

# Health Care in Oregon

## Impact of Federal Legislation and the Path to Universal Coverage

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OPHA Annual Conference

Corvallis, OR

October 10, 2017

# Federal Health Care Legislation

- ACA
  - Expand Medicaid
  - Mandate private Insurance Coverage for some businesses and all individuals
  - Subsidize the purchase of market-place insurance
- Repeal and Replace
  - AHCA/BRCA
    - Repeal Medicaid expansion, block grants to states replaces matching funds
    - Repeal insurance mandate and reduce/repeal subsidies
    - Greater roles for states, purchase insurance across state lines, HSA's.
  - Graham/Cassidy
    - Repeal Medicaid expansion, insurance subsidies, transfer money to states.
- Universal Coverage
  - HR 676
  - SB 1804

# ACA and Oregon

- Number of **Medicaid** Expansion Enrollees, 2016: **556,700**
- Number of **Marketplace** and Basic Health Plan Enrollees, 2017: **137,305**
- Estimated Total Annual Premium Tax Credits Received by Marketplace Enrollees, 2017: **\$426,409,000 (\$3,100 per person)**

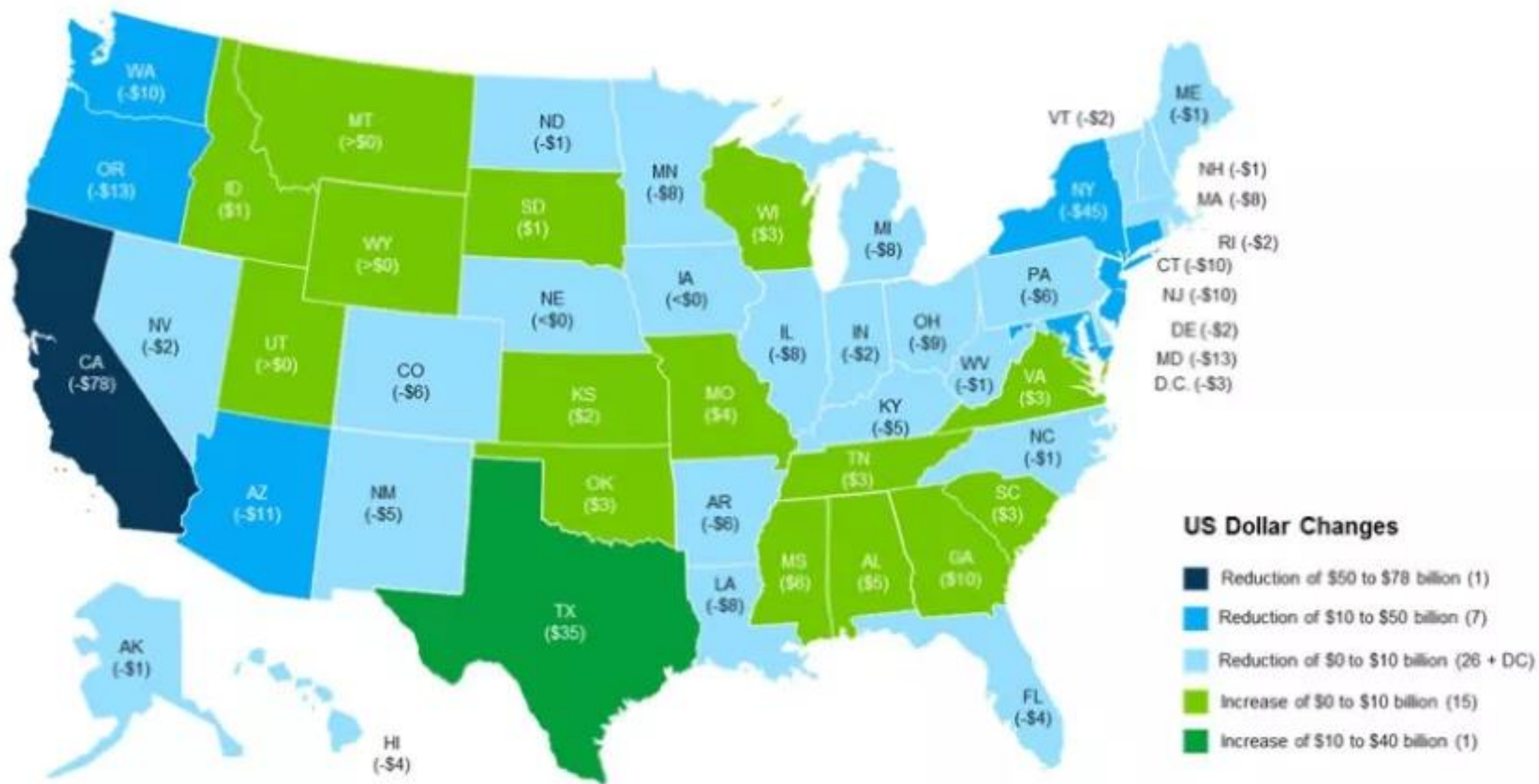
# Initial GOP Repeal/Replace Legislation 2017 AHCA and BCRA

