



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

Office of the Director

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September 8, 2009

The Honorable Peter Courtney, Co-Chair
The Honorable Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE
H-178, State Capitol
Salem, OR 97301-4048



Re: Reopening of the Oregon Health Plan (OHP) Standard Program

Dear Co-Chairpersons:

Attached is a report on the efforts of the Department of Human Services toward reopening the OHP Standard program to additional clients as approved by the 75th Legislative Assembly as part of House Bill 2116.

The report outlines:

- The stakeholder process used to assist us to determine the course of action to enroll new people in the program within available funds from hospital tax revenues. This funding is estimated to be sufficient to serve an average monthly enrollment of 50,000 clients during the 2009-11 biennium, increasing to 60,000 by the end of the biennium.
- Recommendations from the stakeholder process, including a continuously open reservation list affording those not chosen from the 2008 list an opportunity to add their names to the 2009 list prior to the first random selection.
- Future activities to address concerns about uninsured adults with high risk conditions.



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Thank you for the opportunity to present this report. If you have any additional questions, please call Judy Mohr Peterson at 503-945-5768.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Scherzinger', with a stylized, cursive script.

Jim Scherzinger
Deputy Director of Finance

CC: John Britton, Legislative Fiscal Office
Sheila Baker, Legislative Fiscal Office
Blake Johnson, Department of Administrative Services

Oregon Health Plan Expansion Report

September 30, 2009

Background

OHP Standard began in 1994 to provide health care coverage to uninsured non-pregnant adults between the ages of 19 and 65 who have incomes below the federal poverty level, a population with a traditionally high rate of uninsurance and who are not eligible for traditional Medicaid offered through OHP Plus.

At its peak in 2003, OHP Standard served about 132,000 people. In 2004, due to severe state fiscal constraints, the Department of Human Services (DHS) closed OHP Standard enrollment, and the Legislature provided funding to serve an average biennial enrollment of 24,000 people. By January 2008, OHP Standard was serving approximately 18,000 people, and the department opened the program to new enrollees to ensure the average biennial enrollment would be met.

The department created and opened a reservation list for five weeks in January and February of 2008. Approximately 90,000 people signed up for an opportunity to receive an application. To stay within budget limitations and to provide equity across the state, the department established a random selection process to draw names of people to receive applications. Each month, from March through October, several thousand (3,000 to 6,000) names were drawn from the list. The department sent applications to people whose names were drawn and to anyone else in the person's household who was potentially eligible. As a result of this process, about 10,000 eligible people were enrolled in the program between March and December of 2008 when the program reached its capacity.

Through House Bill 2116, the 2009 Legislature provided funding from hospital tax revenues to sustain and expand OHP Standard. The department estimates this funding is sufficient to serve an average monthly enrollment of 50,000 clients, with

a targeted enrollment of 60,000 by the end of the 2009-11 biennium. The department will monitor enrollment against revenue on an ongoing basis.

Stakeholder Process

The Division of Medical Assistance Programs (DMAP) convened an OHP Standard Advisory Committee, comprised of representatives from community-based consumer advocacy groups; managed care organizations; the Oregon Hospital Association; mental health and chemical dependency programs; county health departments; Office for Oregon Health Policy and Research; Office of Private Health Partnerships; Addictions and Mental Health Division; Public Health Division; Division of Children Adults and Families; DHS Office of Public Affairs and the Division of Medical Assistance Programs. The committee met four times in June and July 2009 to recommend an equitable strategy for reopening OHP Standard.

The committee discussed fairness to the people not chosen from the 2008 list as well as to those who have not previously signed up. The group was particularly concerned about those uninsured Oregonians who may be eligible for OHP Standard who have high risk health conditions; physical, mental or developmental disabilities; chemical dependency or chronic health conditions in need of treatment.

The committee also discussed the importance of preserving the integrity of the nationally-funded Oregon Health Study which is currently underway. The study will compare the health status of people chosen from the 2008 list to those who were not.

The committee made the following recommendations:

- Ask individuals on the current reservation list to affirm their desire to be moved to a new list from which DHS will draw names in the future.
- Simultaneously seek an expedited approval (by October 1, 2009) from the Centers for Medicare and Medicaid Services (CMS) to operate with a continuously open reservation list.
- Begin drawing names from the 2009 list in October, whether or not CMS has approved continuously adding new people to the list.

- Reconvene the advisory group to explore potential strategies to serve uninsured adults based on their health status and/or risk as part of the state’s “tool kit” for providing health care coverage.

Accepting and expanding the committee’s recommendations, the department adopted the following strategies to reopen OHP Standard:

- With approval from CMS, DHS will open a new reservation list and again use a random selection process to draw names of people to receive applications for the OHP Standard program.
- The department is currently targeting outreach to individuals remaining on the 2008 reservation list to afford them the opportunity to sign up for the new list if they are still seeking coverage. Outreach materials also remind individuals they can apply for OHP Plus programs at any time. Pending CMS approval, the department will also open the list for new people to sign up prior to drawing names in October.
- The department is preparing to keep the list open continuously throughout the biennium, periodically selecting names and sending OHP Standard applications to the individuals selected.
- The department will send notices to those on the reservation list at a minimum of every 12 months asking if they want to remain on the list and if they need to update their contact information. These notices will be the vehicle for ensuring that the OHP Standard reservation list is populated with individuals who are still seeking coverage.
- The department will reconvene the advisory group to explore potential strategies to serve uninsured adults based on health status and/or risk.

The department believes that a using a continuously open reservation list with periodic drawings will ensure fairness to Oregonians who may experience a change in their financial conditions or health insurance status over time. This strategy gives those in need a chance to have their names drawn to receive an application when they are in need. It will also ensure fairness to those who signed up on the 2008 reservation list and were not chosen.