

# Senate Bill 231

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## 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 **as introduced**.

Requires Department of Consumer and Business Services to adopt rules for participation of prominent carriers in Primary Care Transformation Initiative implemented by Oregon Health Authority. Specifies criteria for initiative. Requires authority to convene primary care payment reform committee to advise and assist in development of initiative. Specifies membership.

Sunsets March 1, 2022.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to paying for primary care; and declaring an emergency.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Carrier" means:**

6 (A) **An insurer that offers a health benefit plan, as defined in ORS 743.730.**

7 (B) **A third party administrator.**

8 (C) **An employer that offers a self-insured employee health benefit plan.**

9 (b) **"Prominent carrier" means:**

10 (A) **An insurer with annual premium income at a threshold established by the Depart-**  
11 **ment of Consumer and Business Services by rule.**

12 (B) **A third party administrator or a self-insured employer that annually processes pay-**  
13 **ments to health care providers in amounts established by the department by rule.**

14 (2) **All prominent carriers shall:**

15 (a) **Adopt one or more of the payment methodologies described in section 2 (5)(a) of this**  
16 **2015 Act;**

17 (b) **Implement the patient assignment methodology described in section 2 (5)(b) of this**  
18 **2015 Act; and**

19 (c) **Participate in the technical assistance strategy described in section 2 (5)(c) of this**  
20 **2015 Act.**

21 (3) **Each prominent carrier shall comply with subsection (2) of this section until the**  
22 **earlier of:**

23 (a) **The date of an evaluation under section 2 (5)(d) of this 2015 Act showing that the**  
24 **timelines or benchmarks have not been met; or**

25 (b) **February 28, 2022.**

26 (4) **A carrier, other than a prominent carrier, may adopt or participate in one or more**  
27 **components of the Primary Care Transformation Initiative described in section 2 of this 2015**  
28 **Act.**

**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.

**SECTION 2. (1) As used in this section:**

(a) “Carrier” means:

(A) An insurer that offers a health benefit plan, as defined in ORS 743.730.

(B) A third party administrator.

(C) An employer that offers a self-insured employee health benefit plan.

(b) “Coordinated care organization” has the meaning given that term in ORS 414.025.

(c) “Primary care” means family medicine, general internal medicine, naturopathic medicine, obstetrics and gynecology, pediatrics or general psychiatry.

(d) “Primary care provider” includes:

(A) A physician, naturopath, nurse practitioner, physician assistant or other health professional licensed or certified in this state, whose clinical practice is in the area of primary care.

(B) A health care team or clinic that has been certified by the Oregon Health Authority as a patient centered primary care home.

(2) The Oregon Health Authority shall convene a primary care payment reform committee to advise and assist the authority in developing a Primary Care Transformation Initiative that will increase the resources dedicated to primary care in this state.

(3) The primary care payment reform committee shall include:

(a) One or more representatives for each of the following:

(A) Primary care providers;

(B) Primary care provider associations; and

(C) Health care consumers.

(b) One representative for each of the following:

(A) The Department of Consumer and Business Services; and

(B) Each prominent carrier as defined in section 1 of this 2015 Act.

(4) The initiative must be designed to:

(a) Increase the resources dedicated to primary care in this state.

(b) Align with and complement the Oregon Integrated and Coordinated Health Care Delivery System established by ORS 414.620.

(c) Align financial incentives with the health care quality improvement goals of carriers and of purchasers and consumers of health care.

(d) Promote culturally and linguistically appropriate care in order to reduce disparities in health outcomes linked to race, ethnicity, primary language and similar factors.

(5) The initiative must include the following components:

(a) No more than five payment methodologies that are alternatives to a fee-for-service reimbursement methodology and that support patient-centered care.

(b) A methodology for determining the provider who is responsible for a patient’s primary care and who is entitled to reimbursement for the patient’s care based on a payment methodology described in paragraph (a) of this subsection.

