

The Oregon Health Plan: Where We Have Come From and Where We Are Going

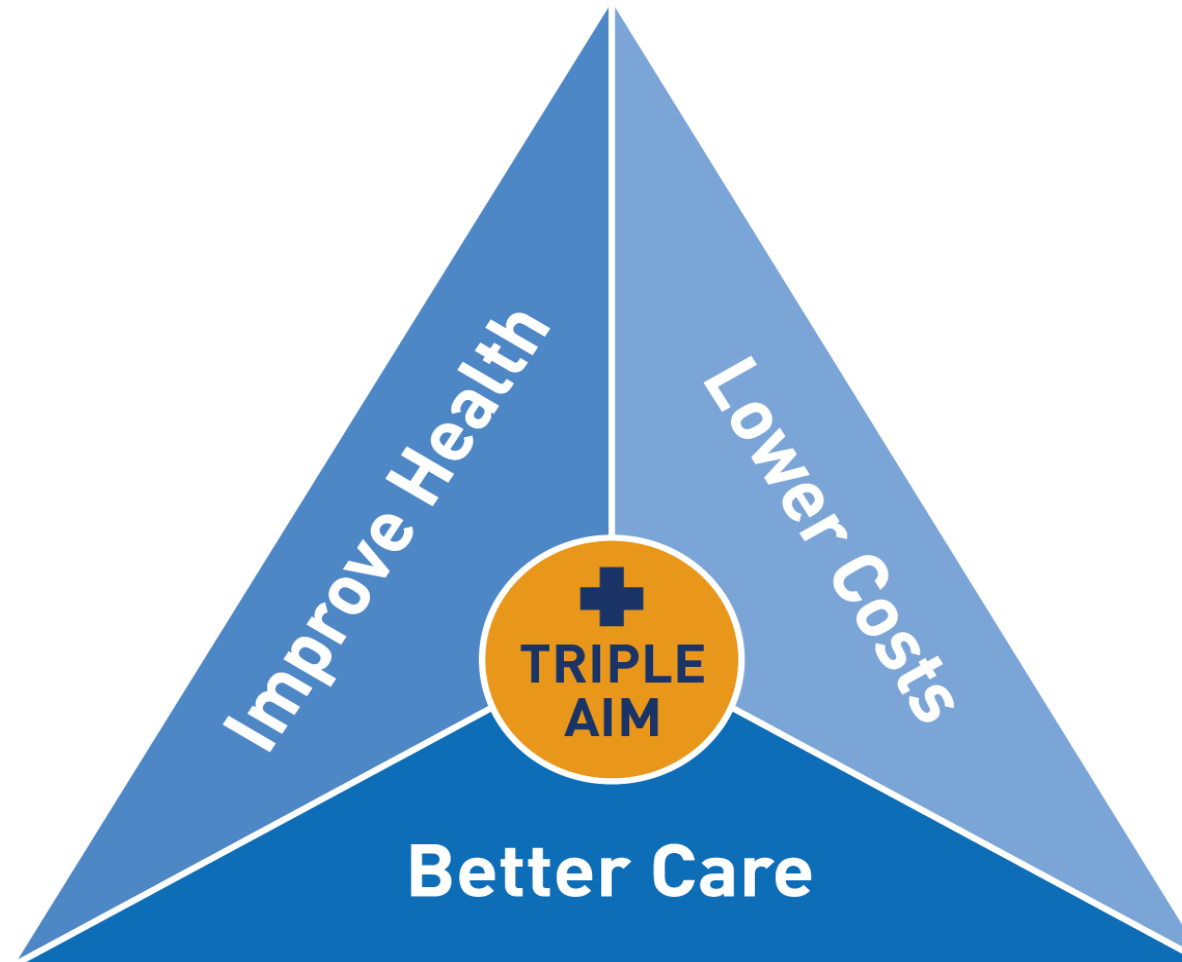
**Bruce Goldberg, MD
14th Annual EOCCO Summit
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2011 ENVIRONMENT

