

Oregon hospitals emerge as winners in Affordable Care Act

By JEFF MANNING
The Oregonian

of insurance coverage. In Oregon, more than half a million people got coverage through Medicaid or commercial insurance through the newly created exchange.

But that achievement has been painful, marked by technological snafus, partisan bitterness and financial heartburn.

Numbers released this week by the Oregon Department of Consumer and Business Affairs show the steep toll Oregon insurers have paid as they struggle to adjust to the changes.

Surprisingly, Providence Health Plan, not Moda, posted the largest losses of the year among the big seven players. It lost \$63 million in 2015, a drastic reversal from the \$22.3 million profit it posted in 2014. Providence spokesman Gary Walker attributed the big loss to an influx of expensive new customers and an ill-advised 14 percent rate cut it implemented in 2015.

"We're all learning this as we go," said Walker, who added that Providence has an immense capital reserve, nearly 1,000 percent beyond state requirements.

Moda last year lost \$49.5 million, its second straight year of red ink. The travails of the second-largest carrier in the state have been well documented: Its aggressive push into the individual market created by the Affordable Care Act proved to be a financial disaster, which got even worse when the federal government backtracked on



Jack Friedman



Jesse Ellis O'Brien



promised financial assistance.

Taking control

Questions about Moda's survival swirled around the company for months until Oregon insurance regulators took the company into supervision in January. In an order signed by both parties, Moda agreed to make no significant move without approval of a state official who would be based at the company's downtown office tower. The state said it would begin the process of helping Moda customers move to different, stronger insurance companies.

Thirteen days later, the Moda saga took another strange twist when the state suddenly rescinded its order of supervision. Oregon said it would allow Moda to resume business as usual and proceed with its own plan to replenish its capital reserves with \$170 million in new money.

It appears Moda has already come up with \$43 million of that new cash.

In the financial statement it provided to the state last week, Moda disclosed that in December it borrowed another \$43 million from affiliated companies. This is in addition to the \$50

million it borrowed from its parent company in November and still another \$50 million it borrowed from OHSU in November 2014.

Moda officials refused to comment for this story, as did Oregon Insurance Commissioner Laura Cali.

Insurance woes

Regence BlueCross BlueShield was the lone company among Oregon's big seven health carriers to post a profit in 2015. The Portland company earned \$25.8 million in the year despite what company President Angela Dowling called "challenging economic and regulatory shifts in our industry."

Elsewhere, PacificSource lost \$10.2 million, Lifewise lost \$35.7 million, Health Net Plan lost \$25.3 million and Kaiser lost \$13.4 million.

A wave of consolidation is already underway in the health insurance business and most expect it to gather steam in the face of similar financial struggles industrywide. Health Net is merging with St. Louis based Centene Corp. Springfield-based PacificSource in October entered into an alliance with Legacy Health, one of the

state's largest hospital chains.

In the end, the insurance companies most likely to survive are those like Kaiser and Providence, which are affiliated with enormous hospital systems.

"Consolidation is happening now and I think there will be further consolidation," said Friedman, the retired Providence executive. "It may be that only three to four insurers have the financial wherewithal and the willingness to stay in this market."

Clare Krusing, spokesman for America's Health Insurance Plans, a Washington, D.C.-based trade group, said it's time for hospitals to offer concessions on costs. "We need to bring down the cost of care," she said. "We need to figure out how we can make care more affordable and more accessible."

More change is coming

For their part, hospital executives argue that their good times are unlikely to last. The federal government will implement changes to Medicare early in the next decade that will hurt hospitals' bottom line, said Andy Van Pelt, executive director of the Oregon Association of Hospital and Health Systems. And even now, when urban hospitals are enjoying big gains, some smaller and more rural hospitals continue to struggle.

"I don't think the increases you're seeing now are sustainable in the future," Van Pelt said.

Jesse Ellis O'Brien, who watchdogs Oregon health insurers for the Oregon State Public Interest Research Group consumer advocacy group, agrees with the insurers. The changes in charitable care alone have generated huge financial benefits for the hospitals that need to be shared, he said.

Oregon's 28 largest hospitals provided \$143.3 million worth of charity care in the first six months of 2015, according to the Oregon Health Authority. That's down by nearly two-thirds from the \$414.7 million worth of charity care the big hospitals provided in the same period of 2013.

As these former charity cases became paying customers, Oregon's big hospitals, many of them owned by non-profits, saw their profits swell. The operating margin at the state's larger hospitals hit 8 percent in the first half of 2015, according to state data, more than triple their profits from 2013.

