



March 2, 2021

Senator Kate Lieber, Co-Chair
Representative Rob Nosse, Co-Chair
Joint Committee on Ways and Means, Subcommittee on Human Services
Oregon Legislative Assembly
900 Court Street NE
Salem, OR 97301

Delivered electronically.

Re: House Bill 5024

Co-Chair Lieber, Nosse, and Members of the Subcommittee:

The PacificSource companies are independent, not-for-profit health insurance providers based in Oregon. We serve over 500,000 commercial, Medicaid, and Medicare Advantage members in four states. PacificSource Community Solutions is the contracted coordinated care organization (CCO) in Central Oregon, the Columbia Gorge, Marion & Polk Counties, and Lane County. Our mission is to provide better health, better care, and better value to the people and communities we serve.

Thank you for the opportunity to comment on the Oregon Health Authority proposed budget, House Bill 5024, and in particular comment on the Health Systems Division's budget. A year into the pandemic, we all recognize the positive impact the Oregon Health Plan has on so many Oregonians. Due to federal changes to eligibility determinations, a record number of Oregonians receive health care through the Oregon Health Plan. We remain encouraged by the rollout of multiple vaccines and data suggesting that the rate of infections has decreased. Despite these positive developments, significant uncertainty exists in how the federal response to COVID will impact enrollment and federal matching funds (FMAP) in the state, whether new variants of the COVID-19 virus will impact health systems, and the scope of the needs of the Oregon Health Plan for the 2021-2023 biennium.

In our July 23, 2020 letter to the interim sub-committee, we noted our recognition of the difficult choices that the Legislative Assembly needed to make in this challenging budget environment. We noted the efforts that organizations like PacificSource took to address the needs of providers and members during this pandemic, such as the delivery of financial stability

payments to our provider partners, direct community investments to meet emerging social needs, and additional reporting to the Oregon Health Authority for CARES Act compliance.

As then, we understand that PacificSource and all CCOs will need to share in the responsibility of protecting vital services as the subcommittee makes a recommendation on the 2021-2023 legislatively adopted budget. We support a broad-based, equitable funding approach that addresses the priority funding needs of the Oregon Health Plan during the continuing pandemic and economic downturn. We also encourage the subcommittee to carefully consider the budgetary leverage that is achieved within the Medicaid program when we maintain state funding and thereby maximize federal matching funds (FMAP).

Sincerely,

A handwritten signature in black ink, appearing to read 'Lindsey Hopper', with a stylized flourish at the end.

Lindsey Hopper
Executive Vice-President, Lines of Business
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