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## Issue Brief: The Impact of Cost Sharing and Benefit Changes to Oregon Health Plan Beneficiaries: Results, Two Years Later

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# Issue Brief:

## **The Impact of Cost Sharing and Benefit Changes to Oregon Health Plan Beneficiaries: *Results, Two Years Later***

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**The Office for Oregon Health  
Policy & Research**

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<http://www.ohpr.state.or.us>



# The Impact of Cost Sharing and Benefit Changes to Oregon Health Plan Beneficiaries: Results, Two Years Later

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## BACKGROUND

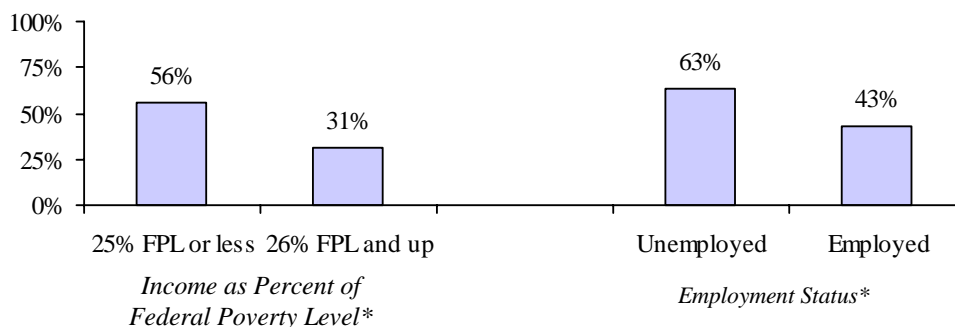
This study was launched in 2003 and followed a representative sample of OHP enrollees through the redesign of the program (OHP2) to gain a better understanding of the impact of those changes, including increased cost-sharing, cuts to benefits and stricter rules around payment of premiums. The objectives of this ongoing study are to assess the short and long-term impacts around five main outcome areas: health insurance coverage, access to care, utilization of care, individuals' financial well being and health status. The key findings from the second round of surveying are detailed in this brief and reflect impacts approximately 18 months after the initial program changes and five months after the reinstatement of some benefits. Year one findings of this study can be found at:

<http://egov.oregon.gov/DAS/OHPPR/OHREC/OHRECrpb.shtml>

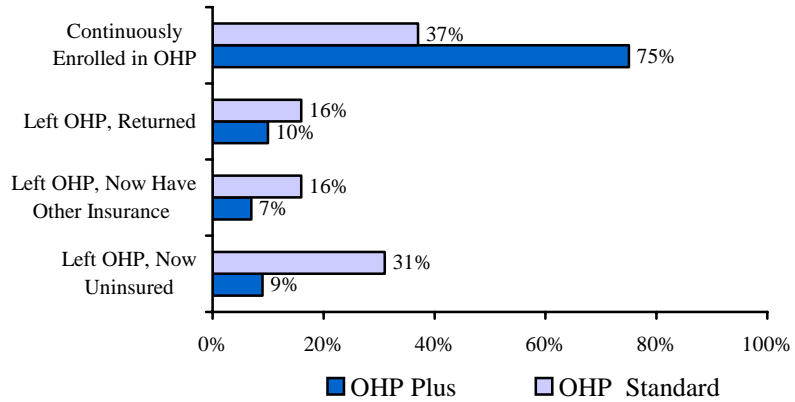
## HEALTH INSURANCE STATUS

- Nearly two-thirds of the OHP Standard study participants have left OHP since the initial program redesign
- The program redesign was an important reason why OHP Standard members left OHP during the study
- Most (75%) OHP Standard study participants who left experienced gaps in coverage of more than six months, compared to 49% of those in OHP Plus
- Nearly one-third of OHP Standard study participants were uninsured 18 months after the initial program redesign

### PERCENT OF OHP STANDARD MEMBERS CITING PROGRAM REDESIGN AS THE REASON THEY LEFT OHP



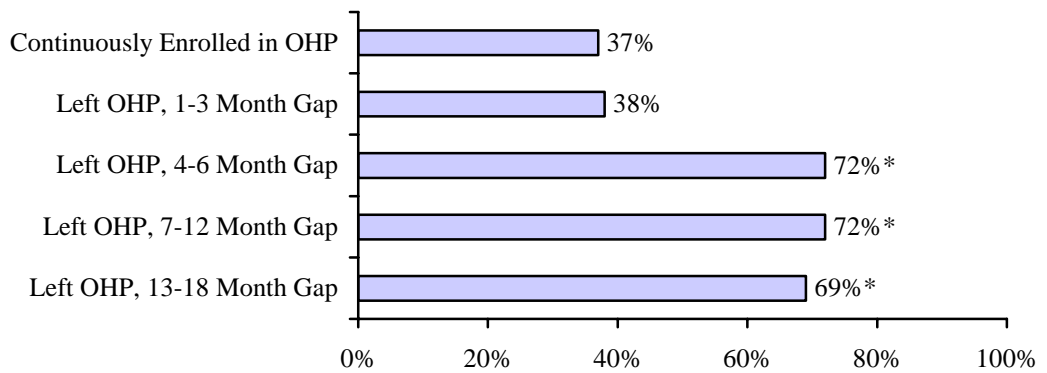
### INSURANCE STATUS DURING STUDY



### ACCESS TO HEALTH CARE

- Those who left OHP during the study and had longer gaps in coverage were more likely to have unmet healthcare needs (up to 72%)
- Coverage gaps longer than 3 months were associated with greater unmet need for care
- Those who stayed continuously enrolled in OHP were less likely to report unmet health care needs met at the time of the second survey (19%) than in the initial survey (28%), suggesting that cutting copays and restoring benefits may have improved access

