

# Senate Bill 18

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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**.

Repeals sunset on requirement that fully capitated health plans pay 80 percent of Medicare rate for services provided to plan enrollees by noncontracting hospital.  
Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to rates for payments to noncontracting hospitals; amending ORS 414.743; repealing section  
3 3, chapter 886, Oregon Laws 2007; and declaring an emergency.

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

5 **SECTION 1.** ORS 414.743, as amended by section 2, chapter 886, Oregon Laws 2007, is amended  
6 to read:

7 414.743. (1) As used in this section, "fully capitated health plan" means an organization that  
8 contracts with the Department of Human Services on a prepaid capitated basis under ORS 414.725  
9 to provide an adequate network of providers to ensure that all health services described in ORS  
10 414.705 are reasonably accessible to enrollees.

11 (2) A fully capitated health plan that does not have a contract with a hospital to provide inpa-  
12 tient or outpatient hospital services under ORS 414.705 to 414.750 must pay for hospital services  
13 **at 80 percent of the Medicare rate for the noncontracting hospital.** [*as follows:*]

14 [*(a) For inpatient hospital services, based on the capitation rates developed for the budget period,*  
15 *at the level of the statewide average unit cost, multiplied by the geographic factor, the payment discount*  
16 *factor and an adjustment factor of 0.925.]*

17 [*(b) For outpatient hospital services, based on the capitation rates developed for the budget period,*  
18 *at the level of charges multiplied by the statewide average cost-to-charge ratio, the geographic factor,*  
19 *the payment discount factor and an adjustment factor of 0.925.]*

20 (3) A hospital that does not have a contract with a fully capitated health plan to provide inpa-  
21 tient or outpatient hospital services under ORS 414.705 to 414.750 must accept as payment in full  
22 **the rates described in subsection (2) of this section.** [*for hospital services, rates:*]

23 [*(a) For inpatient hospital services, based on the capitation rates developed for the budget period,*  
24 *at the level of the statewide average unit cost, multiplied by the geographic factor, the payment discount*  
25 *factor and an adjustment factor of 0.925.]*

26 [*(b) For outpatient hospital services, based on the capitation rates developed for the budget period,*  
27 *at the level of charges multiplied by the statewide average cost-to-charge ratio, the geographic factor,*  
28 *the payment discount factor and an adjustment factor of 0.925.]*

29 (4) This section does not apply to type A and type B hospitals, as described in ORS 442.470, and  
30 rural critical access hospitals, as defined in ORS 315.613.

**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 (5) The Department of Human Services shall adopt rules to implement and administer this sec-  
2 tion.

3 **SECTION 2. Section 3, chapter 886, Oregon Laws 2007, is repealed.**

4 **SECTION 3. This 2009 Act being necessary for the immediate preservation of the public**  
5 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**  
6 **on its passage.**

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