

# House Bill 2016

Sponsored by Representatives KOTEK, SMITH G; Representative GREENLICK

## 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**.

Modifies methodology for reimbursing hospital costs under self-insured benefit plan offered by Public Employees' Benefit Board.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to reimbursement of hospital costs; creating new provisions; amending ORS 243.125, 243.256  
3 and 442.394; and declaring an emergency.

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

5 **SECTION 1.** ORS 243.256 is amended to read:

6 243.256. (1) [*A hospital that provides services or supplies under a benefit plan offered by the Public*  
7 *Employees' Benefit Board shall be reimbursed*] **A carrier that contracts with the Public**  
8 **Employees' Benefit Board to provide a benefit plan that reimburses the cost of hospital ser-**  
9 **vices or supplies shall reimburse the cost of hospital services and supplies provided to eligible**  
10 **employees and their dependents** using the methodology prescribed by the Oregon Health Author-  
11 ity under ORS 442.392 and may not [*be reimbursed*] **reimburse** for each service or supply provided.

12 (2) [*This section applies to hospital payments made by a carrier under a contract with the board*  
13 *and to hospital payments made under a self-insurance program administered by a third party admin-*  
14 *istrator on behalf of the board.*] **A self-insurance program offered by the board and administered**  
15 **by a third party administrator that reimburses the cost of hospital services or supplies shall**  
16 **reimburse the cost of hospital services and supplies provided to eligible employees and their**  
17 **dependents in an amount that does not exceed \_\_\_\_\_ percent of the amount paid by Medi-**  
18 **care for the services or supplies.**

19 (3) This section does not apply to reimbursements paid by a carrier or third party administrator  
20 to a [*hospital that is not subject to the methodology prescribed by the authority under ORS 442.392*]  
21 **type A or type B hospital as described in ORS 442.470 or a rural critical access hospital as**  
22 **defined in ORS 315.613.**

23 **SECTION 2.** ORS 243.125 is amended to read:

24 243.125. (1) The Public Employees' Benefit Board shall prescribe rules for the conduct of its  
25 business [*and for carrying out ORS 243.256*]. The board shall study all matters connected with the  
26 providing of adequate benefit plan coverage for eligible employees on the best basis possible with  
27 relation both to the welfare of the employees and to the state and local governments. The board  
28 shall design benefits, devise specifications, analyze carrier responses to advertisements for bids and  
29 decide on the award of contracts. Contracts shall be signed by the chairperson on behalf of the  
30 board.

31 (2) In carrying out its duties under subsection (1) of this section, the goal of the board shall be

**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.

1 to provide a high quality plan of health and other benefits for employees at a cost affordable to both  
2 the employer and the employees.

3 (3) Subject to ORS chapter 183, the board may make rules not inconsistent with ORS 243.105 to  
4 243.285 and 292.051 to determine the terms and conditions of eligible employee participation and  
5 coverage.

6 (4) The board shall prepare specifications, invite bids and do acts necessary to award contracts  
7 for health benefit plan and dental benefit plan coverage of eligible employees in accordance with the  
8 criteria set forth in ORS 243.135 (1).

9 (5) The executive director of the board shall report to the Director of the Oregon Health Au-  
10 thority.

11 (6) The board may retain consultants, brokers or other advisory personnel when necessary and,  
12 subject to the State Personnel Relations Law, shall employ such personnel as are required to per-  
13 form the functions of the board.

14 **SECTION 3.** ORS 442.394 is amended to read:

15 442.394. (1) A hospital or ambulatory surgical center shall bill and accept as payment in full an  
16 amount determined in accordance with **ORS 243.256 or ORS 243.879, if applicable, or** the payment  
17 methodology prescribed by the Oregon Health Authority under ORS 442.392.

18 (2) This section does not apply to type A or type B hospitals as described in ORS 442.470 or  
19 rural critical access hospitals as defined in ORS 315.613.

20 **SECTION 4.** **The amendments to ORS 243.256 by section 1 of this 2017 Act apply to benefit**  
21 **plans offered by the Public Employees' Benefit Board on or after January 1, 2018.**

22 **SECTION 5.** **This 2017 Act being necessary for the immediate preservation of the public**  
23 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**  
24 **on its passage.**