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Qutub seeks health plan savings

■ The Republican senator wants \$100 million pared from the Medicaid program, a move health care lobbyists say would mean covering fewer low-income people

By STEVE SUO
1/ The Oregonian staff

SALFEM — A Republican legislative leader is looking to eke out \$100 million in savings from the Oregon Health Plan, a feat health care lobbyists say can't be accomplished without deep cuts in the number of low-income people the plan covers.

Sen. Eileen Qutub, R-Beaverton, said Thursday that she wants to find ways to rein

in the growth of Oregon's Medicaid program. She asked a health care industry panel in a letter last week to identify and prioritize potential cuts in the plan in coming weeks; she requested a response by March 15.

"We have to find some way, somehow, that we can pare it down and have it more focused," said Qutub, chairwoman of the Joint Ways and Means subcommittee hearing the health plan budget.

But the idea got a cool reception from a top aide to Democratic Gov. John Kitzhaber, the health plan's architect. Mark Gibson, a health care adviser to Kitzhaber, said a \$100 million reduction would be devastating to some of the 350,000 Oregonians who rely on the plan.

"It's impossible to do that without destroy-

ing access to care for literally thousands of working Oregonians and their children who currently depend on the health plan," Gibson said.

Republican lawmakers, who control both houses of the Legislature, must come up with big savings to pay for some of their top agenda items this year: tax cuts and spending increases for state universities.

The 5-year-old health plan, once acclaimed nationally for expanding service while controlling costs, has expanded steadily and now is receiving intense scrutiny from Republican leaders.

To serve everyone eligible for the plan and keep up with medical inflation, growing use and falling tobacco tax revenues would force the state to increase the \$547 million budget

by 33 percent in 1999-2001.

Kitzhaber has proposed a 25 percent increase. He would save money by, among other things, reducing the number of medical procedures covered and requiring new enrollees to wait a month before receiving services.

Qutub's proposed savings would dramatically reduce the growth rate to 14 percent, or half of what's needed to keep pace with inflation and other factors.

Qutub said that the \$100 million isn't written in stone and that she hopes to save some money in the agency's \$18 million administrative costs. But she acknowledged that

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some cuts in eligibility might be necessary.

Although no one has drawn up a list of service cuts, previous budget analyses by health plan officials and the Legislative Fiscal Office suggest some immediate savings.

Qutub said she would shy from cuts affecting women and children. A more likely target, she said, would be the \$23.8 million Family Health Insurance Assistance Program. It subsidizes insurance premiums paid by about 6,000 workers who earn too much to qualify for Medicaid but too little to afford employer health coverage.

Another possibility would be ending coverage for singles and childless couples who earn 85 percent or more of the federal poverty level, which is \$16,450 a year for a family of four. That would save more than

\$11 million.

Some health care providers, who are being asked to offer cuts from Kitzhaber's proposed budget, say they have none to offer.

"We're not going to walk in there and recommend cuts, because we're trying to suggest that we need to continue funding for Oregonians currently on the plan," said Dave Fiskum, a lobbyist for Providence Health System.

But Sen. Neil Bryant, R-Bend, another Influential Ways and Means Committee member, said he is eager to try.

"If they're given the specific challenge to find actual dollars somehow to cut," Bryant said, "they may give us some ideas."

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