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Health care budget hole brings opportunity for Oregon

Across the country, skyrocketing health care costs and budget shortfalls mean education and other important services are facing cuts. Some states are looking at dropping health coverage for low-income citizens. But in Oregon, policy makers see the crisis as an opportunity to improve the health care system while lowering costs.

The issue, say policy makers, is that health care is the fastest growing portion of the state budget. It also costs more than it should for both the state and private purchasers. National research supports that claim by showing more than one-third of spending could be avoided without lowering the quality of care. If costs were lower, the state could make up part of the current \$679 million Medicaid health care budget shortfall.

Dr. Bruce Goldberg is the director of the Oregon Health Authority. Success, says Goldberg, depends on rethinking health care.

"In Oregon, we can reduce costs and improve care by focusing on prevention. We can make sure people with chronic illnesses have the supports they need to stay independent and out of expensive hospital care. And we can align mental health and physical health services to avoid extra costs and provide better care," says Dr. Goldberg.

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In a recent speech, Governor Kitzhaber said if the state doesn't deal with health care costs today, funding for education will be compromised in the future. To that end, he has asked a group of health care stakeholders to draft a plan on how to do business better in Oregon. The plan is due on his desk by April 1 and will be part of the budget discussions in the Legislature.

You can find more information on the Health System Transformation Team's [website](#).

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Editor's note: An audio file of Dr. Bruce Goldberg's quote is available by replying to this e-mail or online at: www.oregon.gov/OHA/news/2011/index.shtml.