- 440,000 at risk to lose coverage
  - 350,000 Medicaid
  - 90,000 market-based/subsidies.
- Oregon would need to find \$6.2 billion to maintain 350,000 Medicaid enrollees.

# Graham-Cassidy September 2017

- \$3.6 billion dollar Medicaid cut by 2026.
  - \$2,500 per capita(9/17 Center on Budget and Policy Priorities)
- \$9.2 billion cut total federal funds 2020-2026  
(Kaiser Family Foundation 9/17)
- \$13 billion Cumulative Federal Funding Cut 2020-2026  
(Avalere)

Figure 1: Changes in Federal Funding, 2026, in Billions



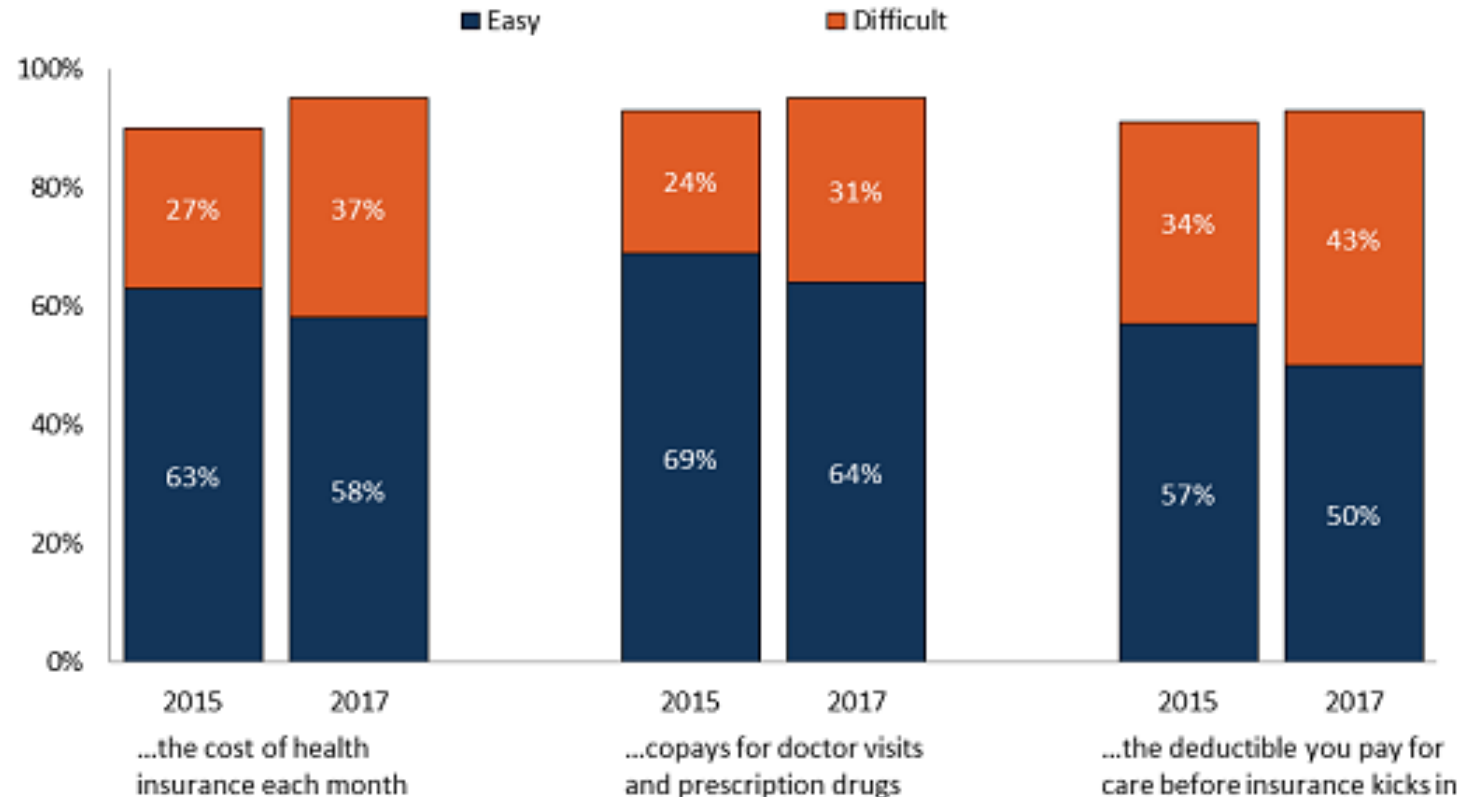
# Uninsured Rates in Oregon

- **9.1%** Gallup: "Do you have health insurance coverage?" 2/17.
