



**Essential  
Worker**  
Healthcare Trust



# Essential Worker Healthcare Trust 2024 Annual Report

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# 2024 Annual Report

## Executive Summary

“The Essential Worker Healthcare Trust has been monumental in recruiting employees for long-term care. It is so nice to be able to offer employees a healthcare insurance plan that is affordable and great coverage! The trust has made a big impact on staffing for us in a rural location.”

-Chanda Farrar, Administrator, PACS Hood River

### Healthcare staffing shortages are a national crisis

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The pandemic caused a mass exodus of healthcare workers across the country, further exacerbating the healthcare workforce shortage already in existence. These shortages continue today and Oregon, like other states, is not able to keep up with the growing gaps. Across the country, healthcare workers are migrating to states or urban areas that offer higher compensation packages than what their local community can provide. Worker migration is further contributing to these workforce shortages, especially in rural areas and heavily Medicaid-dependent care settings.

Remaining healthcare workers in these critical settings are forced to pick up the slack by working overtime and taking on higher caseloads. This is leading to lower quality of care and provider burnout. As the baby boomer generation ages, the number of people over 65 will significantly increase in the coming years. Statistics show that significant increases in necessary medical care occur at 65 years and beyond. Oregon must stop the worker migration, focus on provider retention, and further grow our numbers of critical providers and workers.

### Care provider shortages negatively impact health outcomes

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Care provider shortages are bad for existing providers and bad for patients. Care provider shortages across Oregon’s care continuum lead to delays in care, increased readmission rates, and reduced quality of care, resulting in higher costs. This is particularly problematic for providers serving a large proportion of Oregon Health Plan (OHP) members, such as long-term care (LTC) and behavioral health, since lower Medicaid reimbursement rates challenge their ability to provide compensation and benefit packages that prevent the healthcare worker migration to higher paying settings.



## The workforce crisis created new partnerships

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Oregon is leading the way in creative, public-private partnerships to address Oregon's healthcare worker crisis. Employers, workers, educational partners, the federal Medicaid program, and the Oregon legislature have come together to design and implement strategies to grow and retain our healthcare workers. The Essential Worker Healthcare Trust (EWHT) is one of the primary efforts in the LTC sector. The EWHT is a labor-management trust designed to offer high-quality, low-cost benefits to care providers in the long-term care industry – who previously were some of the most under- and uninsured workers in Oregon.

Workers and employers in the long-term care industry came together to better understand the root causes of the workforce shortages. As wages have increased in the LTC sector, workers often lost access to the Oregon Health Plan. Health plans offered by employers were often high deductible plans with unaffordable premiums for frontline workers. Despite decades-long efforts to improve wages and working conditions, care workers were migrating to other healthcare settings to access affordable healthcare for them and their families. The past two years have demonstrated EWHT's effectiveness in retaining long-term care providers through improved benefit offerings, which increases the value of provider compensation packages in a fiscally responsible, collaborative manner.

### EWHT provides affordable and accessible healthcare benefits for more than 4,800 care providers and families.

EWHT provides care providers with low premiums and out-of-pocket costs. Currently, the benefit is limited to medical coverage only, but the Trust would like to provide dental and vision options by 2026 as well.

EWHT membership grew by 55% from 2023 to 4,800 covered lives and anticipates growing to 6,000 members in 2025. Significant improvements from previous employer-sponsored insurance (ESI) options, include:

- 85% reduction in employee premiums, with no premiums for some of the lowest wage workers.
- 67% average reduction in employee deductible and out-of-pocket maximums, making the insurance benefits usable for low-wage workers.
- 90% of costs covered, improved from prior ESI options covering 60%.

### EWHT improves care provider recruitment and retention for LTC employers.

Employees who have access to high-quality affordable health coverage are more likely to stay with an employer and reduce costly turnover. Access to better, more affordable healthcare also leads to healthier employees who miss fewer workdays, contributing to more consistent staffing and a reliable workforce.



Prior to the creation of EWHT, only 33% of care providers participated in their ESI because the plans were low quality and unaffordable. Now over 65% of the workforce enrolls in EWHT with more growth expected in 2025.

Additionally, in Oregon, skilled nursing facilities have an annual retention rate of 45.4% for nursing staff, according to 2023 data from Centers for Medicare and Medicaid Services (CMS). In contrast, 71% of employees enrolled in EWHT remained enrolled after one year, with 62% of employees enrolled in EWHT remained enrolled after two years. This was a consistent trend observed in both 2023 and 2024, indicating employees are more likely to stay with their employers when they have access to EWHT benefits.

### **EWHT expands health coverage and helps eliminate health disparities.**

As Oregon continues to strive for access to health coverage for all residents, EWHT plays an important role in increasing access to ESI for low-wage workers that may otherwise be left out of other health coverage options. LTC care providers are increasingly ineligible for OHP due to rising union wages. Yet, they cannot participate in the Bridge Plan since their employers offer health insurance. Prior to EWHT, ESI for LTC care providers was unaffordable for both employers and workers, resulting in higher uninsured rates for LTC care providers versus the broader Oregon population.

EWHT also plays a key role in eliminating health disparities as women and people of color are the majority of the LTC workforce. Keeping women and workers of color in the healthcare workforce is critical to eliminating health disparities by 2030.

## **Continued program expansion is essential for the coming biennium**

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To continue expanding EWHT, we propose several changes in 2025 to promote long-term sustainability.

### **Maintain a steady appropriation of \$20 million for the 2025-2027 biennium**

This State investment will support EWHT membership of nearly 6,500 through the biennium with 18 months of reserves, consistent with the national average for funds of similar size. Importantly, the Medicaid supplemental payments supporting EWHT require no further federal approvals, creating a stable funding mechanism for the future if State investment is maintained.

### **Improve stability by converting State investment to a caseload model**

EWHT proposes partnering with the Department of Consumer and Business Services (DCBS) and OHA Health Policy Analytics to develop shared goals and metrics that can support a caseload funding model to promote stability for both the State investment and EWHT planning and growth for the 2027-2029 biennium.



