

Joint Committee on Ways and Means

Carrier – House: Rep. Greenlick
Carrier – Senate: Sen. Bates

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass the B-Engrossed Measure as Amended and Be Printed C-Engrossed

Vote: 15 – 5 – 2

House

Yeas: Buckley, Galizio, Komp, Kotek, Nathanson, Shields, G. Smith

Nays: Garrard, Gilman, Richardson

Exc: D. Edwards, Jenson

Senate

Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Winters

Nays: Girod, Whitsett

Exc:

Prepared By: John Britton, Legislative Fiscal Office

Meeting Date: June 2, 2009

WHAT THE MEASURE DOES: HB 2009 makes four major changes to Oregon state governance of health care.

First, the measure establishes the Oregon Health Policy Board, a nine-member panel appointed by the Governor to oversee the development and implementation of health care policy in Oregon. The Board is to develop a plan for the Legislature by December 31, 2010 to provide and fund access to affordable health care for all Oregonians by 2015. In addition, the Board is to establish and continuously refine statewide health care quality standards; establish evidence-based clinical standards, establish cost containment mechanisms to reduce health care costs; and to ensure Oregon's health care workforce is sufficient in numbers and training to meet demand for health care. The Board will carry out these duties through the Oregon Health Authority. A variety of state governmental agencies will move under the Board's jurisdiction, including the Division of Medical Assistance Programs, the Addictions and Mental Health Division and the Public Health Division within the existing Department of Human Services; the Oregon Medical Insurance Pool within the Department of Consumer and Business Services; the Office of Private Health Partnerships; and the Public Employees' Benefit Board and the Oregon Educators Benefit Board. The transfer of these agencies to the Board's jurisdiction must be completed by June 30, 2011, and the Governor's budget for 2009-11 must reflect the implementation of this transfer. The measure eliminates the Oregon Health Fund Board and the Oregon Health Policy Commission.

Second, HB 2009 directs the Oregon Health Policy Board to begin to implement (through the Oregon Health Authority) a variety of specific health care reform initiatives that will hopefully reduce health care costs and improve the quality of health care. These include the establishment and operation of a statewide Physician Orders for Life Sustaining Treatment registry; the creation of a Health Information Technology Oversight Council to promote the use of electronic health records and data exchange; the creation of the Statewide Health Improvement Program to prevent chronic disease and reduce the utilization of expensive and invasive acute treatments; the establishment of a Healthcare Workforce database; and, the development of evidence-based health care guidelines for use by health care providers, consumers, and purchasers of health care in Oregon.

Third, the measure attempts to strengthen requirements for the collection of health market data—including insurance company data, capital project investment data of certain health care providers, health care data for the purposes of determining the distribution of resources allocated to health care, identifying the demands for health care, evaluating the effectiveness of intervention programs, comparing the costs and effectiveness of various treatment settings, improving the quality and affordability of health care, and evaluating health disparities—including those related to race and ethnicity.

Fourth, HB 2009 (C-Engrossed) includes several sections that contain directives to the director of the Department of Consumer and Business Services concerning premium rate filings submitted by insurers who provide health coverage for individuals or small businesses. The director, is for example, required to open a 30-day public comment period on the rate filing; the director is to give written notice to an insurer approving or disapproving a rate filing; an insurer licensed by DCBS must include in the rate filing a statement of administrative expenses in a form prescribed by DCBS by rule; the director may, after conducting an actuarial review of the rate filing, approve a proposed premium rate for a health benefit plan for small employers or individuals if certain criteria are met.

ISSUES DISCUSSED:

- amendment
- need for health care reform in Oregon
- fiscal impact
- insurance premium rate filing sections in the amendment
- \$500,000 contribution to the HB 2009 cost from the Public Employee Benefit Board

EFFECT OF COMMITTEE AMENDMENT: Makes a number of technical changes. Changes the name of the main governing entity in the bill from the Oregon Health Authority Board to the Oregon Health Policy Board. Directs the Board to identify uniform contracting standards for health benefit plans; removes a provision in the B-engrossed version of the bill that would have established a Quality Care Institute; adds several new sections containing requirements for the director of the Department of Consumer and Business Services with respect to insurance premium rate filings; and, makes the awarding of grants to support community-based primary and secondary prevention activities focused on chronic disease, subject to available funding.

BACKGROUND: The 2007 Legislative Assembly enacted SB 329 which created the Oregon Health Fund Board. The Board was charged with making recommendations to the Legislature about how to improve the state's health care system. It met extensively throughout the 2007-09 interim. Among its recommendations were proposals to establish a citizen-lead Health Authority to integrate reform efforts and to increase accountability for all stakeholders in the health care system, and to implement mechanisms that would stem rising costs and improve quality and consistency of care. These mechanisms included the creation of an all-payer and all-claims database; establishes requirements for insurers to report administrative costs and other data; promotion of the use of electronic health records; and the development of evidence-based medicine guidelines for health care. HB 2009 is the legislature's attempt to codify many of the Oregon Health Fund Board's recommendations, and was reviewed extensively over the course of the 2009 legislative session.