

**SB 436**  
**Relating to children's health care**

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SB 436 requires Coordinated Care Organizations and their community advisory councils to adopt health improvement plans that include strategies for improving the integration of all services provided to meet the needs of children and their families. The plans will also include strategies for integrating school-based health centers within the health system.

The bill permits the Oregon Health Authority to provide incentive grants to CCOs to help coordinate the integration strategies identified in the community health improvement plans. No funding is included for these incentive grants.

The Human Services Subcommittee recommends SB 436 be reported out do pass.

Joint Committee on Ways and Means

Carrier – House: Rep. Nathanson  
Carrier – Senate: Sen. Steiner Hayward

**Revenue:** No revenue impact

**Fiscal:** Fiscal statement issued

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**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:** June 19, 2013

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**WHAT THE MEASURE DOES:** Requires coordinated care organization (CCO) and community advisory council to adopt health improvement plan. Specifies strategies to be included in plan. Specifies entities to be involved with development of health improvement plan. Authorizes Oregon Health Authority (OHA) provide incentive grants. Directs CCOs submit report to OHA, and OHA to compile information and present to Legislative Assembly by December 31, 2014. Sunsets on convening of 2015 Legislative Assembly. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Fiscal impact

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

**BACKGROUND:** Coordinated Care Organizations (CCOs) have been directed by the Oregon Health Authority (OHA) to reduce the health care cost curve by 1 percent next year and 2 percent per year over the following 3 years. Many of the efforts to achieve these savings will be focusing on individuals who over-utilize emergency rooms, and/or adults with serious chronic or mental health conditions. Supporters assert that many prevention programs and children's health programs have been in place for a long time and have a proven record of success, and are concerned that these programs will not be a focus of the CCOs in many areas.

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 436 – 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: 6/6/2013

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**Measure Description:**

Requires coordinated care organizations to include in community health improvement plan strategy for use of school-based health centers.

**Government Unit(s) Affected:**

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:**

Senate Bill 436 specifies the requirements for community health improvement plans adopted by coordinated care organizations (CCOs), and their community advisory council. These adopted community health improvement plans must include research-based strategies and plans for working with the Early Learning Council, the Youth Development Council, and school health providers to coordinate effective and efficient delivery of health care to children and adolescents in the community. The plans must also evaluate the adequacy of the existing school-based health centers (SBHC) network to meet the specific pediatric and adolescent health care needs in the community. The bill sunsets on the convening of the 2015 Legislative Assembly. The bill contains an emergency clause and takes effect on passage.

The bill requires each coordinated care organization to report to OHA on the progress of the integration strategies. The Oregon Health Authority (OHA) is directed to compile the information and report to the legislature by December 31, 2014. This requirement of the bill would have minimal impact on OHA. The authority will use existing staff and resources to collect and compile reports on the progress of integration efforts, and report to the legislature.

In addition, the bill permits the Oregon Health Authority to provide incentive grants to CCOs for the purpose of contracting with individuals or organizations to help coordinate integration strategies identified in the community health improvement plans. This provision is anticipated to have a fiscal impact on the Oregon Health Authority. However, the full impact is indeterminate depending on the level of grant funding and the number of CCOs that apply for and receive incentive grants. The bill allows the Oregon Health Authority (OHA) to provide incentive grants. However, the bill does not specify any specific funding level for the incentive grants. Also, the bill does not stipulate how the funding amount for each incentive grant would be determined. As a point of reference, currently there are 15 coordinated care organizations. If, for example, the incentive grant funding level was established at \$100,000 per grant maximum, and all 15 CCOs applied and received the maximum, the fiscal impact would be \$1.5 million General Fund. Additionally, if there are incentive grants for OHA to administer and manage, the authority would need to establish one full-time limited duration Program Analyst 2 position to work with incentive grantees. OHA estimate the Personal Services, and related Services and Supplies for this position to be \$151,199 General Fund.