

## HOUSE AMENDMENTS TO A-ENGROSSED SENATE BILL 204

By COMMITTEE ON HEALTH CARE

May 31

1 In line 2 of the printed A-engrossed bill, delete the period and insert “; creating new provisions;  
2 amending ORS 243.125 and 243.864; and declaring an emergency.”.

3 After line 12, insert:

4 **“SECTION 3. (1) The Oregon Health Authority shall prescribe by rule a uniform payment  
5 methodology for hospital and ambulatory surgical center services that:**

6 **“(a) Incorporates the most recent Medicare payment methodologies established by the  
7 Centers for Medicare and Medicaid Services, or similar payment methodologies, for hospital  
8 and ambulatory surgical center services;**

9 **“(b) Includes payment methodologies for services and equipment that are not fully ad-  
10 dressed by Medicare payment methodologies; and**

11 **“(c) Allows for the use of alternative payment methodologies, including but not limited  
12 to pay-for-performance, bundled payments and capitation.**

13 **“(2) In developing the payment methodologies described in this section, the authority  
14 shall convene and be advised by a work group consisting of providers, insurers and consum-  
15 ers of the types of health care services that are subject to the methodologies.**

16 **“SECTION 4. (1) A hospital or ambulatory surgical center shall bill and accept as pay-  
17 ment in full an amount determined in accordance with the payment methodology prescribed  
18 by the Oregon Health Authority under section 3 of this 2011 Act.**

19 **“(2) This section does not apply to type A or type B hospitals as described in ORS 442.470  
20 or rural critical access hospitals as defined in ORS 315.613.**

21 **“SECTION 5. Section 6 of this 2011 Act is added to and made a part of ORS 243.105 to  
22 243.285.**

23 **“SECTION 6. (1) A hospital that provides services or supplies under a benefit plan offered  
24 by the Public Employees’ Benefit Board shall be reimbursed using the methodology pre-  
25 scribed by the Oregon Health Authority under section 3 of this 2011 Act and may not be re-  
26 imbursement for each service or supply provided.**

27 **“(2) This section applies to hospital payments made by a carrier under a contract with  
28 the board and to hospital payments made under a self-insurance program administered by a  
29 third party administrator on behalf of the board.**

30 **“(3) This section does not apply to reimbursements paid by a carrier or third party ad-  
31 ministrator to a hospital that is not subject to the methodology prescribed by the authority  
32 under section 3 of this 2011 Act.**

33 **“SECTION 7. Section 8 of this 2011 Act is added to and made a part of ORS 243.860 to  
34 243.886.**

35 **“SECTION 8. (1) A hospital that provides services or supplies under a benefit plan offered**

1 by the Oregon Educators Benefit Board shall be reimbursed using the methodology pre-  
2 scribed by the Oregon Health Authority under section 3 of this 2011 Act and may not be re-  
3 imburged for each service or supply provided.

4 “(2) This section applies to hospital payments made by a carrier under a contract with  
5 the board and to hospital payments made under a self-insurance program administered by a  
6 third party administrator on behalf of the board.

7 “(3) This section does not apply to reimbursements paid by a carrier or third party ad-  
8 ministrator to a hospital that is not subject to the methodology prescribed by the authority  
9 under section 3 of this 2011 Act.

10 “**SECTION 9.** An insurer, as defined in ORS 731.106, that contracts with the Oregon  
11 Health Authority, including with the Public Employees’ Benefit Board and the Oregon Edu-  
12 cators Benefit Board, to provide health insurance coverage for state employees, educators  
13 or medical assistance recipients must annually attest, on a form and in a manner prescribed  
14 by the authority, to its compliance with sections 3, 4, 6 and 8 of this 2011 Act. A contract  
15 with an insurer subject to the requirements of this section may not be renewed without the  
16 attestation required by this section.

17 “**SECTION 10.** ORS 243.125 is amended to read:

18 “243.125. (1) The Public Employees’ Benefit Board shall prescribe rules for the conduct of its  
19 business **and for carrying out section 6 of this 2011 Act.** The board shall study all matters con-  
20 nected with the providing of adequate benefit plan coverage for eligible state employees on the best  
21 basis possible with relation both to the welfare of the employees and to the state. The board shall  
22 design benefits, devise specifications, analyze carrier responses to advertisements for bids and decide  
23 on the award of contracts. Contracts shall be signed by the chairperson on behalf of the board.

24 “(2) In carrying out its duties under subsection (1) of this section, the goal of the board shall  
25 be to provide a high quality plan of health and other benefits for state employees at a cost afford-  
26 able to both the employer and the employees.

