



**Oregon Association
of Hospitals and Health Systems**


**Oregon Rural Health Association**

2011 LEGISLATIVE SESSION IN REVIEW

Presented by: Andi Easton, OAHHS and Doug Barber, ORHA
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SETTING THE STAGE:

- 
- ✓ November election results:
Oregon firsts
 - ✓ Changing health care system
 - ✓ Looming budget crunch

PRE-SESSION BUDGET MESSAGES



- ✓ \$3.5 billion projected shortfall
- ✓ Kitzhaber's budget, 'shared sacrifices' by all state agencies
- ✓ Equitable 'shared-savings' to all providers

EARLY BUDGET THREATS TO RURAL HEALTH CARE TO BALANCE THE BUDGET

- 19% across-the-board cuts to all providers
- Hospital Type A & B cost-based reimbursement endangered
- Counting on Transformation of the Health Care system to drive savings



ACT ONE:



Rural Health Association's Agenda

RURAL MALPRACTICE SUBSIDY

- Fully funded with \$6.1 million for 18 months
 - Provides subsidies to physicians and nurse practitioners who practice in rural areas, particularly those who practice OB
 - Funding will run out in July 2013



LOAN REPAYMENT

- Defunded in 2009 and failed to get funding in 2011
 - Key tool to improve recruitment and retention of providers in rural areas
 - Office of Rural Health is still making payments from commitments made in 2007

LOAN FORGIVENESS

- New “grow your own” program funded with \$525,000
 - Loans provided to MD/DO, PA & NP students who are committed to practicing in a rural area
 - Office of Rural Health is now developing rules for how program will work
 - First loans to be awarded next spring



EMT MOBILE TRAINING UNITS

- Introduced legislation to fund one MTU with \$300,000
- Received funding for two MTUs in public health budget (\$600,000)
 - Thank you medical marijuana card holders!



2011 RURAL BUDGET & LEGISLATIVE ACHIEVEMENTS

- ✓ Full Restoration to A & B Funding
- ✓ Reduced the 19% across-the-board OHP cut to providers to 11.4%
- ✓ Funding for EMT MTUs
- ✓ Funding for Loan Forgiveness
- ✓ Extension of the Rural Malpractice Subsidy Program
- ✓ Dental Therapist Pilot Projects



ACT TWO:



Health Care Transformation



HEALTH SYSTEM TRANSFORMATION

- Greatest change to Medicaid program since the passage of the Oregon Health Plan in 1994.
- Passed with bipartisan support
- Key elements hinge on waivers
- Counts on big savings in year 1
- OEBB-PEBB not in on first pass



ENABLES COORDINATED CARE ORGANIZATIONS

➤ CCOs will:

- Replace existing Medicaid managed care system by Jan. 1, 2014
- Assume risk for care under a global budget
- Integrate physical, mental, dental & addictions
- Include Medicaid, **maybe** dual eligible and Medicare Advantage, too.
- Urges alternatives to fee-for-service
- Medical homes, health IT, community health workers

WHAT IT MEANS FOR RURAL PROVIDERS

- May be compelled to join CCOs
- Paid cost-based reimbursement thru June 2014
- After July 1, 2014:
 - OHA –retained actuary to conduct review
 - Cost-based reimbursement may remain
- Global budget issues
- Prepare for changes now!



FAILURE IS NOT AN OPTION!

State is counting on \$239M (GF) in savings from Coordinated Care Organizations to avoid deep provider cuts.



A WORK IN PROGRESS

- Four interim workgroups
 - Global Budget
 - CCO Criteria
 - Dual Eligible
 - Metrics: Outcomes & Quality

- Cost containment study (Medical Liability)



THE POLICY PROCESS

Aug-Nov 2011
Interim CCO
workgroups

Feb 2012
Legislative
review of CCO
criteria, global
budget

March 2012
Seek CMS
waivers, if
legislature
approves

2013
Additions
added to CCO
purview

2014-MCOs
must convert
to CCOs
July 1, 2014
Rural cost-
based pay
could end
Dental Added
to CCO
purview



ACT THREE:



The Future

- ✓ Year 2 of the budget
- ✓ Federal reform kicks in
- ✓ Hospital tax sunset

YEAR 2 OF THE BUDGET

Through “Transformation”, legislators are hoping to save:

- \$239.2 Million General Funds
- \$407.2 Million Federal Funds
(related Medicaid Match funds)
- Equaling: **\$646.4 Million Total Funds**

WHAT TO EXPECT IN 2012 AND BEYOND



2012

- Insurance Exchange
- Transformation
- Possible funding for Loan Repayment

2013

- Rural Health Tax Credit sunsets
- Rural Malpractice Subsidy sunsets
- ORHA seeks funding for Loan Forgiveness & other priorities



INVOLVEMENT MAKES A DIFFERENCE

- ✓ Every member of ORHA needs to be engaged
- ✓ How to involved:
 - ✓ Become an ORHA member
 - ✓ Take Action
 - ✓ Build a personal relationship with your elected officials
- ✓ ‘All politics is local’, *Tip O’Neil former Speaker of the House of Representatives*

QUESTIONS?

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