



March 22, 2013

Health Share of Oregon Comments on HB 3163

Members of the House Committee on Health:

Thank you for the opportunity to comment on House Bill 3163, which would require facilities contracting with coordinated care organizations (CCOs) to provide health insurance to its employees through a Medicaid CCO, a qualified health plan offered through the exchange, or a health plan negotiated through a collective bargaining agreement. If the facility does not provide one of these specific health coverage options to all of its employees, then the Oregon Health Authority would be prohibited from providing the CCO with the global payment owed to the CCO for services related to the facility in question. CCOs contract with the State to provide high quality, high value, coordinated care to Oregon Health Plan (OHP) members. Health Share of Oregon is the state's largest CCO, serving approximately 165,000 members in the Tri-County area. Health Share is organized as a private non-profit corporation.

As a health care delivery system that is dedicated to the provision of care to low-income Oregonians, we strongly support the intent of any legislation designed to provide affordable health care coverage to low-income workers. However, Health Share of Oregon has three specific concerns with HB 3163 as it is currently written. Primarily, Health Share is concerned about setting a precedent that CCOs should bear a financial burden when a provider with which they contract fails to comply with a rule or regulation. In addition, providers should not have to choose between offering one of these specific types of health plans to their employees and providing care to OHP members through participation in a CCO. Finally, the OHP budget is already limited in its ability to provide for those who are Medicaid-eligible and adding a population of low-income workers to the CCO membership, under Subsection (2)(a), could diminish those already precious resources without a concomitant federal match.

With regard to CCOs bearing the financial burden of a contracted facilities' non-compliance, Subsection (4) provides that:

The Oregon Health Authority may not provide a global payment to a coordinated care organization for services provided by a health care facility that fails to comply with subsections (2) and (3) of this section.

Tying CCO payment to internal employee relations of facilities that serve OHP members is irrational. CCOs must meet contractual requirements for provider contracting and if providers fail to meet those requirements, it is up to the CCO to deny payment or terminate the contract. The additional burden of managing the internal affairs of every health facility with which they contract seems too far reaching.

Under the framework proposed by HB 3163, even facilities that already offer health insurance to all of their employees would have to reconsider participation in a CCO because participation would be

contingent upon offering the specific type of insurance that is mandated under this legislation. If the facility cannot offer one of those insurance options, then the provider will have to decline to participate in the CCO. It is unfair to OHP members to reduce their access to care in an attempt to improve the health plan options for provider employees.

Finally, with regard to Subsection (2)(a), extending membership in a CCO is synonymous with adding beneficiaries to the Medicaid population. It is simply not possible for a CCO to add members who are not Medicaid eligible. Furthermore, as good stewards of state funds, it would be unwise to do so.

It is our understanding that amendments to this legislation are pending. We hope that those amendments will address our concerns. As it stands, Health Share of Oregon requests your opposition to HB 3163.

Respectfully Submitted by Janet L. Meyer, Chief Executive Officer