SB 861 -1   STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By:	Oliver Droppers, LPRO Analyst
Meeting Dates:	3/21, 4/13

WHAT THE MEASURE DOES:

Removes reporting exemption for health care organizations that operate as a group-practice prepayment health care plan. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Types of health care financing: fee-for-service, capitation, pre-payment and alternative payment models
- Oregon hospitals and integrated health systems
- Organizational complexity and feasibility for Kaiser to meet current OHA reporting requirements
- Equitable and fair data comparisons across all Oregon hospitals

EFFECT OF AMENDMENT:

-1 Removes emergency clause. Makes measure operative on March 13, 2018.

REVENUE: *No revenue impact.*
FISCAL: *No fiscal impact.*

BACKGROUND:

Group practice prepayment plans was a term used in the 1970s and early 1980s that referred to an entity that accepted the responsibility to organize and deliver health care services to a defined population. Over the years, the concept evolved and is now commonly known as a health maintenance organization or HMO. There are several distinguishing characteristics of a group practice prepayment plan or HMO: the organization offers insurance coverage (i.e. a health plan), provides comprehensive benefits, delivers health care services, both hospital and ambulatory services including professional services (i.e. inpatient and outpatient services), and own and operate multiple hospitals and outpatient facilities in a geographic region. This contrasts to an insurance company that only offers a health benefit plan to employers or individuals.

The Oregon Health Authority (OHA) collects financial data from Oregon's 60 acute care inpatient care hospitals. The information is used by OHA to evaluate statewide health policy. Senate Bill 861 seeks to remove an exemption in current Oregon law that allows several hospitals, part of a group health plan, to not report financial data to OHA.