

**A-Engrossed**  
**House Bill 3260**

Ordered by the House April 17  
Including House Amendments dated April 17

Sponsored by Representatives DEMBROW, WILLIAMSON; Representative GELSER, Senators MONNES  
ANDERSON, SHIELDS

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

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

Requires report to interim health care committees and to 2015 regular session of Legislative Assembly.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to health care; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Legislative Assembly finds that the best system for the delivery and**  
5 **financing of health care in this state will be the system that:**

6 (a) **Provides universal access to comprehensive care at the appropriate time.**

7 (b) **Ensures transparency and accountability.**

8 (c) **Enhances primary care.**

9 (d) **Allows the choice of health care provider.**

10 (e) **Respects the primacy of the patient-provider relationship.**

11 (f) **Provides for continuous improvement of health care quality and safety.**

12 (g) **Reduces administrative costs.**

13 (h) **Has financing that is sufficient, fair and sustainable.**

14 (i) **Ensures adequate compensation of health care providers.**

15 (j) **Incorporates community-based systems.**

16 (k) **Includes effective cost controls.**

17 (L) **Provides universal access to care even if the person is outside of Oregon.**

18 (m) **Provides seamless birth-to-death access to care.**

19 (n) **Minimizes medical errors.**

20 (o) **Focuses on preventative health care.**

21 (p) **Integrates physical, dental, vision and mental health care.**

22 (q) **Includes long term care.**

23 (r) **Provides equitable access to health care, according to a person's needs.**

24 (s) **Is affordable for individuals, families, businesses and society.**

25 **(2) To the extent practicable using only the funds received under section 2 of this 2013**  
26 **Act, the Oregon Health Authority shall conduct a study or shall contract with a third party**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 to conduct a study overseen by the authority to examine at least four options for financing  
2 health care delivery in this state, including:

3 (a) An option for a publicly financed single-payer model for financing privately delivered  
4 health care, that is decoupled from employment and allows commercial insurance coverage  
5 only of supplemental health services not paid for under the option.

6 (b) An option that allows a person to choose between a publicly funded plan, including a  
7 basic health program under 42 U.S.C. 18051, and private insurance coverage and allows for  
8 fair and robust competition among public plans and private insurance.

9 (c) The current health care financing system in this state, including the:

10 (A) Oregon Integrated and Coordinated Health Care Delivery System;

11 (B) Oregon health insurance exchange; and

12 (C) Full implementation of the Patient Protection and Affordable Care Act (P.L. 111-148),  
13 as amended by the Health Care and Education Reconciliation Act (P.L. 111-152) and other  
14 subsequent amendments.

15 (d) An option for a plan that provides essential health benefits, including preventive care  
16 and hospital services, and that:

17 (A) Is funded by a broad based and constitutionally dedicated sales tax that does not tax  
18 income or payroll;

19 (B) Allows a person to access the commercial market to purchase coverage that is not  
20 covered under the plan;

21 (C) Limits the role of the plan to collecting and distributing revenue while preserving  
22 private sector delivery options and optimizing consumer choice;

23 (D) Offers to Oregonians who earn more than 400 percent of the federal poverty guide-  
24 lines a deductible plan that could be contributed to by employees and employers;

25 (E) Exempts Oregonians who earn no more than 400 percent of the federal poverty  
26 guidelines from deductibles;

27 (F) Accesses all sources of available federal funding; and

28 (G) Identifies program savings that can be achieved by providing health care coverage  
29 to all Oregonians, including but not limited to using the program to replace the state medical  
30 assistance program and the medical portion of worker's compensation, then applies the  
31 savings to finance the plan.

32 (3) The researchers conducting the study shall review and consider:

33 (a) Previous studies in this state of alternative models of health care financing or deliv-  
34 ery.

35 (b) Studies of health care financing and delivery systems in other states and countries.

36 (c) This state's current health care reform efforts.

37 (d) The impact on and interplay with each option of all of the following:

38 (A) The Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the  
39 Health Care and Education Reconciliation Act (P.L. 111-152) and other subsequent amend-  
40 ments;

41 (B) The Employee Retirement Income Security Act of 1974; and

42 (C) Titles XVIII, XIX and XXI of the Social Security Act.

43 (4) The authority or the contractor shall prepare a report that summarizes the findings  
44 of the study and:

45 (a) Analyzes the costs and benefits of requiring copayments and of not requiring

1 copayments.

2 (b) Describes options for health care financing by a government agency, by commercial  
3 insurance and by a combination of both government and commercial insurance.

4 (c) For each option:

5 (A) Evaluates the extent to which the option satisfies the criteria described in subsection  
6 (1) of this section;

7 (B) Estimates the cost of implementation, including anticipated costs from increased  
8 services, more patients, new facilities and savings from efficiencies;

9 (C) Assesses the impact of implementation on the existing commercial insurance and  
10 publicly funded health care systems;

11 (D) Estimates the net fiscal impact of implementation on individuals and businesses in-  
12 cluding the tax implications;

13 (E) Assesses the impact of implementation on the economy of this state; and

14 (F) Estimates the potential savings to local governments and government agencies that  
15 currently administer health care programs, provide health care premium subsidies or provide  
16 funding for health care services.

17 (5) The report must include a recommendation for the option for health care delivery and  
18 financing that best satisfies the criteria described in subsection (1) of this section and that:

19 (a) Maximizes available federal funding; and

20 (b) Ensures that health care providers receive adequate compensation for providing  
21 health care.

22 **SECTION 2.** (1) The Oregon Health Authority shall accept gifts, grants and other funds  
23 from public and private sources for the purpose of carrying out the study described in sec-  
24 tion 1 of this 2013 Act.

25 (2) All moneys received by the authority under this section shall be paid into the State  
26 Treasury and deposited to the credit of the Oregon Health Authority Fund established in  
27 ORS 413.101. Such moneys shall be used by the authority solely for the purposes of section  
28 1 of this 2013 Act.

29 **SECTION 3.** (1) The Oregon Health Authority shall report on the progress of the study  
30 described in section 1 of this 2013 Act to the 2014 regular session of the Legislative Assembly.

31 (2) No later than November 1, 2014, the authority shall submit the report described in  
32 section 1 of this 2013 Act to the interim committees on health care in the House of Repre-  
33 sentatives and the Senate.

34 (3) The authority shall submit the report to the 2015 regular session of the Legislative  
35 Assembly in the manner prescribed by ORS 192.245.

36 **SECTION 4.** Sections 1 and 2 of this 2013 Act are repealed on January 2, 2016.

37 **SECTION 5.** This 2013 Act being necessary for the immediate preservation of the public  
38 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect  
39 on its passage.

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