LOBBYOREGON

LEGISLATIVE UPDATE

Prepared for OAFP

September 22, 2019

Legislators Grill OHA about CCO 2.0

OHA Director Pat Allen faced pointed questions from legislators who wanted to know why existing CCOs were not given credit for the work they've been doing; whether OHA favored large insurance companies over community-based entities in the CCO 2.0 process; why some CCOs were only given one-year contracts and whether OHA's goal is to create larger regional CCOs.

Criticism also came from former Governor John Kitzhaber. In a letter to Governor Kate Brown, Kitzhaber was critical of Trillium's (Centene) move into the Portland metro area. "It is difficult to see how this commercial insurance company, headquartered in Missouri, can truly develop and demonstrate the community relationships and engagement that are central to the whole concept of the CCO model," he wrote

Allen said OHA created a process that would allow new entrants in Oregon's CCO market, so the RFA emphasized what CCO applicants would do over the next five years. Allen also said there are currently 15 CCOs, and while some of those entities will change, there will still be 15 CCOs under CCO 2.0.

One-year contracts were given to four CCOs whose applications did not meet OHA's standards, Allen said. He went on to say, "The alternative was no contract at all."

New Medicaid CCO Assignments Begin Soon

The new contracts for CCO 2.0 begin January 1, 2020. As a result, tens of thousands of Medicaid recipients will be changing CCOs. Some of the changes will be easy, for example in Marion County where a new CCO simply replaces an old one.

But the process is more complicated in areas with multiple CCOs, including the Portland Tri-County area, Lane County and Jackson/Josephine Counties in southern Oregon.

In those areas, OHA will assign Medicaid recipients to a CCO based on which CCO contracts with their behavioral health provider or primary care provider. But patients will also be able to change CCOs if they want to.

A call-in center will begin in November so Medicaid patients can call and request a change. January and February will also be an open member choice period when patients can change for any reason if they want to.

2020 Health Plan Rates

Insurance Commissioner Andrew Stolfi says each of Oregon's 36 counties will have at least two on-exchange commercial insurance options. Final approved rates for the 2020 plan year in the individual market came in between -9.6% and 10.1%. For small group insurance, there are nine carriers offering plans. Final rate changes for small group ranged from -4% to 7.2%.

One exciting piece of news, says Stolfi, is that there are now bronze level plans that include a copay for primary care visits and generic drugs.

Rx Price Transparency

DCBS is beginning to receive prescription drug price data from pharmaceutical companies and insurers under HB 4005 (2018). Cassie Soucy, who manages the program for DCBS, told legislators 300 manufacturers have filed more than 700 reports: 176 for new high-priced drugs and 534 for Rx price increases.

Insurance companies also file information on their most costly drug (Humira); most prescribed (hydrocodone) and the Rx causing the greatest increase to plan spending (Humira).

Rural Medical Provider Tax Credit Set to Sunset in 2022

Revenue committees saw the list of tax credits scheduled to sunset in 2022. They will have to decide in the 2021 legislative session whether to extend those credits. Among them is the Rural Medical Provider tax credit.

Interestingly, despite costing the state ~$15 million a biennium, it costs far less to renew the credit, due to a provision in the law that allows a qualifying practitioner to collect the credit for 10 years after the credit sunsets.

Estimated Cost of Extending Tax Credits

$ Millions, 9/16/2019

Tax Expenditure Report Number and Credit name	ORS	Sunset Date	--------Biennium-------- 2021-23	2023-25	2025-27
Scheduled for Review by the 2021 Legislature					
1.406 Child with a Disability	316.099	2022	$5.7	$11.8	$12.3
1.407 Rural Medical Practice	315.613-619	2022	$1.1	$4.0	$5.6
1.409 Severe Disability	316.752-771	2022	$6.0	$12.6	$13.6
1.421 Public University Venture Development Fund	315.521	2022	$0.8	$1.6	$1.6
1.424 Working Family Household and Dependent Care	315.264	2022	$32.0	$64.0	$64.0
1.425 Office of Child Care Contributions	315.213 (318.031)	2022	< 50K	$0.1	$0.1
1.426 Individual Development Account Contributions	315.271	2022	$7.0	$14.5	$14.7
1.445 Oregon Life and Health IGA Assessments	734.835	2022	$0.4	$0.4	$0.5
1.449 Oregon Veterans' Home Physician	315.624	2022	< 50K	< 50K	< 50K
1.429 Bovine Manure for Biofuel	315.176	2022	$2.0	$4.1	$4.2
1.404 Employee Training in Eligible Counties (Klamath)	315.523	2023	< 50K	$0.2	$0.2
SUBTOTAL			$54.9	$113.3	$116.8

