

# Senate Bill 329

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Oregon Health Fund program. Establishes Oregon Health Fund Board to administer program. Requires board to adopt enrollment procedures and defined set of essential health services. Requires board to contract with health plans licensed to transact business in state to provide coverage. Requires board to issue Oregon Health Card to program participant. Requires accountable health plan to enroll person with Oregon Health Card.

Requires certain persons to participate in program. Requires uninsured individual with income greater than 250 percent of federal poverty guidelines to pay premium. Denies state income tax exemption credit for individual who fails to pay premium.

Requires board to adopt rules establishing quality and access standards applicable to defined set of essential health services covered by plans. Authorizes board to adopt rules necessary to implement program. Requires board to report to Legislative Assembly concerning operation of program.

Requires board to establish procedures to assist cardholders who choose to execute advance directives and to establish registry of advance directives.

Establishes Oregon Health Fund. Continuously appropriates moneys in fund to board to obtain coverage of defined set of essential health services for eligible persons from accountable health plans and to pay administrative costs.

Creates interim task force to develop potential strategies for streamlining state agencies and programs that deliver medical benefits. Authorizes task force to pre-session file legislation. Requires task force to report to Legislative Assembly.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to the Oregon Health Fund program; creating new provisions; amending ORS 192.519; ap-  
3 propriating money; and declaring an emergency.

4 Whereas the current health care system is unsustainable due to outdated health care policies  
5 that are based on a set of assumptions that are no longer valid and that reflect the realities of the  
6 last century, rather than the realities of today; and

7 Whereas the economic and demographic environment in which these outdated policies were  
8 created has changed dramatically over the past 50 years; and

9 Whereas any reform effort that fails to address the contradictions and inequities embodied in  
10 outdated health care policies and fails to bring the policies into alignment with the realities of the  
11 21st century will fail to achieve meaningful reform, perpetuating the status quo and the contra-  
12 dictions, inequities and consequences inherent in the current health care system; and

13 Whereas improving and protecting the health of all Oregonians must be a primary issue and an  
14 important goal of the state; and

15 Whereas all Oregonians should have equal access to essential health services that are afford-  
16 able, that are based on publicly-debated criteria, that reflect a consensus of social values and that  
17 consider the good of individuals across the lifespan; and

18 Whereas society is responsible for ensuring equitable financing of essential health care for  
19 Oregonians who cannot afford that care; and

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Whereas health care policies should emphasize public health, encourage the use of quality ser-  
2 vices and evidence-based treatment that is appropriate and safe and discourage overtreatment; and

3 Whereas health care providers and informed patients must be the primary decision makers and  
4 must be accountable for the individual's health; and

5 Whereas health care is one important factor affecting health, and health care funding should  
6 be explicit and economically sustainable; and

7 Whereas an economically sustainable health care system requires that providers receive fair and  
8 adequate compensation; and

9 Whereas health care must be balanced with other programs that also affect health and there  
10 must be clear accountability for the allocation of resources and for the human consequences of  
11 funding decisions; and

12 Whereas incremental changes will not solve Oregon's health care crisis and comprehensive re-  
13 form is required; now, therefore,

14 **Be It Enacted by the People of the State of Oregon:**

15 **SECTION 1.** As used in sections 1 to 14 of this 2007 Act, except as otherwise specifically  
16 provided or unless the context requires otherwise:

17 (1) "Accountable health plan" means an entity that contracts with the Oregon Health  
18 Fund Board to provide a health benefit plan, as defined in ORS 743.730, through the Oregon  
19 Health Fund program.

20 (2) "Defined set of essential health services" means the services approved for treatment  
21 of conditions on the prioritized list created by the Health Services Commission pursuant to  
22 ORS 414.720 that are funded by the Legislative Assembly under ORS 414.707 (1)(a).

23 (3) "Employer" has the meaning given that term in ORS 657.025.

24 (4) "Oregon Health Card" means the card issued by the Oregon Health Fund Board that  
25 verifies the eligibility of the holder to participate in the Oregon Health Fund program.

26 (5) "Oregon Health Fund" means the fund established in section 7 of this 2007 Act.

