
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee

From: Matt Stayner, Legislative Fiscal Office
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Date: 2/24/2016

Subject: HB 4017
Work Session Recommendations

HB 4017 comes to the Joint Committee on Ways and Means in the A-engrossed version. The bill directs the Department of Consumer and Business Services (DCBS), in collaboration with the Oregon Health Authority (OHA) and in consultation with a stakeholder advisory group to develop and present to the interim committees of the legislature a blueprint for a Basic Health Program (BHP) as defined in the Code of Federal Regulations (CFR) and include that blueprint in a report to the interim committees of the Legislative Assembly no later than December 31, 2016.

The bill details the components of the Basic Health Program, including requiring the BHP blueprint to include dental care coverage for adults. The bill requires DCBS and OHA to convene a stakeholder advisory group that includes advocates for low-income individuals and families and consumers of health care. The group must also include representatives of health care provider groups and the insurance industry. The bill directs DCBS to obtain, as needed, updates of the data produced in the feasibility study required by section 1, chapter 96, Oregon Laws 2014, enrolled house bill 4109 (2014).

The bill designates DCBS as the sole state agency authorized to request a state innovation waiver under the affordable care act (ACA). The bill also requires DCBS to convene an advisory group to assist in identifying permissible federal provisions that would be waived in order to improve the delivery of quality health care in Oregon. The bill requires DCBS to present its recommendations for submitting a waiver to the legislature, by March 1, 2017, before the department submits the waiver to the federal government.

The bill also allows a registered nurse employed by an education service district or a local public health authority to provide nursing services at a public or private school to accept and order from a physician or osteopathy in another state if the order is related to the care or treatment of a student that has been enrolled at the school for less than 90 days.

The Department of Consumer and Business Services originally estimated the fiscal impact of the bill to be between \$395,000 and \$595,000, but was subsequently able to refine its estimate to \$415,000. That amount would allow DCBS to:

- Update the 2014 BHP analysis with 2016 Qualified Health Plan (QHP) enrollment data, new recommendations from the 2015 BHP Stakeholder workgroup, and updated assumptions reflecting BHP experience in other states and QHP enrollment data.
- Provide analysis of the effect on the individual health plan risk pool as a result of BHP creation.
- Complete actuarial support for BHP Blueprint preparation, including 10-year projection.
- Complete actuarial support for 1332 waiver analysis, including 10-year projected deficit-neutral budget plan.

Recommended Changes to Bill:

The A9 amendments to the bill change the reporting frequency for the report required by section 3, chapter 575, Oregon Laws 2015, enrolled SB 231 (2015), so that instead of a single report due no later than February 1, 2016, a report would be required each year until the repeal date of that section, which the bill extends to January 2, 2020. The report details the proportion of medical expenses allocated to primary care by carriers, coordinated care organizations, the Public Employees' Benefit Board, and the Oregon Educators Benefit Board and how those entities pay for primary care.

No additional fiscal impact is anticipated due to the adoption of the A9 amendment

Motion:

Move the LFO recommendation to adopt the –A9 amendment to HB 4017

The A13 amendment to the bill amends statute to define routine health care and exempt from that definition certain activities related to approved clinical trials. The bill prohibits the discrimination by coordinated care organizations against members on the basis of the member participating in an approved clinical trial and limits the liability of coordinated care organizations for any adverse effects of approved clinical trials

No additional fiscal impact is anticipated due to the adoption of the A13 amendment

Motion:

Move the LFO recommendation to adopt the –A13 amendment to HB 4017

The A15 amendment creates an Other Funds expenditure limitation increase for the Department of Consumer and Business Services in the amount of \$415,000 to carry out the requirements of the bill

Motion:

Move the LFO recommendation to adopt the -A15 amendment to HB 4017

XB XX Final Subcommittee Action:

Final Motion:

Move HB 4017 to the full committee with a “do pass” recommendation, as amended.