

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

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: 3/20

WHAT THE MEASURE DOES: Requires Oregon Health Authority (OHA) adopt dispute resolution process to resolve disputes involving termination, extension or renewal of contract between health care entity and coordinated care organization. Extends sunset on provision governing reimbursement of hospitals by coordinated care organizations. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Provisions of the bill

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Health Leadership Council (OHLC) was formed in 2008 to work together to discuss how to control health care costs and has collaborated for five years.

In 2011, Governor Kitzhaber requested that OHLC engage in the “bend the cost curve in Medicaid” discussions. Many of the organizations that are involved with the OHLC are currently involvement in the development of the Coordinated Care Organizations (CCOs) across Oregon. With the CCO involvement, the OHLC has collaborated to develop recommendations to fund CCOs for the 2013-15 biennium. The following four components represent their recommendations:

- To continue cost-reduction from increasing the efficiency in delivery of Medicaid services, the system must reduce an additional \$350 million this biennium.
- The OHP budget funded at the level capped by the agreement with the federal government uses General Fund, tobacco taxes and tobacco master settlement dollars.
- A two-year extension of the current hospital provider assessment. Additionally, the hospitals have agreed to an additional 1 percent to create the Hospital Transformation Performance Program.
- The two components of Senate Bill 568: alternative dispute resolution and a two-year extension of the rate setting policy for non-participating providers.

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