

A-Engrossed
Senate Bill 419

Ordered by the Senate April 21
Including Senate Amendments dated April 21

Sponsored by Senator BEYER (Presession filed.)

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.

[Creates Hospital Rate Commission in Oregon Health Authority to review hospital charges billed by certain hospitals and recommend to Oregon Health Authority whether to approve charges as reasonable based on prescribed criteria. Specifies membership and duties of commission. Imposes civil penalty on hospital that bills unreasonable charges. Allows persons filing complaint with commission to recover reasonable attorney fees and costs if authority determines that charge to person for hospital services was unreasonable.]

[Requires hospitals to pay fee to commission. Creates Hospital Rate Commission Fund consisting of fees and fines collected by commission. Continuously appropriates moneys in fund to commission for carrying out provisions of Act.]

Establishes Task Force on Health Care Cost Review to study feasibility of creating rate-setting process modeled on process used by Health Services Cost Review Commission in Maryland. Specifies membership. Requires report to interim committees of Legislative Assembly related to health no later than September 15, 2018.

Sunsets task force December 31, 2018.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to hospital charges; and prescribing an effective date.

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

4 **SECTION 1. (1) The Task Force on Health Care Cost Review is established.**

5 **(2) The task force consists of 17 members as follows:**

6 **(a) The President of the Senate shall appoint:**

7 **(A) Three members appointed from among members of the Senate; and**

8 **(B) Two members of the public with health care experience.**

9 **(b) The Speaker of the House of Representatives shall appoint:**

10 **(A) Three members appointed from among members of the House of Representatives; and**

11 **(B) Two members of the public with health care experience.**

12 **(c) The Director of the Oregon Health Authority.**

13 **(d) The Director of the Department of Consumer and Business Services.**

14 **(e) Four members nominated by a statewide hospital trade association, including at least**
15 **one member who represents a rural hospital.**

16 **(f) The chairperson of the Oregon Health Policy Board.**

17 **(3) The task force shall study the feasibility of creating a hospital rate-setting process**
18 **modeled on the process used by the Health Services Cost Review Commission in Maryland,**
19 **including but not limited to:**

20 **(a) How such a rate-setting process would impact the accessibility and cost of health**

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 services currently provided in this state, promote quality care and impact overall medical
2 cost containment;

3 (b) How a rate-setting process would interact with and impact coordinated care organ-
4 izations, the Public Employees' Benefit Board, the Oregon Educators Benefit Board, other
5 state programs purchasing health care and other cost containment efforts;

6 (c) The potential impact on health insurers;

7 (d) The likely cost of the rate-setting process;

8 (e) The potential need for and likelihood of obtaining a waiver of Medicare requirements
9 similar to the waiver obtained by the commission in Maryland; and

10 (f) Why similar efforts to create a hospital rate-setting process in Washington and other
11 states failed, were not implemented or were withdrawn from consideration.

12 (4) A majority of the members of the task force constitutes a quorum for the transaction
13 of business.

14 (5) Official action by the task force requires the approval of a majority of the members
15 of the task force.

16 (6) The Director of the Department of Consumer and Business Services shall serve as
17 chairperson.

18 (7) If there is a vacancy for any cause, the appointing authority shall make an appoint-
19 ment to become immediately effective.

20 (8) The task force shall meet at times and places specified by the call of the chairperson
21 or of a majority of the members of the task force.

22 (9) The task force may adopt rules necessary for the operation of the task force.

23 (10) The task force shall submit a report in the manner provided by ORS 192.245, and
24 may include recommendations for legislation, to the interim committees of the Legislative
25 Assembly related to health no later than September 15, 2018.

26 (11) The Legislative Policy and Research Director shall provide staff support to the task
27 force.

28 (12) Members of the task force are not entitled to compensation or reimbursement for
29 expenses and serve as volunteers on the task force.

30 (13) All agencies of state government, as defined in ORS 174.111, are directed to assist
31 the task force in the performance of the task force's duties and, to the extent permitted by
32 laws relating to confidentiality, to furnish information and advice the members of the task
33 force consider necessary to perform their duties.

34 **SECTION 2.** Section 1 of this 2017 Act is repealed on December 31, 2018.

35 **SECTION 3.** This 2017 Act takes effect on the 91st day after the date on which the 2017
36 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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