Legislature Creates Mental Health Committees in Both Chambers

The Legislature is focusing its attention on mental and behavioral health by creating new House and Senate (sub)committees. Sen. Arnie Roblan (D-Coos Bay) chairs the Senate Interim Committee on Mental Health with Senators Sara Gelser (D-Corvallis), Dallas Heard (R-Roseburg), Laurie Monnes Andersen (D-Gresham) and newly appointed Denyc Boles (R-Salem). The Interim House Subcommittee on Behavioral Health is chaired by Rep. Mitch Greenlick (D-Portland), with Representatives Cedric Hayden (R-Roseburg), newly appointed Raquel Moore-Green (R-Salem), Ron Noble (R-McMinnville), Andrea Salinas (D-Lake Oswego), Jennifer Williamson (D-Portland), and Tiffiny Mitchell (D-Astoria).

Although the committees have different names, they will deal with the same issues – mental illness and addiction. The committees held informational meetings for background briefings on issues in both areas.

Committee members will use the November Legislative Days to identify policy changes they want to make in the 2020 session, prior to bigger-picture items like payment reform, which they want to tackle in the 2021 session.

Rep. Hayden said, “Are we doing the best we can for our people? I feel like [behavioral health] is the last frontier in healthcare that we really haven’t tackled as a coordinated effort.”

OHA Puts New Focus on Behavioral Health

Until a year ago, the Oregon Health Authority did not have an organizational structure focused on behavioral health – a term they use to mean mental illness and addiction disorders, including substance abuse disorder (SUD) and gambling disorder. Oregon will spend $3.2 billion on mental health in 2019-21; the lion's share will go to Medicaid.

OHA Director Patrick Allen spoke about the cost of having patients in the State Hospital – $1500 per patient per day. "This represents a failure of other parts of the system – criminal justice, homelessness and community-based treatments," he said. "In a perfect world, we'd be able to spend this money at the community level in different ways; not at the hospital level."

Steven Allen, OHA's new Director of Behavioral Health, told committee members about his vision for improving the Oregon's behavioral health system. He hopes the Legislature will assess investments and policy based on three criteria: simplicity of access, responsiveness and making meaningful improvements in people's lives. With incremental improvements to the system, he believes we will make it better over time, but this will take at least a decade.

Oregon Has Near Highest Prevalence of Substance Use Disorders in Nation

One in ten Oregonians age 12 and older experienced a substance use disorder in 2015/16. This was the fourth highest rate in the US. Ninety-five percent of Oregonians with the disorder do not receive the treatment they need.

The Alcohol, Drug and Policy Commission's Executive Director Reginald Richardson is working to complete a strategic plan by December 2019, as required by HB 4137 (2018). The commission's strategic priorities are to:

1. Decrease Oregon's SUD rate from 9.6% to 6.82% (from nearly dead last to mid-range in the country),
2. Improve the current recovery rate by 25%,
3. Decrease morbidity and mortality related to SUD, and
4. Coordinate state agency treatment and recovery systems.

The commission is an independent state agency to improve the efficiency and effectiveness of the state's efforts to prevent, treat and provide recovery support for people with substance use disorders. In was created in 2009, but until a year ago, had no real funding or leadership.

DCBS Examines Pay Parity for Mental and Physical Health Providers

SB 860 (2017) tasked the Department of Consumer and Business Services with examining insurers' pay parity practices for mental and physical health. DCBS is looking at insurers':

1. Reimbursement and length of outpatient office visits,
2. Utilization management procedures (the permission insurers give for certain treatments),
3. Reimbursement differences over time by provider, and
4. Methodologies used to determine reimbursement.

