

# A Framework for Basic Health in Oregon

A framework for a Basic Health Program — potentially the next big step in health reform in Oregon — has taken shape. A group of health industry officials and consumer advocates has issued recommendations for how to structure a Basic Health Program in Oregon.<sup>1</sup> This fact sheet summarizes its recommendations.

## What is Basic Health?

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Basic Health is an option under the Affordable Care Act for states to provide health insurance for low-income people currently eligible for marketplace coverage — mainly those with incomes between 138 and 200 percent of the federal poverty level. Basic Health could be nearly fully paid for with the federal dollars that would otherwise subsidize marketplace coverage for the group.<sup>2</sup>

## Recommended Basic Health Framework

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**Plans offered in the marketplace.** Eligible individuals would choose among plans offered in the health insurance marketplace by both coordinated care organizations (CCOs) and traditional insurers.

**Adopts the coordinated care model.** Plans would conform to Oregon's innovative coordinated care model.<sup>3</sup> As such, insurers would employ patient-centered medical homes, measure provider performance and pay for desired outcomes, with funding subject to a sustainable rate of growth.

**Benefits mirror Oregon Health Plan.** Basic Health would use the Oregon Health Plan (OHP) package, without adult dental. If the federal funding were sufficient, adult dental services would be included. Even without adult dental, OHP offers a more comprehensive package than plans in the marketplace.

**Plans more affordable.** Plans would be offered at less than half of the cost of marketplace plans.<sup>4</sup> Prices would be set on a sliding scale: a lower price for those with lower incomes. People otherwise eligible for Medicaid but barred due to immigration status would have no charge for coverage, just as in OHP. No one would face deductibles, copayments or coinsurance when getting care.

**Reimbursement above Medicaid and Medicare.** Provider reimbursements would be set halfway between Medicaid and commercial insurance, somewhat above Medicare reimbursement levels.

**Same enrollment and administration as in the marketplace.** Basic Health would conform to the enrollment standards of the marketplace, such as its open enrollment period and 12-month eligibility structure. The marketplace and insurers would have the same responsibilities they do now for client services, grievances and premium billing.<sup>5</sup>

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## Who Would Benefit from Basic Health?

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Some 88,000 Oregonians would be eligible for Basic Health.<sup>6</sup> Among those who would benefit:

**Uninsured Oregonians.** An estimated 15,000 uninsured Oregonians would stand to gain more affordable health insurance.<sup>7</sup>

**Cash-strapped households.** Tens of thousands of low-income Oregonians now purchasing marketplace plans would see premiums cut at least in half, leaving more money to meet basic needs.<sup>8</sup> They would also no longer face out-of-pocket costs when seeing a doctor and filling prescriptions.

**Legal permanent residents.** An estimated 3,500 – 6,500 immigrants eligible for OHP but barred by a five-year residency requirement would benefit.<sup>9</sup>

**COFA residents.** People from Pacific island nations residing in the country under the Compact of Free Association (COFA) and barred by federal law from Medicaid could gain comprehensive, affordable coverage. An estimated 3,000 COFA immigrants live in Oregon.

**People with chronic conditions.** Individuals with chronic diseases would be better able to manage their conditions without the out-of-pocket costs they currently must pay.

**People with income fluctuations.** Individuals who now must change providers when their income fluctuates — causing them to switch between private and public insurance — could potentially keep their providers with the choice of CCO and commercial plans.

**People with special needs.** Individuals needing medical transportation and other OHP services not covered by commercial insurance would receive Basic Health's more comprehensive package.

### Endnotes

<sup>1</sup> Recommendations for a Basic Health Program are described in *HB 2934 — Oregon Basic Health Program (BHP) Stakeholder Advisory Group: Recommendations*, Oregon Health Authority, November 2015, <http://www.ocpp.org/media/uploads/pdf/2015/11/OHA-HB2934-BHP-Report-20151116FNL.pdf>.

<sup>2</sup> More information about Basic Health is available at: <http://www.medicaid.gov/basic-health-program/basic-health--program.html>.

<sup>3</sup> *Oregon's coordinated care model: Better health, better care, lower costs: The Oregon Way*, Oregon Health Authority, <http://www.ocpp.org/media/uploads/pdf/2015/11/OHA-Coordinated-Care-Model.pdf>.

<sup>4</sup> The pricing structure the stakeholder group recommended would have premiums costing 31 percent to 38 percent of marketplace plans, depending on a person's income.

<sup>5</sup> The stakeholder group did not recommend procedures for disenrollment for non-payment of premiums, concluding that further study on the impact of various options was needed.

<sup>6</sup> *Oregon Basic Health Program Study*, Wakely Consulting Group and The Urban Institute, October 29, 2014, [http://www.ocpp.org/media/uploads/pdf/2014/11/Oregon\\_BHP\\_Report20141029.pdf](http://www.ocpp.org/media/uploads/pdf/2014/11/Oregon_BHP_Report20141029.pdf).

<sup>7</sup> Ibid. Depending on the premiums charged, an estimated 5,400 to 9,900 of the eligible 15,000 uninsured would enroll in the program.

<sup>8</sup> Ibid. The Wakely study estimated up to 56,400 previously insured Oregonians would enroll in Basic Health, depending on premiums. An Oregon Health Authority presentation showed 46,116 Oregonians below 200 percent of the federal poverty level were enrolled in marketplace plans in 2015. All would be eligible for Basic Health. <http://www.ocpp.org/media/uploads/pdf/2015/11/OHA-BHP-Presentation-20151008.pdf>.

<sup>9</sup> *Mend the Gap: Why Full Coverage Makes Sense for Oregon*, Oregon Health Equity Alliance, November 2015, <http://www.ocpp.org/media/uploads/documents/2015/rpt20151117-oregon-mend-the-gap-health.pdf>.

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