Background Brief on …

Additional Health Care Resources

September 2012

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In 2009, the Oregon Health Policy and Research Office (**OHPR**) reported that Oregon had approximately 576,000-621,000 uninsured individuals and approximately 12.5 percent of Oregon's children (ages 0-18) were uninsured.

The 2009 Legislative Assembly enacted House Bill 2116, a new children's health care program called Health Care for All Oregon Children **(HCAOC)** or "Healthy Kids." The intent of the Healthy Kids program is to provide affordable, accessible health care to all eligible Oregon children who are legally present in the state; who have a family income at or below 300 percent of the federal poverty level (**FPL**); and who are age 18 or younger. Eligible children will receive 12 months of continuous eligibility and shall be automatically renewed for successive 12-month periods as long as the child is eligible. The Healthy Kids comprehensive health care coverage includes medical, dental, vision, mental health care, and prescription benefits.

Healthy Kids Application Process

There is one Healthy Kids program application that provides three avenues of coverage: 1) Oregon Health Plan (**OHP**) Plus (Medicaid) for children in families up to 200 percent of the FPL; 2) Employer Sponsored Insurance **(ESI)**; or 3) Healthy KidsConnect **(HKC)**, a private market insurance option for children above 200 percent of the FPL. Plan placement depends on a family's income and circumstances.

Parents are informed of what insurance plan offerings are available through the Oregon Health Authority **(OHA)** for their children under 19 once their eligibility is determined.

Healthy KidsConnect (HKC)

The Office of Private Health Partnerships (**OPHP**) administers the private market insurance component, Healthy KidsConnect. This portion of the program began enrolling children into coverage in February 2010. The Healthy KidsConnect plan is for families that earn too much to qualify for the OHP, but can't afford private health insurance. Uninsured children between 201 through 300 percent of the FPL who are determined to be eligible can receive a premium subsidy for the contracted insurance carriers in the HKC program. Uninsured children whose family income is above 300 percent of the FPL can purchase coverage through the insurance carrier's contract with the HKC program by paying the full premium cost. OPHP also administers an Employer Sponsored Insurance (ESI) component. Those with access to ESI through 300 percent of the FPL can receive 100 percent premium assistance in the form of a reimbursement, as long as the employer plan meets federal guidelines.

The Office of Healthy Kids

OHA conducts statewide outreach and marketing for Healthy Kids, including the creation of community-based outreach grants and an Application Assistance program. The agency created the Office of Healthy Kids (OHK) to accomplish this work.

OHK works daily with local community partners with an emphasis on people who have access to populations who have been eligible for a variety of reasons. OHK contracts with 29 outreach grantees and over 120 Application Assistor organizations that provide direct application assistance to families.

Population Served

The goal of Healthy Kids was to enroll 80,000 more children into health coverage. Since the Healthy Kids expansion launched in July 2009, OHA has added over 112,000 more children into the program. As of August 2012, just over 373,000 children are enrolled in the OHP portion of the program while about 7,100 are enrolled in Healthy KidsConnect and ESI. Healthy Kids success at reaching out to and enrolling eligible children has resulted in the state receiving over $33 million in federal CHIPRA bonus awards (Children's Health Insurance Program Reauthorization Act). A statewide survey conducted in early Spring 2011 (the Oregon Health Insurance Survey) showed Oregon's child uninsurance rate had been reduced to 5.6 percent; a significant decrease from the 11.3 percent measured by the American Community Survey that was conducted two years before.

Family Health Insurance Assistance Program (FHIAP)

Eligibility - Families with average monthly gross income up to 185 percent of the FPL may be eligible for FHIAP. Subsidies are available at 50 percent, 70 percent, 90 percent or 95 percent of the premium costs after any employer contribution, based on family size and income. Enrollees who do not pay their share of the premium are disenrolled. Eligibility is for 12 months. Qualified individuals must also have been uninsured for at least two months, except for those leaving the Medicaid program, those previously enrolled in FHIAP or those enrolled in Tri Care military insurance.