For champions of reform, who repeatedly harped on the importance of reducing health-care costs, hospitals' big profits are not what they envisioned.

"The unspoken understanding for a long time was that hospitals were going to charge more than they really needed to in order to cover the cost of charity care," O'Brien said. "Now, there are fewer and fewer of those people. Does it really make sense for hospitals to continue passing along charges for costs that are no longer in the system?"

Fluoride: Astoria has a colorful history with the additive

Continued from Page 1A

Last August, Astoria City Councilor Zetty Nemlowill suggested the City Council discuss putting the issue on the ballot. But the idea did not surface again publicly until City Councilor Drew Herzig brought it up Monday night as one of several possible ballot questions for November.

The City Council has already agreed to place a local tax on recreational marijuana before voters.

Time consuming, divisive

Mayor Arline LaMear and Councilors Cindy Price and Russ Warr said the city is working through several significant issues and predicted that a

debate over fluoride would be time consuming and divisive.

"I just don't think it's the time to bring it up," LaMear said. "There may come a time. But I don't think it's this time."

Herzig said November would be the best time to put the ballot questions up for a vote because higher voter turnout is expected due to the presidential election. In addition to fluoride, he floated issues such as term limits and outdated city charter provisions.

"I'm concerned that I'm hearing that we don't have time to be a democracy," Herzig said. "That we're just too busy to ask the public — the citizens — to vote on issues."

"Something as fundamental as what you put into your body on a daily basis, that you have

no choice over, unless we say we can put a referendum on the ballot saying whether you want fluoride.

"That bothers me that we say we're too busy to ask the public if they want to have what some people consider a poison in the drinking water or not."

Warr said he is "failing to see a public outcry for something like that. And, we're busy, if the public isn't asking for it, why should we stir the pot?"

Nemlowill acknowledged there is no public outcry over

fluoride and said "if people do want to vote on it, they're going to need to come forward and be a little bit more vocal about it."

Herzig proposed that city staff draft a ballot question on fluoride in the water system, but his motion failed on a 3-2 vote, with Herzig and Nemlowill voting for the motion and LaMear, Price and Warr against.

Colorful history

Ken Cook, the city's public works director, prepared a

memo on Astoria's colorful history with fluoride after the Portland vote.

Once fluoride was added to the water supply in 1953, Cook wrote, "citizens started to revolt spreading false rumors of broken water mains, broken plumbing, premature unexplained deaths,

ships refusing to take on water, chinchilla herds dying, dwarfs ...the Red Machine infiltrates the State Board of Health to allow Stalin Soup and Lenin Likker."

Despite the vitriol, voters approved fluoride in 1956 by a wider margin than the original 1952 vote.