27 “(3) Subject to ORS chapter 183, the board may make rules not inconsistent with ORS 243.105  
28 to 243.285 and 292.051 to determine the terms and conditions of eligible employee participation and  
29 coverage.

30 “(4) The board shall prepare specifications, invite bids and do acts necessary to award contracts  
31 for health benefit plan and dental benefit plan coverage of eligible employees in accordance with the  
32 criteria set forth in ORS 243.135 (1).

33 “(5) The board may retain consultants, brokers or other advisory personnel when necessary and,  
34 subject to the State Personnel Relations Law, shall employ such personnel as are required to per-  
35 form the functions of the board.

36 “**SECTION 11.** ORS 243.864 is amended to read:

37 “243.864. (1) The Oregon Educators Benefit Board:

38 “(a) Shall adopt rules for the conduct of its business **and for carrying out section 8 of this**  
39 **2011 Act;** and

40 “(b) May adopt rules not inconsistent with ORS 243.860 to 243.886 to determine the terms and  
41 conditions of eligible employee participation in and coverage under benefit plans.

42 “(2) The board shall study all matters connected with the provision of adequate benefit plan  
43 coverage for eligible employees on the best basis possible with regard to the welfare of the em-  
44 ployees and affordability for the districts. The board shall design benefits, prepare specifications,  
45 analyze carrier responses to advertisements for bids and award contracts. Contracts shall be signed

1 by the chairperson on behalf of the board.

2 “(3) In carrying out its duties under subsections (1) and (2) of this section, the goal of the board  
3 is to provide high-quality health, dental and other benefit plans for eligible employees at a cost af-  
4 fordable to the districts, the employees and the taxpayers of Oregon.

5 “(4) The board shall prepare specifications, invite bids and take actions necessary to award  
6 contracts for health and dental benefit plan coverage of eligible employees in accordance with the  
7 criteria set forth in ORS 243.866 (1). The Public Contracting Code does not apply to contracts for  
8 benefit plans provided under ORS 243.860 to 243.886. The board may not exclude from competition  
9 to contract for a benefit plan an Oregon carrier solely because the carrier does not serve all coun-  
10 ties in Oregon.

11 “(5) The board may retain consultants, brokers or other advisory personnel when necessary and  
12 shall employ such personnel as are required to perform the functions of the board.

13 **“SECTION 12. (1) Except as provided in subsection (2) of this section, sections 3 to 8 of  
14 this 2011 Act and the amendments to ORS 243.125 and 243.864 by sections 10 and 11 of this  
15 2011 Act apply to:**

16 **“(a) Claims by a hospital for reimbursement of services provided by the hospital on or  
17 after January 1, 2012; and**

18 **“(b) Claims by an ambulatory surgical center for reimbursement of services provided by  
19 the ambulatory surgical center on or after January 1, 2013.**

20 **“(2) Sections 3 to 9 of this 2011 Act and the amendments to ORS 243.125 and 243.864 by  
21 sections 10 and 11 of this 2011 Act apply to reimbursement paid under contracts entered into  
22 or renewed on or after the effective date of this 2011 Act.**

23 **“SECTION 13. (1) Crook, Deschutes and Jefferson Counties may form a Central Oregon  
24 Health Council when the governing body of each of the counties adopts a resolution signifi-  
25 ing the body’s intention to do so.**

26 **“(2) Subsequent to the formation of the Central Oregon Health Council, a county that is  
27 adjacent to Crook, Deschutes or Jefferson County may join the council if:**

28 **“(a) The governing body of the county seeking to join the council adopts a resolution  
29 signifying the body’s intention to include a portion of that county in the region served by the  
30 council;**

31 **“(b) The portion of the county to be included in the region is part of a natural health care  
32 referral pattern with the other counties on the council; and**

33 **“(c) The Oregon Health Authority and the council approve.**

34 **“SECTION 14. (1) The Central Oregon Health Council shall consist of no more than 11  
35 members, including:**

36 **“(a) A formative council consisting of:**

37 **“(A) One member each from the governing bodies of Crook, Deschutes and Jefferson  
38 Counties, appointed by each body;**

39 **“(B) The chief executive officer, or a designee of the chief executive officer, of the health  
40 care system serving the region; and**

41 **“(C) The chief executive officer, or a designee of the chief executive officer, of the  
42 Medicaid contractor serving the region; and**

43 **“(b) At least three members appointed by the formative council established under para-  
44 graph (a) of this subsection. Members appointed under this paragraph shall be represen-  
45 tatives of:**

