

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 210

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Date: 2/23/2011

Measure Description:

Requires Oregon Health Authority to reimburse primary care practitioners, directly or through prepaid managed care health services organizations, at a rate equal to or greater than the Medicare reimbursement rate.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Expenditure Impact:

See Analysis

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:

From July 1, 2011 through July 1, 2012, SB 210 requires the Oregon Health Authority (OHA) to reimburse primary care practitioners, directly or through prepaid managed care health services organizations, at a rate equal to or greater than 150 percent of the Medicare reimbursement rate. After July 1, 2012, the bill requires OHA to reimburse primary care practitioners at a rate equal to or greater than 100 percent of the Medicare reimbursement rate. The bill has an emergency clause and takes effect on passage.

Currently, OHA calculates managed care capitation rates at 100 percent of Medicare, and fee-for-service primary care practitioners are reimbursed at less than 100% of Medicare. OHA estimates the impact of bringing reimbursements to the level required by this bill to be about \$110 million for the 2011-13 biennium, and \$33 million for the 2013-15 biennium. In order to use Title XIX and Title XXI federal matching funds (about 37% General Fund and 63% federal funds), OHA will need to obtain approval for this increase in reimbursement rate from the Centers for Medicare and Medicaid Services (CMS) by the July 1, 2011 implementation date. Without CMS approval, funding source will be 100% General Fund.