

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2118 - A

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

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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Prepared by: Kim To  
Reviewed by: Linda Ames  
Date: 5/21/2013

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### **Measure Description:**

Establishes a health plan quality metrics work group

### **Government Unit(s) Affected:**

Oregon Health Authority (OHA), Oregon Health Insurance Exchange (ORHIX/CoverOregon) [Public Corporation]

### **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 2118 establishes a nine-member health plan quality metrics work group charged with publishing recommendations for health outcomes and quality measures to be used by the Oregon Health Insurance Exchange (ORHIX/CoverOregon), the Oregon Health Authority (OHA) including the Oregon Educators Benefit Board (OEBB) and the Public Employees' Benefit Board (PEBB). The work group is required to report its progress to the regular session of the 2014 Legislative Assembly, and to provide an interim committee of the Legislative Assembly with a final report by May 31, 2014.

### Oregon Health Authority (OHA)

The fiscal impact of this work group on the Oregon Health Authority is indeterminate at this time. Members of the work group are to be appointed from the Oregon Health Authority including from OEBB and PEBB. This fiscal assumes that membership on the work group will have a minimal expenditure impact on participating entities and that any resulting work can be absorbed with existing resources. Each affected entity will have to reprioritize duties and responsibilities of existing staff to allow participation on the task force. However, OHA predicts that the agency will be required to provide the work group with data, information and analysis to inform the work group's discussions and recommendations. If these requests for data, information and analysis are not easily culled from existing systems with existing staff, OHA may need to return to the Emergency Board or Legislative Assembly to seek additional resources.

### Oregon Health Insurance Exchange (ORHIX/CoverOregon)

The bill directs the Oregon Health Insurance Exchange to provide staff support to the work group. This fiscal assumes that the corporation will use existing staff and resources to support the work group. Note that ORHIX/Cover Oregon is a public corporation. The corporation's budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly. The Legislative Fiscal Office (LFO) requested, but has not received, fiscal impact information from the Corporation. If fiscal impact information is provided by the Corporation, LFO will issue a revised fiscal impact.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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<b>Action:</b>	Without Recommendation as to Passage and Be Referred to the Committee on Rules
<b>Vote:</b>	6 - 0 - 0 - 3
<b>Yeas:</b>	Conger, Harker, Kennemer, Keny-Guyer, Lively, Greenlick
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Abs.:</b>	Clem, Thompson, Weidner
<b>Prepared By:</b>	Tyler Larson, Administrator
<b>Meeting Dates:</b>	3/25, 4/17

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**WHAT THE MEASURE DOES:** Requires Oregon Health Insurance Exchange (Cover Oregon) adopt by rule additional specified criteria for certifying health plans.

**ISSUES DISCUSSED:**

- Provisions of the bill
- Oregon Insurance Division rate review process
- Current efforts by Cover Oregon to manage quality

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In 2010, the federal government enacted the Patient Protection and 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 improve the coverage rate. The ACA requires each state to create and maintain an insurance exchange through which to offer approved health care plans, tax credits and subsidies.

In 2011, Senate Bill 99 was enacted, establishing the Oregon Health Insurance Exchange Corporation (Cover Oregon) for the benefit of individuals and businesses to obtain health insurance coverage through the exchange.

House Bill 2118 requires Cover Oregon to adopt additional criteria for certifying health plans designed to improve outcomes and manage costs.

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*This summary has not been adopted or officially endorsed by action of the committee.*

**REVENUE: No revenue impact**

**FISCAL: Fiscal statement issued**

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<b>Action:</b>	Without Recommendation as to Passage, but with amendments, and Be Referred to Committee on Ways and Means
<b>Vote:</b>	6 - 3 - 0
<b>Yeas:</b>	Barnhart, Dembrow, Hicks, Hoyle, Jenson, Garrett
<b>Nays:</b>	Berger, Hicks, Kennemer
<b>Exc.:</b>	0
<b>Prepared By:</b>	Erin Seiler, Administrator
<b>Meeting Dates:</b>	5/20

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**WHAT THE MEASURE DOES:** Creates nine-member health plan quality metrics work group consisting of: One member appointed by Executive Director of Oregon Health Insurance Exchange Corporation (Cover Oregon); one member appointed by Oregon Health Authority (OHA); one member appointed by Oregon Educators Benefit Board (OEBB); one member appointed by the Public Employees' Benefit Board (PEBB); five members appointed by the executive director of the Cover Oregon, in consultation with OHA, OEBB and the PEBB, that includes one individual with expertise in health care research, one individual with expertise in health care quality measures, one representative of insurers, one representative of consumers of health care, and one representative of a self-insured large employer. Specifies charge of work group. Requires work group to report progress to 2014 Legislative Assembly and not later than May 31, 2014 report to appropriate interim committee final report and recommendations. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Intent of health plan quality metrics work group
- Appropriate agency to have responsibility for determination of health plan quality metrics
- Alignment of health plan quality metrics
- Fiscal impact of work group

**EFFECT OF COMMITTEE AMENDMENT:** Replaces original measure.

**BACKGROUND:** In 2010, the federal government enacted the Patient Protection and 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 improve the coverage rate. The ACA requires each state to create and maintain an insurance exchange through which to offer approved health care plans, tax credits and subsidies.

In 2011, Senate Bill 99 was enacted, establishing the Oregon Health Insurance Exchange Corporation (Cover Oregon) for the benefit of individuals and businesses to obtain health insurance coverage through the exchange.

House Bill 2118-A creates a nine-member health plan quality metrics work group to publish recommendations for appropriate health outcomes and quality measures to be used by Cover Oregon, Oregon Health Authority, Oregon Educators Benefit Board, and Public Employees Benefit Board. The work group, to the best of its ability, will recommend measures that further the goals of the Oregon Integrated and Coordinated Health Care Delivery System while recognizing the unique needs and goals of the agencies impacted. Finally, the work group is to develop a common format for collecting consumer responses to the health quality measures and encourage the corporation, the authority and the boards to publicly report the findings. House Bill 2118-A requires the work group to report progress to the 2014 Legislative Assembly and, not later than May 31, 2014, report to the appropriate interim committee the final report and recommendations.

5/22/2013 11:19:00 AM

*This summary has not been adopted or officially endorsed by action of the committee.*