

OREGON HEALTH FUND BOARD – Eligibility & Enrollment Committee Meeting

January 8, 2008
10:00 a.m.

General Services Building, Mt. Mazama Room
Salem, Oregon

MEMBERS PRESENT: Ellen Lowe, Chair
Jim Russell, Vice Chair
Felisa Hagins
Robert Bach
Jane Baumgarten
Dean Kortge (left at 11:30 am)
John Mullin
Ellen Pinney (arrived late)
Noelle Lyda
Susan Rasmussen (by phone)
Carole Romm
Ann Turner, MD
Eric Metcalf (awaiting Board confirmation – left at 12:15 pm)

MEMBERS EXCUSED: CJ McLeod and Bill Murray

STAFF PRESENT: Tina Edlund, Deputy Administrator, OHPR
Nate Hierlmaier, Policy Analyst
Paula Hird, Office Specialist, OHFB

OTHERS PRESENT: Darren Coffman, Health Services Commission Director
Sean Kolmer, Data and Research Manager

ISSUES HEARD:

- Call to Order/Review of December 11 Meeting Minutes/Review of Revised Work Plan
- Update on Oregon Health Fund Board and Committee Activities
- Defining Affordability in Health Care for Oregon
- Review of Affordability “Straw-Person” Draft Document
- Development of Committee Recommendations on Affordability
- Next Meeting Agendas and Objectives
- Public Testimony

These minutes are in compliance with Legislative Rules. Only text enclosed in italicized quotation marks reports a speaker's exact words. For complete contents, please refer to the recordings.

Chair **I. Call to Order, Approval of December 11 Meeting Minutes/Introduction of new members.**

- There is a quorum.
- Chair Lowe introduced Eric Metcalf of the Confederated Tribes of Coos, Lower Umpqua & Siuslaw Indians, who is awaiting confirmation as a member of the Eligibility and Enrollment Committee (E & E) by the Health Fund Board on January 15.
- Ellen Pinney is testifying on LC 62 and will be arriving late.
- Tina Edlund reviewed the materials provided for the meeting.
- Review and Approval of minutes of December 11 meeting as amended.

Tina Edlund **II. Update on Oregon Health Fund Board and Committee**

These minutes are in compliance with Legislative Rules. Only text enclosed in italicized quotation marks reports a speaker's exact words. For complete contents, please refer to the recordings.

Activities

- Health Equities Committee (HEC) has met and will meet again January 10. The Committee is discussing recommendations for undocumented residents of the state. Final recommendations on this issue will be made at their meeting on January 10 and sent to the E & E Committee.
- The Exchange Workgroup will be looking for recommendations from E & E in their discussions on who is covered by the exchange and eligibility requirements.
- Discussion of the most appropriate and descriptive terminology for undocumented residents. It was noted that Tina Castanares of the Delivery Systems Committee uses the term unauthorized immigrants.

Tina Edlund

III. Defining Affordability in Health Care for Oregon (see exhibit materials for Power Point presentation)

Format of presentation is from Community Catalyst, an advocacy organization, in Massachusetts that used the same approach in reviewing data. The following approaches were looked at and discussed.

- Current spending in the country.
 - Data from the Urban Institute was highlighted with clarification that the estimate of a family spending \$25/per month out-of-pocket was for over-the-counter products and did not include premiums and co-pays.
- Jonathan Gruber, MIT Economist, in a report for the Massachusetts Connector, showed what is not affordable. Staff noted that he looked only at payroll deductions.
- In response to comments about changing the “subsidy” language, staff stated that Nate Hierlmaier, Policy Analyst, suggested discerning funding as contributions from three sources: 1) personal; 2) employer; and 3) state
- Oregon Family Budget Analysis (building from work by the Medicaid Advisory Committee (MAC)).
 - Discretionary income using the Federal Poverty Level (FPL).
 - Implications:
 - Additional cost burdens for single parent families, and
 - Premium rate groups for single parent families with one child, two children, etc.
 - “cliffs” in premium payments and politically
 - In California, for those over 300% FPL an Affordability Tax Credit was recommended.
- Existing Programs
 - CMS/SCHIP
 - Drs. Wright’s and Carlson’s Medicaid study after implementation of OHPII.
 - Implications
 - Cost sharing that doesn’t exceed 5% of income and how to monitor these expenses.
 - No co-pays for preventive care and looking at benefit design plans in order to make recommendations.
- New: Take up rates and price sensitivity
 - L. Ku and T. Coughlin, Urban Institute, looked at participation changes as premium costs increased in three states.
 - K. Thorpe, Vermont’s Catamount Health Reform, looked at affordability and cost sharing.

