



KATE BROWN
Governor

January 4, 2021

Dr. David Bangsberg, Chair
Mr. Oscar Arana, Vice-Chair
Oregon Health Policy Board

RE: Oregon Health Policy Board Priorities

Dear Chair Bangsberg and Vice-Chair Arana,

Oregon has a long history of innovative public policy solutions to transform the health system. In addition to implementing nationally-recognized reforms in our public programs to improve quality and access, we have expanded health insurance to 94% of all Oregonians and affordable coverage to all children in the state. Your leadership in CCO 2.0 allowed the state to continue to push toward a Medicaid system that provides high-quality care, improves health equity, and is financially sustainable. The Oregon Health Plan budget package passed in 2019 provides long-term funding to protect those gains in insurance coverage.

Despite these successes, health care costs remain a significant challenge. Growing health care costs are threatening the progress we've made and create a barrier to health equity:

- Per capita health care costs in Oregon have grown faster than the national average, and much faster than the economy or wages. High health care costs are preventing investments in wages, retirement, and college savings.
- Far too many families have insurance but cannot use it due to out-of-pocket costs. A recent survey found that nearly one in five American Indian or Alaska Native people in Oregon reported delaying health care in the last year due to the cost. And nearly 11% of Black or African American Oregonians reported trouble paying a health care bill in the last year (compared to 7% of white Oregonians).
- Growing health care costs impact equity and overall health outcomes. Rising out-of-pocket costs impact access. Rising premiums threaten the progress we've made on expanding coverage, particularly for low-income workers and individuals who do not have access through the Affordable Care Act. Rising costs impede the state's ability to invest in other critical services that are needed to correct injustices and inequities and invest in social determinants of health.

COVID-19 has shocked the finances of our health system while illuminating the enormous inequities created when individuals do not have access to affordable health care or basic social supports needed to be healthy and isolate or quarantine. It is more critical than ever to support policies and programs that work to contain statewide health care costs and ensure we have a health system that is both affordable and financially sustainable.

Containing health care costs is critical for families struggling to decide between paying for health care, housing, or food. It's critical for providers who need predictability and financial stability. It's critical for Oregon businesses trying to rebound from the pandemic. And it's critical to ensuring we can invest in other state services such as housing and education.

Oregon's Sustainable Health Care Cost Growth Target program, created by Senate Bill 889 (2019), is a critical pillar for addressing costs and sustainability in Oregon's health care system. I applaud the 18-member Implementation Committee and their commitment to this effort. Their recommendations promote transparency and collaboration, balanced with meaningful accountability. The committee has chosen an aggressive cost growth target that would save more than \$11 billion in commercial and Medicaid health care costs over the next eight years, while also promoting quality and advancing equity. I remain committed to implementing this program, which passed with broad bipartisan support, as a critical element of Oregon's future health transformation efforts.

Advancing Health Equity

I appreciate the Board's growing focus on health equity the last several years. While work to advance health equity will occur in many forums throughout state government, including through the Racial Justice Council, the board should continue to ensure that all policy is created within a health equity framework. The board should also continue to prioritize community co-creation of policy and partner with OHA on its efforts to advance health equity and eliminate health inequities.

Implementation of SB 889

As you enter your planning for the 2021-2023 biennium, I direct the Board to prioritize, first and foremost, the implementation of the Health Care Cost Growth Target program. This program represents a significant shift toward an annual review cycle of measuring cost, quality, and equity in the state, culminating in an annual hearing and report on the state of the health system. That annual hearing and report will be critical for Oregon's elected leaders as they consider important health policy, public health, and budget issues.

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Oregon's 1115 Waiver Renewal

Second, I direct the Board to support OHA through the the review and approval of Oregon's federal Medicaid waiver renewal application. The Board conducted a robust public input and policy development process on CCO 2.0. The Board should ensure OHA's application supports the direction you established in CCO 2.0 and reflects the public input you heard through that process. In particular, the application should advance health equity for Oregon Health Plan members and align with the implementation of the Health Care Cost Growth Target program.

Thank you for your commitment and leadership to this important work, and your partnership with OHA to advance health system transformation in Oregon.

Sincerely,

A handwritten signature in cursive script that reads "Kate Brown". The signature is written in black ink and includes a horizontal flourish at the end.

Governor Kate Brown