

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Senate Health Care

REVENUE: May have revenue impact, statement not yet issued**FISCAL: May have fiscal impact, statement not yet issued****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Zena Rockowitz, Administrator**Meeting Dates:** 3/25

WHAT THE MEASURE DOES: Defines “allowed amount” as amount payer has contracted with health care facility to pay for a specific health care service. Defines “billed charge” as cost of health care service billed to patient or payer. Identifies “payer” as Medicare, state medical assistance, coordinated care organizations, Public Employees’ Benefit Board, Oregon Educators Benefit Board, largest commercial insurers. Defines “health care facilities” as those licensed by Oregon Health Authority (OHA). Requires OHA to adopt list of 100 most common inpatient and 100 most common outpatient health care services and determine manner in which health care facilities publish billed charges to each type of payer, to uninsured patient, and allowed amount paid for service by type of payer. Requires health care facilities to respond to inquiries about billed charges. Specifies responses must include estimate of billed charges, payer responsible or patient who will receive the service if uninsured, notice cautioning that billed charges vary from estimated charges, information about how to apply for financial assistance, how to file complaint. Specifies if inquirer is enrolled in health benefit plan, health care facility must provide information on whether services will be provided within network of covered plan, notice that enrollee can obtain estimate of costs from insurer. Specifies contract is void if it prevents facility from disclosing information. Declares intention to promote transparency. Exempts from antitrust laws and immunity from antitrust laws. Allows OHA and Department of Human Services to take action before operative date of January 1, 2017. Declares emergency, effective on passage.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:**

BACKGROUND: Health care spending growth outpaces the growth of the overall economy and worker’s wages. Annual estimates of Oregon’s health care spending range between \$20 to \$25 billion dollars. The federal Government Accountability Office found that meaningful price information is difficult for consumers to obtain prior to receiving health care services. The Center for Medicare and Medicaid Services reports that prices between hospitals for the same services vary dramatically, even within the same city. Presently, 34 states require hospitals to report certain charges and reimbursement rates in order to constrain hospital costs, provide financial stability for hospitals, and offer quality care. California, Colorado, Florida, and New Hampshire are required to maintain websites to show prices charged for various procedures. Oregon is one of 12 states which maintain an all-payer claims database. Senate Bill 2009 in 2009 created the Oregon All-Payer All-Claims Data Reporting Program (APAC) to collect health insurance data (e.g., medical and pharmacy claims) from health insurance carriers and third party administrators. Oregon hospitals also submit monthly utilization and financial summaries.

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

Committee Services Form – 2015 Regular Session