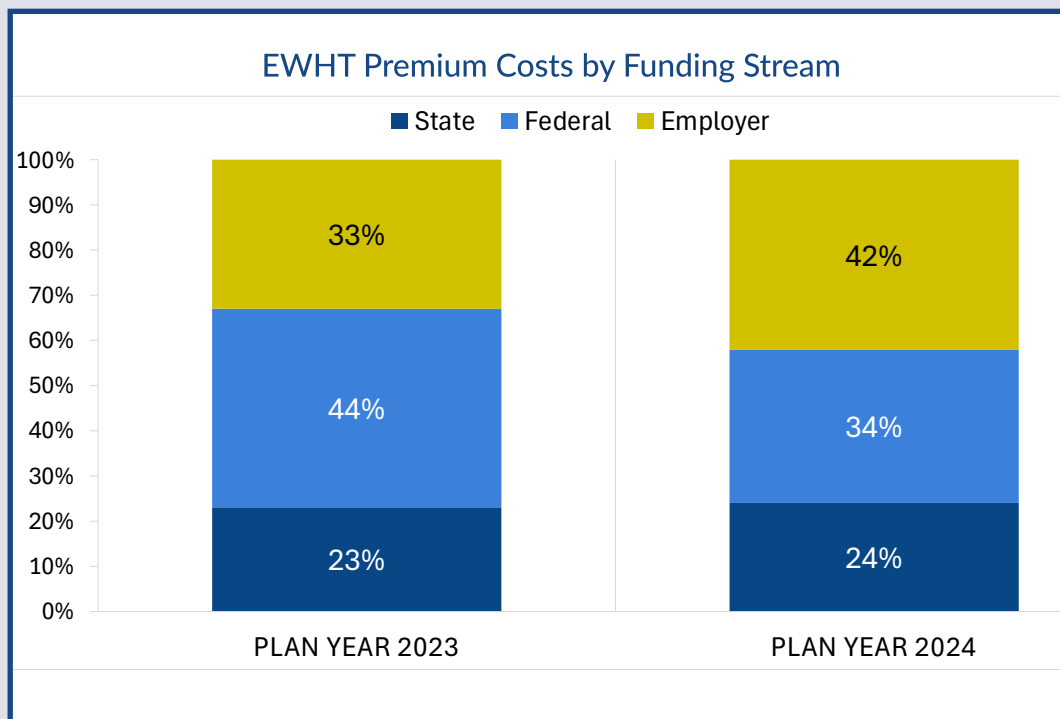
## Improving affordability in partnership with the State

EWHT fills a gap in Oregon’s health insurance marketplace by targeting low-wage care providers who are ineligible for other public plans and struggle to afford and use previous ESI options available. The State’s financial investments are fundamental to continue to make EWHT viable for Oregon’s LTC employers and care providers, but there is opportunity to build upon the private-public partnership to improve plan costs and affordability. As a commercial insurance product, EWHT pays providers commercial rates, which are typically 255% higher than Medicare or Medicaid rates and grow faster each year. EWHT proposes working with the State to negotiate lower rates with providers that align with the success of the Public Employees’ Benefit Board (PEBB) or Bridge Plan to reduce rates and promote affordability and long-term stability.

## EWHT’s fiscally responsible structure leverages federal funding while maintaining employer dollars

EWHT’s tripartite funding structure with State, federal, and employer investments is critical to its success.

In 2024, each dollar of State investment leverages \$1.44 (down from a high of \$1.50 in 2022) of federal funding. Without the federal investment, the premium cost would more than double and be unaffordable for LTC care providers. EWHT maintains employer dollars in health insurance, as opposed to OHP or Bridge Plan. Employers have absorbed higher costs due to the decreasing federal matching assistance percentage (FMAP) and increasing enrollment.



# Background

## Healthcare staffing shortages are a national crisis

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The pandemic caused a mass exodus of healthcare workers across the country, further exacerbating the already critical healthcare workforce shortage.<sup>1</sup> These shortages continue today, and Oregon, like other states, is not able to keep up with the growing gaps.<sup>2</sup> Across the country, healthcare workers are migrating to states or urban areas that offer higher compensation packages than what their local communities can provide. Worker migration is worsening these workforce shortages, especially in rural areas and heavily Medicaid-dependent care settings.<sup>3</sup>

Remaining healthcare workers in these critical settings are forced to work overtime and take on higher caseloads, leading to lower quality of care and provider burnout.<sup>4</sup> As the baby boomer generation ages, the number of people over 65 will significantly increase in the coming years, creating even more demand for healthcare services. This has critical implications for the long-term care sector, where demand for care providers is expected to increase by 29%.<sup>5</sup> As such, concerted efforts across Oregon's healthcare system to build and retain the workforce are needed. Oregon must stop the worker migration, focus on provider retention, and grow numbers of critical providers and workers.

## Care provider shortages negatively impact health outcomes

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Long term care (LTC) shortages create a ripple effect across Oregon's entire care continuum, leading to delays in care, increased readmission rates, and reduced quality of care, all of which result in higher costs.<sup>6</sup> Hospitals struggle to discharge patients to rehabilitation centers, nursing facilities, and other LTC settings due to the lack of available beds and staffing. These bottlenecks cause patients to remain in acute care settings longer than necessary, further straining hospital resources and impeding Oregon residents' access to timely, appropriate, and cost-effective care.<sup>7</sup> These challenges also contribute to the negative cycle of worker burnout and migration to other care settings, regions, or industries.

Addressing the shortages is particularly problematic for LTC providers, where Oregon Health Plan (OHP) members make up 60-100% of the patients, depending on the care setting.<sup>8</sup> With a high proportion of Medicaid patients and low reimbursement rates, healthcare providers are struggling to keep up with rising labor costs. This financial strain limits their ability to offer competitive compensation and benefits, leading to migration of the workforce to higher-paying settings.

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1 [US Hospitals Hit with Nurse Staffing Crisis Amid COVID](#) | Associated Press News

2 [U.S. Labor Market White Pages](#) | Mercer

3 [Rural America Confronts a Health Care Crisis](#) | ABC News

4 [Addressing Health Worker Burnout](#) | Office of the U.S. Surgeon General

5 [2024 Oregon Long Term Care State Report](#) | Oregon Health Care Association

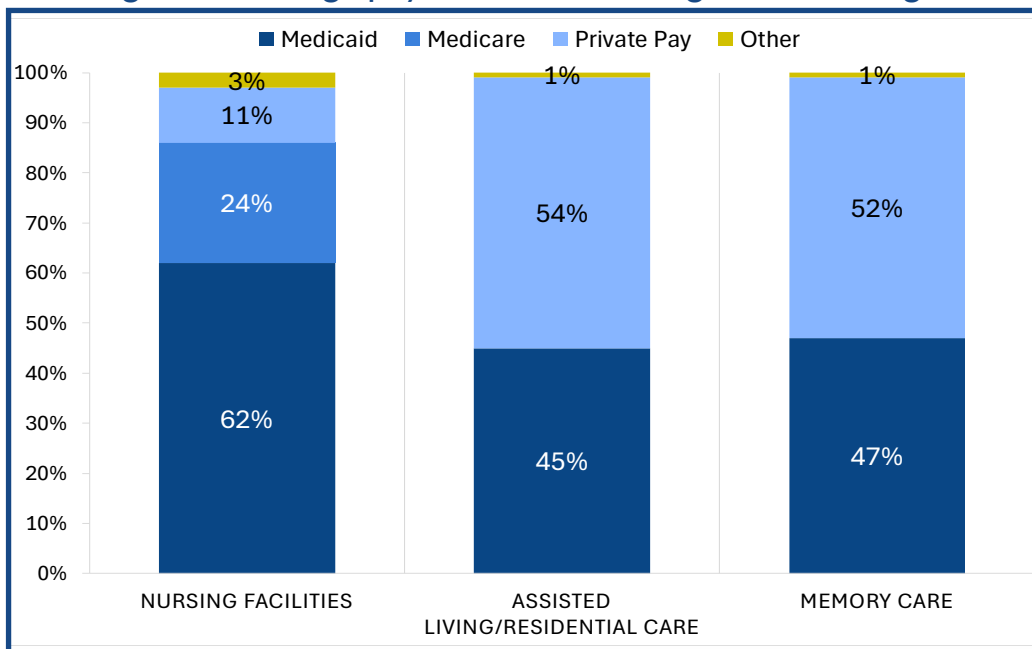
6 [Costs of Caring](#) | American Hospital Association; [Increase in Long-Term Care Costs in Oregon Mirror National Trends](#) | Business Wire

