

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3300 - 2

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 5/11/2015

Measure Description:

Prohibits PEBB and OEGB from entering into a contract, directly or through a third party administrator, with a primary care physician for the payment or reimbursement of claims for services provided to eligible employees, or their eligible family members, residing in Lane County, Oregon, unless the physician maintains a patient caseload with at least 15% medical assistance recipients.

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 3300 prohibits Public Employees' Benefit Board (PEBB) and Oregon Educators Benefit Board (OEGB) from entering into a contract, directly or through a third party administrator, with a primary care physician for the payment or reimbursement of claims for services provided to eligible employees, or their eligible family members, residing in Lane County, Oregon, unless the physician maintains a patient caseload with at least 15% medical assistance recipients. This prohibition sunsets on January 2, 2020. In addition, the bill requires the PEBB and OEGB to report to the legislature by February 1, 2019, on the effect of the provisions of this bill on medical recipients' access to timely primary care in Lane County.

Although the fiscal impact of this bill is minimal, the following is a discussion of the potential impact on continuity of care and access.

Public Employees' Benefit Board (PEBB)

Providence predicts that passage of this bill would not impact claims costs, but there could be an impact in administration and member experience. With passage of this bill, Providence would need to create and maintain a new network specifically for PEBB. The requirements of the bill add an extra step in the renewal process before Providence can renew or enter into provider contracts in Lane County. Providence would need to establish a Board approval process. If the provider is not approved, Providence would then have to notify members. This could create continuity of care issues as these members transition to other primary care physicians. Providence will need to monitor and manage access issues in the ProvChoice or statewide plans resulting from a narrower provider network. In addition, timing is another concern. Providence generally renews provider contracts in the fall, at the same time as open enrollment, for January 1st. If Providence continues to renew provider contracts based on this timeline, it would be too late to communicate provider changes to members during PEBB open enrollment when members make their plan selections. Finally, depending on the number of providers that could be terminated based on this bill, member dissatisfaction due to care disruption could become a financial issue.

Oregon Educators Benefit Board (OEGB)

According to Moda, OEGB's largest carrier, there would be additional cost to administer the bill's requirements, but OEGB does not anticipate this cost to impact the premium rates for OEGB medical

plans administered by Moda. For continuity of care and access issues that members may experience as a result of this bill, please see discussion above for PEBB.