

Senate Bill 476

Sponsored by Senator HANSELL (Presession 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**.

Repeals provisions authorizing Oregon Health Authority to review material change transactions proposed between health care entities.

A BILL FOR AN ACT

1
2 Relating to material change transactions between health care entities; creating new provisions;
3 amending ORS 413.032, 413.037, 413.101, 413.181, 415.013, 415.019 and 415.103; and repealing ORS
4 415.500, 415.501, 415.505, 415.510, 415.512 and 415.900 and section 6a, chapter 615, Oregon Laws
5 2021.

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

7 **SECTION 1. ORS 415.500, 415.501, 415.505, 415.510, 415.512 and 415.900 and section 6a,**
8 **chapter 615, Oregon Laws 2021, are repealed.**

9 **SECTION 2. On the effective date of this 2023 Act, the Oregon Health Authority and any**
10 **review board appointed by the authority under ORS 415.501 shall cease all actions that are**
11 **pending before the authority or the review board on a notice of material change submitted**
12 **in accordance with ORS 415.501.**

13 **SECTION 3. A notice of material change approved by the Oregon Health Authority under**
14 **ORS 415.501 may not be enforced by the authority on and after the effective date of this 2023**
15 **Act.**

16 **SECTION 4. Moneys deposited to the Oregon Health Authority Fund under ORS 415.512**
17 **may be used by the Oregon Health Authority for the purposes described in ORS 413.101 (2).**

18 **SECTION 5. ORS 413.032, as amended by section 3, chapter 87, Oregon Laws 2022, is amended**
19 **to read:**

20 413.032. (1) The Oregon Health Authority is established. The authority shall:

21 (a) Carry out policies adopted by the Oregon Health Policy Board;

22 (b) Administer the Oregon Integrated and Coordinated Health Care Delivery System established
23 in ORS 414.570, the COFA Premium Assistance Program established in ORS 413.610 and the COFA
24 Dental Program established in section 1, chapter 87, Oregon Laws 2022;

25 (c) Administer the Oregon Prescription Drug Program;

26 (d) Develop the policies for and the provision of publicly funded medical care and medical as-
27 sistance in this state;

28 (e) Develop the policies for and the provision of mental health treatment and treatment of ad-
29 dictions;

30 (f) Assess, promote and protect the health of the public as specified by state and federal law;

31 (g) Provide regular reports to the board with respect to the performance of health services

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 contractors serving recipients of medical assistance, including reports of trends in health services
2 and enrollee satisfaction;

3 (h) Guide and support, with the authorization of the board, community-centered health initiatives
4 designed to address critical risk factors, especially those that contribute to chronic disease;

5 (i) Be the state Medicaid agency for the administration of funds from Titles XIX and XXI of the
6 Social Security Act and administer medical assistance under ORS chapter 414;

7 (j) In consultation with the Director of the Department of Consumer and Business Services, pe-
8 riodically review and recommend standards and methodologies to the Legislative Assembly for:

9 (A) Review of administrative expenses of health insurers;

10 (B) Approval of rates; and

11 (C) Enforcement of rating rules adopted by the Department of Consumer and Business Services;

12 (k) Structure reimbursement rates for providers that serve recipients of medical assistance to
13 reward comprehensive management of diseases, quality outcomes and the efficient use of resources
14 and to promote cost-effective procedures, services and programs including, without limitation, pre-
15 ventive health, dental and primary care services, web-based office visits, telephone consultations and
16 telemedicine consultations;

17 (L) Guide and support community three-share agreements in which an employer, state or local
18 government and an individual all contribute a portion of a premium for a community-centered health
19 initiative or for insurance coverage;

20 (m) Develop, in consultation with the Department of Consumer and Business Services, one or
21 more products designed to provide more affordable options for the small group market;

22 (n) Implement policies and programs to expand the skilled, diverse workforce as described in
23 ORS 414.018 (4); and

24 (o) Implement a process for collecting the health outcome and quality measure data identified
25 by the Health Plan Quality Metrics Committee and the Behavioral Health Committee and report the
26 data to the Oregon Health Policy Board.

27 (2) The Oregon Health Authority is authorized to:

28 (a) Create an all-claims, all-payer database to collect health care data and monitor and evaluate
29 health care reform in Oregon and to provide comparative cost and quality information to consumers,
30 providers and purchasers of health care about Oregon's health care systems and health plan net-
31 works in order to provide comparative information to consumers.

32 (b) Develop uniform contracting standards for the purchase of health care, including the fol-
33 lowing:

34 (A) Uniform quality standards and performance measures;

35 (B) Evidence-based guidelines for major chronic disease management and health care services
36 with unexplained variations in frequency or cost;

37 (C) Evidence-based effectiveness guidelines for select new technologies and medical equipment;

38 (D) A statewide drug formulary that may be used by publicly funded health benefit plans; and

39 (E) Standards that accept and consider tribal-based practices for mental health and substance
40 abuse prevention, counseling and treatment for persons who are Native American or Alaska Native
41 as equivalent to evidence-based practices.