7 [Joint Task Force for Hospital Discharge Challenges](#) | Oregon State Legislature

8 [2022 Oregon Long Term Care State Report](#) | Oregon Health Care Association



Figure 1. Average payer mix across Oregon LTC settings <sup>9</sup>



Comprehensive strategies and innovative funding solutions to offset Medicaid rates are required to build and retain Oregon’s care provider workforce. Broad partnerships between the State, employers, and care providers are also essential in ensuring the sustainability of long-term care and the broader healthcare system.

## The workforce crisis created new partnerships

Historically, LTC workers have been some of the most under- and uninsured workers in Oregon. In recent years, due to much-needed wage increases, many LTC workers lost access to the Oregon Health Plan, yet were still ineligible for Affordable Care Act (ACA) subsidies and were unable to afford the health plan offered by their employer (employer sponsored insurance or “ESI”).<sup>10</sup> Additionally, because they had access to ESI, these caregivers were also ineligible for the newly created OHP Bridge Plan.

At the same time, LTC employers struggled to lower employee premiums, due to relatively small risk pools and low Medicaid reimbursement rates. Despite decades-long efforts to improve wages and working conditions, care workers were leaving for other settings to access affordable healthcare for themselves and their families.<sup>11</sup> As such, the State of Oregon took action to support these employers who are critical to serving Oregon’s aging and disabled populations.

The Essential Worker Healthcare Trust (EWHT) is one of Oregon’s primary efforts to address the state’s healthcare worker crisis and is a result of a partnership among employers, workers, the federal Medicaid program, and the Oregon legislature. Established by Senate Bill 800 (2021), the EWHT is

<sup>9</sup> [2022 Oregon Long Term Care State Report](#) | Oregon Health Care Association

<sup>10</sup> [2023 Health Care Workforce Needs Assessment Report](#) | OSU

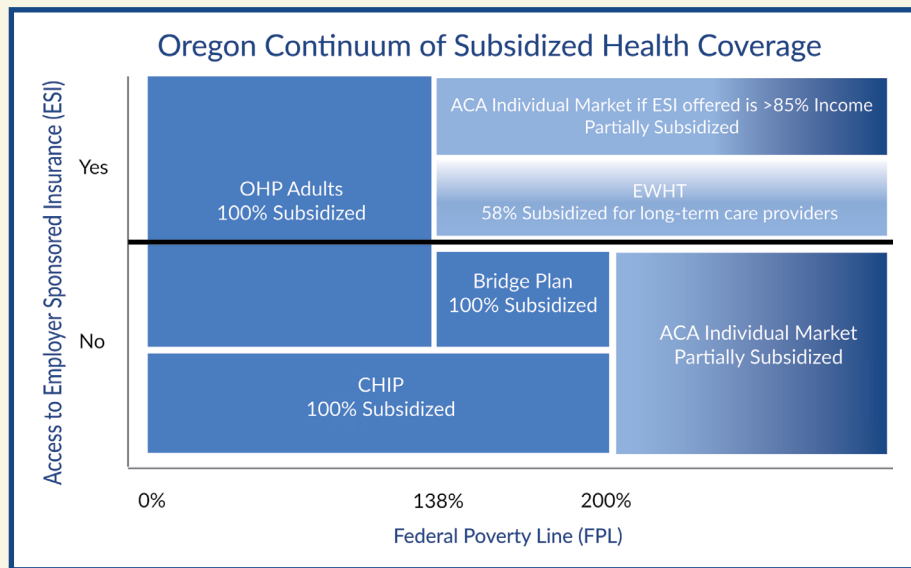
<sup>11</sup> [2022 Oregon Long Term Care State Report](#) | Oregon Health Care Association





a private labor-management trust that provides high-quality, low-cost healthcare benefits for the LTC industry and fills the eligibility and affordability gap between OHP, ESI, and the ACA individual market.

Figure 2. EWHT fills a gap for low-wage workers to access affordable, quality health benefits.



EWHT’s unique, tripartite funding partnership across the State of Oregon, federal Centers for Medicare and Medicaid Services (CMS), and LTC employers is a critical component of offering significantly improved benefits at a lower cost for caregivers, including:

- 90% of member costs are covered, compared to 60% previously.
- 85% average reduction in monthly premiums, starting at \$35 for the lowest-income workers.
- 67% average reduction in deductibles and out-of-pocket maximums. The past two years have demonstrated EWHT’s effectiveness in retaining long-term care providers through improved benefit offerings, which increase the value of provider compensation packages in a fiscally responsible, collaborative manner.

“Having a great health plan through the EWHT makes me feel confident in staying at Corvallis Manor Nursing & Rehabilitation Center for the long haul—so much so that I’m also going to school to get my LPN degree and advance my career right here.”

