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Background Brief on ...

Health Care Reform

Background

In November 2008, the Oregon Health Fund Board submitted a comprehensive action plan, “Aim High: Building a Healthy Oregon,” to Governor Kulongoski and the Oregon Legislature. The report provided a blueprint for reforming Oregon’s health care system (http://cms.oregon.gov/oha/OHPR/HFB/docs/final_report_12_2008.pdf).

In 2009, the Legislative Assembly passed House Bill 2009 (**HB 2009**), health care reform legislation based on recommendations from the Oregon Health Fund Board. The bill established the Oregon Health Authority (**OHA**) and the Oregon Health Policy Board (**OHPB**).

Oregon Health Authority

The OHA is responsible for streamlining and aligning state health purchasers and programs to maximize efficiency, organize state health policy and health services, and for implementing the health reform policies and programs created in statute. The OHA’s mission is to improve the health of all Oregonians; increase the quality, reliability and availability of care for all Oregonians; and to lower or contain health care costs so it is affordable for everyone.

The duties, functions and powers listed below were transferred to OHA from a variety of other entities, pursuant to HB 2009: from the Department of Human Services (**DHS**), functions pertaining to health and health care; from the Department of Administrative Services (**DAS**) related to the Public Employee’s Benefit Board (**PEBB**) and the Oregon Educators Benefit Board (**OEBB**); from the Department of Consumer and Business Services (**DCBS**), duties related to the Oregon Medical Insurance Pool Board and the operation of the Oregon Medical Insurance Pool; and from the Office of Private Health Partnerships (**OPHP**), duties including

the administration of the Family Health Insurance Assistance Program (**FHIA**P).

OHA is responsible for most state health care services and for implementing health care reforms, including:

- Developing a plan to provide every Oregonian with affordable, quality health care;
- Developing a statewide health improvement plan to improve population health, improve individuals' experience of care, and reduce per capita health care costs;
- Setting standards, measuring and reporting;
- Ensuring Oregon has an adequate health care workforce;
- Stimulating system innovation and improvement;
- Ensuring health equity for all Oregonians;
- Advocating for federal changes; and,
- Creating the Oregon Health Insurance Exchange, a one-stop shop to compare and purchase health insurance plans.

Oregon Health Policy Board

The OHPB is the policy-making and oversight body for the Oregon Health Authority. The nine-member board is responsible for improving access, cost and quality of the health care delivery system as well as improving the health of Oregonians by developing state public health goals, strategies, programs and performance standards. (Additional information is available at www.Oregon.gov/OHA.)

Federal Health Reform in Oregon

On March 23, 2010, President Obama signed into law comprehensive health reform legislation: the Patient Protection and Affordable Care Act (**PPACA**) (Public Law 111-148), which is designed (with its companion set of amendments in Public Law 111-152) to expand coverage, control health care costs, improve the health care delivery system and make investments in public health. The federal legislation augments Oregon's history of health reform efforts and impacts the state in the following ways:

Population Health

- Invests in public health by providing funding opportunities to enhance and integrate prevention and health promotion in state and community health policy planning;
- Provides increased funding for community health centers.

Delivery System Reform

- Increases funding for preventative care and allows experimentation with new models of payment and care delivery;
- Supports the development, coordination and training for a strong health care workforce;
- Strengthens the federal focus and state support of value and quality.

Coverage and Access

- Establishes a temporary high-risk pool, funded by the federal government, for people turned down for individual market coverage (in Oregon, the temporary pool will be operated by the Oregon Medical Insurance Pool (**OMIP**), the existing high-risk pool);
- Allows adult children to stay on parents' plan up to age 26.

Starting in 2014

- Expands coverage to low-income adults up to 133 percent of the federal poverty level to have access to Medicaid with increased federal funding;
- Creates state-based health exchanges where individuals and small employers can buy insurance and receive federally funded tax credits and cost-sharing reductions for individuals up to 400 percent of the federal poverty level;
- Establishes an individual mandate that requires insurance coverage for all citizens (with some exceptions);
- Adopts insurance reforms to remove barriers to coverage, such as eliminating the practice of denying people coverage due to preexisting conditions, charging different premiums for people based on their health status and establishing annual or lifetime benefit limits.

Oregon Health Insurance Exchange

In 2011, Senate Bill 99 was enacted which established the framework and development of the Oregon Health Insurance Exchange (**ORHIX**). ORHIX is a central marketplace where consumers and small employers with up to 50 employees can shop for health insurance plans and access federal tax credits to help pay for coverage. Coverage for plans will start January 1, 2014. Additionally, ORHIX is operated by a public corporation that was established by the Oregon Legislature, and it is governed by a board of directors.

Under PPACA, states must have an exchange in place by January 1, 2014. Exchanges can be developed and implemented by the state or by the federal Department of Health and Human Services. Oregon lawmakers have chosen to develop a state-specific exchange that fits Oregon's unique needs and insurance market. (Additional information available at: <https://orhix.org/>.)

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