

**OREGON HEALTH FUND BOARD – Eligibility & Enrollment Committee Meeting**

March 11, 2008  
9:00 AM to 12:00 pm

CCC – Wilsonville Training Center, Room 111/112  
Salem, Oregon

**MEMBERS PRESENT:** Ellen Lowe, Chair  
Jim Russell, Vice Chair  
Felisa Hagins  
Robert Bach  
Jane Baumgarten  
Dean Kortge  
John Mullin  
Bill Murray  
Ellen Pinney  
Noelle Lyda  
Susan Rasmussen  
Carole Romm  
Ann Turner, MD  
Eric Metcalf

**MEMBERS EXCUSED:** CJ McLeod

**STAFF PRESENT:** Tina Edlund, Deputy Administrator, OHP  
Nate Hierlmaier, Policy Analyst, OHP

**OTHERS PRESENT:** Nora Leibowitz, Senior Policy Analyst, OHP  
Alyssa Holmgren, Policy Analyst, OHP  
Sean Kolmer, Research and Data Manager, OHP  
Lorey Freeman, Office of Legislative Council

**ISSUES HEARD:**

- Call to Order/Review of February 26 Meeting Minutes
- Update on Oregon Health Fund Board and Committee Activities
- Invited Testimony from Rick Curtis from the Institute of Health Policy
- Committee Recommendations on Eligibility
- Next Meeting Agenda and Objectives
- Public Testimony

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**Chair**            **I.      Call to Order, Approval of February 26 Meeting Minutes/Introduction of new members.**

- Meeting is called to order.

**Tina Edlund**        **II.     Update on Oregon Health Fund Board and Committee Activities**

- OHFB will be meeting at the Sheraton Airport Hotel in Portland
- New email system that provides for self-management can be accessed at <http://www.oregon.gov/OHPPR/HFB/govdelivery.shtml>. (GovDelivery)
- Discussion of the approval by the legislature extending timeline so that Public Hearings can be held in September and October.
- Referred to the Newsletters report of Committee deliberations and included:

- Federal Laws reviewing Medicaid and Medicare Laws,
- Finance Committee is working with modelers, considering four scenarios.
- Exchange Workgroup has finalized their individual market reform recommendations, addressing guaranteed issue and suggesting risk adjustment mechanisms (will be published on the OHFB website).
- Health Equities have made recommendations on outreach and enrollment which will be reviewed in today's meeting.
- Delivery Systems has been developing Integrated Health Home concept and cost containment.
- Quality Institute is working on roles and structure of institute.
- Benefits Committee is working on a tool to define the essential health services.
- Question on fall public meetings, when and where they will be held?
  - Staff related that the specifics have not yet been determined.
  - Committee member Ellen Pinney reported on community meetings by a group of health organizations being held between May 1 and June 15.
  - Importance of coordination of meetings stated.
  - Chair Lowe urged individuals to set up separate meetings (e.g., brown bag) for other groups and communities.
  - Earlier meetings will not include all of health fund board.

Tina Edlund

### III. **Invited Testimony by Rick Curtis, Institute of Public Health**

Staff introduced Rick Curtis, who will provide comments on the eligibility recommendations, especially on horizontal equity. **(HANDOUT: Institute for Health Policy Solutions Options for treatment of low income workers eligible for employer coverage)**

(Reference to #7 is actually #1 of **Exhibit Materials 3**).

- Firewall (Massachusetts) – The individual will not be covered if eligible for employer coverage and employer contributes more than a small amount. Problems discussed.
- No firewall – Employer offering not considered, based on income eligibility.
- Firewall with premium assistance discussed. It is similar to FIAPP. Requires proof employee contribution to a plan. Discussed wrap around coverage, Massachusetts plan and interaction with Medicaid. Administrative burden discussed.
  - FHIAP program combining with employer coverage and complications experienced is explained by Kelly Harms from the Office for Private Health Partnerships.
  - Requirement of employees to participate in employer plans discussed.
- Variations of traditional assistance discussed that would be probably administered by FHIAP.
  - Employee who is income eligible for exchange and the employer lets the contribution follow the person. (Employer "Buy-in"/"Vouchers")
    - No cost shift from employer to state.
    - Holds the employee hostage to employer position.
    - Would need age adjustments to work and problems.
    - Could reduce group market by 20-25%

- All group health plans may offer a Benchmark Plan as described by the exchange.
- No Firewall with small payroll fee from all employers - Pay-or-play test used to identify low-income employees, San Francisco Plan and problems with ERISA discussed.
  - Second test developed based on averages, if employer isn't continuing enough pays into the state program.

Tina Edlund

#### IV. Committee Recommendations Eligibility (See Exhibit Materials 3)

Committee's recommendation is discussed with Rick Curtis (reference to #7 is actually #1 of **Exhibit Materials 3**).