-Sarah Cubba, Volare Certified Medication Aide



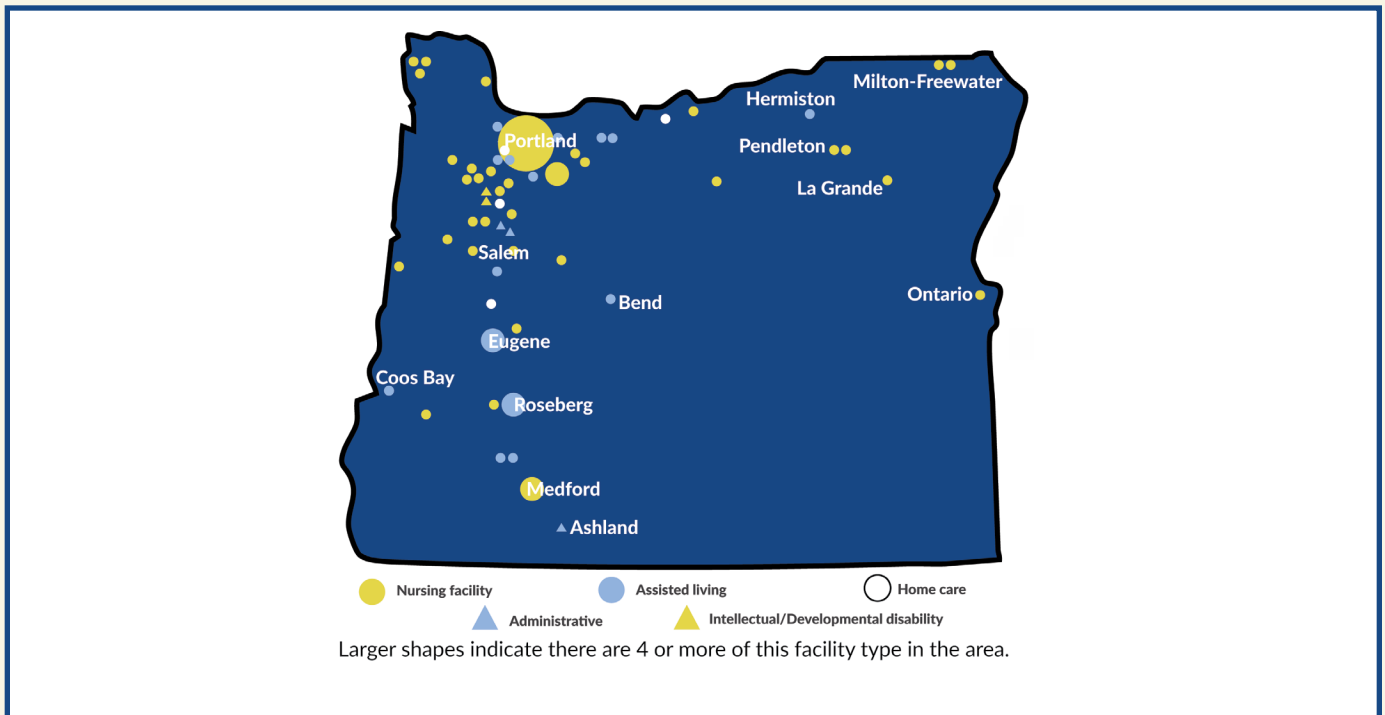
# Profile of EWHT Participants

## EWHT continues to expand its reach across the LTC continuum

In 2024, EWHT expanded significantly beyond its initial coverage of nursing home workers to cover a broad spectrum of long-term care workers, including those who support individuals in assisted living and home care settings, and those with intellectual and developmental disabilities (I/DD). In 2023, EWHT covered 3,153 nursing home workers and families (“total covered lives”), and due to the success of providing affordable, quality health benefits, EWHT grew by 55% to 4,814 workers and families in 2024. This growth represents increased enrollment within the founding nursing home employers as well as from new participating provider types across the LTC continuum to strengthen the LTC and broader healthcare system.

EWHT is proud to offer health benefits for workers at LTC facilities statewide. This includes 49 nursing facilities (representing 38% of Oregon’s nursing homes<sup>12</sup>), 20 assisted living and residential care centers, one home care agency with four regional centers, and two agencies serving people with I/DD.

Figure 3. Map of employers participating in EWHT across Oregon



12 [2024 Oregon Long Term Care State Report](#) | Oregon Health Care Association



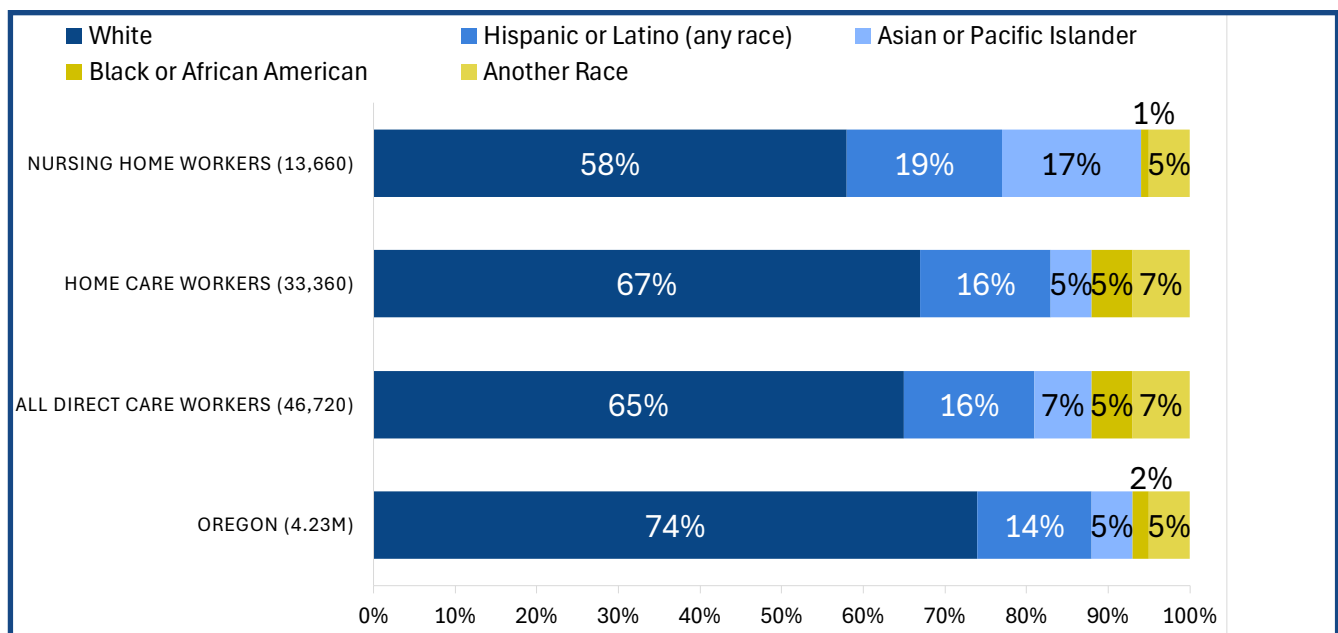
Full-time employees (defined as working at least 30 hours per week) at participating employers are eligible to enroll with their dependents, including spouses, domestic partners, and children up to age 26. On average, each worker enrolled in EWHT (“subscriber”) represents 1.6 covered lives (“participants”). In other words, 68% of EWHT subscribers enroll only themselves. The majority (62.5%) of EWHT subscribers are female and 44 years old on average (the average participant age is 37 years due to dependents).

## EWHT supports Oregon’s broader equity goals

Ensuring the LTC workforce has access to affordable, quality health benefits is critical to advancing OHA’s goal to eliminate health inequities by 2030.<sup>13</sup> The LTC workforce is more likely to include women, people of color, and immigrants than the general population.<sup>14</sup> Given that LTC workers were previously Oregon’s most uninsured and underinsured workforce, ensuring their access to affordable, quality coverage is essential for advancing the state’s health equity goals for both individual care providers and the patients they serve.