DCBS submitted a status report on Sept. 1 with an initial analysis of five out of eleven insurers' practices for fully insured individuals, small groups and large groups, including student and association health plans (approx. 26% of the population) from January 2015 to December 2018.

Preliminary findings indicate that there is a difference in the reimbursement and length of office visits, some insurers do reimburse mental and physical health practitioners differently over time, and that prior authorizations for mental and physical

health are treated differently. DCBS will complete the final report prior to the 2021 session.

Dental Pilot Program Update

Eli Schwarz, chair of the Department of Community Dentistry at OHSU says we have only three counties in Oregon that are not Health Professional Shortage Areas for dentists. Oregon also has one of the nation's largest gaps between high and low-income children's utilization of dental care, he says.

The legislature passed SB 738 (2011) to combat this issue by allowing the Oregon Health Authority to approve pilot projects to encourage the development of innovative practices in oral health care delivery, particularly for populations with the highest disease rates and least access to care.

In 2016, OHA approved a pilot project in Polk County that allowed expanded practice dental hygienists to provide "interim therapeutic restorations." This procedure – in which the provider essentially scoops out a piece of tooth and refills it – falls under the category of minimally invasive dentistry, says Schwarz.

The pilot demonstrated many benefits in the school setting, says Capitol Dental's Linda Mann, including increased access for an underserved community. This means it also demonstrated high potential value via indirect economic and social benefits for students and parents, as well as cost reductions.

Senate Health Chair Laurie Monnes Anderson (D-Gresham) says they are going to have a bill and they are excited about the good data, despite there already being opposition from the Oregon Dental Association.

Preschool for All Informational Hearing

Only 15% of children in Multnomah County are served by quality publicly funded programs says Jessica Vega Pederson, Multnomah County Commissioner. This lack of access is due in part to a significant workforce shortage. What's more, families with incomes around the poverty line spend 30% of their income on preschool and childcare.

Over the last year, Vega Pederson participated in a task force to envision how the county can expand quality early education for three and four-year-olds. The task force wants to build off the increased funding coming from the Student Success Act. This task force issued recommendations including:

- Serve 3-4 year olds,
- Use a mixed delivery system,
- Determine eligibility with the Self Sufficiency Index vs. Federal Poverty Level,
- Institute pay comparable to kindergarten teachers, and
- Increase access to workforce education and training.

This fall, the task force will build on this work with a broader community coalition to identify stable funding streams and create a detailed implementation plan.

State Funding Hinges on 2020 Census

Oregon receives $13.5B federal funds per year (2016) based on census data. That includes:

Medicaid – $6.7B
Direct student loans – $1.3B
SNAP – $1B
Medicare Part B – $490M
Highway planning and construction – $507M
Section BV housing vouchers – $245M

Head Start – $136M

So, the Governor created the Oregon Complete Count Committee, chaired by Rep. Andrea Salinas (D-Lake Oswego). Salinas told legislators, “We are all fighting with other states for this money.”

Salinas said about 1.3 million of Oregon’s estimated 4.3 million residents are considered “hard to count.” That includes individuals who are hard to locate, hard to contact, hard to persuade and hard to interview.

Based on current estimates, Oregon is also expected to add a new 6th Congressional seat after the 2020 census.

Campaign Contribution Limits in 2020?

Republicans and Democrats in the Legislature are still fencing over what kind of campaign contribution limits to propose if Oregon voters approve the concept of campaign finance limits in 2020. Last session, legislators referred SJR 18 to the November 2020 ballot. It would change the Oregon constitution to allow campaign finance limits.

Legislators are trying to figure out if there is enough agreement to pass a bill in the February short session to set limits on campaign contributions.

Democrats want to keep a small donor match program that would allow unions to pool members’ money and make large contributions, primarily to Democrats.

Republicans want to make sure corporations, which contribute more to Republican candidates, are treated the same way. Sen. Fred Girod (R-Stayton) said, “We have to find a sweet spot and treat unions the same as big individual donors. I’m all for it if it’s done fairly.”

###