
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Linda Ames, Legislative Fiscal Office
503-986-1816

Date: June 23, 2015

Subject: H 2828 Relating to a study on financing health care in this state
Work Session Recommendation

HB 2828 extends the sunset date of provisions requiring the Oregon Health Authority (OHA) to contract with a third party to conduct a study to examine options for financing health care delivery in Oregon. OHA is expected to report on the progress of the study during the 2016 session, and submit the final report by November 1, 2016. The agency is instructed to accept funding from a variety of sources to carry out this study, and a blank General Fund appropriation is included as well.

The measure previously had hearings in the House Committee on Health Care on 2/16/2015 and 2/23/15, and in this Subcommittee on 6/10/15.

The proposed -1 amendment appropriates \$300,000 to OHA for conducting the study. The agency could also accept funding from other sources, if any was available.

Motion: I move the -1 amendment to HB 2828.

Measure as Modified

The measure is recommended to be amended and moved to the Full Committee on Joint Ways and Means.

Motion: I move HB 2828 to the Joint Committee on Ways and Means with a "do pass" recommendation, as amended.

Assignment of Carriers

Full: _____

Senate: _____

House:

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Health Care

MEASURE: HB 2828

Fiscal: Fiscal impact issued
Revenue: No Revenue Impact

Action Date: 02/23/15
Action: Do Pass. Refer To Ways And Means.
Meeting Dates: 02/16, 02/23

House

Yeas: 9 - Buehler, Clem, Greenlick, Hayden, Weidner, Keny-Guyer, Lively, Nosse, Kennemer

Prepared By: Sandy Thiele-Cirka, Committee Administrator

WHAT THE MEASURE DOES:

Extends sunset date on the provisions requiring Oregon Health Authority to study and make recommendations to the Legislative Assembly during the 2017 Legislative Assembly on the best options for financing health care in Oregon.

ISSUES DISCUSSED:

- Previous fundraising efforts
- Request for General Fund moneys
- Support of the concept
- Referral to Ways and Means

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

House Bill 3260 (2013) required the Oregon Health Authority (OHA) to contract with a third party to conduct a study to examine options for financing health care delivery in Oregon. The options were to include:

- An option for a publicly financed, single-payer model for financing privately delivered health care that is decoupled from employment and allows commercial insurance coverage only of supplemental health services not paid for under the option;
- An option that allows individuals to choose between a publicly funded plan and private insurance coverage, and allows for fair and robust competition between public and private insurance;
- The current health care financing system in the state, which includes coordinated care organizations, the Oregon Health Insurance Exchange, and full implementation of the Affordable Care Act, and;
- An option that provides essential health benefits, including preventive care and hospital services, that allows a person to access the commercial market to purchase coverage that is not under the plan.

The 2013 legislation instructed OHA to accept funding from a variety of sources to carry out the study and specified that OHA was only obligated to conduct the study if external funding became available. House Bill 3260 contained a 2014 and 2015 reporting requirement. OHA has not found an external source of funding.

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2828**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
Reviewed by: Linda Ames
Date: 2/16/2015**Measure Description:**

Extends, for two years, sunset of provisions requiring Oregon Health Authority to study and make recommendations to Legislative Assembly on best option for financing health care in this state.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
General Fund	\$600,000	\$0
Total Funds	\$600,000	\$0
Positions	0	0
FTE	0.00	0.00

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 2828 extends the sunset date of provisions requiring the Oregon Health Authority to contract with a third party to conduct a study to examine options for financing health care delivery in Oregon. The options should include:

1. An option for a publicly financed single-payer model for financing privately delivered health care that is decoupled from employment and allows commercial insurance coverage only of supplemental health services not paid for under the option.
2. An option that allows individuals to choose between a publicly funded plan and private insurance coverage, and allows for fair and robust competition between public and private insurance.
3. The current health care financing system in the state that includes Coordinated Care Organizations, the Oregon health insurance exchange, and full implementation of the Affordable Care Act.
4. An option that provides essential health benefits, including preventive care and hospital services that allows a person to access the commercial market to purchase coverage that is not under the plan.

The bill directs OHA to report on the progress of the study during the 2016 legislative session. OHA is required to submit the final report to the interim legislative committee no later than November 1, 2016, and to the Legislative Assembly during the 2017 legislative session. The bill sunsets January 2, 2018.

Using cost information for comparable work conducted by the New York State Department of Health and Department of Insurance, the Oregon Health Authority estimates the cost of contracting with a third party to conduct this study to be roughly \$600,000 Total Funds.

The bill instructs OHA to accept funding from a variety of sources to carry out this study. The bill stipulates that OHA is only obligated to conduct this study, if this external funding is available. This

concept was originally introduced in SB 3260 (2013), and a study has not been conducted because no source of external funding has been identified.

HB 2828 appropriates an unspecified amount of General Fund to the Oregon Health Authority for the 2015-17 biennium to carry out the provisions of this bill.

This measure requires budgetary action for the appropriation of General Fund.

HB 2828-1
(LC 1976)
6/19/15 (LHF/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2828**

1 In line 19 of the printed bill, delete “\$_____” and insert “\$300,000”.

2 _____