27 (6) "Oregon Health Fund Board" means the board established in section 2 of this 2007  
28 Act.

29 **SECTION 2.** (1) There is established the Oregon Health Fund Board to administer the  
30 Oregon Health Fund program. The board shall consist of up to 15 members appointed by the  
31 Governor, subject to confirmation by the Senate pursuant to section 4, Article III of the  
32 Oregon Constitution. The members of the board shall include, at a minimum:

33 (a) One representative of a commercial health insurer;

34 (b) One representative of a fully capitated health plan;

35 (c) Four representatives of the business community, including two representing large  
36 businesses and two representing small businesses;

37 (d) One representative of an Oregon hospital;

38 (e) Two representatives of labor organizations;

39 (f) One physician;

40 (g) One nurse; and

41 (h) One health care consumer advocate.

42 (2) Each board member shall serve for a term of four years. However, a board member  
43 shall serve until a successor has been appointed and qualified. A member is eligible for re-  
44 appointment.

45 (3) If there is a vacancy for any cause, the Governor shall make an appointment to be-

1 come effective immediately for the balance of the unexpired term.

2 (4) Members of the board are in the exempt service under ORS chapter 240, and the  
 3 Governor shall fix their salaries in accordance with ORS 240.245.

4 (5) The board shall select one of its members as chairperson and another as vice chair-  
 5 person, for such terms and with duties and powers necessary for the performance of the  
 6 functions of such offices as the board determines.

7 (6) A majority of the members of the board constitutes a quorum for the transaction of  
 8 business.

9 (7) Official action by the board requires the approval of a majority of the members of the  
 10 board.

11 **SECTION 3.** Notwithstanding the term of office specified by section 2 of this 2007 Act,  
 12 of the members first appointed to the Oregon Health Fund Board:

13 (1) Five shall serve for a term ending January 1, 2010.

14 (2) Five shall serve for a term ending January 1, 2011.

15 (3) The remaining appointees shall serve for a term ending January 1, 2012.

16 **SECTION 4.** (1) There is established the Oregon Health Fund program.

17 (2) The goals of the program are to:

18 (a) Provide coverage of the defined set of essential health services for all residents of this  
 19 state;

20 (b) Reduce unsustainable health care cost increases in this state;

21 (c) Shift to a system of public and private health care partnerships that integrate public  
 22 involvement and oversight, consumer choice and competition within the private market;

23 (d) Use proven models of health care benefits, service delivery and payments that control  
 24 costs and overutilization, with emphasis on preventive care and chronic disease management  
 25 within a primary care environment;

26 (e) Provide services for humane and dignified end-of-life care;

27 (f) Restructure the health care system so that payments for services are fair and  
 28 proportionate among various populations and health care programs; and

29 (g) Fund a high quality and transparent health care delivery system that allows users  
 30 and purchasers to know what they are receiving for their money.

31 **SECTION 5.** (1) The Oregon Health Fund Board shall appoint an executive director to  
 32 serve at the pleasure of the board.

33 (2) The designation of the executive director must be by written order filed with the  
 34 Secretary of State.

35 (3) Subject to any applicable provisions of ORS chapter 240, the executive director is au-  
 36 thorized to hire, supervise and terminate the employees of the board, prescribe their duties  
 37 and fix their compensation.

38 **SECTION 6.** Except as otherwise provided by law, and except for ORS 279A.250 to  
 39 279A.290, the provisions of ORS chapters 279A, 279B and 279C do not apply to the Oregon  
 40 Health Fund Board.

41 **SECTION 7.** (1) The Oregon Health Fund is established separate and distinct from the  
 42 General Fund. Interest earned from the investment of moneys in the Oregon Health Fund  
 43 shall be credited to the fund. The Oregon Health Fund shall consist of:

44 (a) Private employer and employee health care contributions.

45 (b) Individual health care premium contributions.

1 (c) Public employer and employee health care contributions.

2 (d) Federal funds from Title XVIII, XIX or XXI of the Social Security Act that are made  
 3 available to the fund, excluding reimbursements for graduate medical education costs pur-  
 4 suant to 42 U.S.C. 1395ww(h) and disproportionate share adjustments made pursuant to 42  
 5 U.S.C. 1396a(a)(13)(A)(iv).