### PERCENT WHO EXPERIENCED UNMET NEED FOR HEALTH CARE DURING STUDY

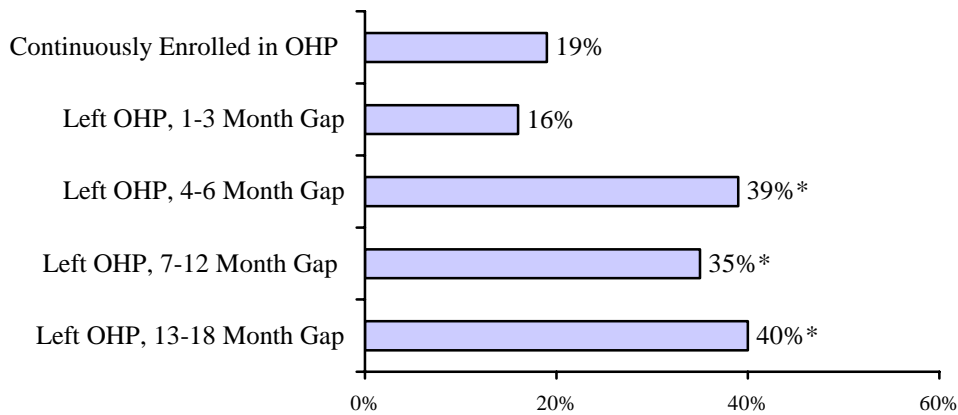


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### UTILIZATION OF SERVICES

- Those with coverage gaps greater than six months were significantly less likely to have a primary care visit
- Those who reported leaving OHP due to program changes were more likely to use hospital Emergency Departments (52%) than those who stayed enrolled (42%)

### PERCENT OF OHP STANDARD OWING \$500 OR MORE IN MEDICAL BILLS BY COVERAGE PATTERN



\*Significantly different than the score for continuously enrolled,  $p=.001$ , two-tailed z-test of proportions

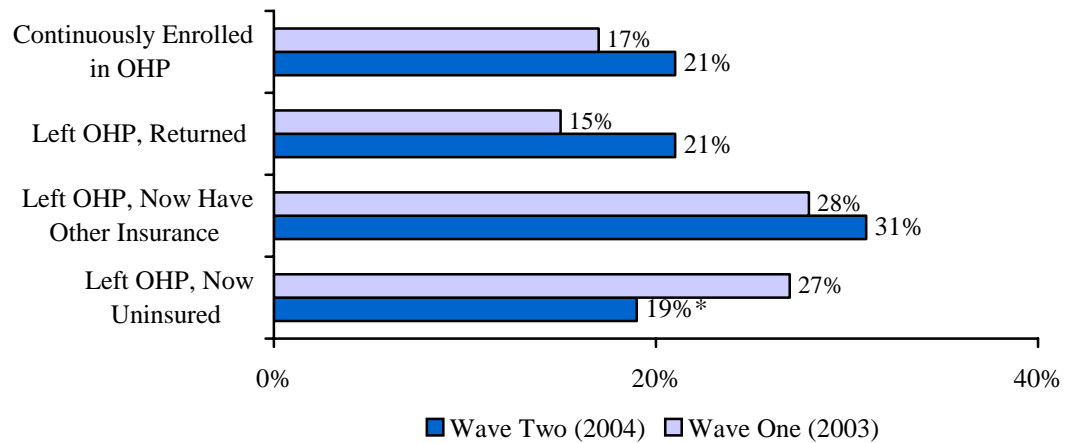
### FINANCIAL IMPACTS

- Higher levels of medical debt were associated with coverage gaps of more than 3 months
- Those who left OHP were much more likely to owe \$500 or more in medical debt (up to 40%) than those continuously enrolled (19%)
- For those who stayed in OHP, cutting copays and restoring benefits helped alleviate financial strain, with less likelihood of borrowing money, cutting back on food or underpaying other bills in order to pay medical costs

### IMPACT ON HEALTH

- Among those who left OHP and did not find other insurance, overall health status declined over the course of the study
- Those uninsured reporting a decline in overall health had experienced coverage gaps in excess of six months during the 18-month study period

**PERCENT REPORTING OVERALL HEALTH STATUS AS  
“VERY GOOD” OR EXCELLENT”**



**IN CONCLUSION**

- Those who left the OHP Standard Program because of premium and cost-sharing policies reported worse access to care, less primary care utilization, more emergency department utilization, and greater financial hardships than those who remained enrolled
- Eliminating copays and restoring certain benefits improved access to care and reduced financial strain for those who remained continuously enrolled in OHP Standard

**POLICY IMPLICATIONS**

- Consider elimination of significant cost sharing to limit financial strain on low-income families and decrease the likelihood of seeking more expensive care in hospital Emergency Rooms
- Consider reducing the current six-month lockout period for non-payment of premiums to alleviate the worst impacts on access, utilization, and personal finance. Analysis of gaps in coverage for those who left OHP suggest that the most severe impacts associated with loss of coverage may be reduced considerably if coverage is restored, or new coverage is found, within 3 to 6 months