74th OREGON LEGISLATIVE ASSEMBLY--2007 Regular Session

Senate Bill 821

Sponsored by Senator SCHRADER

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.**

Creates Task Force on Oregon Basic Health Care to study Oregon's health care and medical malpractice systems. Directs task force to make recommendations to Legislative Assembly for legislation designed to improve cost-effectiveness in Oregon's health care system, to achieve goals of providing basic health care to all Oregonians and to ensure that low-income working Oregonians receive best health care coverage.

Declares emergency, effective on passage.

1 **A BILL FOR AN ACT**

2 Relating to Task Force on Oregon Basic Health Care; and declaring an emergency.

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

4 **SECTION 1. The Legislative Assembly finds and declares that it is the policy of this state**
5 **that:**

6 **(1) All Oregonians deserve a basic level of health care regardless of age and income.**

7 **(2) No person should receive better basic health care coverage than low-income working**
8 **Oregonians.**

9 **SECTION 2. (1) There is created the Task Force on Oregon Basic Health Care, consisting**
10 **of 11 members appointed as follows:**

11 **(a) The President of the Senate shall appoint:**

12 **(A) Two members from among members of the Senate.**

13 **(B) Three members who represent health care providers, health system financial officers**
14 **and others with expertise in the areas to be examined by the task force.**

15 **(b) The Speaker of the House of Representatives shall appoint:**

16 **(A) Two members from among members of the House of Representatives.**

17 **(B) Three members who represent health care providers, health system financial officers**
18 **and others with expertise in the areas to be examined by the task force.**

19 **(c) The President and the Speaker shall jointly appoint one member who is an advocate**
20 **for consumers of health care.**

21 **(2) The task force may appoint subcommittees, which may include individuals who are**
22 **not task force members but have broad experience or expertise in the subject area of the**
23 **subcommittee.**

24 **(3) A majority of the members of the task force constitutes a quorum for the transaction**
25 **of business.**

26 **(4) Official action by the task force requires the approval of a majority of the members**
27 **of the task force.**

28 **(5) The task force shall elect one of its members as chairperson and another as vice**
29 **chairperson.**

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.

(6) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(7) The task force shall meet at times and places specified by the call of the chairperson or of a majority of the members of the task force. Subcommittees of the task force shall meet at times and places specified by the chairpersons of the subcommittees.

(8) The task force may adopt rules necessary for the operation of the task force.

(9) The Legislative Administration Committee and the Legislative Fiscal Officer shall provide staff support to the task force and subcommittees of the task force.

(10) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions of the task force shall be paid out of funds appropriated to the Legislative Administration Committee and the Legislative Fiscal Officer for that purpose.

(11) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the task force consider necessary to perform their duties.

SECTION 3. (1) The Task Force on Oregon Basic Health Care shall study Oregon's health care and medical malpractice systems and shall examine the following cost driver controls:

(a) Complete transparency of health system budgets, provision of charity care, administration, health outcomes and the true cost of health services;

(b) A pay for performance system that includes bonuses for better outcomes, evidence-based practices or limited operating margins;

(c) Controls on the costs of diagnostic equipment;

(d) Conversion to electronic medical records;

(e) Implementation of continuous improvement practices to reduce costs of management, technology and delivery; and

(f) Achievement of prescription drug cost savings through a preferred drug list, Medicaid waivers or a mail order pharmacy benefits manager for state employees or by providing incentives to pharmacists who educate consumers on ways to reduce drug costs and drug interactions.

(2) The task force shall submit a report containing its findings and recommendations for legislation to achieve the policies expressed in section 1 of this 2007 Act to the Seventy-fifth Legislative Assembly and, no later than October 1, 2008, to any interim committee related to health care.

(3) The task force report shall propose options for:

(a) New methodologies for prioritizing the list of condition and treatment pairs under ORS 414.720 to emphasize preventive and basic health care.

(b) Premium and cost-sharing approaches to ensure that every adult pays something for health care based on the adult's practical ability to pay including:

(A) Financial rewards for healthy lifestyles; or

(B) For persons who refuse to pay their share:

(i) Denial of a personal income tax exemption; or

(ii) Health care benefits that are limited to emergency, life-saving care and generic pain

management.

(c) Expansion of managed health care delivery statewide.

(d) Steps to ensure that all health care providers that receive state or federal taxpayer health care dollars serve an appropriate share of the high-risk populations in the state.

(e) A process that engages employers in development of a solution to Oregon's health care needs.

(f) Incentives to promote best practices and cost driver controls.

(g) Improvements to the certificate of need process so that the process is strengthened, encompasses all medical facilities and is administered by an impartial, independent board.

(h) Private insurance market reforms, including but not limited to:

(A) Eliminating all nonprevention health care mandates;

(B) Eliminating medical underwriting to ensure guaranteed renewal; or

(C) Prohibiting the practice of closing blocks of business.

(i) Approaches that reduce the cost of medical malpractice insurance including, but not limited to:

(A) Imposing caps on noneconomic damages in medical malpractice lawsuits;

(B) Establishing a loser pays system for litigation costs;

(C) Establishing a medical errors commission to look for system-wide medical errors, causes and approaches that prevent medical errors;

(D) Limiting contingent fee agreements;

(E) Amending the Oregon Evidence Code to specify that evidence of collateral source benefits is admissible in a medical malpractice trial;

(F) Requiring an option for installment payments of medical malpractice damage awards; and

(G) Requiring medical malpractice insurance policies to include no-fault provisions that protect physicians who recommend conventional diagnostic techniques as long as the techniques are generally accepted within the health care industry.

(j) Development of technologies for tracking costs, pharmacy administration, disease and care management, claims processing, converting to electronic medical records, and for systems that permit cost comparisons across health care systems and providers.

(k) Audit systems that include substantial penalties for providers and benefit managers that violate the rules.

(L) Requirements for individual purchase of supplemental private insurance for additional diagnostic techniques, treatment, surgery, catastrophic care and chronic care.

SECTION 4. Sections 1 to 3 of this 2007 Act are repealed on the date of the convening of the next regular biennial legislative session.

SECTION 5. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage.