



OFFICE OF THE DIRECTOR

Tina Kotek, Governor

Oregon
Health
Authority

500 Summer St. NE E-20

Salem, OR 97301

Voice: 503-947-2340

Fax: 503-947-2341

www.oregon.gov/oha

November 8, 2023

Senator Campos, Co-Chair
Representative Valderrama, Co-Chair
Joint Committee on Ways & Means, Subcommittee On Human Services
900 Court Street NE
State Capitol
Salem, OR 97301

Dear Co-Chairs and Committee Members:

Thank you for the opportunity to present an overview of the Transformation Transfer Initiative federal grant application to the National Association of State Mental Health Program Directors, as well as an overview of the Basic Health Plan (BHP) implementation on November 6. Below are answers to questions received during the committee meeting.

1. How is OHA thinking about sustainability for these two new suicide prevention grant programs?

For black youth suicide prevention: The activities these funds would support would launch a statewide black youth suicide prevention coalition and initiatives that are recommended by that group for its first 1-2 years of existence. OHA is considering adding Children's Behavioral Health targeted ARPA funds to add additional funds if the activities community identify and select exceed what the grant can fund.

For suicide prevention in Latinx/e communities: These funds would create culturally specific training options that would be available after the grant expires. Additionally, the funds would create a cohort of culturally and linguistically specific trainers in current suicide prevention trainings, which will be supported by the overall suicide prevention infrastructure after the grant expires.

Future priorities/initiatives developed by community would need to have different funding sources. OHA is exploring reintroducing the unfunded 2023 suicide prevention policy option package for the 2025 legislative session. This package would include additional and on-going funds for this work.

2. Can existing 988/telecom tax funds be used to fund the Warm Line? Could funding through the Transformation Transfer Initiative federal grant be used for this purpose?

Existing funds from the 988 telecom tax must first fund the 988 line, then mobile crisis intervention teams, then crisis stabilization services as outlined in [HB 2757 \(2023\)](#) passed by the legislature. The Oregon Warmline is not within the context of HB 2757 however OHA is aware of the importance of warmlines and the need for sustainability of this work in Oregon.

The Transformation Transfer Initiative (TTI) federal grant opportunity is a competitive opportunity with a maximum award amount of \$250,000 per grant component. The TTI opportunity is focused on innovation so the funding of existing warmlines would not meet the parameters of the award opportunity. OHA leadership made the decision to not apply for this grant component due to limited existing program staff capacity, as staff are primarily focused on 988 and mobile crisis implementation.

3. What will be the impact of the creation of the BHP on the risk pool for the Health Insurance Marketplace as people with income below 200% leave the Marketplace?

Actuarial analysis commissioned from Oliver Wyman, and based on data from carriers on Oregon's Health Insurance Marketplace estimates that removing the lowest income cohort from the marketplace population actually improves the underlying Marketplace risk pool. Essentially, actuarial analysis estimates that current marketplace enrollees with income between 138-200% of the Federal Poverty Level are a higher risk cohort than higher income Marketplace enrollees. Still, this difference is estimated to be relatively small. Actuarial analysis forecasts a morbidity improvement of 1.2% upon full implementation of the BHP.

The establishment of the BHP should have no impact on the small group market. The premium impact is related to the calculation of federal tax credits for people who purchase individual coverage on the Health Insurance Marketplace, not due to deterioration of the individual market risk pool or to increased morbidity.

4. Will Marketplace premium increases occur because Medicaid and the BHP pays lower rates to providers?

The relationship between Medicaid and Marketplace provider payment rates is not what is driving the premium changes on the Marketplace related to the implementation of the BHP. Rather, the issue driving premium increases is related to the calculation of federal tax credits available through the Health Insurance Marketplace, which are based on the cost of the second lowest silver tier plan in each region / community.

Federal tax credits through the Health Insurance Marketplace are calculated at the individual level, based on a consumer's income and the cost of the second lowest silver plan in their region. Currently (without the BHP), silver premiums are intentionally inflated to cover the costs of providing additional cost-sharing help to some low-income consumers. These higher silver premiums act to increase the value of federal tax credits for everyone, not just consumers who qualify for the extra help with cost-sharing.

Because most people who qualify for this extra cost-sharing assistance will eventually move to the BHP, the creation of the BHP means silver plan premiums will no longer be inflated to the same level. As a result, premiums for silver tier plans will decline following the launch of the BHP. However, because federal tax credits are a function of silver premiums, the value of federal tax credits is similarly reduced. Consumers buying silver plans are largely held harmless – reduced tax credits are offset by lower premiums. People currently enrolled in bronze and gold plans will experience only the reduced tax credit amounts, while underlying premiums remain unchanged. In many cases, people buying

November 8, 2023

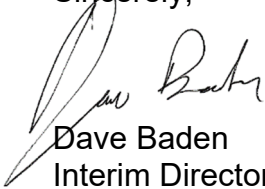
Page 3 of 3

bronze plans will still have enough tax credits to cover the cost of their premiums, while people buying gold plans will be most likely to experience premium increases.

In short – consumer premiums are expected to go up because federal tax credits are predicted to go down. As presented during the committee, some people will shift purchasing decisions based on tax credit changes, such as moving from gold to silver plans to minimize premium increases. Furthermore, it is again worth noting that these impacts happen over time, from 2025 to 2027, as people in the BHP income range move from Marketplace plans into the BHP. The full impact shown in OHA's presentation reflect the impact in 2027.

Please do not hesitate to reach out if you have any further questions or clarifications.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Baden", is written over the printed name and title.

Dave Baden
Interim Director