  - 19.4% 2013
- **6.2%** Kaiser Family Foundation: Current Population Survey, Annual Social and Economic Supplement. 3/17
  - 14.2% 2013
- **5%** Oregon health Authority 6/17.

# Affordability- Individuals and Families

## More Insured Americans Now Report Difficulty Affording Health Care

AMONG THE INSURED: In general, how easy or difficult is it for you to afford to pay...



NOTE: Don't have to pay (Vol.) and Don't know/Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Polls



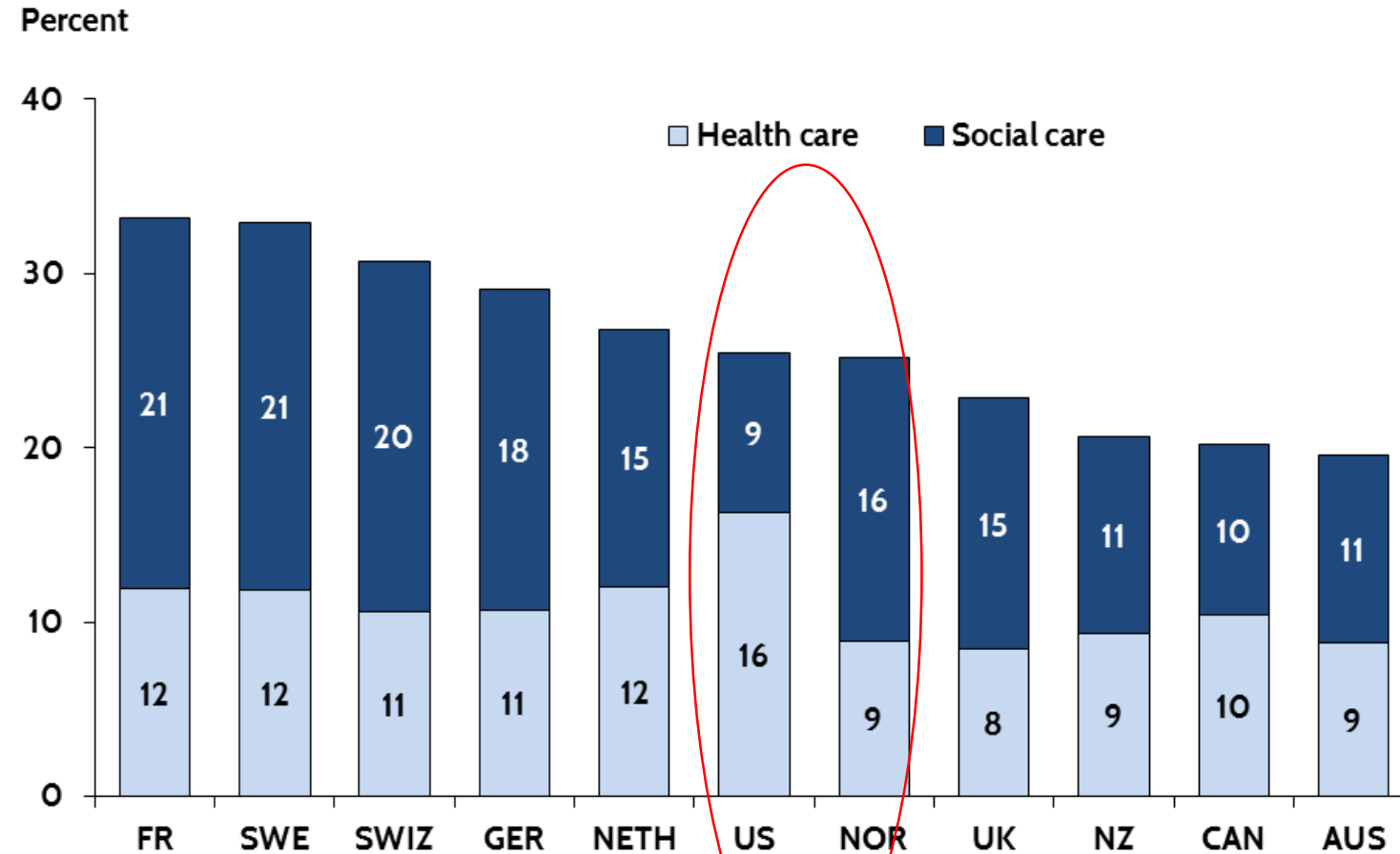
# Affordability- Individuals and Families

