

2013-2015 Budget Summary

Oregon is keeping our promise to reduce the growth of health care costs while improving the quality of care. Combined with new options for Oregonians through Cover Oregon, our state's insurance marketplace, up to 95 percent of Oregonians could have health care coverage by 2016.

The 2013-2015 budget:

- Based on a public-private partnership in which health care is delivered through local coordinated care organizations (CCOs).
- Supports better access to health care in local communities, including a loan repayment program for new primary care providers.
- Substantially increases funding for community mental health for children and young adults so they don't slip through the cracks and face more serious problems later in life.
- Provides more investment in tobacco prevention and cessation to help improve health and lower costs.

Reduces wasteful spending

The budget lowers the growth of health care spending by 2 percentage points per capita in Medicaid, reducing waste and inefficiency, while making substantial new investments in community mental health to improve lives and reduce costs

Brings health care to more people

The budget makes it possible for more low-income Oregonians to receive health care coverage through the Oregon Health Plan (OHP). This will bring financial stability to hundreds of thousands of people and families, and lower medical debt to local providers. It will end today's "health care lottery" that creates winners and losers depending on whether they were lucky enough for their name to be drawn.

Legislative Highlights

More access to health care

In 2010, the federal government enacted the Affordable Care Act (ACA). The ACA aims to decrease the number of uninsured Americans and reduce the overall costs of health care. During the 2013 Legislative Session, five key pieces of legislation passed to bring Oregon into compliance with the provisions of the ACA, updated related programs and helped reduce premium costs to consumers.

HB 5030

The Oregon Health Authority (OHA) budget for 2013-15 includes federal funding for coverage of approximately 180,000 new low-income adults who will qualify for the Oregon Health Plan under the new ACA guidelines for Medicaid. This will bring people physical, mental and dental health care who have never been qualified before.

The 2013-2015 budget ends the so-called "health care lottery," for adults who are qualified for care even under current income limits. Beginning in 2014 through 2016, coverage for those newly eligible for OHP will be funded by the federal government.

Oregon Health Authority

2013 Legislative Highlights

Additionally, income limits are changing and OHP will be open to adults who earn up to 138 percent of the Federal Poverty Level. That's about \$15,800 a year for a single person or \$32,500 a year for a family of four.

In Oregon, we are doing things differently than other states. New Medicaid enrollees will join local coordinated care organizations, which are designed to provide better care while holding costs down.

House Bill 2240-A

This bill implements federal requirements in the Oregon insurance code and abolishes the Oregon Medical Insurance Program (OMIP) and the Federal Health Insurance Assistance Program (FHIAP), which will become obsolete with the provisions of the ACA.

House Bill 3458-A

This bill establishes the Oregon Reinsurance Program, which will help to stabilize rates and premiums for in the health insurance market by providing supplemental reinsurance for insurance carriers.

House Bill 2859-A

This bill updates Oregon's medical assistance programs to reflect federal Medicaid and Children's Health Insurance Program changes. It allows OHA, the Department of Human Services (DHS) and Cover Oregon to share information for purposes of processing eligibility for medical assistance, health insurance exchange, premium tax credits and cost-sharing reductions.

Additionally, this bill establishes an 11-member Task Force on Individual Responsibility and Health Engagement charged with developing recommendations to improve patient engagement and accountability when it comes to their own health, disease prevention and wellness activities.

House Bill 2091-A

The bill also ends the Healthy Kids Connect program and allows children to be quickly transferred to the Oregon Health Plan. Families will be notified of the change and there will be hands-on transition planning.

Other Key Initiatives

Hospital Assessment Renewal

The hospital assessment is a revenue stream created by the Legislature in 2003 to finance OHP services. House Bill 2216 extends the hospital assessment for two more years and also appropriates an additional one percent of the assessment for a hospital transformation and performance fund. It's expected that much of the savings anticipated by the shift to CCOs will come from reduced use of hospital services. The fund will help hospitals reduce unnecessary hospital utilization and improve client outcomes.

Additionally, House Bill 2216 extends the long-term care facility assessment through June 30, 2020 and requires DHS to take steps to reduce overall nursing facility bed capacity by 1,500 beds by December 31, 2015.

Primary Care Loan Repayment

Senate Bill 440

This bill establishes the Primary Care Provider Loan Repayment Program within OHA, a requirement of the state's CMS waiver. The program invests \$4 million this biennium for a loan repayment program for primary care physicians who agree to work in rural or underserved communities and to serve Medicaid patients. The new program will help address the need for primary care providers in parts of the state where they are in short supply.

Medical Liability Reform

Senate Bill 568

This bill requires OHA to adopt a dispute resolution process to resolve disagreements involving termination, extension or renewal of contract between health care entities and CCOs.

Cultural Competency

Limited access to health care disproportionately affects minority communities, creating racial and ethnic health disparities. In order to address these issues, we must develop health-promoting strategies designed to meet the unique needs of the various population groups.

Today the way we gather data from our clients and the general population – about people's ethnicity, race, language preference and disabilities – is inconsistent and insufficient.

House Bill 2134

This bill creates a uniform standard for demographic data collected by both OHA and DHS. That includes the vital statistics unit in Public Health, Oregon Health Plan and DHS clients, and grant recipients for OHA agencies.

Accurate data collection will increase our understanding of different populations so that we can do a better job serving them.

House Bill 2611

This bill requires the 21 health boards that license health professionals to report to OHA how many of those professionals are taking cultural competency trainings every two years. This includes nurses, doctors, chiropractors, massage therapists and home care workers.

The Legislature also gives medical boards the right to include cultural competency education as a prerequisite for licensure.

Streamlined Credentialing

Senate Bill 604, the product of a workgroup consisting of hospitals, insurers, and health care providers, directs OHA to establish a single database that organizations seeking to credential providers must access to obtain the information. This will reduce duplicative efforts by hospitals, doctors, insurers, and health care providers.

Public Health Initiatives

SB 375A creates a Stroke Advisory Committee in the Oregon Health Authority and **SB 728B** creates the State Trauma Advisory Board (STAB) in statute. This bill also provided funding for a full-time position to collect and analyze data related to the state's emergency medical services and trauma system, and to provide the information to the board. The data will enable STAB to make evidence-based decisions in suggesting improvements to the system.

The Legislature allocated \$700,000 from the General Fund for breast and cervical cancer screening services in **HB 5008**, the budget reconciliation bill. Of this total, about \$400,000 is needed to backfill funding shortfalls in the first year of the biennium, related to reductions in funding from the Susan G. Komen Foundation, as well as reductions resulting from federal sequestration. The Breast and Cervical Cancer Program currently serves more than 5,000 women a year.