

Committee suggests Health Plan casualties

■ Trying to trim \$100 million from the projected cost in 1999-2001, senators consider cutting adult dental coverage and other options

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SALEM — In the search for ways to slow spending on the Oregon Health Plan, a Senate committee is favoring eliminating dental coverage for adults and state-subsidized private health insurance.

Sen. Ellen Qutub, R-Beaverton, said "Thursday that the cuts are among the few options that wouldn't require approval from the federal government, which pays for about 60 percent of the Health Plan.

"The more I get into the Oregon Health Plan, the more frustrated I get about the Legislature's ability to control it," Qutub said during a meeting of the Senate Ways and Means subcommittee.

Qutub, chairwoman of the committee, which is developing a Health Plan budget, and colleagues have set a goal of cutting \$100 million in general funds from the Health Plan's projected cost in the 1999-2001 biennium.

About 350,000 adults and children get medical and dental care through the Oregon Health Plan. About 95,000 of them are eligible only because of a 1994 expansion of the state- and federally financed Medicaid program. About 15,000 people are eligible for subsidies through the Family Health Insurance Assistance Program, or FHIAAP.

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Plan: Cuts will affect quality, opponents argue

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Qutub said the committee has reached no conclusions about making the cuts. If they occur, the cuts wouldn't apply to people already getting the coverage only to those seeking to enroll for the first time, she said. Combined with changes proposed by Gov. John Kitzhaber, these changes would be enough to reach the \$100 million target, she said.

Advocates for the Health Plan argue that such a steep reduction wouldn't be possible without undermining the quality and availability of care for low-income residents.

"Massive, massive cuts in people who would be eligible is the only way to achieve the kinds of cuts she's talking about," said Ellen Pinney, director of the Oregon Health Action Campaign. "I don't know how else they are going to exact that kind of savings."

Kitzhaber, health adviser Mark Gibson said the governor would op-

pose cuts beyond his budget proposal. "We're at a point where I think we need to hold the line," he said.

At the current level of services, the Oregon Health Plan would cost state taxpayers \$766 million in the 1999-2001 biennium, 30 percent more than the \$536 million general fund cost in the previous biennium. Kitzhaber's budget calls for an \$84 million reduction in what the program would cost if services were continued at current levels. General fund spending would still increase by about 24 percent.

The governor's proposal would cut 10 services from the prioritized list of 574 treatments covered by the Health Plan, lower reimbursements to certain rural hospitals, delay eligibility for people seeking coverage and screen applicants more thoroughly to avoid spending on people not legally eligible.

Pinney said her organization is troubled by the idea of cutting more

services from the priority list. "We should not be setting up a standard for health services for low-income Oregonians that is so different from the rest of the people in the state," she said.

On the other end of spectrum, Qutub said deeper cuts are necessary to prevent future spending from running out of control. Per person, per month costs have risen from \$162 in 1994 to a projected \$294 in the coming biennium. "If we continue to rise at this level, how can we sustain that?" Qutub said.

A report by the Office for Oregon Health Plan Policy and Research characterized the increases as "moderate" from the perspective of the Oregon taxpayer, averaging about 12.3 percent per biennium. Federal matching money and new tobacco taxes helped shore up the costs.

Lawmakers are still considering several other ways to slow spending: ■ Lower the income threshold for el-

igibility. It's currently 100 percent of the federal poverty level for adults and 170 percent for pregnant women and children to age 18.

■ Cut special reimbursements to a greater number of rural hospitals than proposed by Kitzhaber.

■ Lower the assets test to \$2,000. Currently, Health Plan enrollees can have as much as \$5,000 in liquid assets.

The Legislature has even asked the state Office of Medical Assistance Programs to calculate savings gained by dropping 20 treatments from the prioritized list of services the Health Plan will pay for. That would include dropping coverage for a treatable form of cancer.

By comparison, Qutub said that dropping dental coverage and phasing out the FHIAAP insurance subsidy appears more "palatable." She said the FHIAAP program stands out as vulnerable because it receives no federal matching money, "so it isn't leveraged."

Under the Medicaid part of the Health Plan, cutting general fund spending results in the loss of the 60 percent federal matching money.

Cutting payments to doctors and hospitals is an unlikely alternative. The Oregon Health Plan pays doctors about 65 percent of commercial pay rates and hospitals about 80 percent, Barney Speight, administrator of the Office for Oregon Health Plan Policy and Research, said that's better than most state Medicaid programs and reasonable enough to attract enough providers to meet the demands of the poor.

Cutting payments to doctors and other caregivers can amount to loss of coverage, Pinney said, if caregivers stop seeing Health Plan patients because of the low reimbursement.

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