As EWHT provides healthcare coverage to a diverse set of LTC providers, the following data shows racial and ethnic group composition of this workforce compared to the general Oregon population. Of note, total subscribers include more job classifications than what is shown in the chart, but the direct care workforce (inclusive of nursing assistants, home health aides, and personal care aides) comprises the vast majority.

**Figure 4. Oregon’s LTC workforce is more diverse than the state’s overall population.<sup>15</sup>**



<sup>13</sup> [Oregon Health Authority Strategic Plan \(2024-2027\)](#) | Oregon Health Authority

<sup>14</sup> [2022 Oregon Long Term Care State Report](#) | Oregon Health Care Association

<sup>15</sup> [Direct Care Work Employment](#) | PHI Patient Centeredness, Cultural Competence, and Healthcare Quality | Journal of National Medical Association



By providing comprehensive health benefits to this culturally multifaceted workforce, EWHT not only addresses inequities in coverage but also supports the recruitment and retention of a diverse population of care providers. A diverse LTC workforce also helps advance health equity by ensuring patients have access to providers who understand their cultural and linguistic needs, which is shown to enhance trust and improve health outcomes.<sup>16</sup>

“Since the EWHT has become an option to provide to our staff, I have found it as a top selling point to getting clinical and administrative staff hired at the facility level. This is an incredible plan that we feel lucky to be able to provide.”

-Ashley Melton, Glisan Post Acute, Administrator

## EWHT’s Positive Impact on Recruitment and Retention

Employers frequently highlight the meaningful role of EWHT’s benefits in their recruitment and retention strategies for LTC workers. In Oregon, skilled nursing facilities have an annual retention rate of 45.4% for nursing staff.<sup>17</sup> In contrast, 71% of employees enrolled in EWHT remained enrolled after one year and 62% remained enrolled after two years. This was a consistent trend observed in both 2023 and 2024, indicating employees are more likely to stay with their employers when they have access to EWHT benefits. Their affordability and quality make accessing care easier for workers and their families, fostering job satisfaction and employee loyalty.

Additionally, EWHT benefits provide employers a distinct competitive edge in the job market. One employer shared, “When interviewing new employees, I’ll bring up the insurance that is available and what that offers before even talking about wages. I’ve been told that staff have accepted mainly because of the insurance alone. Back before [EWHT], we had some staff go and work for agencies for higher [pay] rates but then when they heard about the benefits that were available, they came back to work full-time here.”

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<sup>16</sup> [Patient Centeredness, Cultural Competence, and Healthcare Quality](#) | Journal of National Medical Association

<sup>17</sup> [Nursing Home Staff Turnover: Oregon](#) | Carelistings



# Quality Health Benefits

Having completed its second year of providing benefits, EWHT remains dedicated to offering high-quality benefits tailored to the unique healthcare needs and challenges of the long-term care workforce, which often differ significantly from those of the average ESI participant. For example, prior to launch, EWHT conducted in person and virtual focus groups to engage potentially eligible workers about their current health benefit experiences and ideas for improvement. Opinions and experiences were solicited from a wide variety of workers, including those covered through ESI, OHP, or other insurance; those with varying lengths of work experience; people with disabilities and a variety of health needs; native English speakers and people whose primary language is one other than English; those from varied geographic regions; and different nursing home employers.

Findings from these focus groups led EWHT to offer two benefit plans:

- Fully insured (risk-based) Kaiser HMO coverage that helped maintain existing coverage for subscribers who were satisfied with the care and seamless coordination.
- Self-funded Preferred Provider Organization (PPO) offering through Regence BlueCross BlueShield, which is available statewide, unlike Kaiser.

A Summary Plan Description (SPD) is distributed to each EWHT participant household and provides detailed information on the health benefits design as well as the services covered. In addition, Summary of Material Modifications (SMMs) are distributed as plan modifications are made.

Building on these foundational efforts, EWHT implemented several initiatives in 2024 to further support workers in understanding, accessing, and using their benefits:

- **Language Access:** To address feedback from members about the complexity of health benefits information, EWHT reviewed and revised key guides, mailings, and communication materials to ensure they are written in plain language. This approach has made it easier for workers to understand their benefits, reducing confusion and improving overall satisfaction.

In addition, all member-facing materials are translated into Spanish and mailed to members as well as posted on the EWHT website. The Benefit Guide is also available in Tagalog on the EWHT website.

- **Eligibility Enhancement:** In response to employer and member feedback, the EWHT Board of Trustees revised domestic partner eligibility requirements to make the process more inclusive and accessible. Previously, EWHT only accepted proof of a state-registered domestic partnership. Now, members can alternatively submit a signed affidavit attesting to their domestic partnership, aligning EWHT with public sector entities including some county governments, the Public Employees' Benefit Board (PEBB), and Oregon Educators Benefit Board (OEBB).
- **Simplified Verification Processes:** Enrolling dependents, especially in special circumstances like when a child over the age of 26 requires continued care for a disability, can be an onerous and



confusing process. EWHT created an “Over Age 26” verification form – to simplify the collection of required information needed to enroll or continue coverage for these family members.

- **Video Tutorials:** Recognizing that visual aids can be more effective than written instructions, EWHT created a benefits overview video as well as a video tutorial as a step-by-step guide on completing dependent verification, with plans for a series of videos addressing other potentially confusing topics. Videos are currently available online and have been highlighted in member communications to ensure accessibility. Some employers report they are also sharing the videos during new employee onboarding and plan to embed the videos in their employee portals.
- **Open Enrollment Site Visits:** During open enrollment, EWHT and RISE Partnership team members conducted site visits across the state to provide in-person support. These visits allowed workers to ask questions, gain a clearer understanding of their options, and complete their enrollment with confidence. The hands-on assistance was especially valuable for first-time enrollees and those with qualifying life event changes.
- **Enhanced Member Support:** EWHT strengthened its collaboration with its third-party administrator (TPA) and carriers to ensure all member issues and questions are resolved quickly and efficiently, including the development of a Frequently Asked Questions (FAQ) guide for use by our TPA’s Customer Service team when fielding member questions.
- **Proactive Member Outreach:** EWHT team members took proactive steps to protect members from losing critical dependent coverage by reaching out directly to those who had not yet submitted the required verification documents. This effort ensured that members understood the 90-day deadline to submit documents after enrollment and provided the necessary support to help them complete the process. As a result, many families were able to maintain uninterrupted coverage for their spouses, domestic partners, and children, reducing stress and preventing potential gaps in care. This initiative demonstrated EWHT’s commitment to prioritizing member well-being and minimizing barriers to access.

## EWHT continues to deliver strong provider access throughout Oregon

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The usability of any healthcare benefit is highly dependent on the availability of providers willing to accept the coverage. EWHT’s Kaiser coverage meets all the State of Oregon’s network adequacy requirements for commercially available health insurance. See below for EWHT’s self-insured PPO, including measures of network adequacy for urban, rural, and suburban subscribers.