6 (e) Contributions from the United States Government and its agencies, or from any other  
 7 source, public or private, provided for purposes that are consistent with the goals of the  
 8 Oregon Health Fund program.

9 (f) Moneys appropriated to the Oregon Health Fund Board by the Legislative Assembly  
 10 for the purpose of administering the program.

11 (g) Interest earnings from the investment of moneys in the fund.

12 (2) All moneys in the Oregon Health Fund are continuously appropriated to the Oregon  
 13 Health Fund Board to carry out the provisions of sections 1 to 14 of this 2007 Act.

14 **SECTION 8.** (1) The Oregon Health Fund Board shall contract with health benefit plans  
 15 to provide coverage of the defined set of essential health services for individuals holding  
 16 Oregon Health Cards. Consistent with the goals of the Oregon Health Fund program set forth  
 17 in section 4 of this 2007 Act, the board shall, in accordance with ORS chapter 183, adopt  
 18 rules:

19 (a) Setting standards for accountable health plans to ensure the capacity of each plan to  
 20 provide cardholders access to primary care services within the cardholders' local communi-  
 21 ties.

22 (b) Establishing participation criteria in accordance with section 9 of this 2007 Act and  
 23 establishing procedures for enrolling participants in the program.

24 (c) For the issuance of an Oregon Health Card, which shall be effective for 12 months  
 25 from the date of issuance, to each person who meets the participation criteria established  
 26 pursuant to paragraph (b) of this subsection.

27 (d) Establishing capitation rates for the packages of the defined set of essential health  
 28 services provided to cardholders.

29 (e) Ensuring that all cardholders are enrolled with accountable health plans.

30 (f) Establishing premium rates on a sliding scale that are no higher than the capitation  
 31 rates established under paragraph (d) of this subsection, for individuals with incomes greater  
 32 than 250 percent of the federal poverty guidelines, who are not beneficiaries under health  
 33 benefit plans providing coverage of the defined set of essential health services and who are  
 34 not eligible to be enrolled in a publicly funded medical assistance program providing primary  
 35 care and hospital services.

36 (g) Prescribing the method for determining individual income under paragraph (f) of this  
 37 subsection.

38 (h) Establishing procedures for assisting a cardholder who chooses to execute an advance  
 39 directive in accordance with ORS 127.531.

40 (i) Establishing and maintaining a registry of advance directives executed by cardholders.

41 (j) Establishing standards of quality for the defined set of essential health services pro-  
 42 vided by accountable health plans.

43 (k) Ensuring that a cardholder has access to a health care delivery system best suited  
 44 to the cardholder's needs.

45 (L) Setting standards of quality for the services or products that are offered by ac-

1 countable health plans in addition to the defined set of essential health services.

2 (m) Ensuring transparency of the costs of and charges by accountable health plans and  
3 providers.

4 (n) Ensuring that the costs of health care in this state are shared proportionately and  
5 equitably by the state, employers, health care providers and individuals.

6 (2) The board shall collaborate with the Department of Consumer and Business Services  
7 to ensure that rules adopted to implement sections 1 to 14 of this 2007 Act do not duplicate  
8 regulatory requirements adopted by the department.

9 (3) Nothing in this section or section 10 of this 2007 Act requires an accountable health  
10 plan or any employee or agent of an accountable health plan to act in a manner inconsistent  
11 with federal law or contrary to individual religious or philosophical beliefs.

12 (4) The board shall regularly review the program and implement initiatives to maintain  
13 the program as a high quality, sustainable system.

14 **SECTION 9.** (1) A resident of Oregon who is not a beneficiary under a health benefit plan  
15 providing coverage of the defined set of essential health services and who is not eligible to  
16 be enrolled in a publicly funded medical assistance program providing primary care and  
17 hospital services shall participate in the Oregon Health Fund program. Any other resident  
18 of Oregon may participate in the program. An employee of an employer located in this state  
19 may participate in the program regardless of the employee's state of residence.

20 (2) Holders of Oregon Health Cards who are categorically needy as defined in ORS 414.025  
21 are subject to the provisions of ORS chapter 414.