- Kaiser Family Foundation 2/17-3/17
  - 30% unable to afford medical bills (6/10 “all or most of savings”)
  - 27% delay care, 23% skipped care, 21% did not fill Rx
  - \$500 medical bill- 45% “difficulty” in paying
  - 25% “very worried” unable to afford insurance
  - 22% “very worried” will lose insurance
  - 50% “somewhat worried” unable to afford needed health care services

# Affordability- State/Federal

- 18% GDP, twice other OECD nations
- 27% 2017-2019 Oregon State Budget
- Opportunity Cost:
  - Oregon social+health= 47%. 60/40: health/social.
  - Federal social+health= 25%. 2/3 health/ 1/3 social.
  - Norway social+health=25%. 1/3 health/ 2/3 social.

## Exhibit 8. Health and Social Care Spending as a Percentage of GDP



Notes: GDP refers to gross domestic product.

Source: E. H. Bradley and L. A. Taylor, *The American Health Care Paradox: Why Spending More Is Getting Us Less*, Public Affairs, 2013.

# Principles of Universal Health Systems

- Universal health systems are universal.
  - Right to health care access guaranteed, responsibility of government
  - No one dies due to lack of access or expense of care. (No bankruptcy)
- One comprehensive system of benefits for everyone
  - Politically powerful vested interest
  - Efficient- administration, billing
  - Cost effective: negotiated rates, decreased administrative costs.
- Financing: not for profit and limited cost sharing
  - No incentive to insure healthy and avoid sick
  - No delay of care due to inability to pay.

# Universal Legislation- Federal

- HR 676- establish a single payer system.
  - All monies (premiums, taxes, deductibles, out of pocket payments) directed into a single payer which reimburses all medically necessary care.
  - No copays/ co-insurance.
  - Hospitals global budgets.
  - 120 cosponsors (all democrats); 3 out of 5 in OR
- SB 1804- establishes a single payer system
  - All monies redirected into a single payer (as above)
  - Initial 0-18 and 55 and up; 4 years later include 18-55.
  - No global budgets, low copays for some medications, no long term care.
  - 16 cosponsors (all democrats); 1 out of 2 in OR

