

Senate Bill 212

Sponsored by Senator BATES (Pre-session filed.)

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**.

Requires DRG hospitals annually to submit list of charges to Oregon Health Authority. Prohibits authority from paying reimbursement rates for hospital goods and services that exceed budgeted hospital expenses or that are not reasonable. Requires Public Employees' Benefit Board and Oregon Educators Benefit Board to ensure that payments to hospitals by insurers that contract with the boards are reasonable.

A BILL FOR AN ACT

1
2 Relating to hospital reimbursement rates; creating new provisions; and amending ORS 414.755.

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

4 **SECTION 1. (1) As used in this section, "DRG hospital" means a hospital that is not a**
5 **type A or type B hospital and that receives Medicare reimbursement based upon diagnostic**
6 **related groups.**

7 **(2) A DRG hospital shall annually submit to the Oregon Health Authority a list of the**
8 **charges established by the hospital for goods and services provided by the hospital. The au-**
9 **thority may prescribe by rule the form and manner of reporting the charges.**

10 **(3) In determining the fees, charges and daily rates to be paid by the Oregon Health**
11 **Authority under ORS 414.065 for inpatient hospital goods and services provided to medical**
12 **assistance recipients, the authority may not pay an amount that:**

13 **(a) May result in the authority exceeding the cost projected for such goods and services**
14 **in the authority's legislatively approved budget; or**

15 **(b) Exceeds a reasonable rate of reimbursement for the costs of providing the hospital**
16 **services as determined by the authority using standards prescribed by rule.**

17 **SECTION 2. Section 3 of this 2011 Act is added to and made a part of ORS 243.105 to**
18 **243.285.**

19 **SECTION 3. The Public Employees' Benefit Board shall ensure that payment rates for**
20 **inpatient hospital goods and services provided to eligible employees and the family members**
21 **of eligible employees that are paid by insurers contracting with the board do not exceed rates**
22 **determined to be reasonable by the Oregon Health Authority under section 1 of this 2011 Act.**

23 **SECTION 4. Section 5 of this 2011 Act is added to and made a part of ORS 243.860 to**
24 **243.886.**

25 **SECTION 5. The Oregon Educators Benefit Board shall ensure that payment rates for**
26 **inpatient hospital goods and services provided to eligible employees and the family members**
27 **of eligible employees that are paid by carriers contracting with the board do not exceed rates**
28 **determined to be reasonable by the Oregon Health Authority under section 1 of this 2011 Act.**

29 **SECTION 6. ORS 414.755 is amended to read:**

30 414.755. The Oregon Health Authority shall establish fee-for-service reimbursement rates for in-

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 patient hospital services provided **to medical assistance recipients** by hospitals that receive
2 Medicare reimbursement on the basis of diagnostic related groups as follows:

3 (1) For the period from October 1, 2009, through September 30, 2013, at [*the same*] **a rate that**
4 **is no more than the** rate paid by Medicare on the date of the service.

5 (2) For the period beginning October 1, 2013, at a rate that is **no more than** 70 percent of the
6 rate paid by Medicare on the date of the service.

7 **SECTION 7. Section 3 of this 2011 Act applies to contracts entered into, renewed or ex-**
8 **tended by the Public Employees' Benefit Board on or after the effective date of this 2011 Act.**

9 **SECTION 8. Section 5 of this 2011 Act applies to contracts entered into, renewed or ex-**
10 **tended by the Oregon Educators Benefit Board on or after the effective date of this 2011 Act.**

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