

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 454

STATUS: A Engrossed

SUBJECT: Establishes data reporting requirements for carriers offering health benefit plans and for third party administrators.

GOVERNMENT UNIT AFFECTED: Department of Human Services, Department of Consumer and Business Services

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REVIEWED BY: John Britton, Susie Jordan

DATE: May 1, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Department of Human Services – General Fund		
Personal Services	\$ 23,157	
Services and Supplies (Stakeholder Group)	\$ 6,112	
Services and Supplies (General)	\$ 9,473	
Total General Fund	\$ 38,742	
Department of Human Services – Federal Funds		
Personal Services	\$ 14,702	
Services and Supplies (Stakeholder Group)	3,908	
Services and Supplies (General)	\$ 6,057	
Total Federal Funds	\$ 24,667	
Department of Human Services – Total Funds		
Personal Services	\$ 37,859	
Services and Supplies (Stakeholder Group)	10,020	
Services and Supplies (General)	\$ 15,530	
Total Funds	\$ 63,409	

POSITIONS / FTE – Department of Human Services:

Operations and Policy Analyst 3 1/0.25

EXPENDITURES -- Department of Consumer and Business Services – see analysis below.

EFFECTIVE DATE: This bill includes an emergency clause and is effective on passage.

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.

ANALYSIS: This measure establishes data reporting requirements for carriers offering health benefit plans and for third party administrators. The bill prescribes roles for the Office for Oregon Health Policy and Research and the Department of Consumer and Business Services in improving the accuracy and comprehensiveness of health care reporting.

Office for Oregon Health Policy and Research (OHPR), Department of Human Services (DHS)

The bill directs OHPR to convene a stakeholder workgroup to develop uniform standards for health insurers licensed in Oregon. OHPR is required to report on the progress of developing uniform standards to the appropriate interim committee of the Legislative Assembly no later than October 1, 2009.

The bill allows OHPR to adopt rules requiring reporting entities within the state to publicly report proposed capital projects. A reporting entity is required to establish on the homepage of its website a prominently labeled link to information about proposed or pending capital projects. When a reporting entity posts the required information, the reporting entity must notify OHPR of the posting. The bill defines “capital project,” “DRG hospital,” “gross revenue” and “reporting entity.” It also specifies the type of information that must be reported. Any reporting entity that fails to report may be subject to a civil penalty. OHPR is required to adopt a schedule of penalties, not to exceed \$500 per day of violation.

To support the stakeholder group and carry out the requirements of this bill, OHPR anticipates establishing one limited duration Operations and Policy Analyst 3 position (0.25 FTE / \$37,859 Personal Services / \$25,550 Services and Supplies for the 2009-11 biennium). Allocation of funding source is based on a blended rate for the work of the Oregon Health Fund Board and components of the Oregon Health Policy and Research Office. This blended rate is 61 percent General Fund and 39 percent Medicaid Federal Funds.

Senate Bill 454 represents a portion of a Policy Option Package (POP) within the Department of Human Services 2009-11 proposed budget. The \$7.6 million POP #389 includes 0.88 FTE and \$165,192 Total Funds (\$114,159 General Fund and \$51,033 Federal Funds) for improved transparency in health care reporting. POP #389 combines this work with six other Oregon Health Fund Board (OHFB) proposed initiatives.

Department of Consumer and Business Services (DCBS)

This measure requires carriers and third party administrators to submit to DCBS, in a form and manner prescribed by the Department, data concerning the number of “covered lives” of the carrier or third-party administrator reported by line of business and by zip code. DCBS is required to aggregate the data and may publish reports on this data. The bill defines “covered life” as a subscriber, policyholder, certificate holder, spouse, dependent child or any other individual insured under an insurance policy. This measure also authorizes DCBS to establish by rule uniform standards applicable to health insurers licensed by DCBS that incorporate the standards developed by OHPR.

DCBS assumes that the reporting by carriers and third-party administrators will be accomplished through a web-based reporting tool created by the DCBS Information Management Division. The Department anticipates reprioritizing existing projects in order to absorb the work of rulemaking, aggregating, analyzing and reporting as required by this bill. Note that this approach represents a decision to move funds from an existing statutory requirement or priority to a different priority based solely at the discretion of agency staff.