Coverage - There are minimum benchmarks that group and individual plans must meet to qualify for the FHIAP program. Plans must include at least the following:

- Coverage in 19 defined benefit categories;
- $750/year (or less) individual deductible;
- $4,750 maximum out-of-pocket per person (includes deductible) or $20,000 stop-loss; and,
- $1,000,000 (or higher) lifetime maximum benefit.

Prescription drugs can have cost sharing up to 50 percent with no out-of-pocket maximum for drugs. Plans can have up to a six-month pre-existing condition waiting period.

Subsidy - FHIAP subsidizes both employer-sponsored (group plans) and individual health plans, including the state and federal high risk pools (OMIP and FMIP). The backbone of

FHIAP is the private-sector health insurance market. To leverage state and federal funds (on average, the program receives approximately 65 percent federal match on expended state dollars), as well as private-sector dollars, and to encourage participation in the employer-based market, members who have health insurance available to them through an employer are required to enroll in that coverage if the employer pays any part of the premium (these plans must also meet the benchmarks above). This allows the state to leverage the employer dollars. However, members who do not have group insurance available can purchase a policy in the individual health insurance market from one of eight FHIAP-certified insurance companies.

Enrollment - As of August 2012, FHIAP had approximately 6,553 Oregonians enrolled in the program, with 41 percent of these enrolled in employer coverage. While group coverage is less costly to the state, the most vulnerable individuals are those Oregonians with no access to employer-sponsored insurance. Many of those enrolled in individual health insurance plans work for small businesses where group coverage is not offered or, if it is offered, provides no dependent benefits; where they can't afford their share of the premium, or where they don't work enough hours to qualify for coverage. Additionally, 20 percent of the FHIAP population is enrolled in the Oregon Medical Insurance Pool high-risk plan or the Federal Medical Insurance Pool (see below). These enrollees are predominantly female, over the age of 50, and have chronic health conditions.

Office of Private Health Partnerships

The Office of Private Health Partnerships **(OPHP)**, formerly the Insurance Pool Governing Board, is the state agency responsible for FHIAP. The OPHP conducts educational seminars for stakeholders across the state on the benefits of providing and/or using health insurance, and acts as a clearinghouse or central source for health insurance information.

Oregon Medical Insurance Pool/ Federal Medical Insurance Pool

The Oregon Medical Insurance Pool (**OMIP**) and the Federal Medical Insurance Pool (**FMIP**) are the "high-risk health insurance pools" for the state. OMIP was established by the1987 Oregon Legislative Assembly and FMIP was established by Congress in 2009 to cover adults and children who are unable to obtain medical insurance because of health conditions.

The OMIP also provides health benefit portability coverage to: Oregonians with no COBRA coverage (Consolidated Omnibus Budget Reconciliation Act), no state continuation, or no portability available to them; those who have already exhausted their COBRA benefits and have no commercial portability options available to them; o those who don't live in their portability carrier's service area. (COBRA is a federal law that allows terminated employees to purchase group health coverage through their employer.)

The OMIP also provides coverage to people eligible for the Federal Health Coverage Tax Credit. OMIP has no period-of-uninsurance eligibility requirement and imposes a six-month wait period for pre-existing conditions, which can be reduced based on the number of months of prior coverage. FMIP requires that a person be uninsured for six months and a U.S. citizen (or legally present in the U.S.) in order to be eligible, but it does not impose a six-month wait period for pre-existing conditions. Both pools require that enrollees be Oregon residents.

OMIP and FMIP have no enrollment caps and no waiting lists. As of August 2012, OMIP had approximately 11,470 enrollees and FMIP had 1400. The program is funded by members' premiums and an assessment paid by health insurance companies licensed and doing business in Oregon. The OMIP is located within the Oregon Health Authority.

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