- Healthcare costs rising faster than other economic indicators, stealing precious \$\$ from other important human endeavors e.g. education and public safety
- Large state budget hole
- Healthcare outcomes not what we wanted
- Healthcare system too complex and hard to get care in
- History of successful reform
- A belief that we could do better
- ~20-30% of health care dollars ineffective, inefficient, wasteful

Goals of Reform



Sustainable Cost Growth

MOVE AWAY FROM TRADITIONAL BUDGET BALANCING

- Cut people from care
- Cut services
- Cut provider rates/shift costs

CREATE A FOURTH PATH

Change how care is delivered to:

- Reduce waste
- Improve health
- Create local accountability
- Align financial incentives
- Pay for performance and outcomes
- Create fiscal sustainability

ALL HEALTH & HEALTH CARE ARE LOCAL

- Organizing and aligning health care providers, community organizations and consumers toward a common goal and purpose
- Creating a common set of clinical aims and financial and administrative expectations

Oregon's Path to the Triple Aim: The Coordinated Care Model

Local
Accountability &
Governance

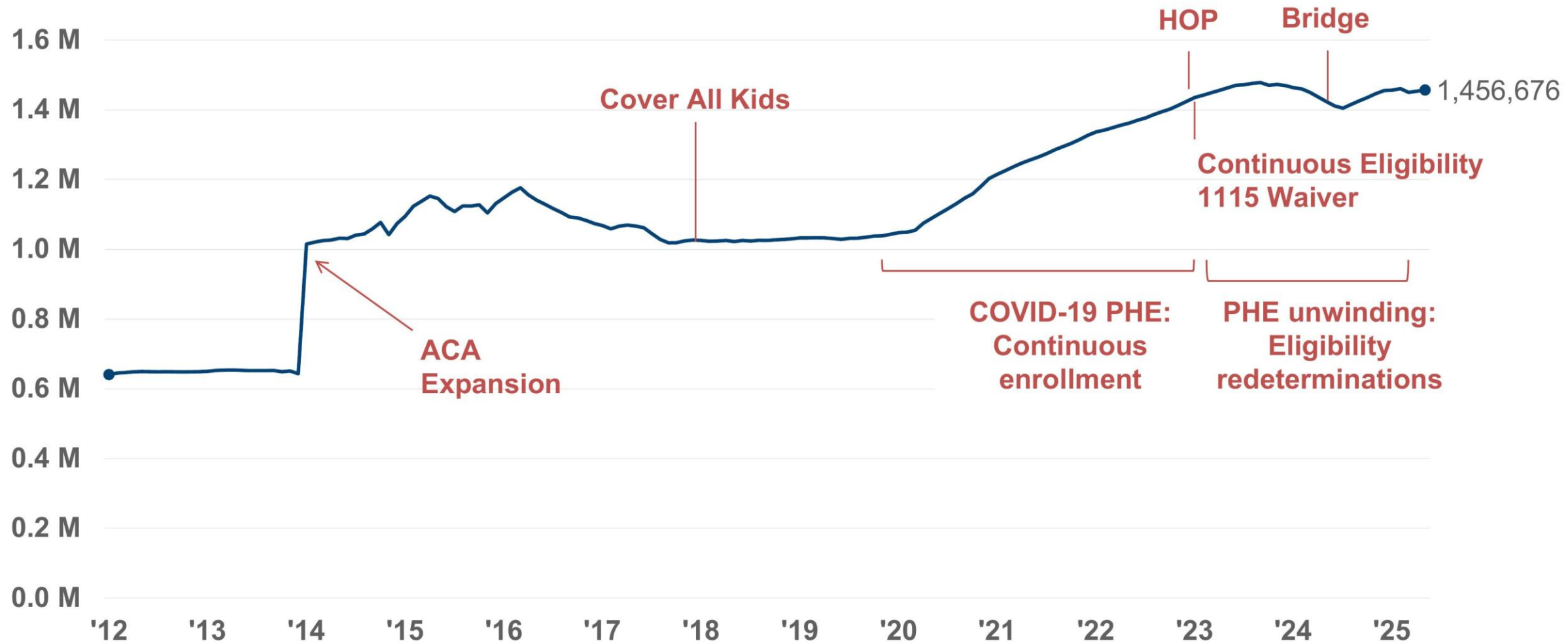
Global Budget
with Fixed Rate of
Per Capita Growth

