



Senator Laurie Monnes Anderson
District 25: Gresham, Troutdale, Fairview, Wood Village

House Committee on Health
900 Court Street NE
Salem, OR 97301

Re: SB 568 – Support
20 March 2013

Chair Greenlick, Vice-Chair Keny-Guyer, and members of the House Committee on Health Care,

As legislators, it is great when a bill is brought before us that is of a collaborative and constructive nature.

SB 568 is part of a package delivered to the legislature between the Governor's team, the Oregon Health Leadership Council and the Oregon Association of Hospitals and Health Systems to ensure successful implementation of health care transformation.

There are two components to Senate Bill 568: The first is **an alternative dispute resolution process to resolve disputes involving termination and extension or renewal of contracts between health care entities and CCOs**. The bill also includes **a two-year extension of current policy on non-participating inpatient and outpatient hospital rate setting**.

Alternative Dispute Resolution:

- The alternative dispute resolution process was originally established by HB 3650 during the 2011 session. It required OHA to establish a process for resolving conflicts between a health care entity and a CCO concerning *creation and initial contracting phase*.
- SB 568 extends this process to the termination, extension or renewal of that entity's contract.
- Establishing an ongoing process for resolving conflicts will prepare us to get on with the business of transforming our health care system and improving patient outcomes.
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Extension of rate-setting process:

- Current law provides that for non-participating hospitals in a CCO, the payment rate is equal to 4% less than the OHA established base rate for participating hospitals, which offers an incentive for both hospitals and CCOs to reach a participating provider agreement. This bill just extends current policy for two years.

We need SB 568 to continue Oregon's trailblazing effort to transform health care delivery.

I urge your aye vote.