22 **SECTION 10.** (1) An accountable health plan may not deny enrollment to a person holding  
23 an Oregon Health Card.

24 (2) An accountable health plan must provide coverage of the entire defined set of essen-  
25 tial health services, except as provided in subsection (3) of this section.

26 (3) An accountable health plan may exclude coverage of services for the treatment of  
27 preexisting conditions of a cardholder, for a period of up to one year from enrollment, except  
28 for:

29 (a) An individual who is categorically needy as defined in ORS 414.025; or

30 (b) An individual whose preexisting condition was covered by a health benefit plan within  
31 30 days of enrollment in an accountable health plan.

32 (4) A cardholder who is subject to a preexisting condition exclusion under subsection (3)  
33 of this section, the cardholder's employer or any other person on behalf of the cardholder  
34 may purchase additional coverage for the excluded condition from an accountable health  
35 plan. Accountable health plans must offer additional coverage for preexisting conditions.

36 (5) Employers may offer health insurance coverage provided by insurers that are not  
37 accountable health plans.

38 (6) Employers or individuals may contract with accountable health plans for coverage of  
39 health care services beyond the defined set of essential health services.

40 (7) Accountable health plans may require reasonable cost-sharing, as defined by the  
41 Oregon Health Fund Board by rule, for the coverage or services provided under subsections  
42 (4) and (6) of this section.

43 **SECTION 11.** (1) An individual described in section 8 (1)(f) of this 2007 Act who fails to  
44 pay a required premium is not entitled to claim a personal exemption credit under ORS  
45 316.085.

1       (2) The Oregon Health Fund Board and the Department of Revenue shall collaborate to  
2 adopt rules and procedures to enforce the provisions of this section.

3       **SECTION 12.** If the Oregon Health Fund Board or the executive director or any employee  
4 of the board denies enrollment to a person, or if an accountable health plan refuses to enroll  
5 a person with an Oregon Health Card or to provide a defined set of essential health services,  
6 or if any person is adversely affected or aggrieved by the board or a plan, the person is en-  
7 titled to notice and opportunity for hearing in accordance with the contested case provisions  
8 of ORS chapter 183.

9       **SECTION 13.** (1) The Oregon Health Fund Board shall structure and administer the  
10 Oregon Health Fund program in a manner that optimizes the receipt of federal matching  
11 funds. The board may collaborate with the Department of Human Services to seek necessary  
12 federal approval for initiatives involving Medicare, Medicaid or State Children's Health In-  
13 surance Program funds under Title XVIII, XIX or XXI of the Social Security Act.

14       (2) The board shall adopt minimum standards for accountable health plans to ensure that  
15 the plans demonstrate the ability to control overutilization of health care services while  
16 maintaining high quality services and patient satisfaction.

17       **SECTION 14.** The Oregon Health Fund Board shall submit a written report to the Legis-  
18 lative Assembly by January 1 of each odd-numbered year concerning the operation of the  
19 Oregon Health Fund program. The report must include, but is not limited to:

20       (1) The number of persons, by age group and marital status, who have an Oregon Health  
21 Card and are enrolled in an accountable health plan;

22       (2) The cost savings to the state, to employers and to health care providers by operation  
23 of the program;

24       (3) A measure of patient satisfaction with the defined set of essential health services  
25 received from each accountable health plan;

26       (4) An assessment of patient access to the defined set of essential health services in each  
27 local community served by an accountable health plan;

28       (5) The adequacy of capitation rates set by the board; and

29       (6) Recommendations for legislative changes necessary to meet the goals of the program  
30 set forth in section 4 of this 2007 Act.

31       **SECTION 15.** (1) There is created a task force to review the impact of the Oregon Health  
32 Fund program on other state agencies and programs that affect the provision of health care  
33 in this state. The task force shall consist of up to 16 members appointed as follows:

34       (a) The President of the Senate shall appoint three members from among members of the  
35 Senate.

36       (b) The Speaker of the House of Representatives shall appoint three members from  
37 among members of the House of Representatives.