1       “(A) Consumers of physical and behavioral health services;  
2       “(B) Health care professionals;  
3       “(C) School districts or educational service districts;  
4       “(D) The business community; or  
5       “(E) A member from the governing body of each county that joins the council under  
6 section 13 (2) of this 2011 Act.  
7       “(2) The term of office of the members of the council is four years.  
8       “(3) A majority of the members of the council constitutes a quorum for the transaction  
9 of business.  
10       “(4) The council shall elect a member of the council to serve as the chairperson.  
11       “(5) If there is a vacancy for any cause, the appointing authority shall make an appoint-  
12 ment to the vacated position to become effective immediately.  
13       “(6) The council may enter into necessary contracts, apply for and receive grants, hold  
14 and dispose of property and take other actions necessary to carry out the activities, services  
15 and responsibilities assumed by the council.  
16       “(7) The council may adopt rules necessary for the operation of the council.  
17       “SECTION 15. The Central Oregon Health Council shall appoint an advisory committee  
18 to advise the council in the performance of the duties of the council. The members of the  
19 advisory committee may include representatives of:  
20       “(1) Public health agencies serving the region;  
21       “(2) Behavioral health agencies for mental health authorities serving the region repres-  
22 ented on the council;  
23       “(3) Hospital or integrated delivery systems serving the region represented on the coun-  
24 cil;  
25       “(4) Medicaid contractors in each region served by the council;  
26       “(5) Safety net clinics;  
27       “(6) Health collaboratives;  
28       “(7) The dental profession;  
29       “(8) School and educational service districts;  
30       “(9) The business community;  
31       “(10) Primary care clinics; and  
32       “(11) Independent physician associations.  
33       “SECTION 16. (1) As used in this section, ‘regional health improvement plan’ means a  
34 four-year comprehensive, coordinated regional plan incorporating and replacing all health  
35 and human service plans prescribed by the Oregon Health Authority, including but not lim-  
36 ited to plans required under ORS 430.630, 430.640, 431.385 and 624.510 and plans required by  
37 the State Commission on Children and Families under ORS 417.705 to 417.801.  
38       “(2)(a) The Central Oregon Health Council shall conduct a regional health assessment and  
39 adopt a regional health improvement plan to serve as a strategic population health and  
40 health care system service plan for the region served by the council. The plan must define  
41 the scope of the activities, services and responsibilities that the council proposes to assume  
42 upon implementation of the plan.  
43       “(b) The activities, services and responsibilities that the council proposes to assume un-  
44 der the plan may include, but are not limited to:  
45       “(A) Analysis and development of public and private resources, capacities and metrics

1 based on ongoing regional health assessment activities and population health priorities;

2 “(B) Health policy;

3 “(C) System design;

4 “(D) Outcome and quality improvement;

5 “(E) Integration of service delivery; and

6 “(F) Workforce development.

7 “(3) The council shall submit the plan adopted under subsection (2) of this section to the  
8 authority for approval. The authority may approve the plan or return it to the council for  
9 modification prior to approval.

10 “(4) The regional health improvement plan adopted under this section shall serve as a  
11 guide for entities serving medical assistance recipients, public health authorities, mental  
12 health authorities, health care systems, payer groups, provider groups and health coalitions  
13 in the counties served by the council.

14 “SECTION 17. (1) By September 1, 2011, the Oregon Health Authority shall adopt by rule  
15 requirements for the regional health improvement plan adopted under section 16 of this 2011  
16 Act.

17 “(2) The Oregon Health Authority shall adopt rules:

18 “(a) Necessary to implement sections 13 to 16 of this 2011 Act; and

19 “(b) That allow for the consolidation of planning and reporting requirements of the au-  
20 thority under section 16 of this 2011 Act.

21 “SECTION 18. No later than the dates of the convening of the 2013 and of the 2015 Leg-  
22 islative Assemblies as specified in ORS 171.010, the Central Oregon Health Council shall re-  
23 port to the Seventy-seventh and Seventy-eighth Legislative Assemblies in the manner  
24 provided by ORS 192.245 about the results of the implementation of the regional health im-  
25 provement plan adopted under section 16 of this 2011 Act. The report shall include, but is  
26 not limited to, performance measures of improvement of health outcomes, improvement in  
27 care and reductions in the cost of care.

28 “SECTION 19. Sections 13 to 18 of this 2011 Act are repealed on January 2, 2016.

29 “SECTION 20. This 2011 Act being necessary for the immediate preservation of the public  
30 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect  
31 on its passage.”.

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