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TUESDAY EVENING												MARCH 8	
A - Charter Astoria/Seaside - L - Charter Long Beach													
A	L	6 PM	6:30	7 PM	7:30	8 PM	8:30	9 PM	9:30	10 PM	10:30	11 PM	11:30
2	KATU	(2) KATU News at 6		Jeopardy!	Wheel of Fortune	Fresh Off-Boat (R)	Real O'Neals (N)	Agents of SHIELD "Bouncing Back" (N)		Kings "Offerings of Blood" (P) (N)		KATU News at 11	(35) Jimmy Kimmel
3	KRCW	(3) Seinfeld	Seinfeld	Modern Family	Modern Family	The Flash "Welcome to Earth 2"	IZombie "Cape Town"			KGW News at 10	(35) Access H.	Met Your Mother	Met Your Mother
4	KOMO	(4) KOMO 4 News		Wheel of Fortune	Jeopardy!	Fresh Off-Boat (N)	Real O'Neals (N)	Agents of SHIELD "Bouncing Back" (N)		Kings "Offerings of Blood" (P) (N)		KOMO 4 News	(35) Jimmy Kimmel
5	KING	(5) NBC Nightly News	KING 5 News	KING 5 News	Evening	The Voice "The Blind Auditions, Part 4" (N)				BigShot (P) (N)	Carmichael (N)	KING 5 News	(35) Tonight Show
6	KOIN	(6) KOIN 6 News at 6	CBS Evening News	Extra	Ent. Tonight	NCIS: New Orleans	NCIS			Limitless "Close Encounters" (N)		KING 6 News @ 11	(35) S.Colbert
7	KIRO	(7) KIRO 7 News	CBS Evening News	The Insider	Ent. Tonight	NCIS: New Orleans	NCIS			Limitless "Close Encounters" (N)		KIRO News	(35) S.Colbert
8	KGW	(8) KGW News at 6:00 p.m.		Live at Seven	Inside Edition	The Voice "The Blind Auditions, Part 4" (N)				BigShot (P) (N)	Carmichael (N)	KGW News at 11	(35) Tonight Show
10	KOPB	(10) Ask This Old House	Business (N)	PBS NewsHour		Favorite Love Songs (My Music) (N)				Carpenters: Close		The long storied career of the Carpenters.	Easy Yoga! Diabetes
12	KPTV	(12) 6 O'Clock News		Family Feud	Family Feud	New Girl (N)	Grandfathered (N)	Brooklyn Nine-Nine	The Grinder	10 O'Clock News		11 O'Clock News	Loves Ray
13	KPDx	(13) Mike & Molly	Mike & Molly	Big Bang Theory	Big Bang Theory	FOX 12's 8 O'Clock News on PDX-TV	FOX 12's 9 O'Clock News on PDX-TV			The Walking Dead "Made to Suffer"		The Walking Dead	"The Suicide King"
14	KCPO	(14) Name Game	Modern Family	Big Bang Theory	Big Bang Theory	New Girl (N)	Grandfathered (N)	Brooklyn Nine-Nine	The Grinder	Q13 News at 10		Q13 News	Modern Family
20	TBS	(20) Seinfeld	Seinfeld	Seinfeld Pt. 1 of 2	Seinfeld Pt. 2 of 2	Big Bang Theory	Big Bang Theory	Big Bang Theory	Big Bang Theory	Separation "Troy and Erin" (P) (N)		Conan (N)	
22	KZJQ	(22) Two and a Half Men	Two and a Half Men	The Simpsons	The Simpsons	Modern Family	Modern Family	Q13 News at 9		Big Bang Theory	Big Bang Theory	Friends	Friends
29	ESPN	(29) NCAA Basketball	WCC Tournament (L)			SportsCenter		SportsCenter		SportsCenter		FriendsCenter	
30	ESPN2	(30) NCAA Basketball	Summit League Tournament (L)			Tennis BNP Paribas Showdown				NBA Tonight	Jalen & Jacoby (N)	NFL Live	"Free Agency"
31	NICK	(31) The Thundermans	The Thundermans	Paradise Run	Henry Danger	Henry Danger	NickyRickyDicky	Full House	Full House	Full House	Full House	Friends	Friends
32	DISN	(32) Austin & Ally	Friends Whenever	Liv and Maddie	Bunk'd	K.C. Undercover	"Coopers Reactivated!"	Stuck in the Middle	Girl Meets World	Friends Whenever	Liv and Maddie	Bunk'd	Girl Meets World
34	FAM	(34) Recovery Road	"Sick as Our Secrets"	Pretty Little Liars	"Burn This"	Pretty Liars	"Did You Miss Me?" (N)	Shadowhunters	"Rise Up" (N)	Pretty Little Liars	"Did You Miss Me?"	The 700 Club	
35	FMC	(35) (5:55) *** Rio	(11) Jesse Eisenberg.			*** Jumping the Broom	(2011, Comedy)	Laz Alonso, Angela Bassett, Paula Patton.		*** FXM Presents	*** The Road	(2009, Adventure)	Guy Pearce, Robert Duvall.
36	LIFE	(36) Pitch Slapped		Pitch Slapped		Dance Moms: Dance and Chat		Dance Moms (N)		Mother Daughter Exp. (N)		The Rap Game	
38	ROOT	(38) Mark Few (N)	H.S. Basketball	Classics WIAA Tournament				Ship Shape TV	Snow Motion	Wild Places	Destination Pol. (N)	H.S. Basketball	WIAA Tournament
39	F51	(39) (5:00) NCAA Basketball	Big East Tournament	Fox Sports Live With Jay and Dan		Fox Sports Live With Jay and Dan		TMZ Sports (N)	Best I Heard (N)	Fox Sports Live With Jay and Dan		Fox Sports Live With Jay and Dan	