42 (3) The enumeration of duties, functions and powers in this section is not intended to be exclu-
43 sive nor to limit the duties, functions and powers imposed on or vested in the Oregon Health Au-
44 thority by ORS 413.006 to 413.042, 413.610 to 413.613, 415.012 to 415.430, [415.501,] 741.001 to 741.540,
45 741.802 and 741.900 or by other statutes.

1 **SECTION 6.** ORS 413.037 is amended to read:

2 413.037. (1) The Director of the Oregon Health Authority, each deputy director and authorized
3 representatives of the director may administer oaths, take depositions and issue subpoenas to compel
4 the attendance of witnesses and the production of documents or other written information necessary
5 to carry out the provisions of ORS 413.006 to 413.042, 415.012 to 415.430[, 415.501] and 741.340.

6 (2) If any person fails to comply with a subpoena issued under this section or refuses to testify
7 on matters on which the person lawfully may be interrogated, the director, deputy director or au-
8 thorized representative may follow the procedure set out in ORS 183.440 to compel obedience.

9 **SECTION 7.** ORS 413.101 is amended to read:

10 413.101. (1) The Oregon Health Authority Fund is established in the State Treasury, separate
11 and distinct from the General Fund. Interest earned by the Oregon Health Authority Fund shall be
12 credited to the fund.

13 (2) Except as provided in subsection (3) of this section, moneys in the fund are continuously
14 appropriated to the Oregon Health Authority for carrying out the duties, functions and powers of
15 the authority under ORS 413.032[, 415.501] and 431A.183.

16 (3)(a) Moneys deposited in the fund pursuant to ORS 431A.880 are continuously appropriated to
17 the authority for the purpose of carrying out ORS 431A.855 to 431A.900.

18 (b) The authority may accept grants, donations, gifts or moneys from any source for the pur-
19 poses of carrying out ORS 431A.855 to 431A.900. Moneys received under this paragraph shall be
20 deposited into the fund and are continuously appropriated for the purposes of carrying out ORS
21 431A.855 to 431A.900.

22 (c) Moneys subject to a federal restriction or other funding source restriction must be accounted
23 for separately from other moneys described in this subsection.

24 **SECTION 8.** ORS 413.181 is amended to read:

25 413.181. (1) The Department of Consumer and Business Services and the Oregon Health Au-
26 thority may enter into agreements governing the disclosure of information reported to the depart-
27 ment by insurers with certificates of authority to transact insurance in this state and the disclosure
28 of information reported to the Oregon Health Authority by coordinated care organizations.

29 (2) The authority may use information disclosed under subsection (1) of this section for the
30 purpose of carrying out ORS 413.032, 414.572, 414.591, 414.605, 414.609, 414.638[,] **and** 415.012 to
31 415.430 [*and* 415.501].

32 **SECTION 9.** ORS 415.013 is amended to read:

33 415.013. (1) The Oregon Health Authority shall enforce the provisions of ORS 415.012 to 415.430
34 [*and* 415.501] and rules adopted pursuant to ORS 415.011[,] **and** 415.012 to 415.430 [*and* 415.501] for
35 the public good.

36 (2) The authority has the powers and authority expressly conferred by or reasonably implied
37 from the provisions of ORS 415.012 to 415.430 [*and* 415.501] and rules adopted pursuant to ORS
38 415.011[,] **and** 415.012 to 415.430 [*and* 415.501].

39 (3) The authority may conduct examinations and investigations and require the production of
40 books, records, accounts, papers, documents and computer and other recordings the authority con-
41 siders necessary to administer and enforce ORS 415.012 to 415.430 [*or* 415.501] and any rules adopted
42 pursuant to ORS 415.011[,] **or** 415.012 to 415.430 [*or* 415.501].

43 **SECTION 10.** ORS 415.019 is amended to read:

44 415.019. (1) The Oregon Health Authority shall hold a contested case hearing upon written re-
45 quest for a hearing by a person aggrieved by any act, threatened act or failure of the authority to

1 act under ORS 415.012 to 415.430 [*or 415.501*] or rules adopted pursuant to ORS 415.011[,] **or** 415.012
2 to 415.430 [*or 415.501*].

3 (2) The provisions of ORS chapter 183 govern the hearing procedures and any judicial review
4 of a final order issued in a contested case hearing.

5 **SECTION 11.** ORS 415.103 is amended to read:

6 415.103. A person may not file or cause to be filed with the Oregon Health Authority any article,
7 certificate, report, statement, application or other information required or permitted to be filed un-
8 der ORS 415.012 to 415.430 [*or 415.501*] or rules adopted pursuant to ORS 415.011[,] **or** 415.012 to
9 415.430 [*or 415.501*] that is known by the person to be false or misleading in any material respect.

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