

HB 3260
Relating to health care

HB 3260 requires the Oregon Health Authority to conduct a study, or to contract with a third party to conduct a study, to examine options for financing health care delivery in Oregon. Four general types of options are required. The agency would submit the final report by November 2014.

OHA anticipates contracting with a third party to conduct the study. The cost is expected to be roughly \$600,000, and no sources of funding are currently known. If external funding is not found, the agency is not obligated to conduct the study.

The Human Services Subcommittee recommends HB 3260 be reported out do pass.

Joint Committee on Ways and Means

Carrier – House: Rep. Dembrow
Carrier – Senate: Sen. Monnes Anderson

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: June 19, 2013

WHAT THE MEASURE DOES: Requires Oregon Health Authority conduct study examining options for financing health care in Oregon. Specifies criteria and requires report include recommendation based on established criteria. Requires report to estimate potential savings to local governments and government agencies for each plan. Requires report to interim health care committees and to 2015 regular session of Legislative Assembly. Clarifies publicly financed single payer option is privately delivered. Adds option for sales-tax funded plan. Authorizes OHA accept funds to conduct study. Requires OHA use gifts, grants and other funds from public and private sources. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- No identified source of funding
- No obligation to perform study if funding is not found
- Potential for conflict of interest if funding entity could benefit from recommendations

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: According to the Kaiser Family Foundation and Health Research and Educational Trust, health expenditures in the United States neared \$2.6 trillion in 2010, and total government healthcare spending accounted for 17.9 percent of the nation's Gross Domestic Product. Family premiums in employer-sponsored health coverage have increased 97 percent since 2002. In addition, the U.S. Census Bureau reports that in the same year, 15.7 percent of the population had no health insurance.

In an attempt to better understand how to deliver health care to all Oregonians, House Bill 3260-A establishes criteria for evaluating health care delivery and financing in the state, and requires the Oregon Health Authority to conduct a study to determine what option best satisfies these criteria. The study will make recommendations as to what options most efficiently and effectively provide health care for all Oregonians.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3260 - 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
Date: 4/16/2013

Measure Description:

Requires Oregon Health Authority to conduct study or contract with third party to study and recommend best option for financing health care in state.

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:

House Bill 3260 A-Engrossed requires the Oregon Health Authority to conduct a study or to contract with a third party to conduct a study to examine options for financing health care delivery in Oregon. The options should include:

1. An option for a publicly financed single-payer model for financing privately delivered health care that is decoupled from employment and allows commercial insurance coverage only of supplemental health services not paid for under the option.
2. An option that allows individuals to choose between a publicly funded plan and private insurance coverage, and allows for fair and robust competition between public and private insurance.
3. The current health care financing system in the state that includes Coordinated Care Organizations, the Oregon health insurance exchange, and full implementation of the Affordable Care Act.
4. An option that provides essential health benefits, including preventive care and hospital services that is funded by a broad based and constitutionally dedicated sales tax that does not tax income or payroll.

The bill directs OHA to report on the progress of the study during the 2014 legislative session, and to submit the final report to the interim legislative committee no later than November 1, 2014. The bill sunsets January 2, 2016.

To carry out the work required by the bill, OHA anticipates contracting with a third party. Using cost information for comparable work conducted by the New York State Department of Health and Department of Insurance, the Oregon Health Authority estimates the cost of this study to be roughly \$600,000 Total Funds.

The bill instructs OHA to accept funding from a variety of sources to carry out this study. The bill stipulates that OHA is only obligated to conduct this study, if this external funding is available. Note, at this time no source of external funding has been identified.