### Primary Care

- In Oregon’s urban areas, 99.8% of EWHT subscribers have access to two in-network primary care physicians (PCP) within five miles. This translates to one subscriber who does not have access to two PCPs within five miles. For this individual, the average distance is 5.2 miles to access one PCP and 5.4 miles to access two PCPs.
- In suburban areas, 100% of EWHT subscribers have access to two in-network PCPs within 10 miles.



- In rural areas, 97.6% of EWHT subscribers have access to two in-network PCPs within 15 miles. This translates to 33 subscribers who do not have access to two primary care physicians within 15 miles. For this group, the average distance is 10.6 miles to access one PCP and 18.9 miles to access two PCPs.

### Specialty Care, including OB/GYNs

- In Oregon’s urban areas, 99.8% of EWHT subscribers have access to two in-network specialists within five miles. This translates to one subscriber who does not have access to two PCPs within five miles. For this individual, the average distance is 5.4 miles to access one specialist and 5.6 miles to access two specialists.
- In suburban areas, 99.4% of EWHT subscribers have access to two in-network specialists within 10 miles. This translates to two subscribers who do not have access to two specialists within 10 miles. For this group, the average distance is 11.2 miles to access one specialist and 13.3 miles to access two specialists.
- In rural areas, 97.4% of EWHT subscribers have two in-network specialists within 15 miles. This translates to 35 subscribers who do not have access to two specialists within 15 miles. For this group, the average distance is 14.5 miles to access one specialist and 19.5 miles to access two specialists.

### Hospitals

- In Oregon’s urban areas, 100% of EWHT subscribers have access to at least one in-network hospital within 10 miles.
- In suburban areas, 100% of EWHT subscribers have access to at least one in-network hospital within 15 miles.
- In rural areas, 95.9% of EWHT subscribers have access to at least one in-network hospital within 20 miles. This translates to 56 subscribers who do not have access to an in-network hospital within 20 miles. For this group, the average distance to access an in-network hospital is 25.4 miles.

EWHT currently has limited information on waiting times but continues to work with its benefits consultant to implement tracking in the future.

“I’ve been on the Essential Worker Healthcare Trust Regence plan for two years, going on three, and their coverage is amazing. I don’t have problems with my medication coverages and finding providers is not usually difficult. They cover my kids and my partner, so it works really nice.”

-Heather Marcott, Timberline Post Acute, RN



# EWHT Provides Fiscally Responsible Coverage

EWHT was designed to provide high-quality, more affordable health benefits to LTC workers compared to what employers could offer on their own. EWHT offers a platinum plan (90% of costs covered in aggregate) representing a significant increase in healthcare costs covered for participants. Previous ESI options were bronze plans, where only 60% of costs were covered in aggregate.

EWHT provides benefits via two mechanisms. The first is fully insured (risk-based) Kaiser coverage. Many workers with Kaiser coverage were satisfied and desired to maintain their membership because of the care and seamless coordination provided. However, Kaiser is not available statewide.

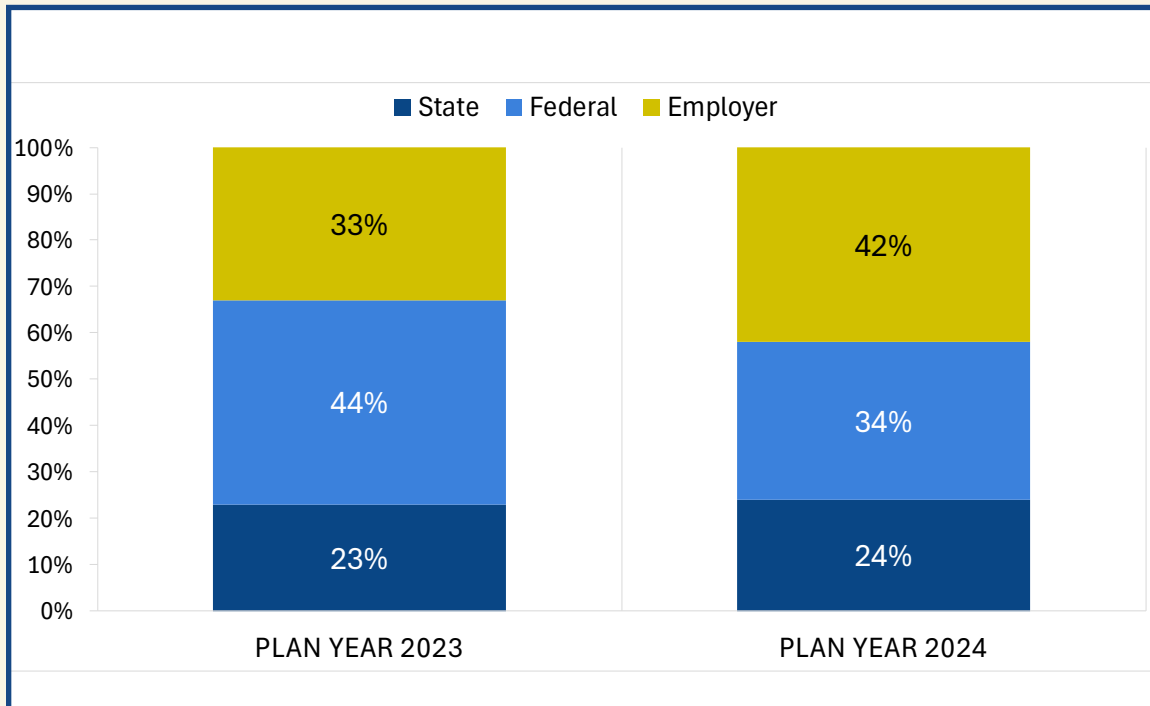
The second option is a self-insured (or self-funded) PPO offered through Regence BlueCross BlueShield. With a larger risk pool resulting from multiple employers, EWHT assumes the risk involved with providing coverage, instead of purchasing coverage from an insurance company. This means that EWHT generally pays for enrollees' medical care directly. Self-insured benefits drive efficiency and economy through the ability to tailor benefits and programs to its specific risk pool, which also supports a focus on worker-centered plans. Additionally, many of the administrative costs inherent in commercial insurance are eliminated, including marketing and profit. Most subscribers elected the self-insured PPO option. The financial metrics for self-funding are different than risk-based coverage.

EWHT's tripartite funding structure with State, federal, and employer investments are fundamental to achieving the goal of providing quality health benefits that are affordable for both employers and workers. Through the Medicaid supplemental payments authorized by Senate Bill 800 (2021), each dollar of State investment leverages \$1.44 of federal funding in 2024. Importantly, EWHT maintains employer dollars in health coverage, as opposed to other subsidized health coverage plans including OHP and the Bridge Plan. As shown in figure 5, employers paid 42% of premium costs in 2024, up from 33% the prior year, absorbing higher costs due to increasing enrollment and the decreasing federal matching assistance percentage (FMAP). In 2022, the federal government matched every State dollar with \$1.50 of federal dollars, resulting in a substantial loss due to FMAP decreases. However, without the Medicaid supplemental payments, the total premium cost for employers would more than double.