Integrated and
Coordinated Care

At Risk for Quality
(Metrics)

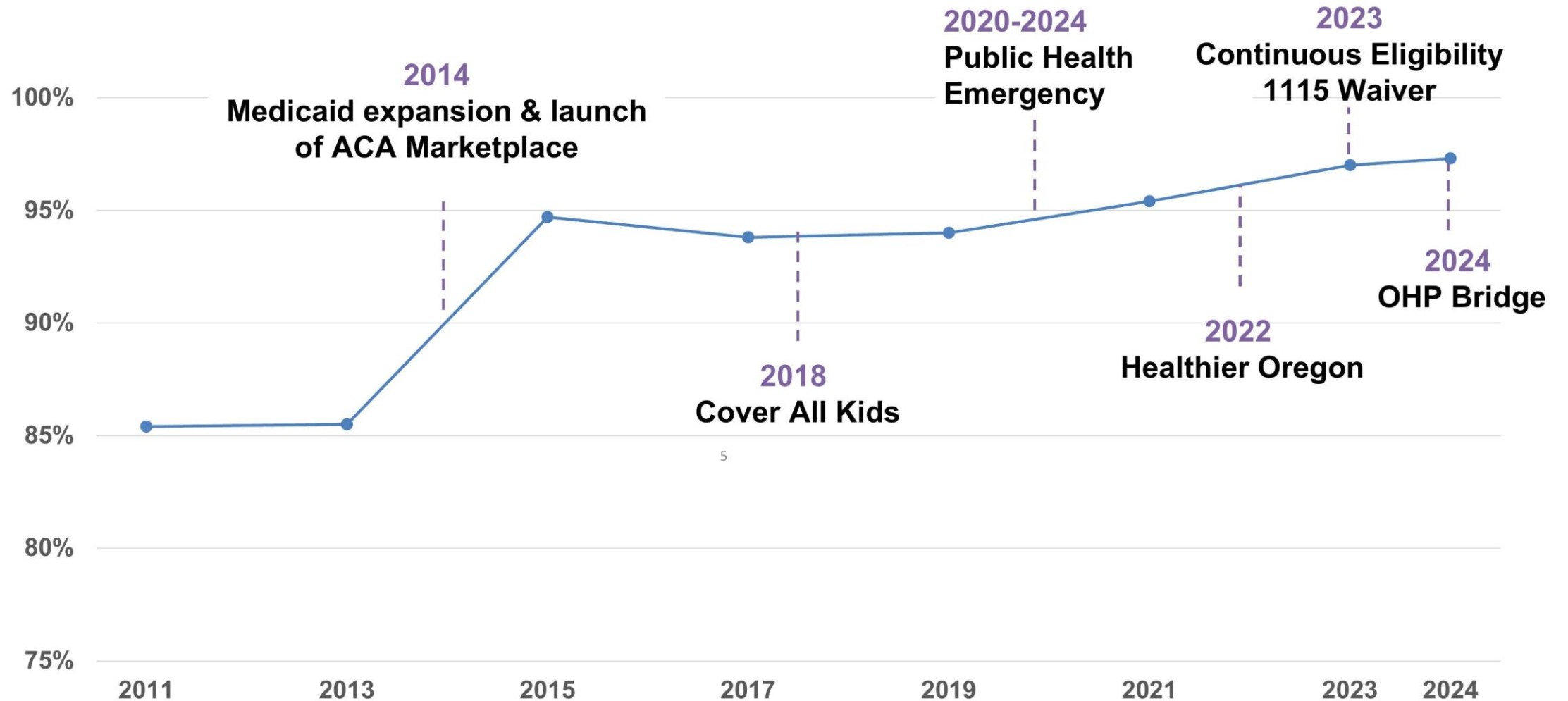
Flexibility

Total OHP Enrollment Has More Than Doubled Since 2012

