UNITED STATES of CARE

The Oregon Bridge Plan: Providing Continuity of Coverage and a Guide Path to Enacting a Public Health Insurance Option

Throughout the COVID-19 pandemic, Oregon has leveraged federal policy options to provide Oregonians with dependable coverage during their tremendous time of need. However, with some of those federal policies expiring and the desire to preserve those recent, historic coverage gains in both short- and long-term, Oregon policymakers moved forward to enact legislation that ensures people retain coverage when the COVID Public Health Emergency Ends. The legislature gives people a new source of longer-term coverage through the creation of the 'Bridge Plan,' which will provide coverage for people with incomes just above the Medicaid eligibility threshold.

The Problem:

Despite historic coverage gains, both insured and uninsured Oregonians cite health care costs as a primary barrier to receiving the care they need. The development of the Bridge Plan is a critical step towards increasing continuity of coverage for individuals with incomes between 138% and 200% of the Federal Poverty Level, who churn between Medicaid and Marketplace coverage options and struggle to find affordable coverage on the individual market. **However, the Bridge Plan will not serve people above 200% FPL, and affordability, dependability, and high-value coverage remain chief concerns for both insured and uninsured people on the individual market.**

Affordability

A recent poll found that the top health care concern for Oregonians is overall cost, including the cost from expensive premiums. This aligns with recent data that health care costs are rising in Oregon and therefore the burden increases for all Oregonians. Individual market health insurance premiums in Oregon have risen 77% since 2014. In 2022, the average monthly premium for the benchmark plan was $444, a large increase from the 2016 average monthly premium of only $274. Even for those who are eligible for financial assistance, rising costs remain a barrier to care. Furthermore, Oregon has the third-highest average deductible in the nation. In 2020, Oregonians' average deductible for marketplace plans was $4,027. For comparison, the average deductibles for employer-based single coverage were $2,379 for workers at small firms and $1,397 for workers in larger firms. High deductibles and out-of-pocket costs can lead people to avoid or delay their care.

There have been major strides in reducing the number of Oregonians without health insurance. Oregon's uninsurance rate dropped from 15% in 2011 to 6% in 2019. According to the 2019 Oregon Health Insurance Survey, the top reasons for the lack of coverage among the uninsured were:

- ★ 35% of Oregon's uninsured had lost Medicaid coverage
- ★ 20% could not afford their premiums
- ★ 22% lost a job and lost coverage or the ability to pay for coverage

According to a 2020 Manatt report, one-third of uninsured Oregonians did not qualify for any financial assistance. **Although the Bridge Plan begins to close the gap for those in the churn population, a subsidy cliff will still exist, preventing people from being able to afford coverage.**

Accessibility

The COVID-19 pandemic has also exacerbated the existing mental health crisis. Oregonians continue to report barriers to accessing mental health care, forcing many to forgo care due to high costs. In a recent survey of Oregonians, access to mental and behavioral health care was a top concern. In addition, 70% of caregivers nationally have reported at least one adverse mental health symptom since the start of the COVID-19 pandemic. Caregivers are a crucial component of our health care system, yet often go without health insurance themselves.

More than 96% of Oregon's businesses have fewer than 50 employees. Small businesses struggle to compete with large companies on the cost of their employees' health insurance. From 2012 to 2020, small-group premiums rose by up to 26%. In many instances, wages and benefits are the largest financial obligation a small business has to face. **It is essential that Oregon small businesses can retain and recruit talented workers. High insurance costs can be a substantial impediment.**

Beyond these challenges, Oregon has committed to addressing health disparities within the state and creating a health care system that is equitable for all Oregonians. The Health Equity Committee (HEC) defines success in this goal as a system where "all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, gender, gender identity, sexual orientation, social class, intersections among these communities or identities, or other socially determined circumstances." **To reach this bold and principled goal, Oregon must continue on its path of expanding access to necessary services and ensuring equitable insurance design.**

The Solution:

Oregon has the opportunity to not only maintain the coverage and affordability gains made over the last few years, but to build on those even further. The Bridge Plan builds on Oregon's history as a pioneer in health care innovation through bold initiatives. More can still be done to enhance access to affordable coverage and reduce costs for more Oregonians through the creation of a public health insurance option. A Bridge Plan, designed to maximize federal funding and offer flexibility to cover additional populations, will also lay the groundwork for the development of a public option plan.

Leveraging the Existing Insurance Market to Create a Public Health Insurance Option

A public health insurance option would create a high-quality, dependable, more affordable option for Oregonians above 200% FPL and those who are currently not eligible for subsidized Marketplace coverage. A public option would also be available to small businesses.

A public option is designed to be a public-private partnership that leverages the aspects of a state's health insurance market that work well, while improving those that don't. In other states, public options are privately-run and overseen, and/or regulated by the state government.

What a public option does:

1. Promotes continuity of care and equitable coverage

Public option plans in Oregon would mirror features found in CCOs, as is recommended in the Oregon Public Option Implementation Plan. It recommends that public options be held to the same Health Equity Plan requirements as CCOs — including that a CCO must outline how it will hold itself accountable to diversity and equity goals.

Coordinated Care Organizations already provide coverage throughout the state and effectively contain health care costs. They also require investments in health-related social factors and involve a robust stakeholder engagement process to inform benefit design. CCOs integrate care services under a fixed budget that encourages cost-effective care, like investmenting in preventive services and connecting enrollees with community-based organizations.

2. Increases competition while lowering costs

A public option would provide coverage to individuals and small businesses while ensuring that prices are reasonable, and that benefits and care remain high-quality.

The plans increase competition and give both groups the freedom to choose coverage that's more affordable and dependable. Those who choose to participate in a public option plan would pay premiums — just as they would with a traditional private plan — without the inflated overhead and administrative costs of private insurers. Small businesses are essential to Oregon's economy, and access to affordable health insurance is critical to attracting and retaining the employees they need to thrive. Through increased competition and lower administrative costs, a public option can help these employers offer better plans to compete against larger companies and provide needed certainty to encourage others to start new businesses.

3. Leverages the existing system infrastructure and minimizes risk to the state

A public option builds off the existing system infrastructure, requires little to no state money to operate, and would have no detrimental impact on the existing system in Oregon. Although there may be some initial state costs, there are opportunities to mitigate those costs, and the eventual federal funding will more than offset the startup costs. Because all of the public options states have enacted thus far rely on both the public and private sector, states aren't required to bear risk or act as insurers themselves.

4. Reinvests federal funding to meet the state's needs

A public option allows Oregon to leverage federal funding generated under a 1332 waiver to offset both startup and ongoing costs to the state.

For example, Colorado plans to draw down more than $135 million in federal funds annually under its 1332 waiver, while contributing less $1 million in state dollars for its initiation. This funding is the result of the Colorado Option saving the federal government more than $213 million in its first year alone.

If approved by the federal government, Oregon can use money generated through savings under the public option to fund state-only subsidies to support populations who are not eligible for federal Marketplace subsidies — including people without documentation and those in the Family Glitch or to reduce overall plan costs.