Figure 5. EWHT’s unique tripartite funding model maintains employer dollars.



## Lower-than-average premium increases

Premiums are the amount paid per subscriber per month and are a combination of employer and employee contributions. EWHT’s monthly premiums are determined annually by a vote of the Board of Trustees after consultation with its benefits consultant and actuary. The 2024 monthly premium per EWHT subscriber (regardless of plan selection or number of dependents enrolled) was \$488, a 6% increase from 2023 (\$460). The 2025 premium will be \$517, another 6% increase. However, both annual increases have remained below the average ESI increases of 7% for both 2024 and 2025.<sup>18</sup>

The premium split between the employer and employee varies based on a variety of factors, including but not limited to the employer, historical total premium, historical premium split, the increased uptake resulting from EWHT’s improved benefits at lower costs, subscriber job title/ classification, and union collective bargaining agreements, where applicable. In recognition of EWHT’s positive impact on workforce stabilization, employers absorbed the premium increase so that subscriber premiums remain the same for most workers between 2023 and 2025. For the lowest-wage workers, the monthly employee premium share remains at \$35/\$70/\$105 for single/ employee and spouse/employee and family, which are 85% lower than ESI options prior to EWHT. Some employee premiums are even lower, with subscribers who pay \$0 monthly. In other words, some LTC workers have fully paid healthcare premiums.

<sup>18</sup> [Family Premiums for Employer Coverage](#) |KFF



## Out-of-pocket costs remain affordable

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Monthly premiums are not the only healthcare costs that subscribers pay for healthcare. Out-of-pocket costs are comprised of deductibles, copays, and coinsurance. Thus, for healthcare coverage to be affordable, the out-of-pocket costs must also be reasonable. The figure below provides an overview of the out-of-pocket costs for EWHT participants, which have not changed since EWHT began providing coverage in 2023.

For reference, deductibles and out-of-pocket maximums for EWHT subscribers are 67% lower on average compared to pre-EWHT ESI options. Notably, this means lower costs for an improved health benefit. In addition, subscribers have substantially lower out-of-pocket costs for prescription drug coverage. EWHT covers generic drugs at a \$0 copay. As a result, EWHT's prescription drug adherence is high because cost is unlikely to be a barrier. The figure below shows prescription drug adherence rates, which are measured based on initial prescription and refills. For context, OptumRx, EWHT's pharmacy benefit manager (PBM), considers anything over 80% adherence to be very good.

"... due to the great coverage and low deductibles, they [staff] are doing preventative care for the first time in their lives. Prior to this, there were high deductibles so team members would avoid getting care unless critical; now they are getting treatment before their issues get very serious."

-Matthew Hamilton, Ashland Post Acute, Administrator



Figure 6. EWHT provided plans offer affordable out of pocket costs.

	Regence PPO	Kaiser Permanente HMO
Annual Deductible	\$800 individual/\$1600 Family	\$800 individual/\$1600 Family
Annual Max Out of Pocket	\$2,000 Individual/\$4000 Family	\$2,000 Individual/\$4000 Family
Preventative Care	No cost	No cost
Primary Office care visit	\$20 copay per visit	\$20 copay per visit
Specialist, physical therapy, chiropractic co-pay	\$40 copay per visit	\$40 copay per visit
Urgent Care	\$60	\$60
Emergency Room	\$160 (waived if admitted), then 20% after deductible is met	20% after deductible is met
Most other services (such as labs and X-rays, surgery, hospital stays, etc.)	20% after deductible is met	20% after deductible is met
Generic Drug Prescription	No cost	No cost
Brand Drug Prescription	\$30 copay	No cost

Figure 7. EWHT prescription drug adherence rates remain high.

Prescription Drug Class	EWHT Adherence	
	2024	Change from 2023 <sup>1</sup> (%)
Statins <sup>2</sup>	90.9%	5.3%
Hypertension	89.4%	2.0%
Renin-angiotensin system antagonists	89.3%	1.9%
Diabetes	88.1%	3.6%
Depression	86.2%	6.2%
All other	84.6%	5.8%

<sup>1</sup> Calculated using 2023 plan year adherence rates, previously unavailable for the 2023 report.  
<sup>2</sup> For traditional adherence, Statins replaced anticonvulsants in the top five medication classes.



# Department of Consumer and Business Services (DCBS) Oversight

EWHT's structure with equal representation from labor and employers, which is common in a Taft-Hartley fund, makes it unique within the long-term care system. However, its inclusion of non-union employees and employers prevents it from meeting the 85% participant nexus with a collective bargaining agreement required for exemption in the federal Employee Retirement Income Security Act (ERISA). Similarly, Oregon's multiple employer welfare arrangement (MEWA) regulations do not fully align with EWHT's operating model. Recognizing this unique structure, SB 800 established specific regulations for EWHT, granting it exempted entity status under ORS 731.036(13).<sup>19</sup> To maintain this status, EWHT submits annual compliance information to the Department of Consumer and Business Services (DCBS), which ensures that the organization delivers commercial benefits as intended under State oversight.

The role of DCBS is to oversee health coverage in the commercial market. They do this through review, including:

- Number of covered lives,
- Benefits overview, including the Summary Plan Description (SPD) and Summary of Material Modifications (SMM), and
- Proof of financial stability, including financial overview, income statements, and balance sheets.
- EWHT has maintained exempted entity status for 2023 and 2024 and plans to continue to do so in 2025.

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<sup>19</sup> [Multiemployer Health and Welfare Fund Statistics](#) | Milliman



# Continued Program Expansion Is Essential for the 2025-2027 Biennium

In its first two years of providing coverage, EWHT made significant achievements in providing affordable quality benefits to LTC providers to support rebuilding and retaining the LTC workforce. EWHT's success includes:

## Maintaining significantly improved benefits at a lower cost for caregivers, including:

- 90% of member costs are covered, compared to 60% previously.
- 85% average reduction in monthly premiums, starting at \$35 for the lowest-income workers.
- 67% average reduction in deductibles and out-of-pocket maximums.

## Keeping employer dollars in the healthcare system, paying 42% of premium costs.

- Employer's 2023 premium share was comparable to rates pre-EWHT for a much richer benefit. The 2024 and 2025 increases are below average for comparable ESI plans while still covering increased costs due to lower FMAP and growing membership.
- To continue leveraging the promise of EWHT to improve LTC, we propose the following in 2025 to promote long-term sustainability.

## Maintain a steady appropriation of \$20 million for the 2025-2027 biennium

This State investment will sustain EWHT's nearly 6,500 members through the biennium, ensuring 18 months of reserves, which is consistent with the national average for funds of similar size.<sup>20</sup> Additionally, EWHT plans to expand its provider network across Oregon's care continuum to increase subscriber growth. Importantly, the Medicaid supplemental payments supporting EWHT require no further federal approvals, creating a stable funding mechanism for the future if State investment is maintained. Without this subsidy, employer premium costs are projected to at least double.

