

Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer



Joint Committee on Ways and Means

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee

From: Kim To, Legislative Fiscal Office

Date: June 4, 2019

Subject: HB 2267 – Relating to coordinated care organizations

HB 2267 authorizes the Oregon Health Authority (OHA) to establish a reinsurance program to make payments to coordinated care organizations (CCOs) that face particularly high costs in caring for members who require new, exceptionally costly drugs or treatments. The bill establishes the Tribal Advisory Council to serve as a channel of communication between CCOs and Indian tribes regarding the health of tribal communities. OHA is required to provide staff support to the council. In addition, the measure requires CCOs to collaborate with local public health authorities and hospitals to conduct a community health assessment and adopt a community health improvement plan. The health improvement plan must include strategies for achieving shared priorities. CCOs must post the plans to their websites. The measure authorizes OHA to prescribe by rule requirements for health improvement plans and provide guidance for aligning the timelines for the development of the community health assessments and health improvement plans by coordinated care organizations, local public health authorities and hospitals.

OHA estimates the cost of administering the reinsurance program to be \$1,211,309 Total Funds and 4 positions (2.42 FTE) for the 2019-21 biennium; and \$2,255,263 Total Funds and 5 positions (5.00 FTE) for the 2021-23 biennium. These costs will be offset by savings from reduced CCO administrative costs under the current reinsurance program, which has averaged more than \$3 million per year in recent years. If approved the corresponding General Fund appropriation and increase in Other Funds and Federal Funds limitation will be included in the agency's 2019-21 budget bill (SB 5525).

The measure previously had a hearing in the House Committee on Health Care on 3/26/2019 and 4/4/2019, and was reported out with a do pass recommendation.

Final Subcommittee Action

MOTION: I move HB 2267 to the Full Committee with a do pass recommendation.
(VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____