43	SPIKE	(43) Ink Master	"Firing Squad"	Ink Master	"Fight to the Final"	Ink Master	"Ink Live"	Ink Master	"Initiation"	Ink Master	"One Man's Trash"	Ink Master (N)	Ink Master
44	COM	(44) Futurama	Futurama	Tosh.0	Tosh.0	Tosh.0	Tosh.0	Tosh.0	Tosh.0	Tosh.0 (N)	Nikki Glaser (N)	The Daily Show (N)	Nightly Show (N)
45	HIST	(45) (5:00) To Be Announced		The Curse of Oak Island	The Curse of Oak Island	The Curse of Oak Island	The Curse of Oak Island	The Curse of Oak Island	The Curse of Oak Island	The Curse of Oak Island		The Curse of Oak Island	(05) The Curse of Oak Island
46	A&E	(46) The First 48		Married at First Sight "Final Decisions"	Married at First Sight "Final Decisions"	Married at First Sight "Final Decisions"	Married at First Sight "Six Months Later"	Married at First Sight "Six Months Later"	Married at First Sight "Six Months Later"	Fit to Fat to Fit "Seth/ Dave" (N)		Married at First Sight "Final Decisions"	
47	TLC	(47) The Little Couple	"All Aboard!"	The Little Couple	"Mr. Mom"	The Little Couple (N)		The Little Couple (N)		Rattled (N)		The Little Couple	
48	DISC	(48) Moonshiners	"Still Regretting"	Moonshiners	"Virgin Whiskey"	Moonshiners	"Presidential Shine" (N)	Moonshiners	(N)	Deadliest Job Interview "In Too Deep"		Moonshiners	
49	NEGO	(49) The Boonies	"Worst Case Scenario"	Mine Hunters	"Black Opal"	The Boonies	"Worst Case Scenario"	Boonies	"Beyond the Comfort Zone" (N)	MineHunt "Explosives and Emeralds" (N)		The Boonies	"Beyond the Comfort Zone"
50	TNT	(50) Castle	"Watershed"	Castle	"Valkyrie"	Rizzoli & Isles	"East Meets West"	Rizzoli & Isles	"Bomb Voyage" (N)	Rizzoli & Isles	"Bomb Voyage"	Castle	"Dreamworld"
51	AMC	(51) (5:30) *** The Sorcerer's Apprentice	(10) Alfred Molina, Nicolas Cage.			*** The Rock	(1996, Action)	Nicolas Cage, Ed Harris, Sean Connery.				U.S. Marshals	(98, Act) Wesley Snipes.
52	USA	(52) Chrissy Knows	Chrissy Knows	Chrissy Knows	Chrissy Knows	Chrissy Knows	Chrissy Knows	Chrissy Knows	Chrissy Knows	Chrissy (SP) (N)	Chrissy Knows	Modern Family	Modern Family
53	FOOD	(53) Chopped	"Pigging Out"	Chopped	"Competition Italiano"	Chopped	"Bizarre Baskets!"	Chopped	"Bizarre Battle"	Chopped "Beg, Borrow Or Eel" (N)		Chopped	"Chopped, Again!"
54	HGTV	(54) Fixer Upper		Fixer Upper		Fixer Upper (N)		Fixer Upper (N)		House Hunters (N)	House Hunters Int'l	Fixer Upper	
55	FX	(55) (4:30) Fast and Furious 6	(13, Action)	Paul Walker, Vin Diesel.	The Counselor	(2013, Drama)	Penelope Cruz, Michael Fassbender, Cameron Diaz.			PeopleVOJ "Marcia, Marcia, Marcia" (N)		O.J. Simpson	"Marcia, Marcia, Marcia"
57	CNN	(57) America's Choice	"Super Tuesday 2" (N)	America's Choice	"Super Tuesday 2" (N)	America's Choice	"Super Tuesday 2" (N)	America's Choice	"Super Tuesday 2" (N)	America's Choice	"Super Tuesday 2" (N)	Early Start	
58	FNC	(58) The Kelly File with Megyn Kelly		Hannity		The O'Reilly Factor		The Kelly File with Megyn Kelly		Hannity		On the Record	
61	CNBC	(61) Shark Tank		The Profit		The Profit		The Profit		The Profit		Paid Program	Paid Program
63	BRVV	(63) Beverly Hills	"Hearing Problems"	Beverly Hills	"Spinning a Web"	The Real Housewives of Beverly Hills		Beverly Hills (N)		Tour Group (N)		WatchWhat (N)	Beverly Hills
64	TCM	(64) (5:00) Frenchman's Creek		*** My Cousin Rachel	(52) Richard Burton, Audrey Dalton, Olivia De Havilland.			*** Who Done It?	(42, Mystery)	Bud Abbott, Lou Costello.	*** The Ritz	(1976, Crime Story)	Rita Moreno, Jack Weston.
65	SYFY	(65) Movie		*** Blade: Trinity	(2004, Thriller)	Jessica Biel, Ryan Reynolds, Wesley Snipes.		*** Legion	(2010, Action)	Lucas Black, Tyrese Gibson, Paul Bettany.		Colony	"Broussard"
162	RFD	(162) (5:30) Cattlemen	American Harvest	Downunder Horseman.		Chris Cox		Rural Eve. News		Ag PhD		Cattlemen to Cattlemen	American Harvest
												Product Showcase	

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