- Implications for E & E include setting bounds of affordability.

Discussion

- FPL will be changing in the next couple of weeks.
- 36% of Oregonians are at 200% or less of the FPL
- Mayor Bloomberg, New York City, has asked for a review of the FPL, as it is not an accurate indicator.
- Use of median income data.
- Ways of framing recommendations to legislators.
- DMAP's statistics by county as a source of information.

Tina Edlund IV. Review of Affordability "Strawperson" Draft Document (see exhibit materials)

- Strawperson Recommendations 1-5 (page 5-9) reviewed.

Tina Edlund IV. Development of Committee Recommendations on Affordability (see above exhibit materials)

- Chair quoted Richard Lamb, Former Governor of Colorado : "We have to convince conservatives that they have a stake in the uninsured and that costs can be controlled and then we have to convince liberals that limits must be set and that we can't do everything medical science has invented for everyone."
- Chair voiced support for staff's suggestion for identifying contributors.
- Recommendations
 - What % of Oregonians will be receiving state premium contribution for those up to 300% of FPL?
 - Discussion of a tax credit for those above the 300% and a pre-tax option.
 - Data from California showed that the majority of those between 300-400% of FPL are sole proprietors whose income may vary throughout the year.
 - Suggestion to go to 400% FPL which is 129% of median income and credits for premiums that are over 5% of income.
 - Request for data on what is spent for housing at different income levels.
 - Between 250% to 400% get a tax credit for amount spent above 5%.
 - Subsidy language will be changed.
 - Recommendation 3 moves to 1, recommendation 1 moves to 3, recommendation 4 moves to 2, 5 should stay 5.
 - Add tax wording to #3.
 - Note there were reservations concerning only going to 300% FPL.
 - Advice to Benefits Committee would include evidenced-based support for procedures/tests performed.
 - Add language to "not include co-insurance."
 - Discussion on eliminating #4.
 - Problem with comparing Oregon's plan with California is that the cost-of-living in California is higher. Look at comparisons to other states?
 - Chair voiced recommendation to the Delivery Systems Committee that they look at *"making sure there is available accessible, affordable, culturally appropriate health services when the populations who need these services are most able to access."* Followed by comments regarding the need to make services available at hours that fit into the working person's schedule.

Chair

VI. Next Meeting Agendas and Objectives

- Members will submit comments within the next week to assist in rewording the recommendations.
- Continue with Committee recommendations on affordability.

Chair

VII. Public Testimony

- Tootie Smith, Alliance Health Care Sharing Ministries, takes requests for help from those with needs beyond their regular medical costs. Organization is seeking exemption from tax code. Information emailed to Barney Speight, OHFB Executive Director.
- Betty Johnson, member of the Benefits Committee, member of Archimedes Movement, spoke on the need of controlling costs and simplicity of the administration.
- Written testimony was submitted by Lois Marie Zaerr asking "Does this discussion assume equal premiums among all insurance companies?"

Chair

VIII. Adjourn

The meeting was adjourned at 1:00 p.m.

Next meeting is January 23, 2008.

EXHIBIT MATERIALS:

- A. Oregon Health Fund Board Newsletter
- B. Eligibility and Enrollment Committee Revised Work Plan
- C. Defining Affordability in Health Care for Oregon Document
- D. Affordability "Straw Person" Document