

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 5 - 0 - 0

**Yeas:** Bates, Kruse, Morse, Shields, Monnes Anderson

**Nays:** 0

**Exc.:** 0

**Prepared By:** Brian Nieubuurt, Administrator

**Meeting Dates:** *Subcommittee: 2/17, 3/10, Full: 3/28, 3/30*

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**WHAT THE MEASURE DOES:** Authorizes the Department of Consumer and Business Services (DCBS) to adopt uniform standards for health care financial and administrative transactions, including uniform standards for: (a) eligibility inquiry and response; (b) claim submission; (c) payment remittance advice; (d) claims payment or electronic funds transfer; (e) claims status inquiry and response; (f) claims attachments; (g) prior authorization; (h) provider credentialing; or, (i) other health care financial and administrative transactions identified by a stakeholder workgroup. Requires that uniform standards to apply to: (a) health insurers; (b) prepaid managed care health services organizations; (c) third party administrators; (d) self-insurance plans; (e) health care clearinghouses; and, (f) other persons that process health care financial and administrative transactions. Requires the Oregon Health Authority (OHA) to convene a stakeholder workgroup to recommend standards. Requires work group to consider applicable national standards when developing recommendations. Requires DCBS and OHA to confer and reconcile any differences between their respective requirements for health care financial and administrative transactions. Makes the Department of Human Services (DHS) subject to uniform standards. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Potential savings
- DCBS rulemaking timeline
- Oregon Administrative Simplification Work Group process
- Role of federal legislation
- Reaction of payers
- Application of standards to OHA and DHS
- Clarity provided by amendment

**EFFECT OF COMMITTEE AMENDMENT:** Enumerates financial and administrative transactions for which DCBS shall create uniform standards. Makes mandatory a stakeholder work group to recommend uniform standards. Requires work group to consider applicable national standards when developing recommendations. Requires DCBS and OHA to confer before finalizing or amending any rule concerning uniform standards for health care financial and administrative transactions. Clarifies that uniform standards are applicable to the operations of DHS.

**BACKGROUND:** HB 2009, passed by the Legislative Assembly during the 2009 session, gave DCBS the authority to adopt uniform standards for health insurers based on recommendations from the Office for Oregon Health Policy and Research. These standards included, but were not limited to: (1) eligibility verification; (2) health care claims processes; and, (3) payment and remittance advice.

SB 94-A specifies and extends this authority to apply to standards for health care financial and administrative transactions. The bill also extends DCBS' authority to apply these standards to additional payers.

4/4/2011 2:37:00 PM

***This summary has not been adopted or officially endorsed by action of the committee.***