38       (c) The Governor shall appoint up to 10 members who represent:

39       (A) The Department of Human Services;

40       (B) The Department of Consumer and Business Services;

41       (C) The Office of Private Health Partnerships;

42       (D) The Office for Oregon Health Policy and Research;

43       (E) The Oregon Health Policy Commission;

44       (F) The Health Resources Commission;

45       (G) The Public Employees' Benefit Board;

1 (H) The State Accident Insurance Fund Corporation; and

2 (I) Other state agencies with expertise that will assist the task force in completing its  
3 charge.

4 (2) Task force members appointed by the Governor are nonvoting members of the task  
5 force and may act only in an advisory capacity.

6 (3) The review by the task force shall include, but not be limited to:

7 (a) Identifying redundancies in state agency functions regarding the delivery of medical  
8 benefits.

9 (b) Evaluating the efficiencies of state programs that regulate the delivery of or that  
10 deliver medical benefits.

11 (c) Identifying areas of overlap and potential strategies for streamlining state agency  
12 functions with respect to health policy, health care resources and the regulation and delivery  
13 of medical benefits.

14 (4) A majority of the voting members of the task force constitutes a quorum for the  
15 transaction of business.

16 (5) Official action by the task force requires the approval of a majority of the voting  
17 members of the task force.

18 (6) The task force shall elect one of its members to serve as chairperson.

19 (7) If there is a vacancy for any cause, the appointing authority shall make an appoint-  
20 ment to become immediately effective.

21 (8) The task force shall meet at times and places specified by the call of the chairperson  
22 or of a majority of the members of the task force.

23 (9) The task force may adopt rules necessary for the operation of the task force. The  
24 provisions of ORS 171.605 to 171.635 apply to the task force as though it were an interim  
25 committee created by joint resolution.

26 (10) The task force may pre-session file legislation in the manner provided in ORS 171.130  
27 for interim committees. All legislation recommended by official action of the task force must  
28 indicate that it is introduced at the request of the task force.

29 (11) The task force shall submit a report, and may include recommendations for legis-  
30 lation, to the Seventy-fourth Legislative Assembly in the manner provided by ORS 192.245  
31 no later than October 1, 2008.

32 (12) The Legislative Administrator may employ persons necessary for the performance  
33 of the functions of the task force. The Legislative Administrator shall fix the duties and  
34 amounts of compensation of these employees. The task force shall use the services of per-  
35 manent legislative staff to the greatest extent practicable.

36 (13) Members of the task force who are not members of the Legislative Assembly are not  
37 entitled to compensation or reimbursement for expenses.

38 (14) All agencies of state government, as defined in ORS 174.111, are directed to assist  
39 the task force in the performance of its duties and, to the extent permitted by laws relating  
40 to confidentiality, to furnish such information and advice as the members of the task force  
41 consider necessary to perform their duties.

42 (15) The task force shall have its first meeting on or before the later of 30 days after  
43 adjournment sine die of the regular session of the Seventy-fourth Legislative Assembly or  
44 September 1, 2007.

45 **SECTION 16.** ORS 192.519 is amended to read:

1 192.519. As used in ORS 192.518 to 192.526:

2 (1) "Authorization" means a document written in plain language that contains at least the fol-  
3 lowing:

4 (a) A description of the information to be used or disclosed that identifies the information in a  
5 specific and meaningful way;

6 (b) The name or other specific identification of the person or persons authorized to make the  
7 requested use or disclosure;

8 (c) The name or other specific identification of the person or persons to whom the covered entity  
9 may make the requested use or disclosure;

10 (d) A description of each purpose of the requested use or disclosure, including but not limited  
11 to a statement that the use or disclosure is at the request of the individual;

12 (e) An expiration date or an expiration event that relates to the individual or the purpose of the  
13 use or disclosure;

14 (f) The signature of the individual or personal representative of the individual and the date;

15 (g) A description of the authority of the personal representative, if applicable; and

16 (h) Statements adequate to place the individual on notice of the following:

17 (A) The individual's right to revoke the authorization in writing;

18 (B) The exceptions to the right to revoke the authorization;

19 (C) The ability or inability to condition treatment, payment, enrollment or eligibility for benefits  
20 on whether the individual signs the authorization; and

21 (D) The potential for information disclosed pursuant to the authorization to be subject to  
22 redisclosure by the recipient and no longer protected.