(c) A strategy for providing technical assistance to primary care providers in each local community in this state by leveraging and better coordinating current technical assistance activities and ensuring that each prominent carrier, as defined in section 1 of this 2015 Act, contributes its fair share of support to the strategy.

(d) An evaluation plan for the initiative that identifies specific timelines and benchmarks that are necessary for the initiative to be sustainable. The plan shall be presented to the

1 **Legislative Assembly no later than February 29, 2016.**

2 (e) **A plan for reassessing the initiative if the timelines and benchmarks identified under**  
3 **paragraph (d) of this subsection are not met.**

4 (6) **The authority shall implement the initiative no later than January 1, 2016.**

5 (7) **All coordinated care organizations shall:**

6 (a) **Adopt one or more of the payment methodologies described in subsection (5)(a) of this**  
7 **section;**

8 (b) **Implement the patient assignment methodology described in subsection (5)(b) of this**  
9 **section; and**

10 (c) **Participate in the technical assistance strategy described in subsection (5)(c) of this**  
11 **section.**

12 (8) **Each coordinated care organization shall comply with subsection (7) of this section**  
13 **until the earlier of:**

14 (a) **The date of an evaluation under subsection (5)(d) of this section showing that the**  
15 **timelines or benchmarks have not been met; or**

16 (b) **February 28, 2022.**

17 (9) **No later than February 28, 2017, and each year thereafter, the authority shall report**  
18 **to the Legislative Assembly, in the manner provided by ORS 192.245, the progress in imple-**  
19 **menting the initiative. The authority shall conduct a full evaluation of the initiative and re-**  
20 **port the findings of the evaluation to the Legislative Assembly no later than February 28,**  
21 **2020.**

22 **SECTION 3. (1) The Legislative Assembly declares that collaboration among insurers,**  
23 **purchasers and providers of health care to coordinate service delivery systems and develop**  
24 **innovative reimbursement methods in support of integrated and coordinated health care de-**  
25 **livery is in the best interest of the public. The Legislative Assembly therefore declares its**  
26 **intent to exempt from state antitrust laws, and to provide immunity from federal antitrust**  
27 **laws through the state action doctrine, any person participating in the Primary Care**  
28 **Transformation Initiative, described in section 2 of this 2015 Act, that might otherwise be**  
29 **constrained by such laws.**

30 (2) **The Director of the Oregon Health Authority or the director's designee shall engage**  
31 **in appropriate state supervision of the Primary Care Transformation Initiative as necessary**  
32 **to promote state action immunity under state and federal antitrust laws to ensure that the**  
33 **initiative is implemented in accordance with section 2 of this 2015 Act.**

34 (3) **Groups that include, but are not limited to, health insurance companies, health care**  
35 **centers, hospitals, health service organizations, employers, health care providers, health care**  
36 **facilities, state and local governmental entities and consumers may meet to facilitate the**  
37 **development, implementation and operation of the Primary Care Transformation Initiative**  
38 **in accordance with section 2 of this 2015 Act.**

39 (4) **The Oregon Health Authority may conduct a survey of the entities and individuals**  
40 **specified in subsection (3) of this section to assist in the evaluation of the Primary Care**  
41 **Transformation Initiative.**

42 (5) **A survey or meeting under subsection (3) or (4) of this section is not a violation of**  
43 **state antitrust laws and shall be considered state action for purposes of federal antitrust**  
44 **laws through the state action doctrine.**

45 **SECTION 4. Section 1 of this 2015 Act is added to and made a part of the Insurance Code.**

1        **SECTION 5.** Section 1 of this 2015 Act applies to health insurance policies or certificates  
2 issued or renewed on or after January 1, 2016.

3        **SECTION 6.** Section 2 of this 2015 Act applies to contracts between the Oregon Health  
4 Authority and coordinated care organizations that are entered into or renewed on or after  
5 January 1, 2016.

6        **SECTION 7.** Sections 1 to 6 of this 2015 Act are repealed March 1, 2022.

7        **SECTION 8.** This 2015 Act being necessary for the immediate preservation of the public  
8 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
9 on its passage.

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