# Universal Legislation- Oregon

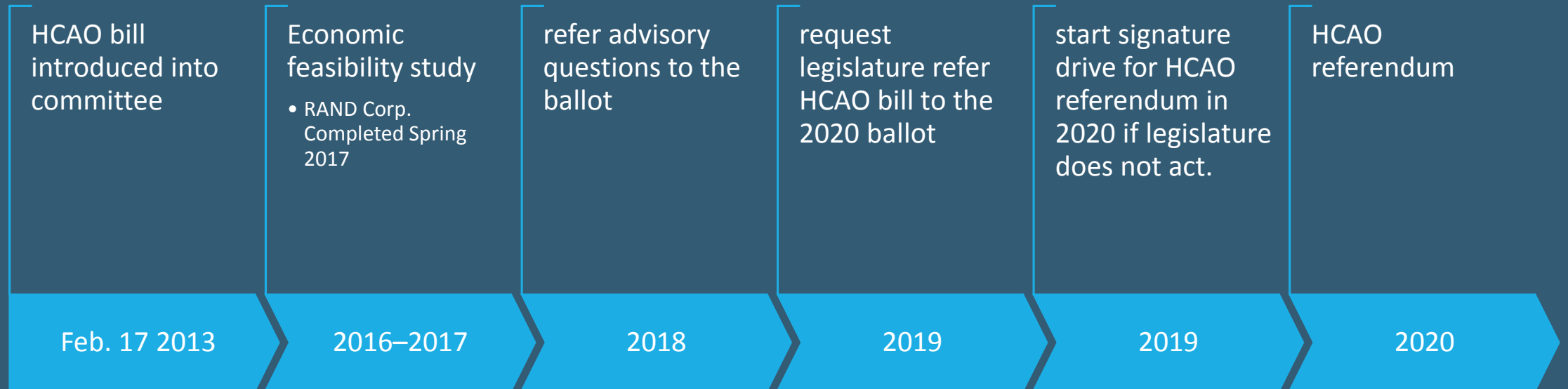
- Health Care for All Oregon Act SB 1046
  - Establishes a single payer system in Oregon
  - All current monies plus income and payroll tax paid into one payer
  - Replaces current premiums, out of pocket costs
  - All medically necessary care covered, no cost sharing.
  - Chief Sponsors: Senators Dembrow, Manning Jr., Frederick; Representative Keny-Guyer, Gorsek
  - 27 additional cosponsors- all democrats

# Health Care for Oregon

**Health Care for All-Oregon is a nonprofit organization dedicated to single-payer health care reform in Oregon and the greater United States.**

We are a statewide coalition of over 120 member organizations working to achieve a comprehensive, equitable, publicly funded, and high-quality health care system to serve all Oregon residents. Through grassroots activism, legislative efforts, and community education programs, HCAO aims to pass universal health care in Oregon by the 2020 legislative session.

# HCAO Timeline





# RAND Corp Economic Feasibility Study 2017

- Compared single payer (SP), health care ingenuity plan (HCIP), the ACA and the ACA with a public option.
- Universal coverage: SP and HCIP most promising.
- SP: cost- **same as the status quo**, HCIP- significantly more expensive.
- SP: only option to significantly **reduce financial barriers to care**.
- SP: only option where % of household income for health care decreases as income decreases
- SP: all income groups except those above 400% of poverty level would have **lower health care costs** than any other option.

# Rand Corporation Study 2017

- Limitations:
  - Grossly underestimated administrative savings at 1.7% even after citing 11% savings under other SP systems.
  - That would generate \$3.4billion in savings.
  - 10% reduction in payments to doctors and hospitals without reference.

# Universal Care- Get involved

- State:
  - Join HCAO individually [www.hcao.org](http://www.hcao.org)
  - Have your organization join HCAO (OPHA, PNHP)
  - Encourage your state legislator to cosponsor SB1046
- Federal:
  - Congressional District 2 (Walden) and 5 (Schrader) to cosponsor HR676
  - Senator Wyden to cosponsor SB1804
  - Join PNHP [www.pnhp.org](http://www.pnhp.org) or [www.pnhporegon.org](http://www.pnhporegon.org)