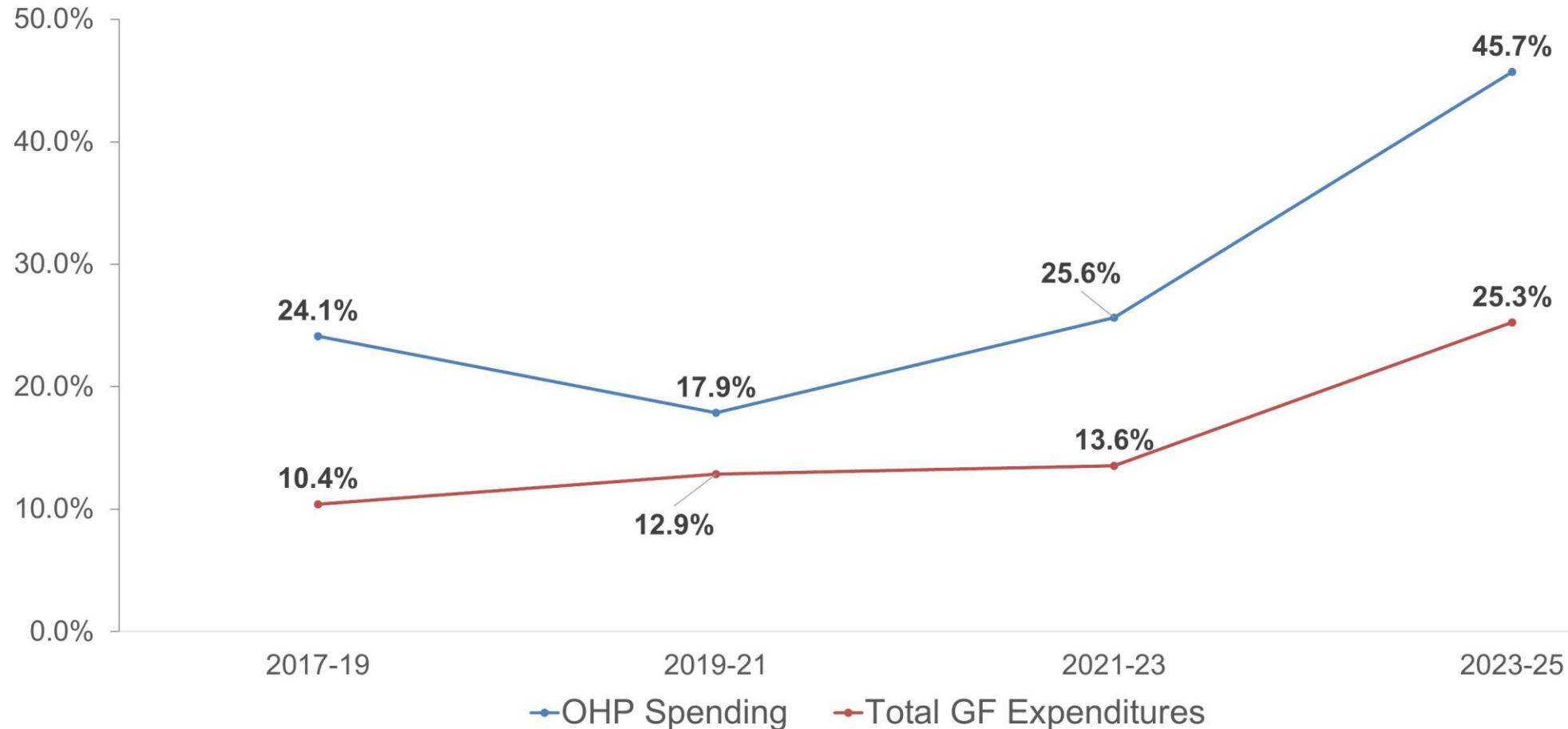


Health Insurance Coverage Since 2011

Oregon achieved an overall coverage rate of 97.3% in 2024.



