Comments especially for the Provider Reimbursement TAG of the Task Force on Universal Health Care

from Charlie Swanson (president of Health Care for All-Oregon-Action).

At the December 4 Provider Reimbursement TAG meeting there was substantial discussion of global budgets for institutional providers. The discussion below is primarily about hospitals, though it may have relevance to other institutional providers. While other payment methods that are at least as equitable and cost-effective can be considered, it seems that it would be worthwhile for the TAG to get information from an expert on the Canadian system of paying hospitals with global budgets. Data suggests that it has been very cost-effective, and it appears to be fairly equitable and to have some appropriate "guard-rails" to prevent some potential ill-effects of such a payment system.

It is worth noting that global budgets could help hospitals through a pandemic. A state may need to rely on continued funding from Medicare and Medicaid to be able to afford a prospective global budget in pandemic times, so the Task Force may want to explore recommending something like the State Based Universal Health Care Act as necessary Congressional Action (cosponsored by Oregon Reps. Blumenauer, Bonamici, and DeFazio). This Act (H.R. 5010 in the 116th Congress) is likely necessary for other reasons if a state wants to implement a cost-effective and equitable health care system.

We believe that global budgets work best from an equity standpoint if the operational budget and capital budget are separated. The public should have substantial say over the distribution of health care resources, with less discretion given to hospital managers. Some concern at the 12/4 TAG meeting was expressed about the state possibly having too much control over capital spending. There is language In SB 770 that indicates an intent for more regional public control over such decisions, and there was more explicit language to this effect in earlier versions that is worth considering.

S.B. 770 alludes to the notion of regional public input in several places:

- Section 6(4)(j) on p. 7 – *[The Task Force report must include …]* The appropriate relationship between the board and regional or local authorities regarding oversight of health activities, health care systems and providers to promote community health reinvestment, equity and accountability

- Section 6(5)(g) on p. 9 – *[The Task Force report must include …]* (g) A description of how the Health Care for All Oregon Board or another entity may enhance: …
    - (C) Regional and community-based systems integrated with community programs to contribute to the health of individuals and communities;
    - (D) Regional planning for cost-effective, reasonable capital expenditures that promote regional equity;

- Section 7(2)(b) on p. 9 – Institutional providers shall be paid with global budgets that include separate capital budgets, determined through regional planning, and operational budgets.

SB 770 as introduced as introduced in the 2019 legislative session contained much more detailed language regarding regional planning, especially as related to capital budgets for hospitals. It seems it would be useful for the TAG to reflect on this language to see if it can help formulate recommendations regarding appropriate public control over hospital capital expenditures.

The following is language from pp. 12-14 of SB 770 as introduced in the 2019 legislative session. The bill was amended to become the bill that established the Task Force on Universal Health Care.

REGIONAL HEALTH PLANNING

SECTION 16. (1) As used in this section, "health care facility" has the meaning given that term in ORS 442.015, excluding long term care facilities.

(2) The Health Care for All Oregon Board shall divide this state into geographic regions, each encompassing an area of a size that will facilitate the planning, allocation and coordination of health services for the residents in the region. There must be at least one region for each congressional district

(3) For each region, the board shall establish a Regional Planning Board consisting of seven members who reside in the region and include:
   (a) At least two individuals with extensive health care consumer advocacy experience;
   (b) Individuals with significant expertise in public health and planning and in the delivery of health care; and
   (c) Individuals selected from among nominees recommended in response to an extensive solicitation to a broad range of health care providers and health care consumer advocacy organizations.

(4) The purposes of the Regional Planning Boards are to:
   (a) Ensure that the distribution of health resources, including health care facilities, machines, devices and services, is equitable throughout this state in order to achieve optimal population health; and
   (b) Promote accountability, transparency and public participation in the expenditure of public and private funds in the health care industry.

(5) Before an entity purchases equipment, expands a health care facility or constructs a new health care facility, the cost of which exceeds a threshold established by the Health Care for All Oregon Board, the entity shall submit the proposal to the Regional Planning Board for the area where the equipment or facility is located. The Oregon Health Authority may prescribe the form and manner for the submission of the proposal. The proposal must include an estimate of any projected changes in operating costs resulting from the purchase or construction and other information requested by the Regional Planning Board.

(6) Each Regional Planning Board shall, following widespread public notice, conduct a public hearing to solicit input from the members of the community regarding each proposal

submitted under subsection (5) of this section. The Regional Planning Board shall compile the input into a report, submit the report to the proposer and to the Health Care for All Oregon Board and make the report readily available to the public. If the entity is requesting public funding for the proposal, the Regional Planning Board shall submit recommendations to the Health Care for All Oregon Board, which shall decide whether to approve the request and the amount of funding to be provided.

(7) All meetings of the Regional Planning Boards are subject to ORS 192.610 to 192.690.

(8) In identifying regional needs for services, equipment and health care facilities, a Regional Planning Board shall hold public hearings and solicit advice from:
   (a) Regional advisory committees described in section 17 of this 2019 Act;
   (b) Coordinated care organizations with members residing in the region;
   (c) Health care provider groups and professional and trade organizations;
   (d) Patient and health care consumer advocacy organizations; and
   (e) Other organizations and groups operating in the region as necessary to obtain advice that is representative of the interests of residents in the region.

(9) The Oregon Health Authority shall provide staff support to the Regional Planning Boards and to each regional advisory committee

SECTION 17. The Health Care for All Oregon Board shall appoint a regional advisory committee for each region described in section 16 of this 2019 Act. Each committee shall consist of residents of the region who will advise the Health Care for All Oregon Board and the Regional Planning Board for the region. The regional advisory committees shall:

(1) Solicit input from the public;

(2) Receive and investigate complaints from residents of the region about health care providers or services and forward complaints, as the committee deems appropriate, to the Health Care for All Oregon Ombudsman;

(3) Conduct public hearings; and

(4) Assist the Health Care for All Oregon Board and the Regional Planning Boards as necessary to ensure that the health service needs of the region's residents can be met.