23 (2) "Covered entity" means:

24 (a) A state health plan;

25 (b) A health insurer;

26 (c) A health care provider that transmits any health information in electronic form to carry out  
27 financial or administrative activities in connection with a transaction covered by ORS 192.518 to  
28 192.526; or

29 (d) A health care clearinghouse.

30 (3) "Health care" means care, services or supplies related to the health of an individual.

31 (4) "Health care operations" includes but is not limited to:

32 (a) Quality assessment, accreditation, auditing and improvement activities;

33 (b) Case management and care coordination;

34 (c) Reviewing the competence, qualifications or performance of health care providers or health  
35 insurers;

36 (d) Underwriting activities;

37 (e) Arranging for legal services;

38 (f) Business planning;

39 (g) Customer services;

40 (h) Resolving internal grievances;

41 (i) Creating de-identified information; and

42 (j) Fundraising.

43 (5) "Health care provider" includes but is not limited to:

44 (a) A psychologist, occupational therapist, clinical social worker, professional counselor or  
45 marriage and family therapist licensed under ORS chapter 675 or an employee of the psychologist,



- 1 occupational therapist, clinical social worker, professional counselor or marriage and family thera-  
 2 pist;
- 3 (b) A physician, podiatric physician and surgeon, physician assistant or acupuncturist licensed  
 4 under ORS chapter 677 or an employee of the physician, podiatric physician and surgeon, physician  
 5 assistant or acupuncturist;
- 6 (c) A nurse or nursing home administrator licensed under ORS chapter 678 or an employee of  
 7 the nurse or nursing home administrator;
- 8 (d) A dentist licensed under ORS chapter 679 or an employee of the dentist;
- 9 (e) A dental hygienist or denturist licensed under ORS chapter 680 or an employee of the dental  
 10 hygienist or denturist;
- 11 (f) A speech-language pathologist or audiologist licensed under ORS chapter 681 or an employee  
 12 of the speech-language pathologist or audiologist;
- 13 (g) An emergency medical technician certified under ORS chapter 682;
- 14 (h) An optometrist licensed under ORS chapter 683 or an employee of the optometrist;
- 15 (i) A chiropractic physician licensed under ORS chapter 684 or an employee of the chiropractic  
 16 physician;
- 17 (j) A naturopathic physician licensed under ORS chapter 685 or an employee of the naturopathic  
 18 physician;
- 19 (k) A massage therapist licensed under ORS 687.011 to 687.250 or an employee of the massage  
 20 therapist;
- 21 (L) A direct entry midwife licensed under ORS 687.405 to 687.495 or an employee of the direct  
 22 entry midwife;
- 23 (m) A physical therapist licensed under ORS 688.010 to 688.201 or an employee of the physical  
 24 therapist;
- 25 (n) A radiologic technologist licensed under ORS 688.405 to 688.605 or an employee of the  
 26 radiologic technologist;
- 27 (o) A respiratory care practitioner licensed under ORS 688.800 to 688.840 or an employee of the  
 28 respiratory care practitioner;
- 29 (p) A pharmacist licensed under ORS chapter 689 or an employee of the pharmacist;
- 30 (q) A dietitian licensed under ORS 691.405 to 691.585 or an employee of the dietitian;
- 31 (r) A funeral service practitioner licensed under ORS chapter 692 or an employee of the funeral  
 32 service practitioner;
- 33 (s) A health care facility as defined in ORS 442.015;
- 34 (t) A home health agency as defined in ORS 443.005;
- 35 (u) A hospice program as defined in ORS 443.850;
- 36 (v) A clinical laboratory as defined in ORS 438.010;
- 37 (w) A pharmacy as defined in ORS 689.005;
- 38 (x) A diabetes self-management program as defined in ORS 743.694; and
- 39 (y) Any other person or entity that furnishes, bills for or is paid for health care in the normal  
 40 course of business.
- 41 (6) "Health information" means any oral or written information in any form or medium that:  
 42 (a) Is created or received by a covered entity, a public health authority, an employer, a life  
 43 insurer, a school, a university or a health care provider that is not a covered entity; and  
 44 (b) Relates to:  
 45 (A) The past, present or future physical or mental health or condition of an individual;

