

NewsRelease

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Results of Oregon Health Plan Study Released; Medicaid Redesign Has Negative Impact on Former Beneficiaries

(Portland, Ore.) July 29, 2005—As states around the country grapple with rising Medicaid budgets, a new study in Oregon shows that that Oregon's 2003 Medicaid redesign has left former Medicaid recipients with no coverage for extended periods.

Two-thirds of the affected members of the Oregon Health Plan (the program called OHP Standard) lost their insurance coverage after redesign, and over three-fourths of these individuals went uninsured for more than six of the 18 months since the redesign. Despite a restoration of some of the Medicaid provisions in 2004, problems with health and health care access persist for those who have not returned to coverage.

Today, the Oregon Health Research and Evaluation Collaborative (OHREC), co-led by PSU sociologist Matthew Carlson, Providence research scientist Bill Wright, Oregon state health policy researchers Jeanene Smith and Christine Edlund, and Charles Gallia with the Oregon Office of Medical Assistance Programs, is releasing new findings from their ongoing work, showing that people who went without benefits for longer than six months experienced high out of pocket costs and worse health. The new research was supported by the Commonwealth Fund.

"What our research has demonstrated is that even modest cost-sharing arrangements can have a rather dramatic impact on enrollment and access to care, especially among the most vulnerable—those who are unemployed or have very low incomes," said Matthew Carlson. "Reduced access to health insurance and health care can have long term financial and health consequences for Medicaid beneficiaries, and will potentially drive up health care costs for all of us as more uninsured individuals seek care in emergency rooms rather than from their primary care providers."

In early 2003, the Oregon Health Plan (OHP) implemented cost saving strategies, reducing benefits and increasing cost-sharing for a substantial portion of its members. To help understand the impact of Oregon's policy redesign on adult Medicaid beneficiaries (a federal and state program that pays for medical assistance for certain individuals and families with low incomes and resources), OHREC launched a three-part longitudinal cohort study in March 2003.

The study's objectives are to assess the short- and long-term effects of changes to cost-sharing and benefit structures in five key areas: beneficiaries' health care coverage, access to care, utilization of services, financial well-being, and overall health status. The ongoing research project follows a random sample of 2,783 individuals from the OHP Plus and OHP Standard programs who were enrolled in OHP when the initial wave of changes occurred.

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The study findings so far suggest that even small changes to cost-sharing or benefit structures can have a dramatic effect on enrollment. These effects can have consequences of their own: reduced access to care; altered utilization patterns characterized by less ambulatory care and increased use of emergency departments; greater financial strain; and the accumulation of debt. All of these effects were evident 18 months after the initial policy changes. For OHP beneficiaries who remained continuously enrolled—about one-third of those studied—the elimination of copays appeared to provide some relief. Among this group, significantly fewer reported unmet health care needs and financial burden at the time of the second survey.

Most of the 50 states have implemented cost-saving changes to their Medicaid programs. Congress will be deliberating about the future of Medicaid this fall and since Oregon is among the first to have results from the changes, policymakers around the county are looking to gain insight from these findings and gather information about the impact of changes on enrollees.

Members of OHREC who are conducting the longitudinal study of the new Oregon Health Plan are Matthew J. Carlson, Ph.D., assistant professor of Sociology and member of the Center for Health and Social Inequality Research at Portland State University; Bill J. Wright, Ph.D., research scientist at Providence Health System Center for Outcomes Research and Education; Jeanene Smith, M.D., M.P.H., deputy administrator of the Office for Oregon Health Policy and Research; Tina Edlund, M.S., Research and Data Manager for the Office for Oregon Health Policy and Research; and Charles Gallia, Oregon Office of Medical Assistance Programs.

The Commonwealth Fund is a private foundation supporting independent research on health and social issues. **To view the complete results from the second phase of the study or other Commonwealth publications, visit the Commonwealth Fund on the Web at www.cwmf.org.** For additional information, please contact Matthew Carlson at 503-725-9554 or carlsonm@pdx.edu.

Portland State University's Center for Health and Social Inequality Research tackles some of the area's toughest health issues. The Center, housed in the Department of Sociology, draws on the unique strengths of Portland State faculty who are focused on promoting and conducting research that will advance understanding of how social institutions and processes can facilitate or impede the health and well-being of the full scope of society. The center's objectives include identifying and explaining inequalities in areas such as health, health care delivery, education, employment, housing and social justice; and increasing understanding of the ways that culture, politics, economics, and religion impact health and health care, education levels, economic status and social well-being.