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# SB 800 – Oregon Essential Workforce Healthcare Program

# Improving Health Care Access and Coverage for the Long Term Care Workforce

Senate Committee on Health Care

March 31, 2021

# Current Situation

**COVID-19 has exacerbated the already difficult recruitment and retention of LTC workforce**

- The LTC workforce faces challenging, low-wage work, and now puts their lives on the line during the pandemic.
- Turnover in nursing facilities nationally has increased to over 100% during the pandemic.
- Many employees have left the industry, causing cascading problems for the workforce, the LTC industry, and ultimately the Oregonians who depend on LTC for their health and well-being.

**While other factors need to be addressed, lack of quality, affordable healthcare must be addressed to support recruitment and retention**

- One study showed that 13% of the LTC workforce was uninsured, much higher than the statewide 5% uninsured rate.
- Many are ineligible for OHP because their income is just barely above the income limits.  This issue will be further exacerbated with the upcoming minimum wage increases.

# Current Situation

**Employers and the workforce are stuck between the difficult choice of raising wages or improving healthcare benefits because of market inadequacies in the health insurance marketplace**

- Employer sponsored insurance (ESI) is generally unaffordable and inaccessible because of high premiums, high deductibles (on average $3,555 annually), and unaffordable coverage for spouses and dependents.

**ESI is usually ACA-compliant at the bronze level, but the plans still remain inaccessible for many due to the "family glitch" and high out of pocket costs**

- Commercial plans are generally not designed for low-wage workers and their specific needs with insurance companies and medical care providers.

**Employers lack bargaining power to lower costs meaningfully in the fully insured market**

# SB 800 will help LTC workforce access affordable employer healthcare

**SB 800 introduced to help the essential workers have access to more affordable health coverage tied to employers**

**Building on a unique labor/management partnership**

For nearly two decades, SEIU and the Alliance have partnered to improve the workforce environment and outcomes for consumers and by increasing resources to meet the growing demand on the industry.

**SEIU and the Alliance are committed to multiple approaches to improve the quality and stability of LTC jobs to making them more sought-after careers and improving the quality of care provided to LTC consumers.**

# Support for the Program

**Governor Brown is committed to affordable and accessible healthcare and reducing costs to the state**

- The Governor Recommended Budget included $10 million to seed this program.
- The majority of LTC employees in Oregon are under 35 years of age and a relatively easy way to lower healthcare costs is to prevent costly chronic conditions.

**President Biden is committed to strengthening LTC, healthcare access, workforce capacity and innovative labor/management partnerships**

- The Administration has called for supporting essential workers in guaranteeing quality, affordable health care as well as increased wages.
- Partnerships with states that include labor and employer partnerships will be well received – particularly Oregon with its history of partnership between SEIU and the Alliance.

# Program Design

## Benefit Design Principles

- Program must be at least as good or better than an ACA silver plan
- Balance between affordability of premiums and affordability of benefits, including out-of-pocket costs (co-premium and cost-sharing)
- Per employee cost must be lower for employers
- Additional federal funding required for employer spending to cover more employees

## Voluntary Participation for Eligible Employers

- Medicaid-funded LTC, such as Oregon skilled nursing facilities (SNFs), community-based care (CBCs), and Developmental Disability (DD) with over 100 employees to start
- Employers can participate in the program voluntarily if they agree to defined metrics, outcomes and reporting
- Pilot with a small group of employers with intent to expand to other employers

# Structure:

# Taft-Hartley Trust

**Taft-Hartley Trusts have significant ability to maximize federal funding, maintaining existing employer and State funding, and scalability to meet the State's additional longer-term goals.**

- Union and member employers form structure, with each equally represented on governing board
- Union and non-union employers eligible by vote of board and written agreement
  - Collective bargaining agreements (CBA) are most standard written agreement
  - If certain metrics are met, the Board could allow participation using a non-CBA written agreement
- ERISA preempts state laws, helping multi-state employers participate
- Administratively easiest option

**Selected Taft-Hartley Trust after evaluating multi-employer welfare associations (MEWA/Association Health Plans), State Boards**

# Financing Goals:

# Employer, State & Federal Dollars

**Goal 1 – Leverage maximum Medicaid federal funding into the program**

- Oregon Medicaid and Medicare funds a majority of nursing facilities and 30% - 40% of residents in community-based care are Medicaid beneficiaries
- In Oregon, the federal government pays 60.84% of OHP costs generally and 90% of costs for the ACA Medicaid expansion population.
- Due to the COVID-19 pandemic, the federal government is also providing enhanced funding as part of the public health crisis.
- Maintain Medicaid dollars as workers transition off OHP

**Goal 2 – Keep existing employer dollars in the system**

- Maintain existing employer dollars

**Goal 3 – Secure ongoing funding included in Governor's budget**

- $10 million to seed the program

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