## Improve budget stability and accountability

Two biennia of State block grant investments have provided EWHT with the opportunity to demonstrate the success of its innovative approach, aligning with Oregon's national reputation for healthcare innovation. To enhance oversight and ensure budgetary stability for all stakeholders in the long term, EWHT proposes transitioning from biennial State block grant investments to a caseload model. Work must begin soon to ensure a smooth transition in the 2027-2029 biennial budget. EWHT recommends convening a table that includes the Department of Consumer and Business Services (DCBS), OHA Health Policy and Analytics Division, EWHT, and others as identified to

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<sup>20</sup> [Multiemployer Health and Welfare Fund Statistics](#) | Milliman

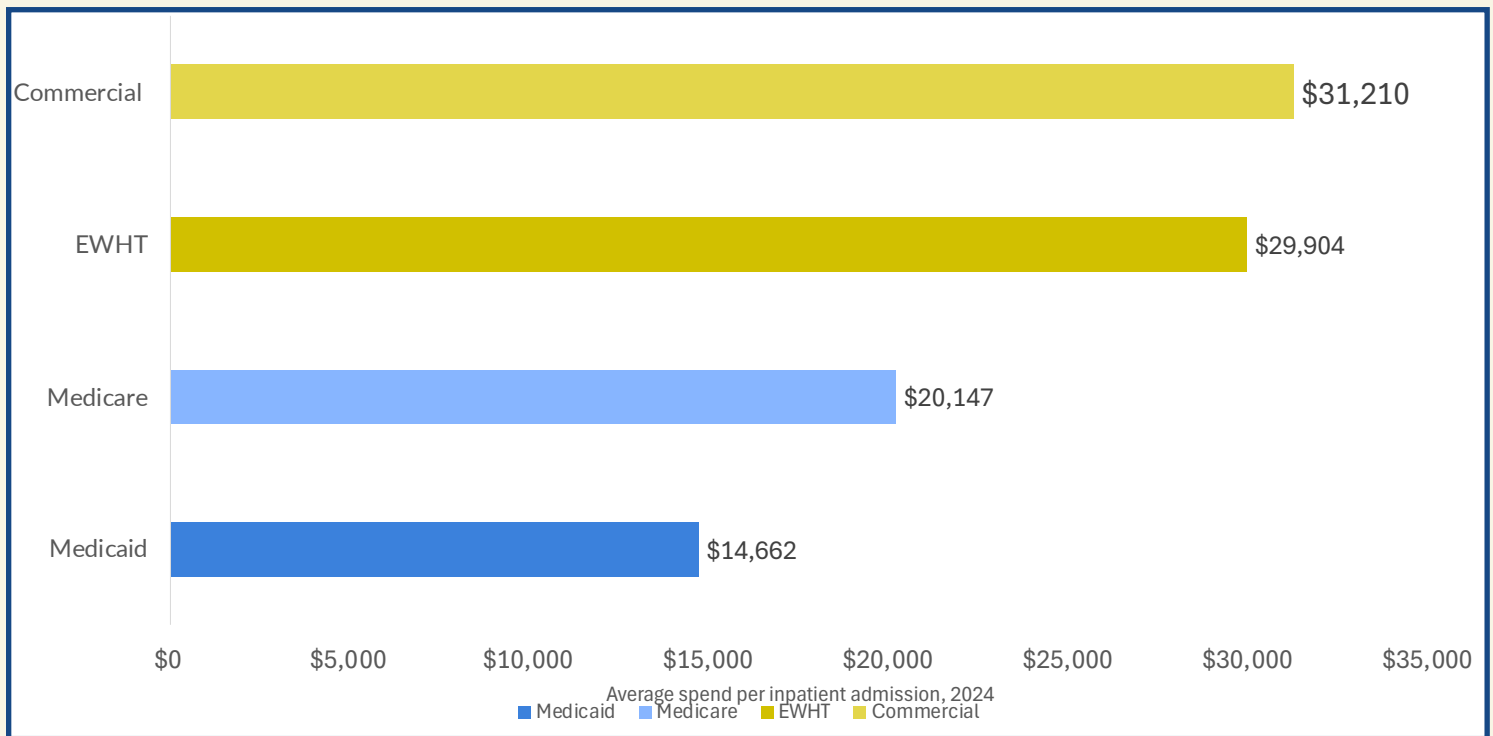


develop shared goals and metrics to support a caseload funding model for the 2027-2029 biennium. The purpose of this group will be to create a shared understanding of how ongoing, long-term success will be defined and sustainably funded.

### Continue improving affordability in partnership with the State

EWHT addresses a critical gap in Oregon’s health coverage marketplace by serving low-wage care providers who are ineligible for other public plans and previously faced barriers to afford and use other benefit options. The State’s financial investment is fundamental to EWHT’s viability for Oregon’s LTC employers and care providers. As responsible stewards of State investment, EWHT continuously works to improve costs and affordability through innovative plan design, targeted vendor negotiations, and efficient administrative practices. Particularly as the State and EWHT partner to build a caseload model, there is opportunity to build upon the private-public partnership to reduce the rates that EWHT pays to providers and stabilize year over year increases. Because EWHT provides commercial coverage, it pays providers commercial rates that are typically 255% higher than Medicare or Medicaid rates. These rates also experience faster annual growth, underscoring the importance of strategic cost management as the program evolves.<sup>21</sup>

Figure 8. EWHT pays more than double Medicaid rates.<sup>22</sup>



\* Commercial, Medicare, and Medicaid rates are trended forward from 2022 Oregon hospital data.

21 [Prices Paid to Hospitals by Private Health Plans](#) | RAND  
 22 [Oregon Hospital Payment Report](#) | Oregon Health Authority



EWHT proposes collaborating with the State to negotiate lower provider reimbursement rates, drawing from the demonstrated success in reducing rates for the Public Employees' Benefit Board and the Bridge Plan, which achieved both affordability and long-term stability. As such, Oregon's demonstrated success and effectiveness in this area can and should be translated to EWHT.

## Continued partnership is the key to success

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As EWHT expands access to high quality, affordable health coverage to caregivers at more providers across the LTC continuum, its focus remains on fostering long-term stability. Continued partnership with the State is the key to building a strong LTC system for vulnerable Oregonians, their caregivers in the workforce, and LTC providers.

By providing comprehensive health benefits to this culturally multifaceted workforce, EWHT not only addresses inequities in coverage but also supports the recruitment and retention of a diverse population of care providers. A diverse LTC workforce also helps advance health equity by ensuring patients have access to providers who understand their cultural and linguistic needs, which is shown to enhance trust and improve health outcomes.