- 1 (B) The provision of health care to an individual; or
- 2 (C) The past, present or future payment for the provision of health care to an individual.
- 3 (7) “Health insurer” means:
- 4 (a) An insurer as defined in ORS 731.106 who offers:
- 5 (A) A health benefit plan as defined in ORS 743.730;
- 6 (B) A short term health insurance policy, the duration of which does not exceed six months in-
- 7 cluding renewals;
- 8 (C) A student health insurance policy;
- 9 (D) A Medicare supplemental policy; or
- 10 (E) A dental only policy.
- 11 (b) The Oregon Medical Insurance Pool operated by the Oregon Medical Insurance Pool Board
- 12 under ORS 735.600 to 735.650.
- 13 (8) “Individually identifiable health information” means any oral or written health information
- 14 in any form or medium that is:
- 15 (a) Created or received by a covered entity, an employer or a health care provider that is not
- 16 a covered entity; and
- 17 (b) Identifiable to an individual, including demographic information that identifies the individual,
- 18 or for which there is a reasonable basis to believe the information can be used to identify an indi-
- 19 vidual, and that relates to:
- 20 (A) The past, present or future physical or mental health or condition of an individual;
- 21 (B) The provision of health care to an individual; or
- 22 (C) The past, present or future payment for the provision of health care to an individual.
- 23 (9) “Payment” includes but is not limited to:
- 24 (a) Efforts to obtain premiums or reimbursement;
- 25 (b) Determining eligibility or coverage;
- 26 (c) Billing activities;
- 27 (d) Claims management;
- 28 (e) Reviewing health care to determine medical necessity;
- 29 (f) Utilization review; and
- 30 (g) Disclosures to consumer reporting agencies.
- 31 (10) “Personal representative” includes but is not limited to:
- 32 (a) A person appointed as a guardian under ORS 125.305, 419B.370, 419C.481 or 419C.555 with
- 33 authority to make medical and health care decisions;
- 34 (b) A person appointed as a health care representative under ORS 127.505 to 127.660 or a rep-
- 35 resentative under ORS 127.700 to 127.737 to make health care decisions or mental health treatment
- 36 decisions;
- 37 (c) A person appointed as a personal representative under ORS chapter 113; and
- 38 (d) A person described in ORS 192.526.
- 39 (11)(a) “Protected health information” means individually identifiable health information that is
- 40 maintained or transmitted in any form of electronic or other medium by a covered entity.
- 41 (b) “Protected health information” does not mean individually identifiable health information in:
- 42 (A) Education records covered by the federal Family Educational Rights and Privacy Act (20
- 43 U.S.C. 1232g);
- 44 (B) Records described at 20 U.S.C. 1232g(a)(4)(B)(iv); or
- 45 (C) Employment records held by a covered entity in its role as employer.

- 1 (12) "State health plan" means:
- 2 (a) The state Medicaid program;
- 3 (b) The Oregon State Children's Health Insurance Program; [or]
- 4 (c) The Family Health Insurance Assistance Program established in ORS 735.720 to 735.740[.];

5 **or**

6 **(d) The Oregon Health Fund program established in section 4 of this 2007 Act.**

7 (13) "Treatment" includes but is not limited to:

- 8 (a) The provision, coordination or management of health care; and
- 9 (b) Consultations and referrals between health care providers.

10 **SECTION 17. There is appropriated to the Oregon Health Fund Board, for the biennium**  
11 **beginning July 1, 2007, out of the General Fund, the amount of \$\_\_\_\_\_ for the purpose of**  
12 **administering the Oregon Health Fund program in accordance with sections 1 to 14 of this**  
13 **2007 Act.**

14 **SECTION 18. Sections 1 to 14 and 17 of this 2007 Act and the amendments to ORS 192.519**  
15 **by section 16 of this 2007 Act become operative on January 1, 2008.**

16 **SECTION 19. This 2007 Act being necessary for the immediate preservation of the public**  
17 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**  
18 **on its passage.**

19 \_\_\_\_\_