

SB 765 -2 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 3/4, 4/3, 4/8

WHAT THE MEASURE DOES:

Defines "primary care," "primary care integrated behavioral health clinician," "primary care integrated women's health clinician," and "total medical expenditures" for purposes of reports on spending for primary care by insurance carriers, Public Employees' Benefit Board (PEBB), Oregon Educators Benefit Board (OEBB), and coordinated care organizations (CCOs). Requires PEBB, OEBB, CCOs, and health insurance carriers reimburse a percentage, as established by the Director of the Department of Consumer and Business Services (DCBS) and Oregon Health Authority by rule, of all primary care costs using alternative payment methodologies (APMs). Requires PEBB, OEBB, CCOs, and health insurance carriers to report on spending targets, including spending on primary care and use of APMs.

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact

ISSUES DISCUSSED:

- Legislative history of primary care regulations
- Considerations of fee-for-service payment in primary care
- Patient-Centered Primary Care Collaborative process and recommendations
- Concern with inclusion of prescription of drugs in definition of "total medical expenditures"

EFFECT OF AMENDMENT:

-2 Defines "behavioral health clinician," "primary care," "primary care integrated behavioral health clinician," "primary care integrated women's health clinician," and "total medical expenditures" for or purposes of reports on spending for primary care by insurance carriers, Public Employees' Benefit Board (PEBB), Oregon Educators Benefit Board (OEBB), and coordinated care organizations (CCOs). Requires CCOs, no later than January 1, 2023 to spend at least 12 percent of total medical expenditures on primary care. Requires CCOs, PEBB, OEBB, and insurance carriers no later than January 1, 2020, to reimburse a percentage, established by OHA and DCBS in rule, of all primary care costs using alternative payment methodologies (APMs). Requires CCOs, PEBB, OEBB, and insurance carriers to annually report to OHA specifying the percentage of total medical expenditures planned to be spent on primary care, the percentage of spending on primary care that will be made using APMs, and the types of APMs to be used. Removes requirement that CCOs that participate in national primary care medical home payment model offer similar APMS to all patient centered primary care homes.

BACKGROUND:

Senate Bill 231 (2015) and House Bill 4017 (2016) require the Oregon Health Authority (OHA) and Department of Consumer and Business Services (DCBS) to report on the percentage of medical spending allocated to primary care by specified health insurance carriers, Public Employees' Benefit Board (PEBB), Oregon Educators Benefit Board (OEBB), and coordinated care organizations (CCOs). The joint report issued by OHA and DCBS in February 2019 showed that the percentage of spending on primary care ranged from 10.6 to 16.5 percent of medical expenditures, including:

This summary has not been adopted or officially endorsed by action of the committee.

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- CCOs: 16.5 percent
- Large commercial carriers: 13.4 percent
- PEBB and OEBC: 12.2 percent
- Medicare Advantage plans: 10.6 percent

Senate Bill 934 (2017) requires health insurance carriers and coordinated care organizations (CCOs) to allocate at least 12 percent of their health care expenditures to primary care by 2023. Research indicates that availability of primary care providers is associated with improved health outcomes, including reduced mortality rates, reduced rates of low birth weight and preventable hospitalizations, and increased self-rated health status.

Senate Bill 765 defines key terms for primary care spend reporting and adds the requirement that health insurance carriers and CCOs reimburse a percentage of all primary care costs using alternative payment methodologies.