

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3088 **STATUS:** B-Engrossed
SUBJECT: Limits hospital billing charges to patients who are not enrolled in a health benefit plan
GOVERNMENT UNIT AFFECTED: Oregon Health and Science University
PREPARED BY: Dawn Farr
REVIEWED BY: Steven Bender
DATE: June 22, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
See comments.		

REVENUES:
See comments.

EFFECTIVE DATE: Ninety-one days following adjournment sine die.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This bill restricts hospital charges for services provided to patients who are not enrolled in a public or private health benefit plan (i.e., non-sponsored), to no more than the amount the hospital receives in payment for the same service when a patient is enrolled in Medicare, or in the hospital's highest volume insurer. The bill allows patients to claim treble damages and attorney fees if hospital bills or attempts to collect charges that are in violation of the Act; limits provisions of the measure to patients with family income equal to or less than 350% of federal poverty guidelines; and limits provides of the bill to medically-necessary services.

Oregon Health and Science University (OHSU) indicates that patients with incomes up to 340% of federal poverty levels currently get at least a 40% discount, and patients with incomes of 340 to 350% receive a 30% discount. Assuming all other patients have incomes greater than 350%, OHSU indicates that the bill would have a negative revenue impact of approximately \$2.2 million in the 2007-09 biennium, and of \$2.4 million in the 2009-11 biennium.

OHSU receives state General Fund to support its operations. The university, however, is organized as a public corporation, and the state does not exercise control over the OHSU budget or in any way limit its expenditures. The OHSU Board of Directors has ultimate authority over OHSU budget decisions, and the Board would approve any operational changes that might result from passage of this bill. State General Fund is appropriated to support OHSU's academic programs, the Child Development and Rehabilitation Center, the Oregon Poison Center, the Area Health Education Centers, and the Office of Rural Health. The state ended direct General Fund support of OHSU's hospitals and clinics in 2005.