

**78th OREGON LEGISLATIVE ASSEMBLY – 2016 Session
PRELIMINARY BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 4017-B

JOINT COMMITTEE ON WAYS AND MEANS

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Agency

Department of Consumer and Business Services

Biennium

2015-17

Budget Summary*

	2015-17 Legislatively Adopted Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Adopted	
			<u>\$ Change</u>	<u>% Change</u>
Other Fund	\$ -	\$ 415,000	\$ 415,000	100.0%
Total	\$ -	\$ 415,000	\$ 415,000	100.0%

Position Summary

Authorized Positions	0	0	0	
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	

* Excludes Capital Construction expenditures

Revenue Summary

House Bill 4017 creates Other Funds expenditure limitation of \$415,000 to pay for the actuarial work related to establishing the Basic Health Plan waiver under the federal Affordable Care Act. The funding will come from the per-member per-month fees on health plans established by Department of Consumer and Business Services (DCBS) to operate the Oregon Health Insurance Marketplace, and also from DCBS' charge on insurers, in proportion with which the revenue source is determined by the agency to be most appropriate for the work.

Summary of Joint Human Services Subcommittee Action

House Bill 4017 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). DCBS is directed to report on the blueprint to the interim committees of the Legislative Assembly no later than December 31, 2016. The bill also designates DCBS as the sole state agency authorized to request a state innovation waiver under the Affordable Care Act (ACA) for the implementation of a Basic Health Plan as described by the blueprint created by DCBS. State innovation waivers allow states to provide access to quality health care that is at least as comprehensive and affordable as would otherwise be provided, cover a comparable number of state residents as would be covered absent a waiver, and does not increase the federal deficit. The bill requires DCBS to present its recommendations to the Legislature by March 1, 2017 for the submission of the waiver application to the US Department of Health and Human Services. If found to be financially viable by the federal program under the waiver conditions, and enabling legislation to create and implement a BHP is adopted by the state, the Basic Health Plan could be established as a state-funded or state-subsidized health insurance option available on the Oregon Health Insurance Marketplace.

The subcommittee included an increase in the Other Funds expenditure limitation of \$415,000 for DCBS to pay for the planning and actuarial work related to the creation of a BHP blueprint and the supporting documentation for the application for a state innovation waiver related to the implementation of the BHP blueprint. The work will be overseen within the Department's Health Insurance Marketplace division.

The subcommittee included language in the bill amending chapter 575, Oregon Laws 2015 to require annual reporting on the proportion of medical expenses allocated to primary care services by carriers, coordinated care organizations, the Public Employees' Benefit Board, and the Oregon Educators Benefit Board and how those entities pay for primary care, extending the existing repeal of that reporting section to January 2, 2020.

The subcommittee also included language amending 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.

Although not included in the bill, the subcommittee took oral testimony from the administrative director of the Oregon Board of Pharmacy and concerned constituencies regarding the enforcement of Board of Pharmacy rules, OAR 855-041-1120 (5-8), requiring pharmacies to contact all patients before processing prescription refills to obtain authorization to fill the prescription. The parties agreed that a delay in the enforcement of the adopted rule until March 1, 2017 would allow the parties to resolve concerns related to the rule and its implementation.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 4017-B

Department of Consumer and Business Services
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
SCR 15-01 - Oregon Health Insurance Marketplace									
Services and Supplies (Professional Services)	\$ -	\$ -	\$ 415,000	\$ -	\$ -	\$ -	\$ 415,000		
TOTAL SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 415,000	\$ -	\$ -	\$ -	\$ 415,000		