

**SB 765 A STAFF MEASURE SUMMARY****Carrier:** Sen. Beyer, Sen. Steiner  
Hayward**Senate Committee On Health Care**


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**Action Date:** 04/08/19  
**Action:** Do pass with amendments. (Printed A-Eng.)  
**Vote:** 3-2-0-0  
**Yeas:** 3 - Beyer, Fagan, Monnes Anderson  
**Nays:** 2 - Knopp, Linthicum  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** No revenue impact  
**Prepared By:** Brian Nieubuurt, LPRO Analyst  
**Meeting Dates:** 3/4, 4/3, 4/8

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**WHAT THE MEASURE DOES:**

Defines "behavioral health clinician," "primary care," "primary care integrated behavioral health clinician," "primary care integrated women's health clinician," and "total medical expenditures" for purposes of primary care spending reports 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 the Oregon Health Authority (OHA) to take into account anticipated primary care spending and use of alternative payment methodologies (APMs) when determining CCO global budgets. Requires CCOs, PEBB, OEBB, and insurance carriers, no later than January 1, 2023, to reimburse a percentage, established by OHA and Department of Consumer and Business Services (DCBS) in rule, of all primary care costs using 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 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.

**ISSUES DISCUSSED:**

- Legislative history of primary care payment initiatives
- Impact of changes in definition of "primary care" since passage of Senate Bill 231 (2015)
- Fee-for-service payment considerations in primary care
- Patient-Centered Primary Care Collaborative process and recommendations
- Concern with inclusion of prescription drugs in definition of "total medical expenditures"

**EFFECT OF AMENDMENT:**

Clarifies key terms and requirements for primary care spending and APM usage.

**BACKGROUND:**

With the passage of House Bill 2009 (2009), the Oregon legislature established the Patient-Centered Primary Care Home (PCPCH) Program. The PCPCH model fosters strong relationships with patients and their families to better care for the whole person. 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 231 (2015) and House Bill 4017 (2016) required 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

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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:

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

Senate Bill 934 (2017) required health insurance carriers, PEBB, OEBB, and CCOs to allocate at least 12 percent of their health care expenditures to primary care by 2023.

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