

House Bill 2742

Sponsored by Representative GOODWIN (Pre-session 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 **as introduced**.

Excludes certain costs from consideration as total health expenditures for purposes of Health Care Cost Growth Target program.

Requires preparation of fiscal impact statement for measures expected to affect ability of state or health care entities to meet health care cost growth targets and include extent to which measure is expected to impact access to health care, health equity and overall health of residents of this state.

A BILL FOR AN ACT

1
2 Relating to health care costs; creating new provisions; and amending ORS 173.035 and 442.385.

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

4 **SECTION 1.** ORS 442.385 is amended to read:

5 442.385. As used in this section and ORS 442.386:

6 (1) **“Essential services” means:**

7 (a) **Health services as defined in ORS 414.025;**

8 (b) **A service directly related to the treatment of a chronic condition;**

9 (c) **Pregnancy-related services;**

10 (d) **Prevention services including nonclinical services;**

11 (e) **Health system navigation services; and**

12 (f) **Care coordination.**

13 [(1)] (2) **“Health care” means items, services and supplies intended to improve or maintain hu-**
14 **man function or treat or ameliorate pain, disease, condition or injury, including but not limited to**
15 **the following types of services:**

16 (a) **Medical;**

17 (b) **Behavioral;**

18 (c) **Substance use disorder;**

19 (d) **Mental health;**

20 (e) **Surgical;**

21 (f) **Optometric;**

22 (g) **Dental;**

23 (h) **Podiatric;**

24 (i) **Chiropractic;**

25 (j) **Psychiatric;**

26 (k) **Pharmaceutical;**

27 (L) **Therapeutic;**

28 (m) **Preventive;**

29 (n) **Rehabilitative;**

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 (o) Supportive; or

2 (p) Geriatric.

3 [(2)] (3) “Health care cost growth” means the annual percentage change in total health expen-
4 ditures in this state.

5 [(3)] (4) “Health care entity” means a payer or a provider.

6 [(4)] (5) “Health insurance” has the meaning given that term in ORS 731.162.

7 [(5)] (6) “Net cost of private health insurance” means the difference between health insurance
8 premiums received by a payer and the claims for the cost of health care paid by the payer under a
9 policy or certificate of health insurance.

10 [(6)] (7) “Payer” means:

11 (a) An insurer offering a policy or certificate of health insurance or a health benefit plan as
12 defined in ORS 743B.005;

13 (b) A publicly funded health care program, including but not limited to Medicaid, Medicare and
14 the State Children’s Health Insurance Program;

15 (c) A third party administrator; and

16 (d) Any other public or private entity, other than an individual, that pays or reimburses the cost
17 for the provision of health care.

18 [(7)] (8) “Provider” means an individual, organization or business entity that provides health
19 care.

20 [(8)(a)] (9)(a) “Total health expenditures” means all health care expenditures on behalf of resi-
21 dents of this state by public and private sources, including:

22 (A) All payments on providers’ claims for reimbursement of the cost of health care provided;

23 (B) All payments to providers other than payments described in subparagraph (A) of this para-
24 graph;

25 (C) All cost-sharing paid by residents of this state, including but not limited to copayments,
26 deductibles and coinsurance; and

27 (D) The net cost of private health insurance.

28 (b) “Total health expenditures” may include expenditures for care provided to out-of-state resi-
29 dents by in-state providers to the extent practicable.

30 (c) **Notwithstanding paragraph (a) of this subsection, “total health expenditures” does**
31 **not include costs incurred by a health care entity to meet a community’s need for access to**
32 **health care, including but not limited to:**

33 (A) **Workforce costs.**

34 (B) **Pharmaceutical costs.**

35 (C) **Costs of essential services.**

36 **SECTION 2. Section 3 of this 2023 Act is added to and made a part of ORS 173.025 to**
37 **173.055.**

38 **SECTION 3. (1) As used in this section, “health care entity” has the meaning given that**
39 **term in ORS 442.385.**

40 **(2) The Legislative Fiscal Officer, with the aid of the Legislative Revenue Officer, Legis-**
41 **lative Policy and Research Director and state agencies, shall prepare a fiscal impact state-**
42 **ment for each measure reported out of a committee of the Legislative Assembly that could**
43 **have an effect on the ability of the state or health care entities, in the 10-year period fol-**
44 **lowing enactment of the measure, to meet the target for health care cost growth established**
45 **by the Health Care Cost Growth Target program under ORS 442.386, including the extent to**

1 **which the measure is expected to:**

2 **(a) Increase the operating expenses of health care entities in this state;**

3 **(b) Increase consumers' costs for health care including health insurance premiums and**
4 **cost sharing;**

5 **(c) Increase health care expenditures by the state or by local governments;**

6 **(d) Impact the overall growth in health care costs in this state;**

7 **(e) Impact access to health care in this state;**

8 **(f) Impact health equity in this state; and**

9 **(g) Impact the overall health of residents of this state including the extent to which the**
10 **concept is expected to reduce premature death and the economic loss associated with dis-**
11 **ease.**

12 **SECTION 4.** ORS 173.035 is amended to read:

13 173.035. The Legislative Fiscal Officer and Legislative Revenue Officer shall submit the state-
14 ment prepared under ORS 173.025 or 173.029 **or section 3 of this 2023 Act** to the Legislative As-
15 sembly at a time set by the rules of the house where the measure was introduced.