

Joint Committee on Ways and Means

Carrier – House: Rep. Freeman  
Carrier – Senate: Sen. Bates

Revenue: No revenue impact

Fiscal: Fiscal statement issued

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Action: Do Pass the B-Engrossed Measure with Amendments to Resolve Conflicts and be Printed C-Engrossed

Vote: 25 – 0 – 0

House

Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

Nays:

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters

Nays:

Exc:

Prepared By: Kim To, Legislative Fiscal Office

Meeting Date: June 27, 2011

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**WHAT THE MEASURE DOES:** Authorizes the Oregon Health Authority (OHA) to provide dental wraparound or dental premium coverage to underinsured or uninsured children enrolled in the Family Health Insurance Assistance Program (FHIAP) and the Healthy Kids Employer Sponsored Insurance (HK ESI) option of the Health Care for All Oregon Children program. Directs OHA to proceed with obtaining the appropriate authorization to implement, on September 1, 2011, a new Medicaid fee schedule that is based upon the legislatively approved budget. Hospitals and fully capitated health plans (FCHPs) are required to maintain their existing contracts for inpatient/outpatient hospital services before September 1, 2011, unless there is a mutually agreed upon change to the contract. Under current practice, FCHPs do not pay contracted hospitals based on the Medicaid fee schedule. The amendment directs hospitals and FCHPs to work in good faith to negotiate a new contract in anticipation of the new Medicaid fee schedule on September 1, 2011. On or after September 1, 2011, binding arbitration may be used, if both parties agree, when a FCHP does not have a contract with a hospital that provides 10 percent or more of hospital admissions and outpatient hospital services to plan enrollees. The binding arbitration must be completed no later than December 1, 2011. Where no contract exists between a hospital and FCHP, FCHP must pay the hospital based on the percentage of Medicare cost used by OHA in calculating the base hospital capitation payment to that plan. For hospitals where 10% or more of their admissions (both inpatient and outpatient) are enrollees of that FCHP, the FCHP's payments to the hospital can be equal to four percentages below that of the rate used by OHA. If the hospitals have less than 10% of their admissions from a FCHP's enrollees, that FCHP can only deduct 2% from the percentage of Medicare used by OHA. OHA must report to the Legislature no later than February 1, 2012 the results of contracting, under the terms of this amendment, between FCHPs and hospitals.

**ISSUES DISCUSSED:**

- Reasonable access language

**EFFECT OF COMMITTEE AMENDMENT:** Resolves conflicts.

**BACKGROUND:** CHIPRA included requirements that states provide dental coverage for targeted low-income children. During the state's renewal of its Medicaid waiver, the Centers for Medicare & Medicaid Services included language requiring Oregon to offer dental subsidies and wraparound coverage with approval from the Legislative Assembly. SB 101-A would bring Oregon in compliance with this federal requirement. The bill also clarifies that in order to qualify for premium subsidies under FHIAP or Healthy Kids, a dental plan must qualify for federal financial participation and provide coverage of dental services necessary to prevent disease and promote oral health, restore oral structures to health and function and treat emergency conditions. If approved, premium assistance would vary based on the family's income.