefit coverage ✓

Delivery System and Fiscal Preferences

- Plan offerings, procurement and contracting ✓
- Provider reimbursement ✓
- Network adequacy

Operations

- Enrollment period
- Disenrollment procedures for non-payment of premium
- Administrative financing (i.e. collection of premiums) ✓
- Federally-facilitated Marketplace - feasibility
- • Coordination of insurance affordability plans (IAPs)
(OHP/Marketplace)

Scope of Recommendations: HB 2934 (cont.)

Additional Considerations

○ Federal requirements*

- Ensure two standard health plans from at least two offerors (consumer choice); *possibility of federal exemption* ✓
- Competitive contracting process for selecting standard health plans; *no federal exemptions allowed* ✓

○ Financing

- Potential need for state general fund to support program ✓
- Administrative expenditures ✓
- Volatility in Marketplace (premiums) ✓
- Carrier and provider participation

○ IT Systems – eligibility , enrollment and renewal

- Federally-facilitated Marketplace – federal feasibility
- Oregon’s ONE Medicaid eligibility system
- Ability to monitor cost-sharing compliance

Principles for Designing a BHP

- Increase access to coverage for uninsured, including those ineligible for Medicaid, and Oregon's COFA population
- Increase affordability of coverage for low-income Oregonians
- Reduce churn by minimizing and mitigating the frequency of and impact from coverage transitions among insurance affordability programs (IAPs)
- Sponsor an accountable care model using a measurement framework to incentivize quality and population health improvements
- Promote a sustainable and predictable rate of growth (e.g. 3.4 percent in Medicaid, PEBB, and OEBC)
- Maintain a healthy and vital Marketplace and spread the Coordinated Care Model (CCM)
- Exercise stewardship of State resources by maximizing federal resources available through the ACA

BHP: Advantages and Disadvantages*

Potential Advantages

- Affordability, more low-income individuals able to afford coverage by reducing premiums and cost sharing for low-income individuals;
- Expand coverage to remaining uninsured 0-200% FPL and increase access to care for remaining uninsured;
- Reduce churn below 200% by smoothing transitions as incomes fluctuate at 138% FPL, potentially reduce rate of pregnancy related churn between Medicaid and the Marketplace;
- Offer additional benefit coverage and encourage appropriate use of primary and preventive care (e.g. removing additional copays);
- Opportunity to expand Oregon's coordinated care model through Oregon's Marketplace; and
- Sustainable rate of growth, creating potential long-term savings by controlling annual costs.

Potential Disadvantages

- Federal funding may not cover cost of plans leading to financial exposure for the State, and
- State funding for start-up and ongoing administrative costs.

Program Design Framework

Hybrid Marketplace

| | |
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| Delivery System | CCOs and commercial QHPs compete for BHP enrollees using principles of Oregon's coordinated care model (CCM) |
| Benefit Coverage | Full Medicaid benefit level without adult dental |
| Provider Reimbursement | Medicare level reimbursement (~77% of Oregon's commercial reimbursement rate) |
| Premiums & Cost-sharing | <138% FPL, \$0; 138-200% FPL graduated cost-sharing via premiums; no deductibles or co-pays for services |
| Eligibility & Enrollment | Marketplace standards; FFM eligibility system (federal hub) |
| Consumer Choice | Standard Health Plan (SHP) offerings via Marketplace |
| Administrative Functions | Marketplace and carriers (client services, grievances, premium billing) |
| ¹¹ Annual Growth Rate | Annualized sustainable rate of growth (e.g. 3.4% OHP, PEBB, OEEB); actual rate to be determined upon available federal funding |

Next Steps

- Finalize report and submit recommendations to Oregon Legislature

**HB 2934 report due to the Legislature by
November 11th 2015**

Final report available at:

<http://www.oregon.gov/oha/OHPR/Pages/Basic-Health-Program-Stakeholder-Group.aspx>