Growth in OHP Spending vs Total General Fund Expenditures, 2017 - 2025



OVER THE PAST 15 YEARS

- Health insurance coverage climbed to ~97% and OHP enrollment has more than doubled.
- OHP benefits have increased and Oregon's optional benefit package is relatively rich compared to other states.
- Price has been the major driver of cost growth in Medicaid and utilization has been relatively controlled.
- Major cost drivers have been pharmaceuticals, behavioral health, and hospital costs.
- OHP is part of a larger health care system that is currently seeing double digit cost increases

OVER THE PAST 15 YEARS

- CCO capitation rates have generally seen 3% - 5% increases until a major increase during this current biennium.
- Growth in the Medicaid program was supported by a growth in federal support:
 - Leveraging provider taxes and Intergovernmental Transfers
 - Waiver dollars
 - COVID money
- Without HR 1 it would be difficult to sustain OHP as is.
- H.R. 1 changes:
 - puts Oregon and Oregon's health delivery system at significant additional financial risk
 - threatens the coverage gains we have made.
 - puts those who lose coverage at significant person risk



GROUNDING

~1.4 million Oregonians rely on the Oregon Health Plan (OHP)

57% of Oregon children receive care through OHP

~ 200,000 low-income adults are estimated to lose Medicaid coverage because of H.R. 1

\$9.41 billion state and federal funds revenue lost by 2031 due to H.R. 1 policies

HR 1 BUDGET IMPLICATIONS

For 2027-29 budget, there is a \$421 million gap in general funds needed to continue the current OHP program.

\$421 million is what the advisory group was “solving for”. Need to fill that gap with new efficiencies, reductions in benefits or reductions in payment rates.

Note the \$421 million is an estimate based on early caseload forecasts and will change with changing caseloads.

That increases to \$868 million in 2029-31

\$9.41 billion state and federal funds revenue lost by 2031 due to H.R. 1 policies

GOVERNOR'S ADVISORY GROUP ON MEDICAID SUSTAINABILITY

Established by the Governor in November:

- To develop an understanding of H.R. 1's impact so as to accelerate planning and seek initial advice ahead of Governor's Recommended Budget
- Identify ways to mitigate some of the harm and stabilize the core tenets of the Medicaid program
- The advisory group's focus was primarily on 2027-29
- Protect health insurance coverage for Oregonians
- Maintain access and benefits to greatest extent possible

MAG REPORT

- The report contains 46 options.
- The options represent strategies informed by the data reviewed by the advisory group.
- Not everyone in the group endorsed all of these options.
- The Governor is not obligated to pursue any option presented in the report.

CATEGORIES OF OPTIONS

Since Fall 2025, the Advisory Group has reviewed and discussed several options to improve OHP program efficiencies, review Oregon's benefits, and adjust administration of the benefit to mitigate for H.R. 1 impacts.

Structure	Clinical Efficiency / Utilization Management	Provider Rates	Pharmacy	Benefit Changes	Across-the-Board Budget Changes
Options related to back-end administrative efficiencies, changes to the CCO/fee-for-service delivery/financing model	Options to improve efficiency in the delivery of services and reduce unnecessary utilization	Options that change rate of payment	Options to restructure the pharmacy benefit to capture maximum savings	Options where (1) scope is reduced for optional or mandatory benefits; and (2) coverage for optional benefits is removed	Options to reduce the OHA Medicaid (managed care and fee-for-service) by a target percentage.
<i>Examples</i>					
Single broker for non-emergent medical transportation; improved claims processing	Additional clinical efficiency criteria; utilization management for certain services	Normalize outpatient psychotherapy rates	Review pharmacy claims for inefficient spending; establish a single Preferred Drug List	Prior authorization or other service limits for optional benefits	Reduce Medicaid budget by 1%

NEXT STEPS

- Advisory group has concluded but budget process is just beginning
- Budget figures will change based on the overall fiscal environment, including but not limited to caseload forecasts
- Governor's Recommended Budget released 12/1
- Legislative session – winter, spring
- Legislature will adopt the final budget

CREATING A SUSTAINABLE PROGRAM

- Define a Core Medicaid Benefit (s)
- Renew Charge to the HERC and Enhance it
 - Aggressively Pursue High Value Low-Cost Care
 - Reduce Clinical Variation and Low Value High-Cost Care
- Reduce Pharmaceutical Costs
- Simplify Medicaid Administration
- Reduce Behavioral Health Complexity
- Better Define Outcomes for CCOs
- Better Coordination with Long Term Care