

What about the Oregon Health Authority?

Background:

The Oregon Health Authority (OHA) was created by the 2009 Legislative Assembly to bring most health-related programs into a single agency to maximize its purchasing power and to contain rising health care costs statewide. The agency's mission is to help people and communities achieve optimum physical, mental, and social well being through partnerships, prevention, and access to quality, affordable health care. It has three goals to transform the health care system in Oregon: improve the lifelong health of Oregonians; increase the quality, reliability and availability of care for all Oregonians; and lower or contain the cost of care so it is affordable to everyone.

Basic financing

OHA is the agency charged with administering Medicaid payments in Oregon. The Affordable Care Act enabled Oregon to expand its Medicaid program to cover individuals who were not previously eligible. As a result, Medicaid eligibility in Oregon grew from approximately 600,000 individuals in 2013 to more than 1 million by the end of 2014, where it has remained. Total Medicaid expenditures have likewise increased.

Measure 101 proposes to expand the hospital assessment. This expanded assessment would generate \$599 million in additional revenue to support the Oregon Health Plan, which in turn generates \$1.8 billion in federal funding.

The audit

The audit by the Secretary of State's Audit Division found approximately 31,300 questionable or potentially improper payments of benefits for Medicaid recipients over the 15 month period the audit investigated. This has focused attention on the OHA, and also on the office of the Secretary of State.

The question to answer is "how big a problem are these questionable payments, really?" Nationally, states have about a 10% error rate. According to OHA Director Patrick Allen, these 31,300 questionable payments are out of over 52 million such payments, covering the same time period. This makes Oregon's *potential* error rate very low. It is a finding of the audit that potentially millions of dollars could have been saved if the agency had determined the ineligibility of these clients sooner. The agency does not believe this gap can be measured. Some of those recipients will prove to be eligible, and of the remaining, it is unknown when they became ineligible. The finding would have been more constructive as indeed it is in the recommendations section of the audit. The recommendations to the agency to reduce the number and amount of questionable payments include technological controls, efforts to validate accuracy and completeness of data, annual reconciliation process, plus more.

The agency agrees with the recommendations and has already begun to implement them. Director Allen believes that the agency is meeting its goals and mission. He cites the hundreds of thousands of people added to the Oregon Health Plan, over \$1.3 billion in cost savings through the Community Coordinated Care Organizations, and the turnaround at the Oregon State Hospital.

Sources: 2017-19 Legislatively Adopted Budget Detailed Analysis, Legislative Fiscal Office, October 2017

Oregon Public Broadcasting, Interview with Secretary of State Dennis Richardson and OHA Executive Director Patrick Allen, November 30, 3027

"Oregon Health Authority Should Improve Efforts to Detect and Prevent Improper Medicaid Payments", title of audit by Secretary of State Audit Division of Oregon Health Authority, November 2017.

League of Women Voters of Oregon Says Vote YES on Measure 101

The League of Women Voters of Oregon is supporting a yes vote on Measure 101 in the January 23 election. This support is based on the national League position which promotes a health care system that provides access to a basic level of quality care for all and controls health care costs.

If Measure 101 passes, it will provide the funding to ensure that 95% of Oregonians maintain access to health care including those who recently received coverage through the expansion of Medicaid under the Affordable Care Act. It will also make private insurance cheaper through a reinsurance program that protects against losses from extraordinarily large claims.

Medicaid coverage allows people to access lower cost preventive care rather than seeking treatment in the emergency room due to lack of insurance. The hospitals and insurance companies paying these taxes support them because the additional tax revenue generates federal matching dollars many times greater than the taxes paid.

The provider assessments authorized by this measure will bring about \$3 in federal matching dollars into Oregon for every state dollar spent. Such assessments have been used since 2004 to fund the Oregon Health Plan (Medicaid) and are similarly used in 48 other states.

Discussion Questions

1. What should health care reform achieve?
2. Does a Medicaid expansion make sense? Why or why not?
3. Should Medicaid recipients share in the cost of their care? In what way?
4. Suppose your nephew says: "I struggle to pay for my health insurance? Is it fair for me to help pay for other people as well?" How could you respond? (Hint: Practice civil discourse.)
5. What can we learn from the many countries other than ours that appear to provide better health care for more people at less cost?