

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means
Vote:	3 - 2 - 0
Yeas:	Bates, Morrisette, Monnes Anderson
Nays:	Kruse, Morse
Exc.:	0
Prepared By:	Robert Shook, Administrator
Meeting Dates:	4/21, 4/23, 4/28

WHAT THE MEASURE DOES: Establishes the Oregon Health Authority (OHA) and Oregon Health Authority Board within the Department of Human Services, to become an independent agency on July 1, 2011, to integrate and coordinate health care purchasing, streamline government health-related activities and to set health care quality goals for the purposes of improving healthcare quality and affordability. Requires the board to develop and submit a plan to the Legislative Assembly by December 31, 2010, to provide and fund access to affordable, quality health care for all Oregonians by 2015. Directs the Department of Consumer and Business Services to develop insurance products designed to provide more affordable options for the small group market.

ISSUES DISCUSSED:

- OHA to become independent agency or function within Department of Human Services
- Small group market insurance products
- Costs to establish and maintain newly created Oregon Health Authority
- Councils and advisory committees roles and responsibilities
- Empower OHA to establish effective and enforceable contract and quality standards
- Public employers health cooperative
- Reform of the medical malpractice and liability system
- Federal policy and Oregon's reform efforts

EFFECT OF COMMITTEE AMENDMENT: Stipulates the organizational framework and location within state government for the OHA. Creates the framework for councils and advisory committees to address specific issues in the following areas; quality, workforce, cost containment, purchasing, information technology, health care data reporting, hospital capital reporting, medical malpractice, and other issues that directly impact quality, cost, and access of health care delivery system. Directs the Department of Consumer and Business Services to develop small group market benefit plans.

BACKGROUND: In June 2007, the Legislative Assembly passed the Healthy Oregon Act, which established the Oregon Health Fund Board (OHFB), charged with the responsibility of reporting to the Seventy-fifth Legislative Assembly a blueprint for reforming Oregon's health care system. There are three major concerns, any one of which indicates that Oregon must act with a sense of urgency in health care reform: health care costs too much, and the costs are escalating far beyond the rate of inflation and people's ability to pay; the quality of individual health and health care is uneven, with many people failing to get the care they need or receiving the wrong care; and lack of a business model and health care workforce to meet the needs of a growing and aging population.

One in six Oregonians are without health insurance coverage, which represents approximately 567,000 individuals, including about 116,000 children under the age of 19. About 62 percent of Oregonians receive their health insurance

through their employers; however the unemployment rate in Oregon is in the double digits and continues to climb. Between 1999 and 2007, employer-sponsored health insurance premiums increased 114 percent, while household earnings increased only 27 percent. For Oregonians who receive coverage through their employers, the average premium for family coverage has increase 150 percent since 1996. Oregon ranks 45th in the U.S. in access to health care.

Senate Bill 856-A addresses the recommendations of the OHFB that include; an all-payer, all-claims data reporting program; a clinical improvement assessment project; a patient-centered primary care home model; electronic health record adoption; healthcare workforce initiative, and improved transparency in healthcare reporting.

Senate Bill 856-A establishes the Oregon Health Authority and the Oregon Health Authority Board to better integrate and coordinate health care purchasing, streamline government health-related activities, and set ambitious health care quality goals for the purpose of improving healthcare quality and affordability and to implement OHFB-related legislation,.