

Oregon's Health Coverage Lottery – An Equitable Distribution Method or a Sign that We Have Given Up

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Anyone familiar with state budget processes knows that sometimes there is more money than expected and sometimes there is less. When there is less, services get cut. When there is more, services can be expanded. Oregon recently found itself with more money than expected to be used towards its health coverage product for the uninsured. Instead of attempting to use tight eligibility requirements or a first-come-first-serve basis of allocating the new policies, Oregon is going with a lottery system.

The program, known as the Oregon Health Plan Standard provides coverage for services generally covered under private policies and has sliding scale fees. A reservation list for the newly available slots was open during late January and throughout February.¹ Names from the registration list will be drawn lottery-style to see who will get the Standard coverage.²

Oregon has an estimated 600,000 uninsured population, of whom more than 80,000 people have signed up for the lottery. There are slots for only a few thousand. The program is aimed at those who do not qualify for Medicaid and do not have sufficient incomes to purchase private insurance. Basic health services, medications, and limited dental, hospital, and vision services are covered.³

The approximately 3000 people who win the lottery and receive applications in the mail must return the applications without 30 days to be considered for the program. The lottery system for determining potential eligibility was selected as the best way to comply with laws prohibiting discrimination among applicants. Outreach offices and a public awareness campaign have been used to publicize the program and the lottery as well as aid those lucky few who receive applications in properly completing them.⁴ Several lottery runs are expected to take place over several months.⁵

The program is seen by Governor Ted Kulongoski as a starting point for a plan to provide better coverage and access for all Oregonians to be considered during the state's 2009 legislative session.⁶

¹ *About OHP Standard*, STATE OF OREGON, available at: <http://www.oregon.gov/DHS/open/ohp-standard.shtml> (last accessed March 4, 2008).

² Sarah Skidmore, *Oregon conducts health insurance lottery*, YAHOO! NEWS, March 4, 2008, available at: http://news.yahoo.com/s/ap/20080304/ap_on_re_us/health_insurance_lottery&printer=1 (last accessed March 4, 2008).

³ *Id.*

⁴ *Oregon use lottery to enroll uninsured residents in state health plan*, HEALTH & LIFE SCIENCES DAILY, American Health Lawyers Association, March 5, 2008.

⁵ *Oregon to Use Lottery To Fill Remaining Spots in State Health Plan*,

⁶ Skidmore, *supra* note 2.

While the program will likely help the 3000 people who successfully enroll and the lottery system is certainly a non-discriminatory way to select those 3000 people, it is a sign of how desperate states have become in the battle against the uninsured. The idea of a lottery to see if you can even apply for coverage sounds like a joke, and it should have stayed that way.

States generally have only been involved in health coverage through their administration of the Medicaid and SCHIP programs. Now they find themselves applying for numerous Medicaid waivers, SCHIP waivers, and access to other federal funds in order to cover the many people trapped between tight eligibility rules for state and federal programs and increasingly unaffordable premiums for private insurance. The states know that their own budgets as well as those of local governments reflect the cost of carrying for the uninsured through not just emergency department and trauma funding but also through the need for additional support to allow public and private hospitals alike to continue providing charity care.

Every cut made at the federal level just rolls responsibility downhill, and states are beginning to recognize that they do the same to local governments by making cuts. No matter which level of government ends up paying, the taxpayer is the ultimate payer. This is why state and local governments are beginning to work with provider groups and healthcare advocates to develop and implement plans to help the uninsured get timely and affordable access to care. They are not only looking at state-sponsored subsidies for those caught between Medicaid and the private insurance market, but they are also looking at supporting clinics with evening and weekend hours to allow those who are unable to take time away from work to seek primary care. Mobile dental vans are increasingly being used to visit public schools and ensure children are getting screened for dental diseases.

Regardless of the result of the next presidential election, it is clear that states will continue to be the battleground on health coverage and access issues for the immediate future. The federal government will likely have to respond to the healthcare crisis at some point, but for now it seems content pushing the problem unto the states, which is why we now have health coverage lotteries in our country.

Given that lottery systems are often put in place to increase state budgets and allow additional funding for public education, it seems particularly ironic that Oregon chose a lottery system to determine eligibility for a program that, if successful, will slightly reduce the state and local budgetary impact of the uninsured. The program may work and the state may find a way to expand it to cover the 597,000 uninsured residents who will not win the lottery, but for now we have another sign that our current healthcare system and related financing are a joke.

Health Law Perspectives (March 2008), available at:
<http://www.law.uh.edu/healthlaw/perspectives/homepage.asp>.