- Arguments against may come from large employer groups who have good plans for workers.
  - Question on employers perceiving plan as a "double" tax.
- Further discussion of the #1 of the Eligibility Strawperson recommendation included:
  - Exemptions/tax credit as an attempt to market the plan and the need to relate clearly what the trade-off involved. Concern expressed about coverage for spouses and children.
  - Using Social Security payroll earnings test, noting that tax percentage changes at \$100,000.
  - Inquiry made into monitoring and enforcement cost of the system.
- Noting there was no support for an absolute firewall, the Chair initiates discussion on modifying #1 of recommendation to include using the Social Security payroll earnings test.
- Effect on model with/without employer exemptions.
- To what extent to do we need to see the modeling done in order to make best decision?
  - Rick Curtis related both approaches could be modeled and can adjust contribution percentage easily.
  - Alternate recommendation, pay-or-play, discussed and removed from the table.
- Concern expressed regarding making an equitable decision and about the viability of what is being constructed or is it relevant.
- Differences in pay-or-play and requiring employer participation is discussed and implications on modeling and employer behavior.
- Discussing a possible recommendation in the absence of a payroll tax.
- Taxes and employer equity ware discussed.
- Concern stated payroll tax is penalizing employers who are providing insurance.
- It was suggested to start out with principles of equality for citizens and employers, stating goal, following with recommendations and with problems pointed out.
- The two plans are described as polar opposites: One is the broader tax approach on employers and the other is taxing only employers who do not provide coverage for employees.
- Payroll tax would provide equity for part-time and/or several low wage jobs.
- Discussion on addressing employed low-income workers who are not offered insurance in a situation where pay-or-play is not utilized.
- Employer buy-in voucher which would be a third platform.
- Committee's recommendation and its impact on employers are doing.
- Finance committee is not considering any scenarios not including a payroll tax.

- Discussion on employers opting to put their healthcare they spend on employees in the exchange pool.
- Staff will revise document as directed by Committee including summarizing pitfalls, relating the primary concern is access to an accountable health plan and horizontal equity and return it for a vote at next meeting.
  - Take out last sentence and substitute a maximum amount in line with Social Security; and
  - Delete "and dependents" from 2<sup>nd</sup> sentence.
  - No alternative plan but strengths and weaknesses for many of the options will be covered within the recommendation.
- 2. Oregon Residency - Lorey Freeman, Office of the Legislative Counsel clarified for the Committee that a state law cannot favor residents over people who have just moved here. Medicaid portability discussed.
- 3. Non-qualified Oregon Residents – It was suggested that the rationale should adopt the Health Equities statements on Oregon employers who will be paying for coverage and who have undocumented workers have a right to expect that these employees will also have access to healthcare. No further discussion.
- 4. Period of Enrollment – Chair noted that the 12 months of enrollment is not only wise in terms of health care but wise in terms of administration. No further discussion.
- 5. Presumptive Eligibility – remove "asset" from text.
- 6. Period of Uninsurance – discussion that this is an assumption as it will be an environment will be that everyone must have insurance. Relates to FIAPP, language to reflect that it is not applicable but is being addressed as a key mechanism against crowd out.
- 7. Assets – Limits, barriers, public opinion, and administrative simplicity are debated. It was noted that FIAPP does not consider a person's home or cars; asset limit is \$10,000. Kelly Harms from the Office for Private Health Partnerships (2:20:57). After further discussion, language stands.
- 8. Guaranteed Issue – agreed upon.
- 9. Federal Matching Funds – Discussion on maximizing match including:
  - States with charity pool funded by hospitals is related.
  - It was suggested that the two year waiting period Medicare imposes on SSDI be addressed.
  - Medicare beneficiaries being under-insured, Medicaid and dual eligibility.
  - Citizens over the age of 65, horizontal equity and Medicare.
  - Medicare part A not meeting the minimum requirement of coverage is suggested.
  - John Mullin will work with staff on wording to flag this concern as needing to be addressed. *"Phrase it . . . in terms of horizontal equity and our concern about continuing cost shift that . . . some attention needs to be paid in the ensuring work in this area."*
  - It was suggested that the recommendation should state that "we must consider Medicare and its benefits to the extent that its an accountable health plan and provide the same benefits to Oregonians who have Medicare."
- Discussion on impact of recommendation on Native Americans, and submission of letter at previous meeting. It was noted that the Board and all committee chairs received a copy of the letter. It was related

that 96-98% Native Americans receive their healthcare through a non-managed plan called an Indian, Tribal, Urban plan (ITU). Lack of knowledge by social workers has caused problems for opting out of other plans.

- o Chair recommended adding language in support of the letter to the Federal Laws Committee.
- Change #3 from “Reduce the five year ineligibility period” to “Eliminate the five year ineligibility period.”
- Medicare, continuity of care and doctors not seeing Medicare patients is related.

**Chair/Vice Chair V. Consideration Medicaid Advisory Committee and Health Equities Committee Recommendations**  
Not discussed.

**Chair/Vice Chair VI. Developing Committee Recommendations on Outreach, Eligibility and Enrollment**

**Chair V. Next Meeting Agendas and Objectives**

- Newsletter error on April 23<sup>rd</sup> date for a Committee meeting.

**Chair VI. Public Testimony**  
No public testimony was offered.

**Chair VII. Adjourn**  
**Chair Lowe adjourned the meeting at approximately 12:00 p.m.**

**Next meeting is April 8, 2008.**

Submitted by: Paula Hird

Approved by: Nate Hierlmaier

EXHIBIT MATERIALS:

1. Agenda
2. Minutes of 02/26/08
3. Revised Eligibility Strawperson
4. Enrollment Discussion Document
5. Health Equities Outreach Recommendation
6. MAC Enrollment and Outreach Recommendations