
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 11, 2013

Subject: HB 2737 Relating to the certification of mental health providers
Work Session Recommendation

HB 2737 authorizes and requires the Oregon Health Authority to certify mental health and chemical dependency providers eligible for reimbursement from group health plans. The bill defines provider as a health care facility, residential facility, day or individual medical professional or a provider certified by the Oregon Health Authority, and specifies that the intent of this bill is not to prohibit an insurer from requiring a provider organization certified by OHA to meet the insurer's credentialing requirements as a condition of entering into a contract..

The measure previously had hearings in the House Committee on Health Care on 3/13/2013, 3/18/2013, and 3/20/2013. A public hearing was held for the bill in this Subcommittee on 4/11/2013.

Staff measure summary, the - A4 amendment, and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

Fiscal impact

Passage of this bill is anticipated to have minimal impact on DCBS. The agency anticipates using existing staff and resources to serve carriers that choose to re-file their health plans with DCBS.

OHA estimates the fiscal impact of this bill to be approximately \$18,000 Other Funds for the 18 months of the 2013-15 biennium. The bill allows OHA to impose an application fee to cover the cost of the additional staff or contractors to do the reviews. The fiscal impact estimate assumes that 40 providers will apply per biennium, and a \$600 fee to cover the cost of the contracted certification services.

The - A4 amendment

The - A4 amendment removes “chemical dependency” from language regarding specialized programs for treatment to be certified by OHA under this bill. The - A4 amendment does not change the fiscal determination.

Recommendation

LFO recommends moving the - A4 amendment into the bill.

Motion

Motion: Senator/Representative _____: I move the dash A4 amendment into HB 2737.

Recommendation

LFO recommends the measure, as amended, be moved to the Full Committee.

Motion

Motion: Senator/Representative _____: I move HB 2737 with the dash A4 amendment to the Full Committee with a “do pass” recommendation as amended.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

HB 2737-A4
(LC 1925)
4/9/13 (LHF/ps)

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2737**

1 On page 4 of the printed corrected A-engrossed bill, line 15, delete
2 “chemical dependency or for”.

3

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2737 - A4

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, Susie Jordan
Date: 6/10/2013

Measure Description:

Requires Oregon Health Authority to adopt standards and procedures to certify specified mental health providers to qualify for insurance reimbursement.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

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 2737 A-Engrossed authorizes and requires the Oregon Health Authority to certify mental health and chemical dependency providers eligible for reimbursement from group health plans. The bill defines provider as a health care facility, residential facility, day or individual medical professional or a provider certified by the Oregon Health Authority, and specifies that the intent of this bill is not to prohibit an insurer from requiring a provider organization certified by OHA to meet the insurer's credentialing requirements as a condition of entering into a contract. However, the bill is silent regarding when group plans must comply with the provisions of this bill, and whether or not these provisions apply to current plans or plans issued or renewed on or after the effective date. The bill declares an emergency and is effective on passage.

The – A4 amendment removes “chemical dependency” from language regarding specialized programs for treatment to be certified by OHA under this bill. The – A4 amendment does not change the fiscal determination.

Oregon Health Authority (OHA)

OHA reports that its Addictions and Mental Health (AMH) division provided this service until June 2011 through a contractor, who conducted reviews, wrote site reviews and followed-up on corrective action plans. In 2011, the Department of Justice determined AMH did not have the authority to certify these programs, and AMH refunded application fees. Passage of this bill would reinstate the agency's authority and obligation to certify mental health and chemical dependency providers eligible for reimbursement from group health plans.

The bill allows OHA to impose an application fee to cover the cost of the additional staff or contractors to do the reviews. Assuming that 40 providers will apply per biennium, and a \$600 fee to cover the cost of the contracted certification services, OHA estimates the fiscal impact of this bill to be approximately \$18,000 Other Funds for the 18 months of the 2013-15 biennium, and \$24,000 Other Funds for the 24 months of the 2015-17 biennium.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS is anticipated to be minimal. DCBS anticipates using existing staff and resources to serve carriers that choose to re-file their health plans with DCBS.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	9 - 0 - 0
Yeas:	Clem, Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	0
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	3/13, 3/18

WHAT THE MEASURE DOES: Requires Oregon Health Authority (OHA) adopt standards and procedures to certify specified mental health providers to qualify for insurance reimbursement. Authorizes OHA adopt fee for certification and for applying for certification. Clarifies only approved or certified providers may receive reimbursement. Allows insurer to establish provider credentialing requirements. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Loss of mental health outpatient certification in 2009 split between OHA and DHS
- Insurance industry support for certification process

EFFECT OF COMMITTEE AMENDMENT: Clarifies only approved or certified providers may receive reimbursement. Allows insurer to establish provider credentialing requirements.

BACKGROUND: In 2009, House Bill 2009 was enacted, which created the Oregon Health Authority (OHA) and moved several of the state's health programs which were previously under the Department of Human Services (DHS) under OHA. Prior to this separation, mental health outpatient clinics were certified by DHS. Since the separation, there has been no mechanism for these clinics to be certified by the state. With no certification, it is difficult for these clinics to receive compensation from insurers.

House Bill 2737-A requires OHA to create a certification process for providers not otherwise subject to certification or licensing, including mental health outpatient clinics.

3/20/2013 8:50:00 AM

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

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Kim To, Legislative Fiscal Office

Meeting Date: 6/14/2013

WHAT THE MEASURE DOES: Authorizes and requires the Oregon Health Authority to certify mental health and chemical dependency providers eligible for reimbursement from group health plans. The bill defines provider as a health care facility, residential facility, day or individual medical professional or a provider certified by the Oregon Health Authority, and specifies that the intent of this bill is not to prohibit an insurer from requiring a provider organization certified by OHA to meet the insurer’s credentialing requirements as a condition of entering into a contract. The bill declares an emergency and is effective on passage.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENT: The –A4 amendment removes “chemical dependency” from language regarding specialized programs for treatment to be certified by OHA under this bill.

BACKGROUND: In 2009, House Bill 2009 was enacted, which created the Oregon Health Authority (OHA) and moved several of the state’s health programs which were previously under the Department of Human Services (DHS) under OHA. Prior to this separation, mental health outpatient clinics were certified by DHS. Since the separation, there has been no mechanism for these clinics to be certified by the state. With no certification, it is difficult for these clinics to receive compensation from insurers.

House Bill 2737-A requires OHA to create a certification process for providers not otherwise subject to certification or licensing, including mental health outpatient clinics.