Rep. Nathanson

FULL COMMITTEE PONY

HB 2859
Relating to medical assistance

HB 2859 updates Oregon's medical assistance program to reflect federal Medicaid and Children's Health Insurance Program changes. It clarifies the responsibilities of the Department of Human Services and the Oregon Health Authority (OHA) in determining eligibility for and administering public assistance and medical assistance. The bill also requires OHA to establish a program to provide grants to CCOs to fund pilot projects to improve patient engagement and accountability, and establishes the Task Force on Individual Responsibility and Health Engagement.

The fiscal impact of this bill is indeterminate. With federal requirement still evolving, the final scope of changes required in rules, processes, forms, and manuals cannot be quantified. The impact of the pilot projects is also indeterminate, depending on the scope and number of grants awarded.

The Human Services Subcommittee recommends HB 2859 be reported out do pass.

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session **MEASURE: HB 2859-A**
STAFF MEASURE SUMMARY

Joint Committee on Ways and Means **Carrier – House: Rep. Greenlick**
Carrier – Senate: Sen. Winters

Revenue: No revenue impact
Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure
Vote:
House
Yeas:
Nays:
Exc:
Senate
Yeas:
Nays:
Exc:
Prepared By: Linda Ames, Legislative Fiscal Office
Meeting Date: May 17, 1013

WHAT THE MEASURE DOES: Aligns state laws with changes to federal Medicaid and Children's Health Insurance Program laws. Declares that all applicants for and recipients of medical assistance have a right to be treated in a courteous, fair and dignified manner by OHA employees. Provides for a grievance system for all applicants and recipients of medical assistance, and requires OHA to compile a monthly report to the Medicaid Advisory Committee summarizing each grievance filed and the action taken. Clarifies definitions of general assistance, public assistance and medical assistance, and conforms applicable statutes to reflect these definitional changes. Allows the OHA and the DHS to determine eligibility for public and medical assistance, clarifying the roles and responsibilities of each agency. Modifies who may act as a representative in a medical assistance contested case hearing. Removes the authorization for DHS to prescribe by rule that income and resources may be disregarded in the determination of eligibility. Clarifies provisions related to the modification, cancellation or suspension of medical assistance benefits. Outlines procedures for medical assistance application processes, including requirements for transferring information received in the application process to the Oregon Health Insurance Exchange Corporation (Cover Oregon). Stipulates that both DHS and OHA may recoup improperly dispersed medical and public assistance. Changes the federal poverty level percentage for assistance from the Supplemental Nutrition Assistance Program or from another low income public or medical assistance program from 135% to 138%. Requires OHA to establish a program to provide grants to coordinated care organizations (CCOs) to fund pilot projects designed to improve patient engagement in and patient accountability for a patient's own health, disease prevention and wellness activities. Directs the Governor to petition the federal government for waivers of any federal laws that prevent the implementation of the pilot projects.

ISSUES DISCUSSED:
- Fiscal impact
- Medicaid expansion

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In 2010, the federal government enacted the Affordable Care Act (ACA). The ACA aims to decrease the number of uninsured Americans and reduce the overall costs of health care. The ACA creates mandates, subsidies and tax credits to employers and individuals to in order to increase the coverage rate.

Four key pieces of legislation bring Oregon into compliance with the provisions of the ACA and update related programs:

- House Bill 2240-A implements federal requirements in the Oregon insurance code and abolishes programs which become obsolete with the provisions of the ACA.
- House Bill 3458-A establishes the Oregon Reinsurance Program in the Oregon Health Authority. The program will help to stabilize rates and premiums for the market by providing supplemental reinsurance payments to insurers.
- House Bill 2859-A updates Oregon's medical assistance programs to reflect federal Medicaid and Children's Health Insurance Program changes.
- House Bill 2091-A updates the Health Care for All Oregon Children Program to reflect federal requirements.

FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: HB 2859 - A**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Kim To
Reviewed by: Linda Ames, Laurie Byerly
Date: 3/21/2013

Measure Description:
Removes medical assistance from definition of "public assistance" and conforms applicable statutes to reflect definitional change.

Government Unit(s) Affected:
Department of Human Services (DHS), Oregon Health Authority (OHA)

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
House Bill 2859 A-Engrossed aligns state laws with changes to federal Medicaid and Children's Health Insurance Program laws. The bill:

- Declares that all applicants for and recipients of medical assistance have a right to be treated in a courteous, fair and dignified manner by OHA employees.
- Provides for a grievance system for all applicants and recipients of medical assistance, and requires OHA to compile a monthly report to the Medicaid Advisory Committee summarizing each grievance filed and the action taken.
- Clarifies definitions of *general assistance*, *public assistance* and *medical assistance*, and conforms applicable statutes to reflect these definitional changes.
- Allows the Oregon Health Authority and the Department of Human Services to determine eligibility for public and medical assistance, clarifying the roles and responsibilities of each agency.
- Modifies who may act as a representative in a medical assistance contested case hearing.
- Removes the authorization for DHS to prescribe by rule that income and resources may be disregarded in the determination of eligibility.
- Clarifies provisions related to the modification, cancellation or suspension of medical assistance benefits.
- Outlines procedures for medical assistance application processes, including requirements for transferring information received in the application process to the Oregon Health Insurance Exchange Corporation (Cover Oregon).
- Stipulates that both DHS and OHA may recoup improperly dispersed medical and public assistance.
- Changes the federal poverty level percentage for assistance from the Supplemental Nutrition Assistance Program or from another low income public or medical assistance program from 135% to 138%.

The fiscal impact of this bill on OHA and DHS is indeterminate. Changes in federal Medicaid and Children's Health Insurance Program laws, and passage of this bill will require changes in rules, processes, forms, and manuals. At this time, the scope and full fiscal impact of these changes cannot be quantified due to the still evolving federal laws regarding the implementation of 2014 Medicaid rules, coupled with the evolving conversations between OHA and Cover Oregon regarding each entity's roles and responsibilities in administering these changes.

In addition to making the above bulleted changes to current statutes, the bill also requires OHA to establish a program to provide grants to coordinated care organizations (CCOs) to fund pilot projects designed to improve patient engagement in and patient accountability for a patient's own health, disease prevention and wellness activities. The bill directs the Governor to petition the federal government for waivers of any federal laws that prevent the implementation of the pilot projects. Assuming federal approval, the fiscal impact of this program is indeterminate depending on the scope and number of grant requests from coordinated care organizations.

Furthermore, the bill establishes an eleven-member Task Force on Individual Responsibility and Health Engagement charged with developing recommendations for legislation that will establish mechanisms to meaningfully engage medical assistance recipients in their own health, disease prevention and wellness activities. The task force is required to submit its recommendations to an interim legislative committee by November 1, 2013. The task force sunsets on the convening of the 2014 Legislative Assembly. OHA is required to provide staff support to the task force. OHA anticipates reprioritizing the work of existing staff, and using existing resources to carry out this work.